



**Castle House
Great North Road
Newark
NG24 1BY**

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30 June 2026

**Chair: Councillor K Melton
Vice-Chair: Councillor L Tift**

Members of the Committee:

**Councillor N Allen
Councillor D Darby
Councillor S Forde
Councillor J Lee**

**Councillor S Michael
Councillor M Shakeshaft
Councillor T Wendels**

MEETING:	Audit & Accounts Committee
DATE:	Wednesday, 8 July 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.

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 22 April 2026	3 - 7
5. Strategic Risk Management	8 - 31
6. Internal Audit Progress Report 2025/26	32 - 64
7. Annual Internal Audit Report	65 - 71
8. External Auditors Audit Progress Report	72 - 83
9. Treasury Management Outturn Report 2025/26	84 - 92
10. Provisional Financial Outturn Report to 31 March 2026	93 - 122
11. Going Concern Status of the Council	123 - 127
12. Unaudited Statement of Accounts 2025/26	128 - 282
13. Information and Cyber Security Update	283 - 284
14. Work Programme for Audit and Accounts Committee	285 - 288
15. Exclusion of the Press and Public	
<p>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.</p>	
16. Exempt - Information and Cyber Security Update	289 - 292
17. Date of next Meeting - 23 September 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, 22 April 2026 at 6.00 pm.

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

Councillor D Darby, Councillor J Hall and Councillor T Wendels

APOLOGIES FOR ABSENCE: Councillor S Crosby, Councillor J Lee, Councillor C Penny and Councillor M Shakeshaft and C Richardson – Co-optee

54 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.

55 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.

56 MINUTES OF THE MEETING HELD ON 4 MARCH 2026

AGREED that the minutes from the meeting held on 4 March 2026 be approved as a correct record and signed by the Chair.

57 INTERNAL AUDIT PLAN 2026/27

The Committee considered the report from Philip Lazenby, Director of Audit (TIAA), to set the Internal Audit Plan for the 2026/27 financial year.

Appendix A provided the revised plan to be considered by the Committee.

AGREED (unanimously) that the Committee considered and commented upon the Internal Audit Plan for 2026/27 and approved for completion.

58 ANNUAL EXTERNAL AUDIT STRATEGY MEMORANDUM 2025/26

The Committee considered the report from the Business Manager for Financial Services presenting the External Audit Strategy Memorandum for the 2025/26 Statement of Accounts work for Members to review and comment.

The representative from Mazars, Ellie West presented the report to the Committee.

The External Audit Strategy Memorandum (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.

AGREED (unanimously) that the External Audit Strategy Memorandum be noted.

59 PROJECTED GENERAL FUND AND HOUSING REVENUE ACCOUNT REVENUE AND CAPITAL OUTFURN REPORT TO 31 MARCH 2026 AS AT 31 DECEMBER 2025

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

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

AGREED (unanimously) that:

- a) the Committee noted the General Fund projected favourable outturn variance of £0m;
- b) the Committee noted the Housing Revenue Account projected favourable outturn variance of £0.117m to the Major Repairs Reserve;
- c) the Committee note the Capital Programme revised budget and financing of £53.759m; and
- d) the Committee noted the Prudential indicators at Appendix A.

60 STATEMENT OF ACCOUNTING POLICIES 2025/2026

The Committee considered the report from the Assistant Business Manager for Financial Services providing updates made to the Council's accounting policies in relation to the closedown of the 2025/2026 financial year.

Prior to the completion of the Statement of Accounts for 2025/2026 it is important that Members are given the opportunity to discuss and comment on the accounting policies to be used in the production of the financial statements. These policies will be applied to the treatment of all transactions that make up the figures in the Statement of Accounts to ensure the accounts present a true and fair view of the financial position of the Council as at 31 March 2026.

AGREED (unanimously) that Members approved the amended Statement of Accounting Policies for 2025/2026.

61 UNDERLYING VALUATION ASSUMPTIONS FOR 2025/2026 STATEMENT OF ACCOUNTS

The Committee considered the report from the Assistant Business Manager for Financial Services to provide Members with information regarding the assumptions made by the Valuers in calculating the figures to be reported in the 2025/26 Statement of Accounts, as per the revaluation model approach taken by the Council under IAS 16 (International Accounting Standard 16 – Property, Plant and Equipment).

AGREED (unanimously) that Members noted and approved the assumptions used in the calculation of asset valuation figures for 2025/2026.

62 UNDERLYING PENSION ASSUMPTIONS FOR 2025/2026 STATEMENT OF ACCOUNTS

The Committee considered the report from the Assistant Business Manager for Financial Services to provide Members with information regarding the assumptions made by the pension fund actuary in calculating the IAS 19 (International Accounting Standard 19 - Employee Benefits) figures to be reported in the 2025/2026 Statement of Accounts.

AGREED (unanimously) that Members noted and approved the assumptions used in the calculation of pension figures for 2025/2026.

63 COUNTER-FRAUD ACTIVITIES FROM 30 SEPTEMBER 2025 TO 31 MARCH 2026

The Committee considered the report from the Business Manager for Financial Services informing Members of counter-fraud activity undertaken since the last update reported on 30 September 2025.

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

AGREED (unanimously) that Members noted the report.

64 FRAUD RISK ASSESSMENT

The Committee considered the report from the Business Manager for Financial Services informing Members of the update of the Fraud Risk Register undertaken during March 2026.

The report reminded Members that a fraud risk assessment was first undertaken in June 2014 and a fraud risk register produced and presented to the Audit and Accounts Committee.

The fraud risks are assessed annually and the register updated. The amended Fraud Risk Register as at April 2026 was attached at Appendix A to the report.

The exempt appendix was not discussed in the open meeting or the exempt discussed during the meeting.

AGREED (unanimously) that Members noted the content of the report.

65 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 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 is held in the exempt version.

The report informed the Committee that the action plan was now complete of all 24 actions and that 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.

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

66 WORK PROGRAMME FOR AUDIT AND ACCOUNTS COMMITTEE

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

The Chair expected more input to the Work Programme and the Business Manager for Financial Services would circulate further updates.

AGREED (unanimously) that the Work Programme be noted.

67 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.

68 EXEMPT - 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.

69 DATE OF NEXT MEETING - 8 JULY 2026

Meeting closed at 7.10 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 & Accounts Committee Meeting: 8th July 2026

Director or Business Manager Lead: Matthew Finch – Communities and Environment

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

Report Summary	
Report Title	Strategic Risk Management
Purpose of Report	To provide an update to members highlighting the Council's 2026/27 Strategic Risk Register and its current status.
Recommendations	Members of the Committee are asked to note amendments to the Strategic Risk Register and to highlight any issues of concern.
Reason for Recommendation	To ensure Committee members are aware of the new 2026/27 risk register and performance of the previous Council's strategic risks.

1.0 **Background**

- 1.1 Risk Management is the process of identification and management of risks faced by the Council, which have the potential to significantly prevent it from achieving its key/agreed objectives. Proactively identifying potentially significant risks and implementing suitable control strategies help prevent these risks from being realised, or if this is not possible, to mitigate the risk to a tolerable level.
- 1.2 Strategic risks are those risks that have the potential to halt or significantly interfere with the ability of the Council to achieve its core objectives, priorities and/or ambitions. Those risks that have the potential to halt or interfere with the ability of business units to achieve their specific operational service priorities are detailed with the operational risk register.
- 1.3 The previous 2025/26 strategic risk register was last reviewed by Members in December 2025.

2.0 Strategic Risk Review – New register 2026/27

2.1 In accordance with the Risk Management Policy, a facilitated strategic risk workshop was undertaken with the Senior Leadership Team (SLT) in February 2026. This workshop evaluated all existing strategic risks and identified emerging risks for the forth coming year.

Undertaking annual strategic risk reviews helps identify significant potential challenges the council may face so it may appropriately control or mitigate as required and where possible. The purpose of the annual strategic risk workshop is to:

- a) Consider the suitability of the existing register,
- b) Identify new, emerging or future significant risks, and
- c) Develop a formal register to address these risks

2.2 During the workshop, SLT agreed that:

- a) 3 existing strategic risks should be retained,
- b) 5 strategic risks would be reassigned as operational risks, and
- c) 3 new strategic risks be developed.

Details of these changes are listed below.

NEW STRATEGIC REGISTER 2026/27		
NEW RISK	Description	SLT OWNER
SR601 Finance GF	Financial Sustainability- General Fund	Nick Wilson
SR602 Finance HRA	Financial Sustainability- HRA	Nick Wilson & Suzanne Shead
SR603 DATA	Data Management Security	Nick Wilson
NEW- SR604 Housing Compliance	Housing Statutory Compliance Management	Suzanne Shead
NEW – SR605 Major projects	Delivering Major Projects	Matt Lamb
NEW -SR606 LGR	LGR Transition	Deborah Johnson

RISKS REMOVED FROM THE STRATEGIC REGISTER	
Risk	Notes
SR503 Failure to achieve housing growth targets	Reviewed and converted to an operational risk. Now reflects the operational issues regarding planning targets, DPP and their effect on the planning team.
SR504 Contract/Supply Failure	Reviewed and converted to an operational risk. Re focussed to specifically address housing contract functions.
SR505	Reviewed and converted to an operational risk.

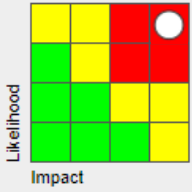
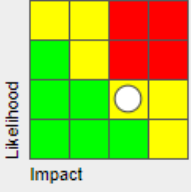
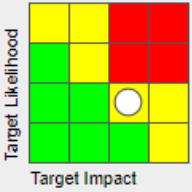
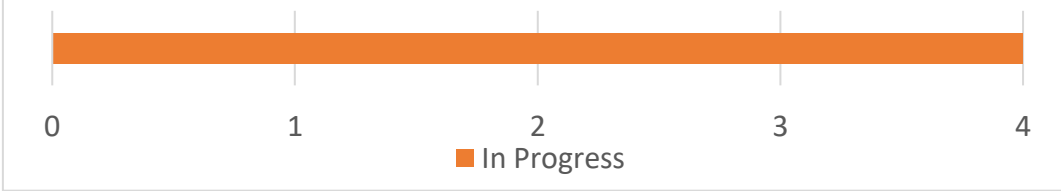
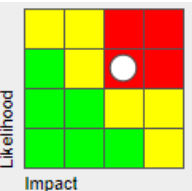
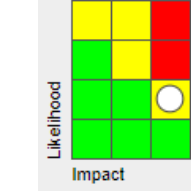
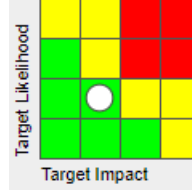
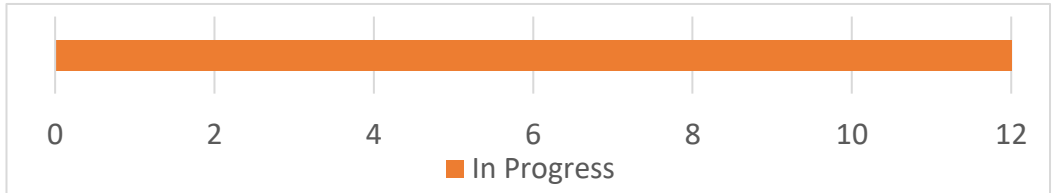
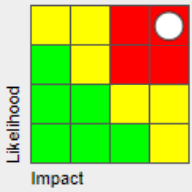
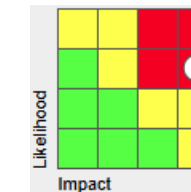
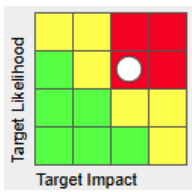
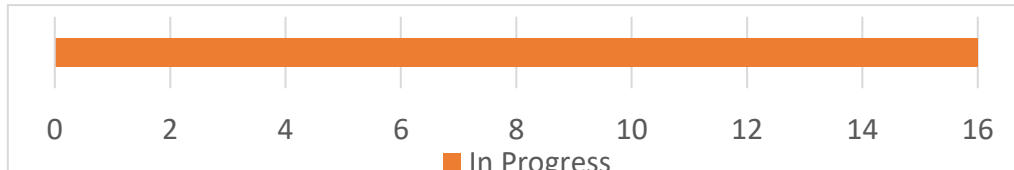
Workforce	Merged with existing HR ORs relating to workforce.
SR506 Governance	Reviewed and converted to an operational risk. New operational risk owned by the Monitoring Officer. Financial elements (i.e. fraud) now located within Fraud risk register.
SR508 Environment	Reviewed and converted to an operational risk. Aligned with Corporate Carbon group's action plan.

- 2.3 Only 3 of the current strategic risks (SR601, SR602 and SR603), identified within the 26/27 register are pre-existing and without alteration/amendment. These therefore are fully developed and have established action plans.
- 2.4 SR604, SR605 and SR606 are new risks. These have all been fully reviewed and developed to ensure they are appropriate and have suitable action plans. These developed risks have been to SLT for discussion/agreement and are now active.
- 2.5 All strategic risk identified within the 26/27 register are owned by a member of SLT. Risk owners, with the assistance of lead officers and Safety, Risk and Insurance Manager, meet on a quarterly basis to review and develop the risk.

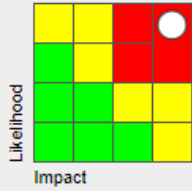
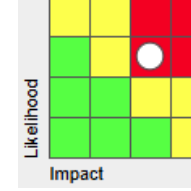
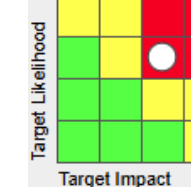
3.0 Strategic Risk Register Performance

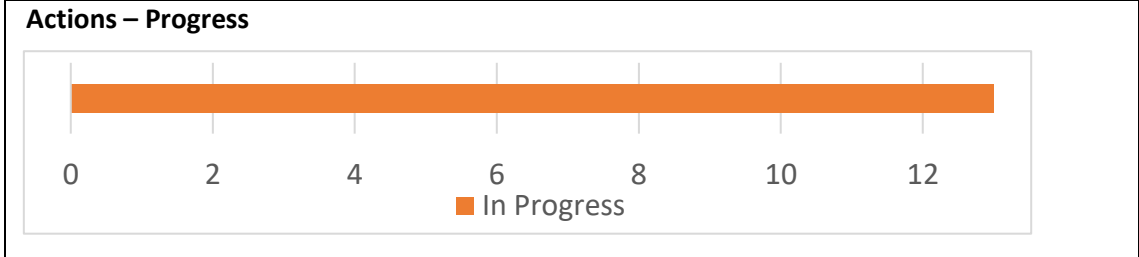
- 3.1 All strategic risks have identified actions. The purpose of these actions is to mitigate the risk to a tolerable level. Actions and due dates are determined by the risk owner and their progress is monitored at quarterly reviews.
- 3.2 Due to the nature of strategic risks some actions are assigned long due dates, many of which may exceed a year before completion is required. Other actions may also be cyclical and appear a number of times within a year.
- 3.3 The current strategic risk register has a total of **54** active actions assigned to the 6 risks. The table below illustrates the current status of each strategic risk score and their associated actions.

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

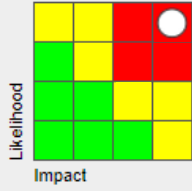
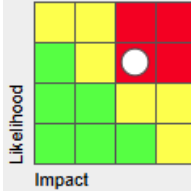
SR601- Financial Sustainability- General Fund			
<p>Uncontrolled Risk</p> 	<p>Current Risk Score</p> 	<p>Target Risk Score</p> 	<ul style="list-style-type: none"> ▪ Risk score has remained static. ▪ At SLT target score.
<p>Actions – Progress</p> 			
SR602 - Financial Sustainability- HRA			
<p>Uncontrolled Risk</p> 	<p>Current Risk Score</p> 	<p>Target Risk Score</p> 	<ul style="list-style-type: none"> ▪ Risk score has remained static. ▪ Not yet at SLT target score.
<p>Actions – Progress</p> 			
SR603- Data Management Security			
<p>Uncontrolled Risk</p> 	<p>Current Risk Score</p> 	<p>Target Risk Score</p> 	<ul style="list-style-type: none"> ▪ Risk score has remained static. ▪ Not yet at SLT target score.
<p>Actions – Progress</p> 			

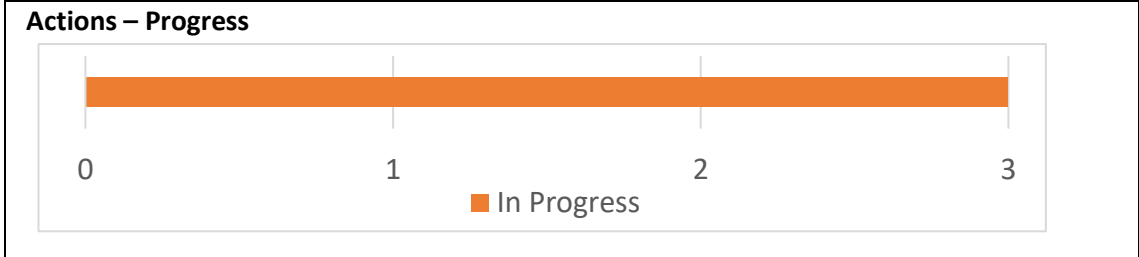
SR604 – Housing Statutory Compliance Management

<p>Uncontrolled Risk</p> 	<p>Current Risk Score</p> 	<p>Target Risk Score</p> 	<ul style="list-style-type: none"> ▪ New risk. ▪ At SLT target score.
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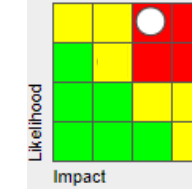
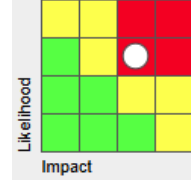
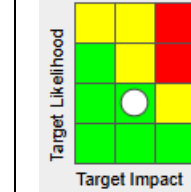


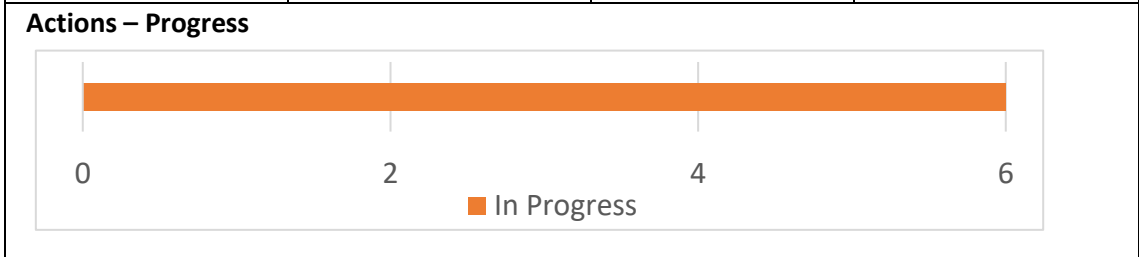
SR605 – Delivering Major Projects

<p>Uncontrolled Risk</p> 	<p>Current Risk Score</p> 	<p>Target Risk Score</p> <p align="center">To be confirmed at next review</p>	<ul style="list-style-type: none"> ▪ New risk ▪ Target score to be confirmed.
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SR606- LGR

<p>Uncontrolled Risk</p> 	<p>Current Risk Score</p> 	<p>Target Risk Score</p> 	<ul style="list-style-type: none"> ▪ New risk. ▪ Not yet at SLT target score.
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3.0 Strategic Risk Register 2026/27- Development and Review

3.1 All strategic risks continue to be reported to SLT, via our agreed assurance process, on a quarterly basis. The purpose of this process is to identify those risks that are red, failing or not reviewed during the previous quarter, for consideration by SLT.

3.4 All 6 current strategic risk assessments have been appended to this report in full.

4.0 Proposal/Options Considered

4.1 Members of the committee note the amendments to the Strategic Risk Register. An update report will be brought to the Audit and Governance Committee in 6 months.

5.0 Implications

In writing this report and in putting forward recommendation's officers have considered the following a range of implications. This report in itself does not have any implications. During the risk reviewing process any controls that are identified are considered in terms of the implications they may have before they are agreed as an appropriate control.

Background Papers and Published Documents

None for this report

APPENDIX 1 – Strategic Risks

SR601 Financial sustainability – General Fund	
Description	Ensuring financial sustainability of the general fund to allow the council to undertake its core functions, deliver services, meet its corporate priorities and objectives.
Lead Officer	Nick Wilson
Support Officers	

Uncontrolled Risk Matrix	Current Risk Matrix	Target Risk Matrix

Date Last Reviewed
02-Mar-2026

Controls In Place	<p>Quarterly Capital monitoring meetings</p> <p>Investments approved in line with the annually agreed Treasury Management Strategy</p> <p>Annual refresh of Medium Term Financial Plan including management of reserves</p> <p>Council approved Capital programme</p> <p>Financial implications added to Committee reports by Financial Services and a unique reference given each time</p> <p>Financial strategies and budget reviewed through Cabinet annually</p> <p>Use of external Medium Term Financial Plan tool which assists with forecasting future Business Rates income for the following year budget</p> <p>Assigned project manager for each major project the Council is embarking on</p> <p>Commercial officer group established to identify business opportunities in service areas</p> <p>Director/Business Unit Manager quarterly meetings reviewing Directorate financial position</p> <p>Approved Commercial strategy to support objectives set out in the MTFP</p> <p>Approved Investment Plan to support the objectives set out in the Commercial Strategy</p> <p>Nottinghamshire Business Rates Pool mitigating large impacts of reductions in Business Rates. This is kept under review by Nottinghamshire S151 officers</p> <p>Quarterly budget monitoring report tabled at SLT, Cabinet and PPIC</p> <p>Annual Financial Regulations training in place</p> <p>Lead authority for administration around Notts Business rates pool</p> <p>Contract procedure rules in Constitution refreshed May 22</p> <p>Acquisition and disposal policy - Approved Nov 2021</p> <p>Internal Audit</p> <p>Corporate land and property group established and meet regularly</p> <p>Review of chancellor's budget statements/fiscal events</p> <p>Commercial group established and projects identified by BM's across the authority.</p> <p>Allocation of resources both staffing and financial to account the councils'</p>
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	<p>major projects in the capital programme and in the pipeline. Initial allocation of resources carried out by SLT.</p> <p>Fair funding 2.0 review no completed future 3 year funding agreed</p> <p>MTFP annual shortfall review complete to be reviewed again 4th year</p>
Risk Categories	<p>Financial</p> <p>Meeting corporate objectives</p> <p>Service delivery</p> <p>Reputation</p> <p>Governance</p> <p>Compliance</p>
Trigger/Event	<p>Unforeseen rise in interest rates over forecasted levels</p> <p>Changes in national policy eg. fair funding review, change to government political parties</p> <p>Change in local political balance resulting in change in priorities</p> <p>Banking crisis</p> <p>Over reliance and poor decision making on investments</p> <p>Member priorities diverging from corporate priorities</p> <p>Increase CPI/RPI figures</p> <p>Failure of subsidiary companies</p> <p>Major contract failure</p> <p>Failure of HRA</p> <p>Reduction in Business Rates</p> <p>Poor decision making and business planning</p> <p>Budgeted income levels not meeting target</p> <p>Actual funding received not in line with expected funding (central Gov and Notts Pool)</p> <p>Change in government policy significantly reducing income/funding</p> <p>Changes in government policy/direction impacting resulting in additional costs</p> <p>Failure in compliance/ governance</p> <p>Fraud</p> <p>Global Pandemic</p> <p>Economic downturn</p> <p>Cyber-attack/fraud</p> <p>Utility price increase</p> <p>Supply chain – significant sudden increase in costs</p> <p>Levelling up Nottingham and Nottinghamshire project</p> <p>Local government reorganisation</p>
Impact	<p>Inability to fund services resulting in reduction in discretionary services and reduction in quality-of-service provision</p> <p>Inability to meet corporate priorities/community plan</p> <p>Inability to meet legislative requirements</p> <p>External auditors review</p> <p>Government taskforce</p> <p>Negative media/reputation</p> <p>Loss of ability to make local decisions</p> <p>Division between members and officers</p> <p>Greater division between political parties</p> <p>Staff morale, loss of key staff and reduction in workforce</p> <p>Staff morale and loss of key staff</p> <p>Fines/ enforcement</p> <p>S151 officer issues S114 notice</p> <p>Curtailment of activities of the subsidiaries/HRA/Major projects</p> <p>Impact on residents and communities</p> <p>Impact on income streams</p> <p>Reduction/disposal of assets</p> <p>Impact on the funding of the capital programme requiring reprioritisation of projects and a consequential impact on the GF due to additional interest cost/additional costs of borrowing</p>

SR602 Financial sustainability - HRA	
Description	Financial sustainability of the HRA to ensure the council is able to provide, maintain and develop its housing stock.
Lead Officer	Nick Wilson, Suzanne Shead
Support Officers	Andrew Snape, Jordan Hempenstall, Wayne Fox, David Price, Julie Davidson

Uncontrolled Risk Matrix	Current Risk Matrix	Target Risk Matrix

Date Last Reviewed
17-Mar-2026



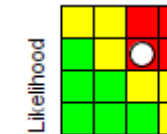
Controls In Place	<ul style="list-style-type: none"> • Quarterly Capital monitoring meetings • Investments approved in line with the annually agreed Treasury Management Strategy • Annual refresh of HRA financial business plan • Council approved Capital programme • Financial implications added to Committee reports by Financial Services • Financial strategies and budget reviewed through Cabinet annually • Use of external HRABP tool allows scenario planning • Assigned project manager for each major project the Council is embarking on • Director/Business Unit Manager quarterly meetings reviewing Directorate financial position • Quarterly budget monitoring report tabled at SLT and Cabinet • Annual Financial Regulations training in place • Current development programme ensuring growth in house numbers, over and above the offsetting disposals through Right to Buy • Attendance at Housing related horizon scanning events, in order to feed future impacts into HRABP • Reserves in place • Effective challenge of recharges from GF to HRA
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Risk Categories	Financial Meeting corporate objectives Service delivery Reputation Governance Regulation Compliance
Trigger/Event	Change in national policy & legislative requirements Increase in interest rates Increased rent arrears Suitability of stock meeting future standards Increase or change in standards required

	<p>Current stock does not meeting housing needs Workforce issues Failing to ensure compliance with relevant legislation causing regulatory bodies to intervene Non-compliance with RSH regulatory standards Meeting tenant priorities Ineffective strategic decision making and business planning Key HRA major projects failure Ineffective management of housing maintenance function Loss of critical income streams Fraud Failure to manage critical income streams/ invest Global Pandemic Supplier/contractor cost increases due to demand/supply issues changes in the economy Inability to secure sufficient external funding to regenerate existing stock to meet enhanced standards Conflicting strategic direction and lack of regular review of 30 year business plan Zero carbon works identifies significant increase in costs Stock condition survey identifies significant increases in costs Local government reorganisation</p>
Impact	<p>Inability to maintain stock to acceptable level including development of future homes Changes in national policy requiring internal funding above levels sustainable within business plan. Increased requirement to use internal funding, Reprioritisation of service delivery Cash reserves used to right off rent arrears and voids Substandard housing stock Loss of morale and high staff turnover Fines, notices, court cases and legal fees Moratorium of services Stakeholder Dissatisfaction with service delivery Greater scrutiny on service slowing decision making Poor local housing policy Project failure Contract disputes S151 officer issues S114 notice Failure to service debt Legislative requirements not met Negative impact on residents and tenants Increase in void properties Regulatory notice Loss of access to grant funding</p>

SR603 Data management and security	
Description	Deliberate or unintentional loss/disclosure of personal, sensitive, confidential, business critical information or breach of information governance legislation
Lead Officer	Nick Wilson
Support Officers	Dave Richardson, David Clarke, Lisa Ingram

Uncontrolled Risk Matrix	Current Risk Matrix	Target Risk Matrix
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 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>
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Date Last Reviewed
05-Mar-2026

Controls In Place	<p><u>Policy and Guidance</u> Policy suite and supporting guidance including: ISMS Cyber security strategy IG strategy</p> <p><u>Training/ Guidance</u></p> <ul style="list-style-type: none"> • Training for all staff taking payments in line with PCI-DSS requirements. • Training for ICT staff. • Data protection training including a section on information security and targeted training ongoing for staff located elsewhere and forms part of the induction process. • Information governance check on furniture that is being disposed of. • Information E Training completed by all staff. • Annual review of Information Asset Register. • Annual mandatory GDPR, cyber and spear phishing online training for all staff and councillors. • Guidance and training available for elected members. • Guidance on security breach procedures for Business Managers as Information Asset Owners • Data security communications to all staff following identification of risk • All data protection/ICT issues captured within single register • 6 monthly testing exercise undertaken with users- data reported to SLT & CIGG <p><u>Governance and Compliance</u></p> <ul style="list-style-type: none"> • CIO/SIRO/DPO appointed • Compliance with the government's security arrangements. • PSN compliant data & internet connections implemented • Compliance with new Cabinet Office email standards achieved. • Weekly review of ICO guidance. • Periodic PCI/DSS compliance checks • Data Privacy Impact Assessment. • Annual SIRO audit. • Review of policies and procedures to ensure compliance with latest Payment Card Industry- Data Security Standard (PCI-DSS) • Cyber Security now standing agenda item on monthly business unit management meetings. • Governance arrangements established through CIGG with monthly review. • CIGG meeting every quarter to review risks. • External Audit on ICT security annually. • Implementation of an ISMS project team • Implementation of continual assurance programme following implementation of ISMS • Amalgamation of digital transformation board with CIGG
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	<ul style="list-style-type: none"> • CAF ready status achieved • Report template has been amended to include data protection/ICT issues <p><u>ICT/Equipment specific controls</u> Encryption for mobile devices.</p> <ul style="list-style-type: none"> • Google Authenticator. • Quarterly ICT security checks internally. • Penetration test annually by external company - monthly scans of servers for weaknesses, monthly server updates and monthly scans of Microsoft Office and Windows. • Perimeter software • Hardening test on new virtual servers. • Documents scanned reducing the need for paper. • Secure server room. • East Midlands WARP membership • Monthly updates of Adobe products. • Program in place to ensure the continual maintenance & upgrade of the ICT environment. • Secure portal for Members to access the Extranet. • MDM (Mobile Device Management) implementation for mobile devices. • DMark, DKim SPF and TLS secure email authentication software. • Encryption for secure emails and large files for email. • Report & record all cyber-attacks/attempts and escalate to SLT where appropriate Users own devices cannot connect to network • 'Consent' tick box on appropriate forms. • Blocking of unauthorised network devices • All removal media is encrypted upon connection to systems <p><u>Partners and Stakeholder specific controls</u></p> <ul style="list-style-type: none"> • Non-disclosure agreements in place for third party access. • Use of data processing and agreements with partners. • Use of licensed confidential waste handler. • Letters sent to all third parties who process personal data on behalf of NSDC advising of additional responsibilities under GDPR and data processing agreements in place. • SOC implemented- security operation centre • Cyber incident response on retainer- CIR
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Risk Categories	Loss of vulnerable, personal, sensitive valuable data Legal compliance Reputation Financial Partners/stakeholders Disruption of service- including from a cyber attack Supply chain
Trigger/Event	(Organisational) <ul style="list-style-type: none"> • Personal, confidential or corporately sensitive/business critical information disclosed unintentionally or through error of judgement, data breach - intentional (malicious). • Theft or loss of equipment/papers/data belonging to the council, partners or third party companies. • Failure to respond to subject access requests/information requests accurately and within statutory timeframes • Failure to identify and respond to a data breach promptly and effectively • Failure to protect information from accidental loss, corruption or disclosure or other non compliance with Data Protection Principles,

	<p>by NSDC or a third party, involving large volumes of personal data or smaller volumes of sensitive personal data</p> <ul style="list-style-type: none"> • Repetition of reportable data security breach • Insufficient due diligence during procurement and termination of cloud base systems supported by third parties. • Accelerated delivery of digital agenda • Agile Working i.e. mobile/remote/home working/home printing/disposal of printed data/Outreach posts. • Loss of key resources/staff. • Reducing resources with less capacity for processing data. • New and inexperienced staff/elected members with access to data. • Lack of suitable training/competency/communications • Re-alignment and integration of new services • Misinformation/ Disinformation? <p>(Systems/assets)</p> <ul style="list-style-type: none"> • Cyber attack: (either targeted such as denial of service or unintentional human error e.g. - access to link on another website). • Failure to protect information assets from an internal malicious attack leading to a data breach, corruption of data assets, loss of asset or service. • Failure to adopt appropriate technical security measures for keeping data secure within our systems and platforms which results in a significant data breach • Accidental data breach through any electronic source • Use of BYOD (Bring your own device). • Unsupported software/unforeseen loss of support. • Decommissioning of property/asset <p>(Partners and stakeholders)</p> <ul style="list-style-type: none"> • Collaborative working, sharing, outsourcing and partnership working (including external printing and hybrid mail)/involvement in other peoples' data • Partnership working and sharing new service locations/data sharing issues. • Partner's/contractor's/host's poor data management and information security leading to data breach/loss. • Use of suppliers/third parties, etc. • Government integration agenda e.g. Increased working between public bodies • Local government reorganisation/Combined authority/change in service delivery model. • Third party access to IT systems. • Adoption of unsupported/dated systems from third parties <p>(Accreditations)</p> <ul style="list-style-type: none"> • Termination of PSN/GCSX standards by the Cabinet Office limiting options for securely sharing with some Public Sector organisations • Failure to comply with relevant standards and legislation including PCI-DSS/Cyber Essentials/NCSC best practice/PSN. <p>(External Factors)</p> <ul style="list-style-type: none"> • Emergency event-eg power loss – leading to increased reliance upon ICT systems and potential loss of data/corruption of data • Geopolitical
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	<p>(Local Government Restructure)</p> <ul style="list-style-type: none"> • Increased sharing of data • Merging of systems • Integration of new systems • Capacity and resourcing shadow authority • Increase in potential cyber attacks <p>(AI)</p> <ul style="list-style-type: none"> • Incorrect/ unsupported use of AI • Non-compliance with DP • Non-compliance with AI policy • Inappropriate use of AI
<p>Impact</p>	<p>(Finance/legal)</p> <ul style="list-style-type: none"> • Loss/damage to an individual where the Council inappropriately released their personal data • ICO fine/Civil claims. • Resource impact of Information Commissioner investigation.eg ICO actions • Breach of Access to Information legislation bringing about financial/legal damage - imposed on the Council by the Information Commissioner and other Statutory Bodies. • Disciplinary action taken against a member of staff and elected members if a breach is found to be deliberate/malicious. <p>(Resource)</p> <ul style="list-style-type: none"> • Drain on resources to process and enable conformity in legislation. • Greater demand on existing resource • Operational and resource issues eg. Service interruption - where focus has to be taken away from service delivery to dealing with the breach. • Reduced service provision resulting from lack of ability to work remotely and available physical resource • Increased demand on existing services • Inability to deliver critical/key services • Capability of infrastructure/system to deliver services – i.e. increased demand during emergencies <p>(Reputation)</p> <ul style="list-style-type: none"> • Damage to reputation of the Council/trust by the public. • Loss of confidence within the Council • Loss of confidence with partners and stakeholders • Negative media coverage <p>(Partners)</p> <ul style="list-style-type: none"> • Loss of provision to customers and partners e.g. Active4Today, DWP, • CCTV (under current arrangements) leading to disputes over SLAs and contracts and potential loss of income, e.g. partner rent for Castle House. • Loss of partner data where the council is the data processor - subsequent impact on partner's reputation. • Withdrawal of service from partners and stakeholder • Cyber-attack leading to system downtime/damage/loss of data (Ransom Ware) and financial loss/ resource drain

	<p>(Contractors/supply chain)</p> <ul style="list-style-type: none"> Less direct control over data as we procure, migrate to and terminate cloud base systems
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SR604 HSG Statutory compliance management	
Description	Implementation and maintenance of suitable management systems to ensure statutory safety compliance for the “BIG 7”.
Lead Officer	Suzanne Shead
Support Officers	Norman Emery, Wayne Fox

Original Matrix	Current Risk Matrix	Target Risk Matrix

Review Date
30-Mar-2026

Controls In Place	<ul style="list-style-type: none"> Policies and procedures Dedicated Compliance team and compliance reporting procedures Dedicated software –asset compliance/management software ICT systems Contract management systems Performance management systems Training and competence Staff/tenants/contractor Information/education to tenants Enforcement of tenancy agreements Assurance and scrutiny process – operational and committee levels Use of specialist contractors/advisors Competent/licenced/registered engineers/inspectors Auditing and inspection processes Reconciliation processes Complaints processes Tenant engagement Maintenance/inspection programmes Pre let inspections Business planning Compliance with regulatory standards Housing Assurance Board Safety & Quality standard self-assessment undertaken Regular Corporate & HRA compliance shared meetings Tenancy engagement/enforcement procedures
Risk Categories	<ul style="list-style-type: none"> Legal Negative media coverage Reputation Customer satisfaction/impact Financial impact (rectification)

<p>Trigger/Event</p>	<ul style="list-style-type: none"> • Increased resource demand • Remedial works not undertaken in a timely manner • Poor/incomplete compliance management systems in place • Failure to undertake statutory examinations • Poor record management/ software management systems • Failure of ICT and associated support systems • Cyber-attack/Ransom ware –denied/denying access to records • Data protection loss/GDPR • Contract management – controls to manage/address poor performance/contract exit arrangements, use of evergreen contracts (non-ending), poor procurement • Poor contractor engagement • Essential supplier chain failure/goes into administration • Incorrect sub-contracting procedures • Resource demand/conflict • Recruitment – inability due to market demands • Loss of key personnel • Insufficient finance • Insufficient Resourcing • Changes in legislative/guidance requirements • Damp/mould – introduction of Social Housing Bill 2023 • Routine inspection/audit identifies non compliance • Incorrect response to an accusation, complaint or request for service • Unauthorised repairs, sabotage, maintenance, alterations and installations • Emergency incident – fire, gas, flood, preventing ability to undertake compliance tests. • Hospitalisation/fatality - Investigations to establish cause/identify reports • Local government restructure
<p>Impact</p>	<ul style="list-style-type: none"> • Loss of life/ severe injury/ hospitalisation • Service delivery - Loss of systems/equipment failure/out of use • Legal/enforcement action/Fines/Regulatory judgement Criminal procedures -Fines/enforcement action • Regulatory notice issued • Regulatory body short notice inspection • Self-referral to regulatory (co-regulation) • Diverted resources due to regulatory body investigations • Civil claim due to failure • Leaseholders litigation – communal areas, cladding and Front doors • Investigations to establish cause/identify reports for Legal/enforcement action/Fines/Regulatory judgement • Increased scrutiny/monitoring – customer, committees, Regulator etc. • Contract failure/suspension • Contract dispute • Financial – budget overspend, income generation/protection, rent loss, MTFP, viability of HRA business plan. Effect on GF income • Loss/reduction of service to Council, partners and tenants(commercial and domestic) • Financial impact (rectification) • Increased resource demand • Service delivery - Loss of essential service & System/equipment failure/out of use

	<ul style="list-style-type: none"> • Unable to deliver a suitable service/essential service • Need to re home tenants • Reputation • Negative local or national press coverage • Increase turnover of staff • Inability to recruit the right staff • Poor morale/stress of workforce • Political engagement • Enforcement agency engagement • Accident/incident/poisoning • Customer satisfaction/impact
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SR605 Delivering Major Projects	
Description	Failure to deliver or sufficiently advance approved capital projects within the Council's Capital Programme and Community Plan prior to mandated funding deadlines and/or the end of Newark & Sherwood District Council.
Lead Officer	Matt Lamb
Support Officers	TBC

Uncontrolled Risk Matrix	Current Risk Matrix	Target Risk Matrix

Date Last Reviewed
24-Mar-2026

Controls In Place	<ul style="list-style-type: none"> • Approved capital programme • Approved community plan • Capital monitoring group • Project risk registers • Internal audits • Formal external/internal reporting including frequent reports to relevant grant funders, committees & SLT • Procurement policy • Contract procedure rules- Reference/ credit checks for suppliers prior to awarding projects • Quality based tendering process • Financial regulations • S151 officer • Credit checks • PIDs • Security of tenure including tenants - Agreement to lease upon practical completion • Dedicated and competent project managers with required skills/expertise • Delegated roles within the project team • Use of consultants where necessary • Grant funding agreements
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	<ul style="list-style-type: none"> • Due diligence funding checks • Funding fraud risk procedures • Stakeholder engagement meetings
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Risk Categories	Finance Resourcing Reputation Workforce Political Legal/Contractual Leadership Partnerships
Trigger/Event	<ul style="list-style-type: none"> • Overdemand • Capacity, capability, resource & Workforce issues • Loss or unavailability of key personnel/project manager • Poor governance • Finance/ budget • Market driven financial pressures (inflation, unfixed contract prices) • Procurement non-compliance • Interruptions due to incidents, unknowns & external factors diverting priority • Knock on consequences to critical path deadlines of delay • Delivery Issues/ delayed delivery (legal, approvals) • Shift in political appetite affecting project continuation or new project initiation • Delays in political decision making • Decision making from shadow authority • Changes in policy, regulations & legislation • Failure to comply with funding requirements • Grant availability & conditions • Partnership failures • Failure to comply with regulatory conditions • Supplier overload • Variations/scope creep • Lack of or inability to obtain expertise of subject exposure • Delivering partner entering administration • Third party permissions (landowners/utilities) • Limited contractor availability • Contracting • Failure to engage with stakeholders/consultees • Occupier/ end-user withdrawal or ceasing to operate
Impact	<ul style="list-style-type: none"> • Failure to deliver community plan/intended project objectives • Delays in delivering projects and associated benefits • Additional/repeat procurement • Alteration of initial project • Abortive work • Delivery of a project that is unsuitable or not fit for purpose • Administrative change • Additional resourcing • Capacity of staff • Decline in staff morale • Increased staff turnover • Reduced public confidence • Reputational damage & deterioration of stakeholder relationships • Misinformation/ disinformation

	<ul style="list-style-type: none"> • Additional financial pressures that could effect MTFP • Involvement or intervention from regulatory bodies • Fines/ prosecutions • Legal challenges • Claims against the organisation • Partners withdrawing • Withdrawal/repayment of funding • Ineligibility to apply for future funding • Negative impacts on supply chain & suppliers
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SR606 LGR	
Description	To ensure smooth transition maintaining effective business as usual (BAU) delivery while implementing significant change. This includes pressures on workforce capacity, operational resilience and the ability to support staff, residents, and elected members throughout the transition
Lead Officer	Deborah Johnson
Support Officers	Carl Burns, Carina Tona, Sarah Lawrie, Nick Wilson

Uncontrolled Risk Matrix	Current Risk Matrix	Target Risk Matrix

Date Last Reviewed
07-May-2026

Controls In Place	<p>Programme Management</p> <ul style="list-style-type: none"> • Maintenance of a clear and regularly reviewed LGR programme governance structure with defined senior ownership and escalation routes. • Ongoing engagement with nationally available learning from previous LGR programmes to mitigate known risks and avoid common pitfalls. <p>Governance</p> <ul style="list-style-type: none"> • Governance, general purposes & LGR (GGP&LGR) committee regularly meeting and updates (council wide)
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	<ul style="list-style-type: none"> • Internal weekly LGR meeting & weekly SLT briefing • LGR implications included within reports template <p>Communication and Engagement</p> <ul style="list-style-type: none"> • Proactive engagement with government • Proactive engagement with neighbouring councils and sector bodies to contribute to guidance, funding and implementation approach. • Proactive engagement with Nottingham & Nottinghamshire partner work using NSDC representation across implementation groups • Maintenance of strong, clear and consistent communication and engagement with members, staff, partners, town and parish councils and residents. • Embedded equality impact assessment and rural proofing throughout the transition and service redesign process. • Communications and Engagement Plan, agreed by all nine Councils, in place setting out clear and agreed principles, aims and objectives of the joint communications, engagement and the role of the Comms Cell • Established Comms Cell in place, with representation from all nine Councils. <p>Digital, Data and Technology</p> <ul style="list-style-type: none"> • Early planning for ICT, data and information governance integration, including assurance over cyber security and data protection. • Security operations centre monitoring and mitigation some cyber threats (24/7/365) • Cyber Incident Response on retainer, in case of successful cyber-attack. • Information Security Management System implemented and continual assurance on going. • Data sharing agreement in place <p>Capacity and Workforce</p> <ul style="list-style-type: none"> • Ensure that essential learning and development is maintained to reduce any impact on key services. • Protect BAU capacity through clear prioritisation, use of temporary resources and phased transition planning. <p>Financial</p> <ul style="list-style-type: none"> • Clear controls in place to manage our contracts register. • A dedicated LGR reserve to contribute to our share of the transition costs of the new authority
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Risk Categories	Finance Capacity/resource Workforce Governance Reputation Service delivery
Trigger/Event	<p>Capacity/Workforce</p> <ul style="list-style-type: none"> • Workforce uncertainty. • Increased demand. • Loss of valued NSDC culture. • Capacity - across the entire organisation, including specific teams and individuals, resulting in resources being spread too thin.

- Additional legislative change increasing business as usual work alongside work for LGR.
- Employees experience burnout running a large change programme and maintaining BAU.
- Focus and resources diverted from core compliance activity
- Incomplete, inaccurate, or inconsistent staff data, including gaps in employment records.
- Compressed national or regional implementation timetable reducing local capacity to plan and transition effectively.

Financial

- Financial pressures at NSDC arising from transition costs, unfunded burdens or insufficiently identified / allocated budgets to support required transition activity.
- Combined financial commitments across councils not being appropriately coordinated, managed, or aligned,
- Contract Register is incomplete and with incorrect details.
- Contract register end dates for critical services and systems which are at the point or near the point or soon after vesting day
- Non-compliance with section 24 direction.
- NSDC members wanting to add new projects pre section 24.
- Ineffective management of transition funds from government to support reorganisation process

Governance and Shadow Authority

- No overall control of shadow authority from May 2027 elections
- Statutory officers in shadow authority do not consider the needs of each authority
- Ineffective temporary governance arrangements
- Failure to meet key milestones or decision deadlines, including timely approval of required documents (e.g. scheme of delegation, constitutions, committee terms of reference).
- Should NSDC elections take place 2027 potential of too many new members & new administration.
- Appropriate data sharing agreements are not in place or maintained throughout the transition process.
- Minded to letter questions - failure to agree answers
- Non agreement of representation and remit of joint committee (Pre shadow elections)
- Shadow elections - failure to agree on key decision given a hung administration

Digital, Data and Technology

- Loss of clear accountability for cyber, data and digital ownership during transition.
- Issues with system integrations, migrations and temporary access arrangements.
- Inconsistent security controls and policies inherited from predecessor councils.
- Data sharing, consolidation or unclear data controller roles.
- Legacy systems and unsupported technologies Reduced cyber resilience during organisational change and competing transformation priorities.
- Staff restructuring or uncertainty.
- Greater focus on structural change rather than service outcomes.

	<ul style="list-style-type: none"> • Poor-quality or fragmented data undermining service delivery, reporting and decision-making. • Contract novation, renegotiation or inconsistent vendor management. • Inadequate funding or investment planning for future cyber, digital and data platforms. <p>Communication and Engagement</p> <ul style="list-style-type: none"> • Misinformation/disinformation. • Conflicting or inconsistent information from councils. • Public confusion about changes • Internal communication differences causing staff uncertainty and staff disengagement • Engagement not reaching all communities • Political narrative overtaking factual information communication • Engagement fatigue over a long programme • Reputational damage of current councils and new authorities • Lack of agreement on a single approach post decision - failure to establish a single source of the truth • Lack of adequate involvement from individual councils in the comms and engagement change programme required • Lack of understanding from individual councils on the work required from the Comms Cell as it is not an established workstream <p>General</p> <ul style="list-style-type: none"> • Loss of local decision-making influence at NSDC because there will be focus on shadow authority • Insufficient clarity or late changes to statutory guidance, funding or transition arrangements from central government. • External factors (flood, elections, international conflict etc.) or overdemand from emergency event • Failure to adequately consider equality, rurality or place-based impacts including what is unique about NSDC within the new structures. • Political resistance (NSDC/other authorities) • Differing priorities, capabilities and capacity across different councils • Differing levels of commitment and collaboration with other councils • Inconsistent and untimely data capturing during 'no regrets' period
Impact	<p>Capacity/Workforce</p> <ul style="list-style-type: none"> • Loss of key staff, with critical skills, experience and organisational specific knowledge required for transition and implementation period. • Insufficient or ineffective consultation with staff, including failure to meet agreed consultation timelines or processes. • Breakdown in trade union consultation, including failure to reach agreement where required or unresolved disputes escalating. • Failure to maintain compliance with statutory HR and employment requirements. Contractual and legal issues. • Increase demand • Inability to prepare adequately due to short notice from government. <p>Digital, Data and Technology</p> <ul style="list-style-type: none"> • Increased cyber-attack surface. • Data protection breaches. • Increased likelihood of audit findings or regulatory non-compliance during transition. • Insufficient business continuity and disaster recovery alignment across merged organisations.

- Loss of public trust following service disruption, cyber incidents or data mishandling.
- Reputational damage.
- Skills gaps or loss of key ICT, cyber and data staff.
- Supplier and contract risks.
- Increased vulnerability and operational risk.
- Failure to align cyber and digital strategies with the new authority's corporate objectives.
- Delays to critical digital transformation.

Communication and Engagement

- Reduced morale leading to decreased performance or increased sickness and staff turnover
- Damage public and staff trust and confidence in the new unitary council and arrangements
- Relationships strained and weakened within the organisation and wider council collaboration, at all levels
- Perceived loss of local identity.
- Increased anxiety and frustration for staff
- Misinformation filling gaps
- Loss of trust in current council, new councils and decision-makers (both internally and externally)
- Increased challenges from communities, MPs or the media
- Damage to long-term trust, reputation and credibility
- Confusion causing increased pressure on customer services

Financial

- Greater financial cost to NSDC.
- Increase on budget demand pre section 24.
- Cost pressures or unplanned expenditure falling to NSDC.
- Failure to deliver of capital programme from the community plan (see SR605)

Operational delivery (BAU)

- Disruption to critical services during the transition period, particularly customer-facing or statutory services.
- Reduction in levels of customer service/deliver leading to customer dissatisfaction.
- Failure to deliver existing priorities (diverted resources due to LGR).
- Reputational damage.
- Loss of identity to NSDC & equity of service across all service user groups.

Governance and Shadow Authority

- Conflict pressures of having dual hatted members, which potentially impacts their capacity, availability, focus, or effectiveness in LGR.
- Governance arrangements not established on time or operating ineffectively.
- Unclear accountability delayed or poor decisions, or inadequate oversight during LGR transition.
- Loss of local control.

	<ul style="list-style-type: none">• Ineffective/delayed decision making from shadow authority/ programme directors impacting smooth transition and business as usual (finances, staff etc.)• Increased level of frustration amongst members due to loss of local control.• Post shadow elections, create space for senior leaders to shape the council's future and integrate new leaders into programme governance early.
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Report to: Audit & Accounts Committee Meeting
8 July 2026

Director or Business Manager Lead: Nick Wilson, Director – Finance, Revenues and Benefits

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

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

1.0 Background

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

2.0 Proposals

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

Background Papers and Published Documents

NIL



Newark and Sherwood District Council

Summary Internal Controls Assurance (SICA) Report

June 2026

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 22nd June 2026.

Governance effectiveness

2. Strong governance remains critical across the public and not-for-profit sectors as organisations continue to operate in an environment of increased regulatory scrutiny, financial constraint, service delivery pressures and heightened stakeholder expectations around transparency, ethics and value for money. These factors are driving an ongoing focus on board and committee effectiveness, clarity of accountability, risk maturity and the coherence of assurance arrangements. Across the sector, organisations are increasingly seeking assurance not only that appropriate governance structures and policies are in place, but that they are operating effectively in practice. This includes regular review of governance frameworks, clearer alignment between strategy, risk and assurance, and greater emphasis on evidence of constructive challenge, informed decision-making and continuous improvement.

How can we help?

In this context, TIAA continues to support the Audit Committee and Board through independent, risk-based internal audit work focused on governance, risk management and internal control. In addition to core assurance activity, we support organisations through targeted effectiveness reviews, including reviews of board and committee effectiveness, audit and risk committee arrangements, governance frameworks and assurance mapping. These reviews assess how governance operates in practice, drawing on sector good practice, regulatory expectations and our wider experience across the public and not-for-profit sectors. Our work provides clear, constructive insight into strengths, areas for development and practical actions to enhance effectiveness, helping the Committee demonstrate that governance arrangements are both robust and subject to appropriate independent evaluation.

Audits completed since the last SICA report to the Audit Committee

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

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Key Financial Controls - Budgetary Control	Substantial	4 th February 2026	5 th February 2026	6 th February 2026	0	1	1	0
Waste Management	Reasonable	11 th February 2026	27 th February 2026	3 rd March 2026	0	1	2	2
Climate Sustainability Assessment	Substantial	5 th February 2026	25 th March 2026	1 st April 2026	0	0	1	0
Corporate Governance (including Staff Training and Succession planning)	Substantial	2 nd April 2026	14 th April 2026	16 th April 2026	0	0	2	1
Mansfield Crematorium	Completed	N/A	N/A	11 th May 2026	-	-	-	-
Procurement	Reasonable	2 nd June 2026	10 th June 2026	10 th June 2026	0	2	1	1

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

Progress against the 2025/2026 and the 2026/2027 Annual Plans

5. Our progress against the Annual Plans for 2025/2026 and 2026/27 are set out in Appendix B.

Changes to the Annual Plan 2025/26

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

Changes to Approved Plan

Review	Rationale
Introductory Tenancy Management	To commence in Q2 in response to Housing Regulators report
Allocations	To commence in Q4 in response to Housing Regulators report
Local Government Reorganisation (LGR) Readiness and Governance, and Local Government Reorganisation (LGR) Risk review	To combine the two audits into a single audit scope.

Progress in actioning priority 1 & 2 recommendations

7. 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 in Appendix C.

Frauds/Irregularities

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

Other Matters

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

Responsibility/Disclaimer

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

Appendix A: Executive Summaries

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

Review	Key Findings
Key Financial Controls - Budgetary Control	<ul style="list-style-type: none"> • The review of eight sampled variances for 2025/26 identified that all variances sampled were appropriate and primarily driven by timing differences, coding issues, and structural budget treatments. • Budgets are not profiled across the financial year but are instead loaded in full to month one • Budget holders have not received training in financial regulations for 27 out of 39 cases, Additionally, refresher training is not provided to budget holders. • Controls over budget monitoring and financial performance oversight are operating effectively, providing assurance that governance arrangements support robust financial management.
Waste Management	<ul style="list-style-type: none"> • Risks have been formally identified and recorded by the collaborative Food Waste Operational Group managing the implementation of domestic food waste collections. • Arrangements with Recresco, the glass waste recycling provider, are supported by a Service Level Agreement (SLA), a Service Plan and the service assessment document. • Sample testing of ten commercial food waste customers confirmed that a signed rolling contract and a waste transfer note covering the year were in place. Invoices were raised promptly and rates charged were as per the Council’s schedule of charges. • There is an interim Recycling and Waste Management Policy in place whilst a new policy is being developed, but there are no written operational procedures available to staff. • There is segregation of duties over waste collection and recording, raising and approving sales invoices, and income collection and recording in the financial system. • The Government's new Simpler Recycling Initiative includes new waste management requirements which the Council have partially met. The deadline for domestic food waste has been extended to October 2027 for the Council and other Nottinghamshire local authorities. • Performance updates are provided on a regular basis at the Policy, Performance and Improvement Committee (PPIC) and to the Cabinet as required. • Performance is measured against a set of waste KPIs although there is no indicator for commercial food waste.

Review	Key Findings
Climate Sustainability Assessment	<ul style="list-style-type: none"> • Newark and Sherwood District Council’s stated goal of achieving Carbon Neutrality by 2035 (as originally outlined in the Climate Emergency Declaration and restated as an organisational goal) has been evidenced as having a plan to be achieved subject to a residual level of carbon sequestration at a degree that management consider to be tolerable. It should be stated that the responsible Management at the Council are confident that this can be achieved based upon their internal governance and the work of the Carbon Trust. • Nationally, the Council is ahead of many other councils that TIAA has undertaken this review for as they have calculated current emissions and have considered and presented a reasoned position on carbon offsetting costs. Most councils have not undertaken these steps. • Local Government Reorganisation (LGR) means that milestones and pathways are both somewhat speculative and hard to track as it is likely corporate emissions will change in accordance with agreed needs. Additionally, successor post vestment organisations will likely re-evaluate future goals and undertake a revised gap analysis. • Total tCO₂e reduction across the estate and fleet has been included to reporting at the Policy and Performance Improvement Committee (PPIC) since June 2025 to support milestone reporting.
Corporate Governance (including Staff Training and Succession planning)	<ul style="list-style-type: none"> • It was not possible to assess training and induction completion for Councillors as there is no central record of attendance at training sessions or induction completion. There are plans in place to review this with an annual oversight of training to sit with the Governance, General Purposes and Local Government Reorganisation Committee. • The version of the Whistleblowing Policy available online is out of date and not the current version.
Procurement	<ul style="list-style-type: none"> • This review provides a reasonable assurance opinion on the basis that the projects assessed were broadly compliant with established Contract Procedure Rules. Of the five projects selected for testing two had not yet been procured and in addition the works for one other project had not yet begun. • There is currently no formal documented process in place for reviewing procurement projects across their lifecycle. A project tracker has been developed and is in the trial process but has not yet been rolled out until the benefits have been evaluated. • Expectations in respect of procedural controls were clear; and where applicable, were complied with. All material concerns were eventually addressed; however, the presence of a tracker would have allowed this to be demonstrated in a more structured fashion. • Internal Audit identified that the operational risk register for the Farrar Close demolition project, which should have been subject to regular review and updates, had not been maintained, with limited evidence of review identified.

1. Assurance Review of Key Financial Controls - Budgetary Control

OVERALL ASSESSMENT



SUBSTANTIAL ASSURANCE

ACTION POINTS

HIGH RISK	MEDIUM RISK	LOW RISK	OPERATIONAL
0	1	1	0

KEY STRATEGIC FINDINGS

C	The review of eight sampled variances for 2025/26 identified that all variances sampled were appropriate and primarily driven by timing differences, coding issues, and structural budget treatments.
C	Budgets are not profiled across the financial year but are instead loaded in full to month one.
C	Budget holders have not received training in financial regulations for 27 out of 39 cases, Additionally, refresher training is not provided to budget holders.
PM	Controls over budget monitoring and financial performance oversight are operating effectively, providing assurance that governance arrangements support robust financial management.

SCOPE

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

<p>A review of the Council’s Budgetary Control objectives considered as part of this audit include:</p> <ul style="list-style-type: none"> Formally approved budgets were set each year, considering all relevant income and expenditure; The financial management system accurately reflected the agreed budgets; Budgets were allocated to individuals at an appropriate level, with monitoring responsibilities clearly outlined; All budget adjustments (including virements) were authorised; and Budgets were adequately monitored and regularly reported, with reasonable variance levels being set which trigger action and explanation. 	<p>SR101 Financial sustainability – General Fund - Ensuring financial sustainability of the general fund to allow the council to undertake its core functions, deliver services, meet its corporate priorities and objectives.</p>
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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	<p>Internal Audit tested whether all Budget Holders had received appropriate initial or refresher training in relation to the Financial Regulations. Based on the information provided:</p> <ul style="list-style-type: none"> • 27 out of 39 Budget Holders (69%) had not received any Financial Regulations training; • Of the 12 budget holders who have received training, none have completed this training within the past two years; and <p>Management explained that new starters receive Financial Regulations training, but there is no official training programme for Budget Holders. For new Business Managers, training consists of an informal session with the Accountant, and there is no refresher training process for existing Budget Holders.</p>	<p>A formal training programme for all Budget Holders to be developed and implemented, including:</p> <ul style="list-style-type: none"> • Mandatory initial training for new Budget Holders; • Periodic refresher training; and • Documented evidence of completion. 	2	<p><i>There currently is a training course available on the Councils training platform for managers to book onto as they please.</i></p> <p><i>Working with the HR team, we will identify the relevant roles that require the training and diarise for an email to be sent to them at the relevant points that they need refresher training.</i></p> <p><i>New members of staff will also be requested to attend these courses where they are in relevant roles.</i></p>	31/03/26	Business Manager – Financial Services

PRIORITY GRADINGS

1	HIGH RISK	Fundamental control weaknesses or compliance issues that require immediate attention.
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2	MEDIUM RISK	Control weaknesses that are not critical but require planned action at the earliest opportunity.
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3	LOW RISK	Minor issues on which action should be taken or monitored as part of continuous improvement.
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Ref	Root Cause Indicator	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	C	<p>The budget monitoring report includes a “Year-to-Date (YTD) budget” column. As budgets are uploaded in full to month one and not profiled across the year, this column does not reflect actual budget phasing and is not meaningful. An inaccurate YTD budget column may mislead users and result in decisions based on incorrect information.</p> <p>Financial reporting guidance (e.g., CIPFA Code of Practice on Local Authority Accounting) and the Council’s Financial Regulations require that financial information presented to decision-makers is accurate and not misleading.</p>	The Year-to-Date (YTD) budget column from the budget monitoring report be removed if it is not in use, or it be clearly labelled to prevent misinterpretation.	3	<p><i>As the Council forecasts information to the year end comparing annual budgets with actuals together with forecasts, the YTD budget is not utilised.</i></p> <p><i>This will be removed in order to prevent confusion.</i></p> <p><i>Previous year actual information to the relevant quarter end date will assist, where appropriate, with analysing whether spend is currently on track.</i></p>	Complete	Senior Accountant

PRIORITY GRADINGS

1	HIGH RISK	Fundamental control weaknesses or compliance issues that require immediate attention.
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2	MEDIUM RISK	Control weaknesses that are not critical but require planned action at the earliest opportunity.
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3	LOW RISK	Minor issues on which action should be taken or monitored as part of continuous improvement.
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2. Assurance Review of Waste Management

OVERALL ASSESSMENT



REASONABLE ASSURANCE

ACTION POINTS

HIGH RISK	MEDIUM RISK	LOW RISK	OPERATIONAL
0	1	2	2

KEY STRATEGIC FINDINGS

RM	Risks have been formally identified and recorded by the collaborative Food Waste Operational Group managing the implementation of domestic food waste collections.
C	Arrangements with Recresco, the glass waste recycling provider, are supported by a Service Level Agreement (SLA), a Service Plan and the service assessment document.
C	Sample testing of ten commercial food waste customers confirmed that a signed rolling contract and a waste transfer note covering the year were in place. Invoices were raised promptly and rates charged were as per the Council's schedule of charges.
GF	There is an interim Recycling and Waste Management Policy in place whilst a new policy is being developed, but there are no written operational procedures available to staff.
GF	There is segregation of duties over waste collection and recording, raising and approving sales invoices, and income collection and recording in the financial system.
GF	The Government's new Simpler Recycling Initiative includes new waste management requirements which the Council have partially met. The deadline for domestic food waste has been extended to October 2027 for the Council and other Nottinghamshire local authorities.
PM	Performance updates are provided on a regular basis at the Policy, Performance and Improvement Committee (PPIC) and to the Cabinet as required.
PM	Performance is measured against a set of waste KPIs although there is no indicator for commercial food waste.

SCOPE	ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE
The overall objective of this audit was to provide assurance over the management of waste contracts and the associated financial controls, limited to the new or recently adopted waste streams including kerbside glass collection and commercial food waste.	Community Plan Ambition 6 - Reduce the impact of climate change and protect and enhance green spaces.

Assurance - Key Findings and Management Action Plan (MAP)

Id	Root Cause Indicator	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
282	GF	<p>The Waste Management Policy expired in 2024 and a temporary / interim draft Policy is in place. Development of a new Policy to reflect changes in legislation is underway. Review of the interim Policy indicates that it is a brief overview of the types of waste service and recycling undertaken and there is reference to 'Simpler Recycling'.</p> <p>A fully developed Policy should include definitions, scope / objectives, roles and responsibilities, implementation, legislation and related policies.</p> <p>There are also no formal procedures in place, so relevant statutory or regulatory duties are currently not documented / mapped within a Council document. Additionally, a lack of operational notes / procedures covering the processes for kerbside glass and commercial food waste collections means there is no written guidance and support staff in ensuring consistent treatment in areas such as reconciling weight / freight tickets and raising / paying invoices.</p>	<p>To develop and agree a Waste Management Policy, which includes relevant statutory and regulatory duties such as the new 'Simpler Recycling' legislation and a set of procedures to provide guidance to operational staff.</p>	2	<p><i>The interim Waste Policy is in place with the intention of seeing us through to the new Local Authority (post LGR). It has not been priority to produce a new document which will only be valid for 2 years amidst a huge raft of changes. It will be reviewed upon the transition to the new Local Authority (Post LGR).</i></p> <p><i>A written Environmental Services Employee Guidance is supplied to all operational staff at the start of their employment. This includes all of the relevant policies and procedures, Environmental Services Guidance and Method Statements for all key activities.</i></p>	Commence 01/04/2028	Waste and Recycling Manager
1513	C	<p>A review of a sample of glass collection invoices identified that the quarter one invoice covering April 2025 to June 2025 collections was not raised until 15 October 2025. It was noted that the quarter two invoice for July 2025 to September 2025 was raised on 23 October 2025 and the quarter three invoice for October 2025 to December 2025 had not been raised as of 13 January 2026.</p>	<p>To raise invoices for glass collections promptly after the quarter-end.</p>	3	<p><i>Noted. The Q3 invoice was raised on 23rd Jan 2026</i></p>	Immediate	Waste and Recycling Manager

PRIORITY GRADINGS

1 HIGH RISK Fundamental control weaknesses or compliance issues that require immediate attention.

2 MEDIUM RISK Control weaknesses that are not critical but require planned action at the earliest opportunity.

3 LOW RISK Minor issues on which action should be taken or monitored as part of continuous improvement.

Id	Root Cause Indicator	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1580	GF	<p>A review of the 2024/25, 2025/26 and the 2026/27 Environmental Services Team Annual Business Plans indicated that start and end dates are generally recorded as 'ongoing' and are not specific. Whilst it was noted that more detail was included in the 2026/27 Plan, some of the activities planned to ensure compliance with the Simpler Recycling regulations were stated in general terms, for example 'Prepare for further changes in April 2027 when soft (flexible) plastic can be added to the silver bin mix.', 'Work with local businesses to ensure compliance for the smaller businesses with 9 or fewer Full Time Equivalent staff members', and 'Continue to promote the glass recycling scheme to increase the tonnage collected from commercial customers'.</p> <p>It was noted that some key activities undertaken in prior years and those planned for 2026/27, such as the preparation of the Brunel Drive site, the procurement of suitable vehicles and a proposal to launch a pilot scheme for domestic food waste in autumn 2026 (awaiting approval) were not articulated in the Business Plans.</p>	<p>To ensure the Environmental Services Annual Business Plan is specific, measurable, achievable relevant and time-bound (SMART), and includes specific actions and dates.</p>	3	<p><i>As per the exit meeting, the details relating to simpler recycling continued to change almost to the point of it being implemented. Eg, The deadline for the requirement that recycling from schools fell in line with the commercial waste timetable for implementation (April 2025) and food waste generated from schools fell in line with the household waste timeframe (October 2027) was only given in the few months prior to implementation date.</i></p> <p><i>Funding was still confirmed which made confirming plans very challenging as much of the planning (particularly around food waste) is very budget dependant.</i></p> <p><i>Future business plans will be specific and detailed as some of the requirements of the simpler recycling legislation have become clearer.</i></p> <p><i>Other elements (such as the requirement to collect soft plastics from April 2027) is an issue that is being agreed between the Waste Disposal Authority (Nottinghamshire County Council) and their contractor (Veolia. We (as the Waste Collection Authority) are unable to plan for this until a solution has been agreed. This uncertainty should not reflect negatively on NSDC as we await the detail of how we will be expected to implement the changes.</i></p> <p><i>This kind of uncertainty regarding the waste streams that are in scope of simpler recycling and the financial support from government have created ongoing uncertainty throughout the leadup to the various implementation dates.</i></p>	<p><i>Immediate</i></p>	<p><i>Waste and Recycling Manager</i></p>

PRIORITY GRADINGS

1	HIGH RISK	Fundamental control weaknesses or compliance issues that require immediate attention.
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2	MEDIUM RISK	Control weaknesses that are not critical but require planned action at the earliest opportunity.
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3	LOW RISK	Minor issues on which action should be taken or monitored as part of continuous improvement.
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Operational - Effectiveness Matter (OEM) Action Plan

Id	Root Cause Indicator	Finding	Suggested Action	Management Comments
1595	PM	Performance is measured against a set of waste key performance indicators (KPIs). Data up to December 2025 was reviewed and it was noted that there is no indicator relating to commercial food waste such as the number of customers or amount of waste collected.	To consider whether there is an appropriate measure of commercial food waste which can be used to monitor compliance / effectiveness of service.	<i>This has been considered but ultimately the responsibility is on the business to be compliant and not us. There are other waste providers out there that offer similar services so indicators such as customer number or tonnages collected would not be a very insightful way monitoring compliance</i>
2	PM	The waste KPI for weight of glass collected is incorrectly stated, the number recorded is the tonnage of glass collected but the unit of measurement recorded against it is kilograms.	To ensure quarterly KPIs for glass collection accurately record the amount and unit.	<i>Noted and corrected. It is now recorded in tonnes.</i>

ADVISORY NOTE

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

3. Assurance Review of Climate Sustainability Assessment

OVERALL ASSESSMENT



SUBSTANTIAL ASSURANCE

ACTION POINTS

HIGH RISK	MEDIUM RISK	LOW RISK	OPERATIONAL
0	0	1	0

KEY STRATEGIC FINDINGS

C	Newark and Sherwood District Council’s stated goal of achieving Carbon Neutrality by 2035 (as originally outlined in the Climate Emergency Declaration and restated as an organisational goal) has been evidenced as having a plan to be achieved subject to a residual level of carbon sequestration at a degree that management consider to be tolerable. It should be stated that the responsible Management at the Council are confident that this can be achieved based upon their internal governance and the work of the Carbon Trust.
C	Nationally, the Council is ahead of many other councils that TIAA has undertaken this review for as they have calculated current emissions and have considered and presented a reasoned position on carbon offsetting costs. Most councils have not undertaken these steps.
C	Local Government Reorganisation (LGR) means that milestones and pathways are both somewhat speculative and hard to track as it is likely corporate emissions will change in accordance with agreed needs. Additionally, successor post vestment organisations will likely re-evaluate future goals and undertake a revised gap analysis.
GF	Total tCO ₂ e reduction across the estate and fleet has been included to reporting at the Policy and Performance Improvement Committee (PPIC) since June 2025 to support milestone reporting.

SCOPE	ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE
Confirm that there are agreed climate related key performance indicators (KPIs) which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	The Council has committed to becoming carbon neutral by 2035, with consideration to bring this forward to 2030. Climate change is embedded in the Community Plan under the objective to “enhance and protect the district’s natural environment.”

Assurance - Key Findings and Management Action Plan (MAP)

Id	Root Cause Indicator	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
157	C	<p>Water usage has not been considered within the Sustainability and Climate Action Plan (2025). The Carbon Reduction Target Review identified related carbon emissions as increasing from 10 tCO₂ to 241 tCO₂, with a recommendation to review sites with high water usage / anomalies in consumption.</p> <p>Additionally, the waste reduction target has a date set but no specific reduction targets (e.g. recycling will increase to 70% by 2030) and there is no detail with respect of potential challenges to reaching the aims of the plan.</p>	<p>Update the Sustainability and Climate Action Plan (2025) with targets for water usage including reviews of high usage sites and clear reduction targets where appropriate.</p> <p>Waste reduction targets to be reviewed and updated with clearer goals for carbon emissions reduction, details of potential challenges identified for each goal and strategies to overcome them.</p>	3	<p><i>TIAA accepted NSDC's additional context in the draft stage but removed it from the draft report. Key context regarding the Southwell Leisure Centre transfer and the development of the Dukeries Leisure Centre and dashboard integration work was omitted, which affects interpretation of water usage and waste performance. All utilities are tracked via a live dashboard which will also include water in the near future (evidence shared). Regarding waste reduction targets, these will be borne from the national directives which are due for implementation from 2027 onwards.</i></p> <p>Evidence Submitted</p> <ul style="list-style-type: none"> • Updated Greening NSDC Action Plan. • Climate Indicators Framework • PPIC reports on statutory recycling requirements. <p><i>Omission of this context materially affects the accuracy of the finding.</i></p>	N/A	N/A

Agenda Page 47

PRIORITY GRADINGS

1 HIGH RISK Fundamental control weaknesses or compliance issues that require immediate attention.

2 MEDIUM RISK Control weaknesses that are not critical but require planned action at the earliest opportunity.

3 LOW RISK Minor issues on which action should be taken or monitored as part of continuous improvement.

4. Assurance Review of Corporate Governance (including Staff Training and Succession planning)

OVERALL ASSESSMENT



SUBSTANTIAL ASSURANCE

ACTION POINTS

HIGH RISK	MEDIUM RISK	LOW RISK	OPERATIONAL
0	0	2	1

KEY STRATEGIC FINDINGS	
C	It was not possible to assess training and induction completion for Councillors as there is no central record of attendance at training sessions or induction completion. There are plans in place to review this with an annual oversight of training to sit with the Governance, General Purposes and Local Government Reorganisation Committee.
GF	The version of the Whistleblowing Policy available online is out of date and not the current version.
SCOPE	ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE
<p>The objective of the audit was to review the systems and controls in place within the Corporate Governance function, to help confirm that these are operating adequately, effectively and efficiently.</p> <p>The audit reviewed published papers for key committees to determine evidence of compliance with the Local Government Act, CIPFA / SOLACE principles and the Nolan Principles. Additionally, the audit focused on training for members, recommendations from the Local Government Associations Peer Review and tested declarations of interest for committee members.</p>	SR506 Corporate Governance: Risk of failure in systems of governance within the Council, Council-owned / influenced organisations and partnerships or other collaborative arrangements.

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.	Governance Framework	The online version of the Whistleblowing Policy is outdated. An updated version of the Policy was discussed at the Governance, General Purposes and Local Government Reorganisation Committee in February 2026 and recommended amendments approved.	The online version of the Whistleblowing Policy to be updated.	3	<i>The updated Whistleblowing Policy was signed off By GGP&LGR Committee in February. The updated version is now available on the website, as such this recommendation is completed and is not required.</i>	Completed	N/A
2.	Compliance	Completion of the training and induction programme for Councillors could not be assessed as there is no central record in place of attendance at training sessions or induction completion. There are plans in place to review this with an annual oversight of training to sit with the Governance, General Purposes and Local Government Reorganisation Committee.	A record of all Councillors and the training they have completed to be maintained by Democratic Services and provided as part of the annual training oversight report to the Governance, General Purposes and Local Government Reorganisation Committee.	3	<i>We are now compiling a register of training attendance. Information on training uptake will be included as part of the annual review of the Member Development Plan next year.</i>	May 2027	Nigel Hill – Business manager for Elections and Democratic Services

PRIORITY GRADINGS

1 HIGH RISK Fundamental control weaknesses or compliance issues that require immediate attention.

2 MEDIUM RISK Control weaknesses that are not critical but require planned action at the earliest opportunity.

3 LOW RISK Minor issues on which action should be taken or monitored as part of continuous improvement.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Root Cause Indicator	Finding	Suggested Action	Management Comments
1	Compliance	<p>The Induction Booklet and Member Development Programme provide a comprehensive introduction for new members with a checklist the Councillor can utilise to track completion of tasks.</p> <p>There is no requirement to provide a completed copy of this list to the Council at any point.</p>	Members to be required to provide a copy of the checklist after being in post for four weeks.	<i>As we will be keeping a record of attendance at training (rec above) there is no need for the induction checklists to be returned by councillors as tasks will be monitored by Democratic services.</i>

ADVISORY NOTE

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

5. Assurance Review of Procurement

Executive Summary

OVERALL ASSESSMENT		REASONABLE ASSURANCE	ACTION POINTS	HIGH RISK	MEDIUM RISK	LOW RISK	OPERATIONAL
				0	2	1	1

KEY STRATEGIC FINDINGS	
GF	This review provides a reasonable assurance opinion on the basis that the projects assessed were broadly compliant with established Contract Procedure Rules. Of the five projects selected for testing two had not yet been procured and in addition the works for one other project had not yet begun.
GF	There is currently no formal documented process in place for reviewing procurement projects across their lifecycle. A project tracker has been developed and is in the trial process but has not yet been rolled out until the benefits have been evaluated.
GF	Expectations in respect of procedural controls were clear; and where applicable, were complied with. All material concerns were eventually addressed; however, the presence of a tracker would have allowed this to be demonstrated in a more structured fashion.
RM	Internal Audit identified that the operational risk register for the Farrar Close demolition project, which should have been subject to regular review and updates, had not been maintained, with limited evidence of review identified.
SCOPE	ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE
To evaluate the adequacy of current processes in ensuring compliance with the Council's Contract Procedure Rules in the delivery of procurement for corporate property projects.	SR504 Contract/supply failure - Managing contracts with key suppliers, including NSDC wholly own companies, to ensure the continued delivery of an effective service and ensure delivery of the council's priorities and objectives.

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	Risk Mitigation	Part E, section 17.1.2 of the Council's Constitution requires that contracts with a value of £75,000 or more are supported by an appropriate risk register, with contingency measures in place. Of the five projects selected for testing, two had not yet been procured and in addition the works for one project had not yet begun and therefore a risk register was not required at the time of review. Of the remaining two projects, one risk register evidenced regular review, one did not.	A formal check to be introduced to ensure that completed project risk registers are in place at the time of procurement and that risks are escalated as appropriate.	2	<i>The risk register which was identified as not being updated was on a project that is being delivered across multiple business units. The Project manager of the project has the duty to own and manage risks on a project. On the Farrar close project, the project manager was from a different business unit. The roles and responsibilities document has been circulated to remind and reinforce the requirement across the council for all involved in projects to ensure their actions and duties are carried out when involved in project delivery.</i>	<i>Complete - The roles and responsibilities document has been circulated on 21/5/2026 and a meeting has been held to update corporate property managers on 4/6/2026</i>	<i>Project Managers and Project Sponsors.</i>
2	Governance Framework	There is currently no formal documented process in place for reviewing procurement projects across their lifecycle. A project tracker has been developed and is in the trial process but has not yet been rolled out until it the benefits have been evaluated. Discussions confirmed that this has been identified as a concern to the Council, the risk to the Council is considered to be minimal as procurement is outsourced to Wellend. This has been included in the Council's Business Plan with an expected completion date of March 2027, and the team are in the process of evaluating the best approach.	A formal process be deployed for tracking and reviewing procurement projects with defined review stages to track compliance and identify any recurring issues or risks.	2	<i>A projects process is being developed by corporate property as is identified in the business plan for completion during 2026 / 2027 period</i>	<i>April 2027</i>	<i>Business manager corporate property Major Projects, Repairs and Compliance</i>

PRIORITY GRADINGS

1 HIGH RISK Fundamental control weaknesses or compliance issues that require immediate attention.

2 MEDIUM RISK Control weaknesses that are not critical but require planned action at the earliest opportunity.

3 LOW RISK Minor issues on which action should be taken or monitored as part of continuous improvement.

Ref	Root Cause Indicator	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	<p>Quotes for the property conversion at Allenby Road were received in July 2025. All quotes exceeded the expected budget threshold of £75,000 and therefore should have either been subject to the appropriate procurement process for that value or supported by an approved waiver.</p> <p>Sufficient time has since elapsed to initiate the tender process; however, no contract award has yet been made.</p>	Where quotations for works exceed the expected budget threshold, a full tender process or formal waiver to be initiated.	3	<p><i>No award was made, and no processes were breached. The works were identified as low priority as the property was not vacant or ready to start the works.</i></p> <p><i>We agree that there has been enough time to reprocure the works however due to higher priority tasks and the knowledge that a alternative route for works delivery was available it was a manager decision to put the project on hold.</i></p>	<p><i>Complete - The works have now been awarded as part of a larger contract the works sit within the permitted levels of less than 15% for a contract variation to be issued for the works. This is in line with the council's contract procedures as utilising existing contracts and frameworks for delivery.</i></p>	<p><i>Business manager corporate property Major Projects, Repairs and Compliance</i></p>

PRIORITY GRADINGS

1 HIGH RISK Fundamental control weaknesses or compliance issues that require immediate attention.

2 MEDIUM RISK Control weaknesses that are not critical but require planned action at the earliest opportunity.

3 LOW RISK Minor issues on which action should be taken or monitored as part of continuous improvement.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Root Cause Indicator	Finding	Suggested Action	Management Comments
1	Governance Framework	The Update to Contract Procedure Rules document available on the Tendering for Council Contracts webpage was last updated in July 2019 is now out of date.	Update the public facing version of the Contract Procedure Rules document to the current version.	<i>Complete – Website has been updated.</i>


ADVISORY NOTE

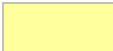
Operational Effectiveness Matters need be considered as part of management review of procedures.

Appendix B (i): Progress against Annual Plan 2025/2026

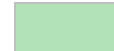
System	Planned Quarter	Current Status	Comments
Financial Resilience	1	Final issued on 26 th November 2025	Reported to December AC
HRA H&S Mould	2	Final issued on 26 th November 2025	Reported to December AC
Joint Working Arrangements	1	Fieldwork Completed	
ICT System Controls (formerly Cyber Security Maturity Assessment)	2	Draft issued on 14 th May 2026	
Key Financial Controls - Budgetary Control	3	Final issued on 6 th February 2026	
Capital Programme	3	Final issued on 24 th September 2025	Reported to October AC
Gilstrap Financials	2	Final issued on 29 th January 2026	Reported to February AC
Mansfield Crematorium	2	Completed 11 th May 2026	
Absence Management	3	Final issued on 6 th February 2026	Reported to February AC
Climate Sustainability Assessment	3	Final issued on 1 st April 2026	
Waste Management	3	Final issued on 3 rd March 2026	
Corporate Governance (including Staff Training and Succession planning)	4	Final issued on 16 th April 2026	
ICT Social Media	4	Scheduled June 2026	
H&S Mould Follow-up	4	Scheduled August 2026	
Procurement	4	Final issued on 10 th June 2026	

KEY:

 To be commenced

 Site work commenced


 Draft report issued


 Final report issued

Appendix B (ii): Progress against Annual Plan 2026/2027

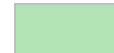
System	Planned Quarter	Current Status	Comments
Business Continuity	1	Draft issued 18 th June 2026	
Planning Enforcement	1	Fieldwork complete	Exit meeting held on 22 nd June 2026
Grants Fund – Towns Fund / Levelling Up 2	2	APM Issued	
Cyber Security Maturity Assessment	2	APM Issued	
Local Government Reorganisation (LGR) Readiness and Governance	3	APM Issued	
Risk Management Framework	3	APM Issued	
Housing Rents	3	APM Issued	
Temporary Accommodation	3	APM Issued	
Budgetary Control (Key Control Audit)	3	APM Issued	
Housing Regulatory Compliance and Building Safety	3	APM Issued	
Local Government Reorganisation (LGR) Risk review	3	APM Issued	
Gilstrap Financials	4	To Be Commenced	
Mansfield Crematorium	4	To Be Commenced	

KEY:

 To be commenced

 Site work commenced

 Draft report issued

 Final report issued

Appendix C: Update of recommendations

Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Status	Last Update	Latest Response
23/24 Workforce planning								
The introduction of a formal training management process and record of staff skills to be introduced, to monitor both current training and skills as well as refresher training due dates.	3	Once the new LMS system is operational this type of reporting and data analysis will be regularly completed.	Sarah Lawrie HR Business Manager	30/04/2025		Overdue		
The introduction of a more detailed training report providing what modules are mandatory, when the training for each was completed and any relevant renewal dates for each module, as well as any other details deemed to be relevant. to be put into place in conjunction with any updated LMS.	3	Once the new LMS system is operational this type of reporting and data analysis will be regularly completed.	Sarah Lawrie HR Business Manager	30/04/2025		Overdue		
24/25 Business Continuity								

Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Status	Last Update	Latest Response
A full phased testing programme approach be conducted relating to the Corporate Business Continuity Plan.	1	As an authority we have experienced a number of incidents in the last 4 years that have had impacts on our Business Continuity. Covid, low level power disruption, low level supplier issues, flooding etc. Whilst these have not been planned formalised testing, real world testing to some areas has taken place. A testing programme will be drafted to set out a clearer structure for testing and this will be based on risk and our critical functions.	Business Manager Public Protection	31/03/2025	01/04/2026	Overdue	The draft plan has been agreed with Sanjiv and Matt for testing with monitoring of exercise and outcomes through CIGG for strategic oversight. All council wide exercises will require SLT approval to be given in advance to ensure the capacity of the services to engage in the exercise in a meaningful way.	The testing programme was set out and shared with Sanjiv and Matt, this was how exercise are planned, approved by the relevant groups and run. There is not at this time a testing plan of exercise types over the next X years. Our testing is based on risk and the current issues and is also about capacity. The exercise and testing was undertaken this week and we would not propose to consider another exercise until next year. At that time the exercise plan would be used to determine the type of exercise, what we are testing and seek agreement.
A formal process be implemented for regularly reporting updates on business continuity reviews, testing and lessons learned to the Senior Leadership Team. In addition, there is a need to update on the various processes/assurance that make up the Business Continuity Plan such as the Business Impact Assessments and Business Continuity Plan.	2	This item will link together with item 1 related to a testing programme to ensure that feedback on testing and monitoring of progress is directly linked to ensure that SLT see a complete oversight and update.	Business Manager Public Protection	31/03/2025	01/04/2026	Overdue	As stated in number 285102 the draft plan has been agreed with Sanjiv and Matt for testing with monitoring of exercise and outcomes through CIGG for strategic oversight. All council wide exercises will require SLT approval to be given in advance to ensure the capacity of the services to engage in the exercise in a meaningful way.	Evidence has been supplied during the FY 2026/27 Business Continuity review that reporting is regular to the Risk Management Group and the Corporate Information Governance Group (CIGG). Further evidence requested from recent tabletop simulation for power outages being reported upwards to close the recommendation.
Agenda Page 50/26 Absence Management								
All managers to attend the Absence Management course by the end of April 2026 and regular updates	2	In 2021 all managers were invited to attend training on the newly implemented iTrent system, unfortunately training records were not	Senior HR Officer	30/09/2026		Not yet due		15/06/2026 - Courses have been put in the calendar and so far, 23 managers have attended.

Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Status	Last Update	Latest Response
be provided to the Senior Leadership Team to ensure compliance with the training schedule.		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. 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. Additional training sessions have been added to the calendar and will be assigned to managers with no record of training.						We have also added a 121 sickness absence management session onto the Learning Management System so Naomi can update this when she gives managers 121 training as this is often how manager get trained, so we will see an improvement on this target in the next quarter.
The Managing Attendance Policy to be updated and include a version control showing details of review. A policy review schedule to be formally established.	2	Policy updates to be completed by 29/5/26.	Senior HR Officer	29/05/2026	30/08/2026	Overdue		In progress, revised version due to SLT and JCC in July / August 2026.
25/26 Corporate Governance (including Staff Training and Succession planning)								
A record of all Councillors and the training they have completed to be maintained by Democratic Services and provided as part of the annual training oversight report to the Governance, General Purposes and Local Government Reorganisation Committee.	3	We are now compiling a register of training attendance. Information on training uptake will be included as part of the annual review of the Member Development Plan next year.		31/05/2027		Not yet due		
25/26 HRA H&S Mould								
Develop or implement a centralised tracking and reporting mechanism for damp and mould cases within the NEC system or through an interim solution e.g., a shared spreadsheet	1	The timing of the audit did not support the ability to provide assurance around the handling of damp and mould. To give clarity, the information was being collated within NEC, however, there was a delay in creating the appropriate report to provide oversight of the	Responsive Repairs Manager	26/11/2025	30/09/2026	Not yet due	Update: Challenges with NEC have delayed system-based dashboard with system-based dashboard expected in September 2026	Re-audit planned August 2026.

Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Status	Last Update	Latest Response
or dashboard. This mechanism needs to include clear visibility of case volumes, status, target completion dates, and risk levels.		management of damp & mould as part of quarterly compliance performance updates. This has since been rectified. Reports are now available to show total open cases, their status and whether completed in timescales. The reporting is scheduled weekly whilst we embed NEC and before the transition to additional reported required from 27th October when Awaab's Law comes into effect. example available showing cases from 19th May - 22nd August.					following a system upgrade. In the meantime, BI report in place covering the substantial requirements including tracking of progress of repairs and provision of performance data inc. Pulse data to Housemark for benchmarking purposes as an interim solution to manage performance and risks with this service.	
Update the Damp and Mould Policy to explicitly define roles and responsibilities related to damp and mould management.	3	This is currently being updated to reflect introduction of Awaab's Law from 27th October.	Responsible Repairs Manager	10/10/2025		Overdue		
Update the Responding to Damp & Mould Procedure to include requirements from Awaab's Law ahead of the October 2025 implementation. Ensure version control clearly records the approving body and approval date. Adjust the review schedule to occur before October 2025 to maintain compliance with new legislation.	3	This is currently being updated to reflect introduction of Awaab's Law from 27th October. The next scheduled review will remain July 2026 to consider any further changes necessary once Awaab's Law is in place.	Responsible Repairs Manager	24/10/2025		Overdue		
Agenda Page 60/26 Waste Management								
To develop and agree a Waste Management Policy, which includes relevant statutory and regulatory	2	The interim Waste Policy is in place with the intention of seeing us through to the new Local Authority (post LGR). It has not been priority to produce a new	Waste and Recycling Manager	01/04/2028		Not yet due		

Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Status	Last Update	Latest Response
duties such as the new 'Simpler Recycling' legislation and a set of procedures to provide guidance to operational staff.		<p>document which will only be valid for 2 years amidst a huge raft of changes. It will be reviewed upon the transition to the new Local Authority (Post LGR).</p> <p>A written Environmental Services Employee Guidance is supplied to all operational staff at the start of their employment. This includes all of the relevant policies and procedures, Environmental Services Guidance and Method Statements for all key activities.</p>						

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
14 April 2026	All	TIAA Article	Strengthening Assurance with Flexible Internal Audit Support	Strengthening Assurance with Flexible Internal Audit Support - TIAA	Organisations today operate in increasingly complex risk environments, from regulatory change and digital transformation to resourcing pressures and emerging threats. Maintaining strong internal audit coverage can be challenging, particularly when in-house teams are stretched or specialist expertise is required. Our supplementary internal audit support, often referred to as top-up audits, is designed to provide flexible, targeted capacity that strengthens your existing assurance arrangements without replacing them.
1 April 2026	All	TIAA Blog	Security Matters: Martyn’s Law: Real Progress, Rising Hype, and How TIAA Supports Organisations on the Journey to Compliance	Security Matters: Martyn’s Law: Real Progress, Rising Hype, and How TIAA Supports Organisations on the Journey to Compliance - TIAA	The fifth blog in the series. As conversation around Martyn’s Law grows, so does the hype — but with no legal duties in place yet and official guidance still to come, organisations should stay cautious and avoid premature “compliance” offers. Our new blog explains what’s genuinely progressing and how TIAA supports organisations with proportionate, evidence based preparation.
27 March 2026	All	Industry News	Companies House WebFiling security issue – what organisations should do now	Companies House WebFiling security issue – what organisations should do now - TIAA	A recently identified security vulnerability in the Companies House WebFiling system may have allowed authenticated users to view or, in some cases, amend certain details of other companies — including directors’ dates of birth, residential addresses and company email addresses. The issue has now been resolved, but organisations are now being urged to review their registered details and filing history to ensure nothing appears incorrect, and to report any concerns directly to Companies House with evidence.

Date Issued	Sector	Briefing Type	Subject	Website Link	TIAA Comments
16 March 2026	All	TIAA Article	Conflict Resolution & De-escalation: Building Safer, More Confident Workplaces	Conflict Resolution & De-escalation: Building Safer, More Confident Workplaces - TIAA	<p>Conflict in the workplace—especially in frontline, healthcare, and public-facing environments—is an unavoidable reality. Whether triggered by stress, confusion, emotional distress, long waiting times, unmet expectations, or communication barriers, conflict can escalate quickly if not managed effectively.</p> <p>This article explores the fundamentals of conflict resolution and de-escalation, based entirely on the principles covered in our comprehensive training programme.</p>
16 March 2026	Local Gov	Client Briefing	Local audit pressures and council reorganisation: what the PAC warning means for your organisation	Local audit pressures and council reorganisation: what the PAC warning means for your organisation - TIAA	<p>Local government reorganisation is being discussed at a time when public sector financial reporting is already under pressure. MPs on the Public Accounts Committee (PAC) have warned that structural change could add further strain just as the local audit system is trying to recover.</p>
6 March 2026	All	TIAA Blog	Security Matters: When Flags Stop Feeling Friendly: A Personal Take on Staff Anxiety and the UK's New Wave of 'Patriotism'	Security Matters: When Flags Stop Feeling Friendly: A Personal Take on Staff Anxiety and the UK's New Wave of 'Patriotism' - TIAA	<p>The fourth blog in the series.</p> <p>When Flags Stop Feeling Friendly Frontline staff across housing, health and local government are increasingly reporting anxiety when working in neighbourhoods where clusters of flags - often linked to recent protest activity - create an atmosphere that feels tense or unwelcoming. In this latest Security Matters instalment, we explore why these concerns are emerging and what organisations can do to better support their teams.</p>
2 March 2026	All	Data Protection Alert	Court of Appeal Confirms Organisations Must Protect Personal Data Regardless of Identifiability	Court of Appeal Confirms Organisations Must Protect Personal Data Regardless of Identifiability - TIAA	<p>The UK Court of Appeal has issued an important judgment reinforcing that organisations must implement appropriate technical and organisational measures to protect personal data, regardless of whether unauthorised third parties can identify individuals from the information. Our alert has the key points.</p>
2 March 2026	All	TIAA News	Celebrating B Corp Month: What Being a B Corp Means at TIAA	Celebrating B Corp Month: What Being a B Corp Means at TIAA - TIAA	<p>Every March, organisations around the world come together to celebrate B Corp Month – a global movement championing businesses that act as a force for good. As a Certified B Corporation, TIAA is proud to be part of this growing community of organisations committed to balancing purpose with performance.</p>

Date Issued	Sector	Briefing Type	Subject	Website Link	TIAA Comments
18 February 2026	All	Security Alert	UK Terrorism Threat Update (2026)	UK Terrorism Threat Update (2026) - TIAA	Recent UK terrorism-related incidents reflect a persistent and evolving threat involving online radicalisation, lone-actor violence, chemical and weapons-related planning, and increasing involvement of young offenders. These cases demonstrate the importance of strong vigilance, staff awareness, and proportionate protective security arrangements across all sectors.
2 February 2026	All	TIAA Article	Employment Rights Act 2025: What It Means for Employers	Employment Rights Act 2025: What It Means for Employers - TIAA	The world of work is evolving fast — and the Employment Rights Act 2025 marks one of the most significant shifts in recent years for organisations across the UK. Our latest briefing breaks down what the new legislation means for employers, the practical changes to prepare for, and how organisations can stay compliant while continuing to protect and support their workforce.



Report to: Audit & Accounts Committee - 8 July 2026

Director or Business Manager Lead: Nick Wilson, Director – Finance, Revenues and Benefits

Lead Officer: Phil Lazenby, Head of Internal Audit TIAA Ltd contact: 0845 300 3333

Report Summary	
Report Title	Annual Internal Audit Report
Purpose of Report	To provide a summary of Internal Audit work undertaken during 2025/26 and to support the Annual Governance Statement by providing an opinion on the organisation's governance, risk, financial and internal control environment.
Recommendations	That the Audit & Governance Committee consider and comment upon the annual internal audit report and note its content.
Reason for Recommendation	In order to understand the internal audit work undertaken throughout the 2025/26 financial year which will assist in supporting the Annual Governance Statement

1.0 Background

1.1 The Annual Internal Audit Report:-

- Includes an opinion on the overall effectiveness of processes for risk management, control and governance.
- Discloses any qualifications to that opinion, together with the reasons for the qualification.
- Summarises audit work undertaken, including reliance placed on the work of other assurance bodies where applicable.
- Draws attention to any issues that are particularly relevant to the Annual Governance Statement.
- Summarises the performance of the internal audit function against its key performance measures.
- Comments on compliance with standards.

- 1.2 Whilst absolute assurance on the governance, risk, financial and internal control environments cannot be given, the opinion is based upon the work undertaken as part of the agreed internal audit plan and assurance intelligence gathered from across the Councils assurance framework.
- 1.3 The opinion is that Newark and Sherwood District Council has reasonable and effective risk management, control and governance processes in place.
- 1.4 The opinion should be considered as part of the process to prepare the Annual Governance Statement by the Audit and Accounts Committee and relevant Council officers.
- 1.5 The Annual Audit Report is attached at appendix A.

2.0 Proposals

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

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.

Background Papers and Published Documents

NIL



Newark and Sherwood District Council

Internal Audit Annual Report

Draft

June 2026

Executive Summary

Introduction

This is the 2025/26 Annual Report by TIAA on the internal control environment at Newark and Sherwood District Council. The annual internal audit report summarises the outcomes of the reviews we have carried out on the organisation’s framework of governance, risk management and control.

As a provider of internal audit services, TIAA has consistently ensured that our audit methodology conforms to the applicable Standards. Our most recent External Quality Assessment (EQA), undertaken in 2022, confirmed our conformance.

Following the introduction of the new Global Internal Audit Standards, we have reviewed and updated our working practices, where required, to ensure continued alignment with the revised requirements. Key updates include a refreshed audit Charter and enhancements to our Quality and Improvement Programme.

TIAA remains committed to maintaining conformance with applicable Standards and will continue to undergo an independent EQA every five years, with our next assessment scheduled for 2027. Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001:2015 standards.

Internal Audit Planned Coverage and Output

The 2025/26 Annual Audit Plan approved by the Audit Committee was for 245 days of internal audit coverage in the year.

During the year there were two changes to the Audit Plan (inclusion of Health and Safety (H&S) Mould Follow-up and the use of contingency days to support a Procurement review) and these changes were approved by the Audit Committee.

The planned work that has been carried out against the plan and the status of work not completed is set out at Annex A.

No extra work was carried out which was in addition to that set out in the Annual Audit Plan.

Assurance

TIAA carried out 10 reviews, eight of which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve Newark and Sherwood District Council’s objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are provided in Annex A and a summary is set out below.

Assurance Assessments	Number of Reviews	Previous Year
Substantial Assurance	5	4
Reasonable Assurance	1	2
Limited Assurance	2	2
No Assurance	0	0
Advisory	2	3

HEAD OF INTERNAL AUDIT’S ANNUAL OPINION

TIAA is satisfied that, for the areas reviewed during the year, Newark and Sherwood District Council has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by Newark and Sherwood District Council from its various sources of assurance.

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

We made the following total number of recommendations on our audit work carried out in 2025/26. The numbers in brackets relate to 2024/25 recommendations.

Urgent	Important	Routine
1 (2)	10 (21)	11 (23)

Audit Summary

Control weaknesses: There were two areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' or 'no assurance.' Recommendations were made to further strengthen the control environment in these areas and the management responses indicated that the recommendations had been accepted.

Recommendations Made: We have analysed our findings/recommendations by risk area and these are summarised below.

Risk Area	Urgent	Important	Routine
Governance Framework	0 (1)	2 (13)	5 (6)
Risk Mitigation	0 (0)	1 (1)	0 (3)
Compliance	1 (1)	6 (5)	5 (7)
Performance Monitoring	0 (0)	1 (2)	0 (6)
Sustainability	0 (0)	0 (0)	0 (0)
Resilience	0 (0)	0 (0)	1 (1)

Operational Effectiveness Opportunities: One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

Operational
8 (6)

Independence and Objectivity of Internal Audit

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

Performance and Quality Assurance

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

Performance Measure	Target	Attained
Completion of Planned Audits	100%	77%
Audits Completed in Time Allocation	100%	100%
Final report issued within 10 working days of receipt of responses	95%	89%
Compliance with IIA Internal Audit Standards	100%	100%

Release of Report

The table below sets out the history of this Annual Report.

Date Draft Report issued:	8 th June 2026
---------------------------	---------------------------

Actual against planned Internal Audit Work 2025/26

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Financial Resilience	Assurance	15	15	Substantial	Final Report Issued
HRA H&S Mould	Assurance	17	8	Limited	Reduced days to eight as not all were used, these days will be used to support the HRA H&S Mould in August 2026
Key Financial Controls - Budgetary Control	Assurance	16	16	Substantial	Final Report Issued
Capital Programme	Assurance	15	15	Substantial	Final Report Issued
Gilstrap Financials	Assurance	8	8	N/A	Final Report Issued
Mansfield Crematorium	Assurance	8	8	N/A	Final Report Issued
Absence Management	Assurance	10	10	Limited	Final Report Issued
Climate Sustainability Assessment	Assurance	20	20	Substantial	Final Report Issued
Waste Management	Assurance	15	15	Reasonable	Final Report Issued
Corporate Governance	Assurance	12	12	Substantial	Final Report Issued
Procurement	Assurance	0	8	Draft report issued	Contingency days used for this review.
ICT Systems Controls (previously Cyber Security Maturity Assessment)	Assurance	17	17	Draft report issued	
Joint Working Arrangements	Assurance	20	20	Fieldwork in progress	
ICT Social Media	Assurance	10	10	To be commenced	Planned June 2026
H&S Mould Follow-up	Follow Up	0	9	To be commenced	Planned August 2026, using days left from HRA H&S Mould review
Contingency	N/A	8	0	N/A	
Follow-up	N/A	16	16	N/A	
Annual Planning	N/A	4	4	N/A	

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Annual Report	N/A	3	3	N/A	
Training	N/A	2	2	N/A	
Audit Management	N/A	29	29	N/A	
	Total Days	245	245		



Report to: Audit & Accounts Committee - 8 July 2026

Director or Business Manager Lead: Nick Wilson, Director of Finance, Revenues & Benefits

Report Summary	
Report Title	External Auditors Audit Progress Report
Purpose of Report	To present the External Auditor’s Audit Progress Report for Newark and Sherwood District Council for 2025/26.
Recommendations	Members receive and note the External Auditors Audit Progress Report for 2025/26. Members note the adjustments to the draft audited financial statements set out in the report.
Reason for Recommendation	To ensure that the Committee discharges its responsibilities as per its delegated authority within the Councils constitution.

1.0 Background

1.1 The external auditor issues an Annual Audit Completion Report (ACR) in compliance with the International Standards on Auditing. The significant findings from the audit are reported in the Annual Audit Completion Report, together with the action taken in respect of these findings. The report also gives the auditor’s opinion on the Statement of Accounts. This report will be tabled at the Committee once the audit work has been completed.

2.0 Statement of Accounts

2.1 The Audit Progress Report updates Members as to the status of the audit for the 2025/26 financial year. Whilst the majority of the audit work has yet to begin, the work that has been completed so far has revealed no errors or control deficiencies. The External Audit Progress Report is attached at appendix A.

3.0 Implications

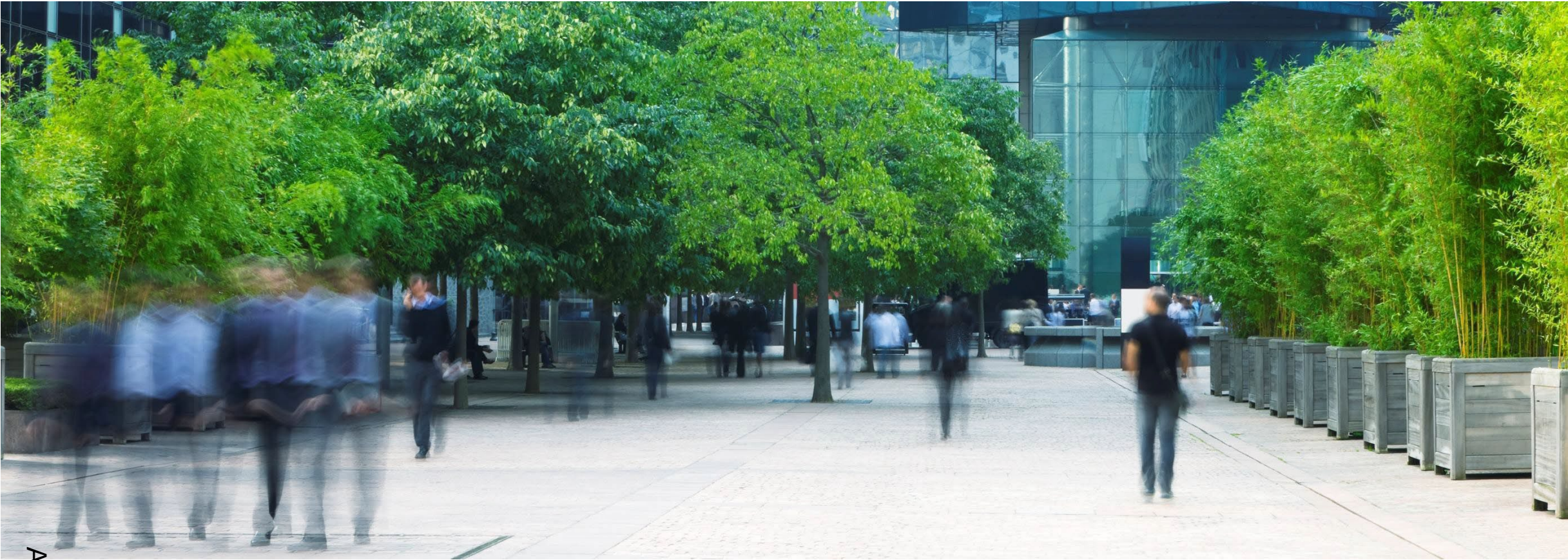
In writing this report and in putting forward recommendations officers have considered the following implications; Data Protection, Digital and Cyber Security, Equality and

Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

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



External Audit Progress Report Newark & Sherwood District Council

July 2026

Agenda Page 574

Contents

- 1. [Audit progress](#)
- 2. [National publications](#)

01

Audit progress

Audit progress

Purpose of this report

This report provides the Audit and Governance Committee with information about progress in delivering our responsibilities as your external auditors for Newark & Sherwood District Council (the Council) for the year ending 31 March 2026.

Audit for the year ending 31 March 2026

Financial statements audit

On 22 April 2026, we presented our Audit Strategy Memorandum (ASM) to the Audit & Governance Committee, outlining the upcoming phases of our audit work. According to the ASM, our fieldwork is scheduled to commence on 6 July 2026. Whilst some areas of planning remain to be finalised, the audit team is focused on resolving these issues before transitioning to the "responses to risk" phase of the audit.

To date, our preliminary review has revealed no errors or control deficiencies. Our audit approach will remain largely consistent with that of previous years.

Finally, it is important to note that the Council will remain unaffected by the rebuilding assurance guidance published by the NAO.

Value for money arrangements

The NAO's revised Code of Audit Practice from 2025/26, requires auditors to issue their Auditor's Annual Report, which includes commentary on the Council's Value for Money arrangements, by 30 November each year. We plan to complete our work on the VFM arrangements and present this report to the Audit and Governance Committee in advance of 30 November 2026.

02

National publications

National publications

	Publication/update	Key points
Chartered Institute of Public Finance and Accountancy ('CIPFA')		
1	CIPFA Bulletin 22 - Indexation application guidance	Practical guidance on applying indexation to non-investment assets under the 2025/26 Code, including selecting indices, accounting treatment, disclosures, depreciation, audit expectations and when desktop/full valuations are needed. For information only.
2	CIPFA Bulletin 23 - Closure of the 2025/26 financial statement	Provides closure guidance for 2025/26 accounts, including clarification on issues arising during implementation of the 2025/26 Code, FAQs from practice, and corrections to the Code. For information only.
Ministry of Housing, Communities and Local Government ('MHCLG') (formerly the Department for Levelling Up, Housing and Communities ('DLUHC'))		
3	Local audit reform: Government response to the consultation to overhaul local audit in England	Confirms the direction of reform in local authority auditing including the establishment of the Local Audit Office, review of local authority accounts, review of Key Audit Partner eligibility criteria and strengthen and support audit committees. For information only.
4	Code of Audit Practice 2024: Explanatory memorandum	This explanatory memorandum has been prepared by the Ministry of Housing, Communities and Local Government and laid before Parliament in accordance with the Local Audit and Accountability Act 2014. For information only.
National Audit Office ('NAO')		
5	Whole of Government Accounts 2024-25 - NAO report / press release	The NAO again issued a disclaimed opinion on the Whole of Government Accounts 2024-25, citing continuing issues with assurance over English local authority accounting data. Highlights the broader impact of local authority reporting and audit delays on consolidated public sector accounts. For information only.
6	Local Government Financial Sustainability	Highlights that funding has not kept pace with demand, need and cost pressures; notes 42 authorities had exceptional financial support since 2020/21. For information only.
Other		
7	Forvis Mazars - Annual Local Government Risk Report 2025/26	The report deep dives into the known and emerging risks for Local Authorities in 2025/26, as well as what they should include in their internal audit plans. For information only.
8	Forvis Mazars - Mapping public sector risk, resilience and readiness	Based on insights from 100+ senior leaders across the UK public and social sector, our latest report captures a sector navigating competing priorities. For information only.

National publications and technical updates

CIPFA

1. CIPFA Bulletin 22 - Indexation application guidance

The bulletin covers the application of indexation to non-investment assets under the 2025/26 Code, including selecting indices, accounting treatments, disclosures and when full/desktop valuations are needed.

Link: CIPFA Bulletin 22: [CIPFA Bulletin 22 - Indexation Application Guidance](#)

2. CIPFA Bulletin 23 - Closure of the 2025/26 financial statement

The bulletin covers the closure of the 25/26 accounts and gives practical guidance to for local authority finance teams to prepare their accounts. The bulleting covers 4 main areas indexation of assets, accounts production deadlines, future grant accounting issues, and corrections/publication updates.

Link: [CIPFA Bulletin 23 – Closure of the 2025/26 financial statement | CIPFA](#)

3. Local audit reform: Government response to the consultation to overhaul local audit in England

The draft Code of Audit Practice 2024 has been developed by the Comptroller and Auditor General (C&AG) and laid in Parliament on his behalf by the government. The government has produced this accompanying explanatory memorandum.

The changes in the Code are part of wider measures to address the significant backlog of unaudited local body accounts in England. This backlog affects non-NHS bodies within the Code's remit including local authorities, National Park authorities, fire authorities, police and crime commissioners, waste authorities and transport authorities.

Link: [Local Audit Reform: Government Response](#)

National publications

MHCLG

4. Code of Audit Practice 2024: Explanatory memorandum

The draft Code of Audit Practice 2024 has been developed by the Comptroller and Auditor General (C&AG) and laid in Parliament on his behalf by the government. The government has produced this accompanying explanatory memorandum.

The changes in the Code are part of wider measures to address the significant backlog of unaudited local body accounts in England. This backlog affects non-NHS bodies within the Code's remit including local authorities, National Park authorities, fire authorities, police and crime commissioners, waste authorities and transport authorities.

Link: [Code of Audit Practice 2024: Explanatory memorandum](#)

5. NAO insight: Financial management in government: monitoring and forecasting

The NAO has published the Whole of Government accounts for 2024/25, issuing a disclaimed opinion on the financial statements as sufficient appropriate audit evidence could not be obtained. Reasons for the opinion being disclaimed:

- 338 entities were included in the WGA (280 in 2023/24), 145 entities did not submit data (201 in 2023/24) of which 128 (186 in 2023/24) were local government entities
- HM Treasury estimates that the impact of this missing data on the 2024-25 accounts is that net liabilities are overstated by £59.2bn (£50.6bn in 2023/24) and net expenditure is understated by £14.8bn (£37.7bn in 2023/24).
- The definition and application of the accounting boundary – HM Treasury's accounting policy for consolidation had not been applied consistently in the WGA, leaving out significant entities, such as English Further Education Institutions. In 2024/25 the omission of these Institutions has an estimated impact of a £14.2bn (2023/24: £14.3bn) understatement of gross assets and a £1.8bn (2023/24: £2.0bn) understatement of gross liabilities.
- Inconsistencies in the application of accounting policies for infrastructure assets, local government values these on historical cost as per the CIPFA Code while Central Government values depreciated replacement cost as per the FReM. The estimated impact is that assets are understated by at least £114.2bn (£112.2bn in 2023/24).

Link: [Whole of Government Accounts 2024-25 - NAO report](#)

National publications and technical updates

NAO

6. Local Government Financial Sustainability

Good financial management is critical in the public sector. For public services to be efficient and productive, the effective management of public finances is essential. This guide outlines how finance leaders across government can monitor budgets and their performance and ensure forecasting is effective. It focuses on three principles:

- Promote a culture of accountability – leadership emphasises the importance of budget holders being accountable for monitoring financial performance and ensuring forecasts are accurate and realistic.
- Develop the right skills and capabilities – finance professionals possess the skills and capabilities to monitor effectively and forecast with precision and leverage these to elevate the quality of the organisation’s decision-making.
- Make the best use of data and information – high-quality data and information is used to enable better monitoring and more accurate forecasting, helping decision-makers respond to events quickly and effectively.

Link: [Financial management in government: monitoring and forecasting](#)

Other

7. Forvis Mazars – Annual Local Government Risk Report 2025/26

Forvis Mazars have issued a report for local government, covering the known and emerging local authority risks, including financial pressures, workforce recruitment and retention, data and AI.

Link: [Public sector in focus: Charting the road ahead - Forvis Mazars - United Kingdom](#)

8. Forvis Mazars – Mapping public sector risk, resilience and readiness

Based on insights from 100+ senior leaders across the UK public and social sector, our latest report captures a sector navigating competing priorities. The findings reveal a sector that has turned a corner in sentiment but remains under significant structural pressure. Leaders are adapting, but the gap between ambition and capacity continues to shape decision-making..

Link: [Mapping public sector risk, resilience and readiness - Forvis Mazars](#)

Contact

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Report to: Audit & Accounts Committee Meeting 8 July 2026

Director or Business Manager Lead: Nick Wilson, Director Finance, Revenues and Benefits and Section 151 Officer

Lead Officer: Andrew Snape, Head of Service – Financial Services ext. 5523

Report Summary	
Report Title	Treasury Management Outturn Report 2025/26
Purpose of Report	To give Members the opportunity to review the Annual Treasury Outturn report, which will be presented to Council on 14 July 2026.
Recommendations	That the Treasury Outturn position for 2025/26 be considered.
Reason for Recommendation	To allow Members to consider the Treasury Outturn position.

1.0 Background

- 1.1 In January 2010 the Council formally adopted the CIPFA Code of Practice on Treasury Management which requires that the Council receives regular reports on its treasury management activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close.
- 1.2 The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Audit & Governance Committee and for the execution and administration of treasury management decisions to the Section 151 Officer, who will act in accordance with the Council’s policies and practices.
- 1.3 The Treasury Management Strategy Statement for 2025/26 was approved by Full Council on 6 March 2025, and the Outturn report is the last report for the financial year, as required by the Code. It has been prepared based on the draft final accounts, which appear elsewhere on the agenda. If there are significant changes resulting from the audit of the accounts, they will be reported at the next meeting of this Committee.

2.0 Summary of Treasury Balances as at 31 March 2026

2.1 Below is a summary of the Councils borrowing position as at 31 March 2026. Further detail can be found in appendix A at section 4.

Balance on 01/04/2025 £m		Balance on 31/03/2026 £m
109.799	Total Borrowings	104.923
5.169	Total Other Long Term Liabilities	6.297
114.968	Total External Debt	111.220

2.2 Below is a summary of the Councils investment position as at 31 March 2026. Further detail can be found in appendix A at section 5.

Balance on 01/04/2025 £m		Balance on 31/03/2026 £m
36.528	Total Short Term Investments	25.640
12.500	Total Long Term Investments	12.500
49.028	Total Investments	38.140

2.3 There have been no breaches of the approved prudential indicators during 2025/26. Further information can be found at section 6 of appendix A.

3.0 Implications

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

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

Background Papers and Published Documents

Nil.

ANNUAL TREASURY REPORT 2025/26

1. Background

- 1.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2025/26. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).
- 1.2 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.'
- 1.3 Overall responsibility for treasury management remains with the Council. No treasury management activity is without risk; the effective identification and management of risk are integral to the Council's treasury management strategy.

2.0 Economic Background

UK Economy

- 2.1 As with 2024/25, UK inflation has proved somewhat stubborn throughout 2025/26. Having started the financial year at 3.5% y/y (April), the CPI measure of inflation peaked at 3.8% from July to September, before dipping to 3% in January and February. Core inflation picked up to 3.2% in February, from 3.1%, and the recent upward pressure on energy costs could see CPI inflation breach 4.5% later this year.
- 2.2 Against this backdrop, the continued lack of progress in ending the Russian invasion of Ukraine, and the potentially negative implications for global growth as a consequence of the implementation of US tariff policies, Bank Rate reductions look limited for the remainder of 2026 (as they do in the euro-zone). Bank Rate currently stands at 3.75%.
- 2.3 Moreover, borrowing has becoming more expensive in 2025/26. Gilt yields have risen materially in March 2026, more than reversing the falls earlier in the financial year. Additionally, the public finances have remained under pressure. The higher-than-expected public net sector borrowing of £14.3bn in February was £2.2bn above last February's outturn. But that borrowing overshoot was mainly due to timing effects relating to the £13.0bn government debt interest payment. That came in as the highest payment since June 2025, causing a 12.3% y/y jump in spending. On the flip side, sitting at £8.1bn, tax revenues were also higher than last February, largely on the back of solid growth in self-employment incomes in 2024/25, boosting self-assessment income tax receipts and stronger capital gains tax receipts.
- 2.4 However, the combination of some energy price support and pressures from higher inflation amid the ongoing energy price shock, higher interest rates and a weaker economy will ultimately put borrowing on an upward trend. With the rise in energy prices possibly pushing

the Retail Prices Index inflation up to a peak of 5.7%, debt interest repayments will increase by about £10bn. A weaker growth profile, higher inflation, higher interest rates and gilt yields could erode about £11bn of the Chancellor’s £23.6bn headroom.

- 2.5 The loosening in the labour market continues to bear down on wage growth. The 3myy growth rate of average earnings including bonuses slowed from 4.2% in December to 3.9% in January. Meanwhile, excluding bonuses, private earnings growth continued to fall from 3.4% to 3.3%.
- 2.6 The table below provides a snapshot of the conundrum facing central banks: inflation pressures remain, labour markets are still relatively tight by historical comparisons, and central banks are also having to react to a fundamental re-ordering of economic and defence policies driven largely by the US administration.

	UK	Eurozone	US
Bank Rate	3.75%	2.0%	3.5%-3.75%
GDP	0.1%q/q Q4 (1.0%/y/y)	+0.2%q/q Q4 (1.2%/y/y)	0.7% Q4 Annualised
Inflation	3.0%/y/y (Feb)	1.9%/y/y (Feb)	2.4%/y/y (Feb)
Unemployment Rate	5.2% (Jan)	6.2% (Jan)	4.4% (Feb)

- 2.7 The Bank of England sprung no surprises in their March meeting, leaving Bank Rate unchanged at 3.75% by a vote of 9-0, but suggesting rates may need to rise if inflation picks up markedly. The vote could best be described as moderately hawkish. The MPC stated it “stands ready to act as necessary” and “is alert to the increased risk of domestic inflationary pressures through second-round effects in wage and price-setting”. Even so, we suspect the committee is likely to put equal weight on higher inflation and weaker growth, particularly the poor macroeconomic backdrop prior to the energy shock, keeping interest rates at 3.75% this year.
- 2.8 10-year Gilt yields have been exceptionally volatile in the final weeks of 2025/26, troughing at around 4.23% in late February before shooting up to 5.00% (and well through that on an intraday basis). That spike was driven by the outbreak of war in the Middle East, which prompted a dramatic reassessment of investors’ Bank of England policy rate expectations. Having been pricing in rate cuts in late-February, as many as four rate *hikes* were discounted by late-March. The 10-year yield ended the quarter at 4.92% with around 65bp of rate hikes priced in over the coming year. In addition to more hawkish monetary policy expectations, part of this increase in yields probably reflected an increase in term premia amid concerns that the government may react by loosening the fiscal purse strings.
- 2.9 As for equity markets, the FTSE 100 experienced another volatile quarter, surging to an all-time high of around 10,900 in late February, leaving it up 10% from the start of 2026, before giving back most of those gains in March after the outbreak of the Middle East conflict. That pullback leaves the index at around 10,176 at the end of the quarter. For context it was at 8,582 at the start of April. The £ has stayed relatively resilient also at \$1.33, strengthening from \$1.29 back in April.

US Economy

- 2.10 Despite a weak finish to 2025, the US economy has generally been the strongest among the developed economies, but with uncertainties growing surrounding President Trump's central economic tenet of being able to apply tariffs on an ad-hoc basis, and bend the FOMC Fed Funds rate decision-making to his will, there is something of a stalemate in place at present over when, and if, rates will be cut further in 2026.
- 2.11 Inflation is currently stuck at around 2.5%, unemployment is only a little above 4%, and tax refunds are in the process of being facilitated for many households. But will those refunds be – at least partially – offset by higher gasoline prices?
- 2.12 The S&P500 started April 2025 at 5,633 and finished March 2026 at 6,528 having peaked at just over 7,000. The 10-year Treasury yield finished March at 4.30% having been 4.17% back at the start of April, and during the year has been both above 4.50% and below 4.00%.

EZ Economy

- 2.13 The Eurozone economy has run pretty much in parallel with that of the UK. A slightly stronger finish to 2025 (GDP of 0.2% q/q) than that of the UK cannot hide the fact that the economy has been negatively impacted by German economic stagnation until late in 2025. France has also struggled against a difficult political backdrop but managed to post GDP growth of 0.3% q/q for October to December.
- 2.14 With Eurozone headline inflation close to 2%, the ECB has been able to reduce its Deposit Rate to 2%. Whether it rises from that low point will very much be driven by how energy prices trend over the coming months. The Euro has appreciated against the dollar from 1.08 at the start of April 2025 to 1.16 at the end of March.

3.0 Local Context

- 3.1 During 2025/26, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as although near-term investment rates were equal to, and sometimes higher than, long-term borrowing costs, the latter are expected to fall back through 2026/27 as inflation concerns are dampened.
- 3.2 A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns.
- 3.3 The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when the Council may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

3.4 The Council's Capital Financing Requirement (CFR) at 31 March 2026 was £158.603m, while usable reserves and working capital which are the underlying resources available for investment were £67.444m.

3.5 The Council has an increasing CFR over the next 2 years of £51.551m, due to the borrowing requirement of £62.390m (GF £24.035m / HRA £38.355m) for financing the capital programme over the forecast period. The CFR reduces when Minimum Revenue Provision (MRP) are made and the repayment of debt, over the forecast period there are loans due for repayment with a combined total value of £10.839m.

4.0 **Borrowing Strategy**

4.1 Borrowing Activity in 2025/26

	Balance 1/4/25 £m	New Borrowing £m	Debt Maturing £m	Balance 31/3/26 £m
CFR	147.046			158.603
Short Term Borrowing	36.442	4.419	-4.254	36.607
Long Term Borrowing	73.357	0.000	-5.041	68.316
Total Borrowing	109.799	4.419	-9.295	104.923
Other Liabilities – Finance Lease Liability	5.169	1.298	-0.170	6.297
Total External Debt	114.968	5.717	-9.465	111.220
Increase/(Decrease) in Borrowing £000				-3.748

4.2 **Refinancing:** As interest rates remained higher than anticipated levels for the coming year, the Council continued to make use of short-term borrowing. This approach enabled the Council to retain flexibility and avoid committing to longer-term borrowing until rates are considered more favourable. The table below sets out the loans refinanced during the year and compares the rates available at the time.

Description	Balance 1/4/25 £m	Old Rate	Balance 31/3/26 £m	New Rate
PWLB Maturity	17.000	4.63%	17.000	4.10%
PWLB Maturity	10.000	4.95%	10.000	4.15%
LOBO*	3.500	3.75%	3.500	4.06%
Total	30.500		30.500	

4.3 **LOBOs:** At the start of 2025/26, the Council held £3.5m of LOBO (Lender's Option Borrower's Option) loans. During the year, the lender exercised its option to propose an increase to the interest rate. As the proposed rate was 5.70%, which is significantly higher than the rate available from PWLB, the loans were repaid and refinanced with a PWLB maturity loan as above.

- 4.4 The Council’s primary objective when borrowing has been to achieve an appropriate balance between minimising risk, securing low interest costs, and providing certainty over borrowing costs for the period in which funds are required. A secondary objective has been to retain flexibility to renegotiate loans should the Council’s longer-term plans change.
- 4.5 The Council has an increasing CFR due to the capital programme and an estimated borrowing requirement as determined by the Liability Benchmark, which also takes into account usable reserves and working capital. Having considered the appropriate duration and structure of the Council’s borrowing need based on realistic projections, it was decided not to take any long term borrowing due to the high interest rates.
- 4.6 **Debt Rescheduling:** The premium charge for early repayment of PWLB debt remained relatively expensive for the loans in the Council’s portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence.

5.0 Investment Activity

- 5.1 The Council’s investment policy is governed by DLUHC investment guidance, which has been implemented in the annual investment strategy approved by the Council on 6 March 2025. The policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.). During 2025/26 the Council’s investment balances have ranged between £36.280m and £68.406m.

	Balance 1/4/25 £m	New Investments £m	Investments Redeemed £m	Balance 31/3/26 £m
Short Term Investments	36.528	190.812	-201.700	25.640
Long Term Investments	12.500	0.000	0.000	12.500
Total Investments	49.028	190.812	-201.700	38.140
Increase/(Decrease) in Investments £000				-10.888

- 5.2 Security of capital remained the Council’s main objective. This was maintained by following the Council’s counterparty policy as set out in its Treasury Management Strategy Statement for 2025/26.
- 5.3 Counterparty credit quality is assessed and monitored by MUFGE, the Council’s treasury advisors, with reference to credit ratings; credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. MUFGE provide recommendations for suitable counterparties and maximum investment periods.

6.0 Compliance with Prudential Indicators

- 6.1 The Council has complied with its Prudential Indicators for 2025/26, which were set on 6 March 2025 as part of the Council’s Treasury Management Strategy Statement.

6.2 **Interest Rate Exposure:** These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates for both borrowing and investments. The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

	Approved Limit for 2025/26 %	Maximum during 2025/26 £m
<u>Fixed Rate</u>		
Borrowing	100%	99.18%
Investments	75%	20.98%
<i>Compliance with Limit</i>		Yes
<u>Variable Rate</u>		
Borrowing	20%	0.82%
Investments	100%	79.02%
<i>Compliance with Limit</i>		Yes

6.3 **Maturity Structure of Fixed Rate Borrowing.** This indicator is to limit large concentrations of fixed rate debt and control the Council's exposure to refinancing risk.

	Upper Limit %	Fixed Rate Borrowing 31/03/26 £m	Fixed Rate Borrowing 31/3/26 %	Compliance?
Under 12 months	15%	14.111	13.45%	Yes
12 months to 2 years	15%	23.006	21.93%	Yes
2 years to 5 years	30%	19.295	18.39%	Yes
5 years to 10 years	100%	1.146	1.09%	Yes
10 years and above	100%	47.365	45.14%	Yes

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

Price Risk Indicator	Limit 2025/26	Actual 31/03/26	Compliance?
Limit on principal invested beyond year end	£15m	£12.5m	Yes

6.5 **Authorised Limit and Operational Boundary for External Debt.** The Local Government Act 2003 requires the Council to set an Affordable Borrowing Limit, irrespective of their indebted status. This is a statutory limit which should not be breached. The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst-case scenario without the additional headroom included within the Authorised Limit. The s151 Officer confirms that there were no breaches to the Authorised Limit and the Operational Boundary during 2025/26.

	Approved Operational Boundary 2025/26 £m	Authorised Limit 2025/26 £m	Actual External Debt 31/03/26 £m
Borrowing – incl Finance Leases	178.954	183.954	111.220
Other Long Term Liabilities	2.000	2.000	0.000
Total	180.954	185.954	111.220

- 6.6 In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary of the treasury management activity during 2025/26. A prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.
- 6.7 The Council also confirms that during 2025/26, it complied with its Treasury Management Policy Statement and Treasury Management Practices.



Report to: Audit and Accounts Committee Meeting: 8 July 2026
 Director Lead: Nick Wilson, Director Financial Services, Revenues & Benefits and S151
 Lead Officer: Andrew Snape, Head of Financial Services ext. 5523

Report Summary	
Report Title	Provisional Financial Outturn Report to 31 March 2026
Purpose of Report	<p>To present to Members the provisional 2025/26 financial outturn position on the Council’s revenue and capital budgets, including:-</p> <ul style="list-style-type: none"> • General Fund Revenue • Housing Revenue Account • Capital Programme • Provisions and Impaired Estimates on Debtors • Usable Reserves • Collection Fund <p>This report provides Members with a summary of actual income and expenditure compared to the revised budget and how any surpluses/deficits have been allocated to/from reserves.</p>
Recommendations	<p>That the final outturn of revenue and capital spending for 2025/26 be noted;</p> <p>That the variation to the capital programme, as set out in paragraph 1.4 be noted;</p> <p>That the capital financing proposals as set out in table 4 at paragraph 1.5 of the report, be noted;</p> <p>That the movement in Provisions and Impaired Estimates on Debtors be noted; and</p> <p>That the individual contributions to, and withdrawals from, the revenue and capital Usable Reserves, be noted.</p>

1.0 Background

Overview of Provisional General Fund (GF) Revenue Outturn for 2025/26

- 1.1 The accounts show a favourable variance of £0.719m on service budgets, with a total favourable variance of £0.801m, over and above the previous budget monitoring report as at 31 December 2025 report agreed transfer of £1.111m to the capital provision earmarked reserve, as follows:-

Table 1: General Fund Revenue Outturn for 2025/26 Financial Year as at 31 March 2026

	Budget £'m	Outturn £'m	Variance £'m
Net Cost of Services	17.851	17.132	(0.719)
Other Operating Expenditure	5.053	5.031	(0.022)
Finance & Investment Income & Expenditure	0.315	(0.218)	(0.533)
Taxation & Non Specific Grant Inc	(25.103)	(25.696)	(0.593)
Net Cost of Council Expenditure	(1.884)	(3.751)	(1.867)
Transfer to/(from) Unusable Reserves	4.253	4.208	(0.045)
Transfer to Capital Provision	0	1.111	1.111
Transfer to/(from) Usable Reserves	(2.369)	(1.568)	0.801
Transfer to/(from) General Balance	0	0	0

- 1.2 Based on the table above, usable reserves have increased by £0.801m. The statutory General Fund balance has not varied during the year and remains at £1.500m, which is in accordance with the Medium-Term Financial Plan approved on 6 March 2025.

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

- 1.3 The financial outturn position to 31 March 2026 for the HRA before appropriations to reserves is a deficit of £0.243m. *Table 2* summarises these variances.

Table 2: HRA Revenue Outturn for 2025/26 Financial Year as at 31 March 2026

	Revised Budget £'m	Outturn £'m	Variance £'m
Net Cost of HRA Services	(5.376)	(5.263)	0.113
Other Operating Expenditure	3.244	3.533	0.289
Finance & Investment Income/Expenditure	4.335	4.176	(0.159)
Taxation & Non Specific Grant Income	(0.192)	(0.192)	0
(Surplus)/Deficit on HRA Services	2.011	2.254	0.243
Movements in Reserves			
Transfer to/(from) Unusable Reserves	(10.652)	(10.652)	0
Transfer to/(from) Usable Reserves	0.024	0.024	0
Transfer to Major Repairs Reserve - Depreciation	6.368	6.051	(0.317)
Transfer to Major Repairs Reserve – Revenue Contribution	2.249	2.323	0.074
Total	0	0	0

Overview of Provisional Capital Outturn for 2025/26

- 1.4 The accounts show actual expenditure excluding the GF Loan of £29.068m, resulting in of £5.948m or 17% of the revised budget. Some slippage in capital schemes is expected at the end of the financial year as timing of expenditure changes. To ensure the overall project budget remains intact, it is proposed that reprofiling of £5.104m (£2.718m GF and £2.386m HRA). This is because there are commitments in place or schemes still expected to start. For clarity, where a scheme has been completed, any remaining budgets will not be carried forward. The whole of the variance on the GF loan for £9.185m has been proposed to be reprofiled.

Table 3: GF and HRA Capital Outturn for 2025/26 Financial Year as at 31 March 2026

Spend Type	Budget Approved as per Cabinet 24/3/25 £'m	Revised Post Cabinet £'m	Outturn £'m	Variance £'m
GF	14.835	14.878	11.923	(2.955)
GF REFCUS*	3.271	3.271	2.915	(0.356)
GF Total	18.106	18.149	14.838	(3.311)
HRA	16.867	16.867	14.230	(2.637)
HRA REFCUS*	0.000	0.000	0.000	0.000
HRA Total	16.867	16.867	14.230	(2.637)
GF and HRA Total	34.973	35.016	29.068	(5.948)
GF Loan	18.786	18.786	9.601	(9.185)
Total	53.759	53.802	38.669	(15.133)

*REFCUS relates to Revenue Expenditure funded from Capital under Statute i.e. expenditure on non-Council-owned assets e.g. disabled facilities grants.

- 1.5 Total Capital spend in the year of £38.669m has been financed by a combination of borrowing, external grants and contributions, receipts, major repairs reserve and revenue contributions. It is proposed that Cabinet approve the revised capital financing proposals as summarised in *Table 4*:

Table 4: Proposed 2025/26 GF and HRA Capital Outturn Financing

Source of Financing	GF Programme £'m	HRA Programme £'m	Total £'m
External Grants & Contributions	6.842	0.192	7.034
Capital Receipts non-1-4-1	1.607	0.500	2.107
Capital Receipts 1-4-1	0.000	0.706	0.706
Revenue Contributions	2.074	10.605	12.679
Borrowing	13.916	2.227	16.143
Total Financing	24.439	14.230	38.669

Provisions for Future Liabilities

- 1.6 Provisions are made when an event has taken place that gives the Council an obligation that probably requires settlement, can be reasonably estimated, but where the timing of the payment is uncertain. Good practice requires that any movements in a Provision should be approved separately by Cabinet. The provisions in the table below relate to alterations and appeals against the rateable values (RV) provided for on properties in the National Non-Domestic Rating list (NNDR). The amounts shown in the Statement of Accounts (and hence in the table below) relate to this Council's element for the provision for appeals. 2023/24 saw the release of a refreshed rating list from the valuation office. This is the third such list since rates retention came into effect in April 2013. As a result of the new list being released, from April 2023 no further appeals for the prior lists are able to be lodged, this in turn has resulted in lower threats to our rating income. During the year 2025/26, £0.575m was charged against the provision in due to RV adjustments in relation to the 2017 and 2023 rating lists and £0.250m was added to the provision (£0.035m was removed from the 2017 list provision and £0.284m was added for the 2023 list provision). 40% of all provisions are applicable to NSDC (£0.230m charge and £0.100m increase therefore £0.130m as the NSDC share). The provisions provided for in *Table 6* are the Council's 40% share, as follows:

Table 5: 2025/26 Movements in GF Provision – NNDR

General Fund Provision (NNDR) – Period of Settlement for Appeals	Balance B/Fwd 01/04/2025 £'m	Movement in Year £'m	Actual Balance 31/03/2026 £'m
Provision for Appeals – NNDR settled within 12 months	(0.304)	(0.187)	(0.491)
Provision for Appeals – NNDR settled after 12 months	(0.317)	0.317	0.000
Provision for Appeals – NNDR Total	(0.621)	0.130	(0.491)

- 1.7 The Council receive external advice (from Analyse Local) relating to the level of provision that should be held. Analyse Local have used their knowledge and understanding from a national perspective to estimate the total liability for the 2023 list. From this national level estimate we have applied an understanding from a more local perspective and experience of previous appeal settlement levels and have adjusted the estimate to £1.229m, the provision for the 2017 list is now zero. This total provision of £1.229m is at Collection Fund level of which this Council recognises 40% (£0.491m) due to its share of the overall NNDR income.

Impaired Estimates on Debtors

- 1.8 Impaired Estimates on Debtors is an estimation of the amount that will remain uncollectable after a certain time period and may require write off in the future accounts of the Council. The calculation is based upon on the age and amounts of debt owed to

the Council based on a hierarchical percentage i.e. the older the debt, the greater likelihood of non-collection. Good practice requires that movements in the Impaired Estimates on Debtors should be approved separately by Members. *Table 6* details these:

Table 6: 2025/26 Movements in GF and HRA Impaired Estimates on Debtors

Debtor Type	Balance B/Fwd 01/04/2025 £'m	Write Offs in Year £'m	(Increase) / Decrease in Provision £'m	Actual Balance 31/03/2026 £'m
GF - Sundry Debts	(0.125)	0.057	(0.105)	(0.173)
GF - Housing Benefit	(0.818)	0.026	0.021	(0.771)
GF – Impaired Estimates on Debtors	(0.943)	0.083	(0.084)	(0.944)
HRA - Sundry and Other Debts	(0.015)	0.006	(0.011)	(0.020)
HRA - Former Tenants	(0.385)	0.041	(0.164)	(0.508)
HRA - Current Tenants	(0.091)	0.014	(0.093)	(0.170)
HRA – Impaired Estimates on Debtors	(0.491)	0.061	(0.268)	(0.698)

Usable Capital Reserves

1.9 A Reserve is created for a specific future purpose or to cover contingencies. In accordance with the Code; these Usable Reserves must be separately identified between those that are retained for Capital purposes and those that are retained for Revenue purposes. Again, good practice dictates that any movements in existing reserves, or the creation of any new reserves, be approved by Members.

1.10 Capital reserves are used to fund spend incurred on the approved capital programme. *Table 7* details the position as at 31 March 2026:

Table 7: Capital Reserves used to Fund GF and HRA Capital Programmes as at 31 March 2026

Capital – Type of Reserve Used to Fund Capital Programme	Balance B/Fwd 01/04/2025 £'m	Cont'n in Year £'m	Use in Year £'m	Actual Balance 31/03/2026 £'m	Anticipated balance at 31/03/2030 £'m
Capital - GF					
Usable Capital Receipts	1.201	1.412	1.606	1.007	0.462
Capital Grants Unapplied	13.387	0.565	0	13.952	6.909
Capital – HRA					
Usable Capital Receipts – HRA	0.058	1.635	0.706	0.987	0.484
Usable Capital Receipts - RTB's	0.035	2.089	0.500	1.624	1.580
Capital Grants Unapplied	0	0	0	0	0
Major Repairs Reserve (MRR)	10.502	8.374	15.645	3.231	0.481
Capital - Total	1.201	1.412	1.606	1.007	0.462

Usable Revenue Reserves

- 1.11 Revenue reserves are used to fund anything that is not capital in nature, albeit can be applied to capital expenditure if necessary. They cover such areas as donations, external grants and contributions for future service provision, or specific sums of money held for a specific purpose. The tables below show high level balances against the categories of the reserves that are held for each fund together with current approved commitments and hence a forecast balance. **Appendix A** details the movement on General Fund Reserves and **Appendix B** shows HRA Reserves.

General Fund	Opening Balance £'m	Closing Balance £'m	Commitments £'m	Forecast Balance £'m
Budget funding reserve	(9.013)	(8.925)	5.425	(3.500)
Earmarked for Known Pressure	(8.761)	(8.555)	5.973	(2.582)
Ringfenced	(2.555)	(4.165)	2.116	(2.049)
Un-ringfenced	(13.786)	(13.717)	11.531	(2.186)
Working Balance	(1.500)	(1.500)	0	(1.500)
Total	(35.615)	(36.862)	25.045	(11.817)

- 1.12 Overall the Council has increased its General Fund reserves position by £1.247m. This is attributed to:

	£'m
Brought Forward Reserves balance	35.615
Budgeted increase in reserves	0.316
Contributions to Capital Expenditure	(1.772)
Transfer to Capital Provision (as per Q3 report to cabinet)	1.111
Favourable variance in cost of running Council	0.801
Other movements	0.791
Reserves balance as at 31st March 2026	36.862

HRA	Opening Balance £'m	Closing Balance £'m	Commitments £'m	Forecast Balance £'m
Earmarked for Known Pressure	(5.653)	(5.723)	1.936	(3.787)
Un-ringfenced	(2.000)	(2.000)	0	(2.000)
Total	(7.653)	(7.723)	1.936	(5.787)

- 1.13 Service variances combined with non-service related income and expenditure variances has meant that overall the District Council has increased its Housing Revenue Account reserves by £0.070m. This increase has been identified as being related to:

	£'m
Brought Forward Reserves balance	7.653
Budgeted use of reserves	(0.250)
HRA agreed Carry Forwards	0.384
Unused efficiency savings	0.298
Favourable variance in cost of running HRA	0.070
Other movements	(0.432)
Reserves balance as at 31st March 2025	7.723

The Collection Fund 2025/26

- 1.14 The Collection Fund accounts for the income from the collection of Council Taxes and Business Rates, and the subsequent disbursement to local authority preceptors and central government.
- 1.15 The in-year surplus on the Council Tax account was £1.195m, which reduced the overall position from a deficit of £1.262m at 1 April 2025 to a surplus of £0.067m at 31 March 2026.
- 1.16 The Code prescribes that the Statement of Accounts only show the element of Council Tax that relates to Newark & Sherwood District Council. In this regard, the share of the Council Tax surplus of £0.067m that relates to Newark & Sherwood District Council as at 31 March 2026 is £0.007m. A zero surplus/deficit was estimated during January 2026 meaning no income or expenditure is being managed during 2026/27 from or to Council Tax preceptors.
- 1.17 The in-year deficit on the Business Rates account was £1.161m, which changed the overall position from a surplus of £0.692m at 1 April 2025 to a deficit of £0.469m at 31 March 2026.
- 1.18 The Code prescribes that the Statement of Accounts only show the element of business rates that relates to Newark & Sherwood District Council. In this regard, the share of the business rates deficit that relates to Newark & Sherwood District Council as at 31 March 2026 is £0.188m. The Council declared an estimated deficit as at 31st March 2026 of £0.739m during January 2026, this will be recouped from preceptors during 2026/27. The share of this deficit relating to Newark & Sherwood District Council is £0.295m and has been included within the 2025/26 budget.
- 1.19 Impaired provisions on council tax and business rates debtors is an estimation of the amount that will remain uncollectable after a certain time period. This may be required to be written off in future by all preceptors depending on their share of the Collection Fund. The calculation is based upon on a historical experience of bad debt, i.e. experience shows 0.8% of net liability is written off for council tax, 0.7% for business rates. Where a debt is written off, for every £1.00 in council tax, £0.11p is reflected in the Councils accounts, the remaining balance is split between the remaining preceptors. For every £1.00 of business rates written off, £0.40 is reflected in the Councils accounts.

2025/26 Movements in CF Impaired Estimates on Debtors

Debtor Type	Balance B/Fwd 01/04/2025 £'m	Write Offs in Year £'m	(Increase) / Decrease in Provision	Actual Balance 31/03/2026 £'m
CF - Council Tax Debts	(3.787)	0.547	(1.070)	(4.310)
CF - Business Rates Debts	(0.865)	0.035	(0.106)	(0.936)
CF – Impaired Estimates on Debtors	(4.652)	0.582	(1.176)	(5.246)

Pensions

- 1.20 The details regarding the Council’s share of the Nottinghamshire County Council Pension Fund are provided for Members consideration at **Appendix C**.
- 1.21 Barnett Waddingham are the Pension Fund’s appointed Actuary and their report sets out the assumptions used to prepare the IAS19 pension figures reported in the Council’s accounts. It is best practice to consider these assumptions prior to agreeing their use and inclusion in the Statement of Accounts for 2025/26. The Audit & Accounts Committee considered these at their meeting in April 2026.

2.0 Proposal/Options Considered and Reasons for Recommendation

- 2.1 To approve the Financial Outturn position for the Council for the 2025/26 financial year.

3.0 Implications

- 3.1 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 and Sustainability, and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

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

Background Papers and Published Documents

- Statement of Accounts files & working papers 2025/26
 Capital Finance Account’s 2025/26 files
 Housing Revenue Account’s 2025/26 files

General Fund Reserves

Appendix A

Description	Balance as at 31st March	Budgeted Movement	Balance as at 1st April	Transfer from	Transfer to	Revised Balance	Commitments	Remaining Balance
MTFP Reserve	(9,011,918.02)	87,369.00	(8,924,549.02)	0.00	0.00	(8,924,549.02)	5,424,230.00	(3,500,319.02)
Collection Fund Budget	(0.00)	0.00	(0.00)	0.00	0.00	(0.00)	0.00	(0.00)
Budget funding reserve	(9,011,918.02)	87,369.00	(8,924,549.02)	0.00	0.00	(8,924,549.02)	5,424,230.00	(3,500,319.02)
Election Expenses Fund	(155,947.07)	0.00	(155,947.07)	25,000.00	(38,865.79)	(169,812.86)	(93,800.00)	(263,612.86)
Insurance & Risk Management Fund	(124,089.35)	0.00	(124,089.35)	0.00	0.00	(124,089.35)	0.00	(124,089.35)
ICT & Digital Services	(268,901.06)	0.00	(268,901.06)	100,000.00	(87,386.00)	(256,287.06)	145,962.06	(110,325.00)
Repairs And Renewals Fund	(2,386,807.77)	0.00	(2,386,807.77)	1,708,981.39	(691,960.00)	(1,369,786.38)	1,242,613.43	(127,172.95)
Domestic Homicide Review	(60,820.00)	(1,320.00)	(62,140.00)	63,460.00	(1,320.00)	0.00	0.00	0.00
Training Provision	(393,325.46)	0.00	(393,325.46)	332,271.00	(275,000.00)	(336,054.46)	336,054.46	0.00
Planning Costs Fund	(191,264.94)	0.00	(191,264.94)	0.00	0.00	(191,264.94)	51,324.94	(139,940.00)
CSG/Enforcement Reserve	(105,199.25)	0.00	(105,199.25)	99,311.28	0.00	(5,887.97)	0.00	(5,887.97)
Management Carry Forwards	(965,045.83)	0.00	(965,045.83)	888,915.35	(998,074.94)	(1,074,205.42)	1,074,205.42	0.00
Flood Defence Reserve	(220,000.00)	0.00	(220,000.00)	120,000.00	0.00	(100,000.00)	100,000.00	0.00
Community Initiative Fund	(100,888.18)	0.00	(100,888.18)	100,888.18	0.00	0.00	0.00	0.00
Capital Project Feasibility Fund	(277,719.00)	50,000.00	(227,719.00)	113,496.00	0.00	(114,223.00)	114,223.00	0.00
Theatre Centenary Legacy	(18,695.51)	0.00	(18,695.51)	2,250.00	(4,640.91)	(21,086.42)	0.00	(21,086.42)
Commercial Plan Invest to Save	(200,000.00)	0.00	(200,000.00)	200,000.00	(14,360.00)	(14,360.00)	0.00	(14,360.00)
Local Government Reorganisation	0.00	(180,000.00)	(180,000.00)	0.00	(753,751.00)	(933,751.00)	159,770.53	(773,980.47)
Capital Financing Provision	(3,292,416.36)	0.00	(3,292,416.36)	884,235.00	(1,436,000.00)	(3,844,181.36)	2,842,021.00	(1,002,160.36)
Earmarked for Known Pressure	(8,761,119.78)	(131,320.00)	(8,892,439.78)	4,638,808.20	(4,301,358.64)	(8,554,990.22)	5,972,374.84	(2,582,615.38)
Building Control Surplus	(82,542.18)	0.00	(82,542.18)	21,304.18	0.00	(61,238.00)	0.00	(61,238.00)
Museum Purchases Fund	(60,734.10)	0.00	(60,734.10)	25,050.00	(390.00)	(36,074.10)	0.00	(36,074.10)
Community Safety Fund	(134,007.99)	0.00	(134,007.99)	12,912.00	(5,551.21)	(126,647.20)	18,100.00	(108,547.20)
Homelessness Fund	(671,481.98)	(272,350.00)	(943,831.98)	110,500.00	0.00	(833,331.98)	314,000.00	(519,331.98)
Revenue Grants Unapplied	(685,552.48)	0.00	(685,552.48)	402,960.48	(396,623.05)	(679,215.05)	679,215.05	0.00
Residential Food Waste	(260,040.09)	0.00	(260,040.09)	0.00	(1,554,323.07)	(1,814,363.16)	1,041,272.44	(773,090.72)
Emergency Planning/Flooding Reserve	(33,871.19)	0.00	(33,871.19)	22,664.91	(45,000.00)	(56,206.28)	56,206.28	0.00
Community Lottery Fund	(21,222.80)	0.00	(21,222.80)	6,000.00	(2,985.08)	(18,207.88)	0.00	(18,207.88)
Homes for Ukraine Fund	(348,255.84)	0.00	(348,255.84)	348,255.84	0.00	0.00	0.00	0.00
Asylum Seekers Reserve	0.00	0.00	0.00	0.00	(268,993.00)	(268,993.00)	0.00	(268,993.00)
Energy Efficiency East Midlands	(98,555.35)	0.00	(98,555.35)	5,000.00	(5,397.02)	(98,952.37)	7,500.00	(91,452.37)
Mansfield Crematorium	(159,328.17)	0.00	(159,328.17)		(12,453.43)	(171,781.60)	0.00	(171,781.60)
Ringfenced	(2,555,592.17)	(272,350.00)	(2,827,942.17)	954,647.41	(2,291,715.86)	(4,165,010.62)	2,116,293.77	(2,048,716.85)
Change Management/Capital Fund	(13,786,933.63)	0.00	(13,786,933.63)	2,753,803.58	(2,683,701.84)	(13,716,831.89)	11,531,309.90	(2,185,521.99)
Un-ringfenced	(13,786,933.63)	0.00	(13,786,933.63)	2,753,803.58	(2,683,701.84)	(13,716,831.89)	11,531,309.90	(2,185,521.99)
Gen Fund Bal Bfwd	(1,500,000.00)	0.00	(1,500,000.00)	0.00	0.00	(1,500,000.00)	0.00	(1,500,000.00)
Working Balance	(1,500,000.00)	0.00	(1,500,000.00)	0.00	0.00	(1,500,000.00)	0.00	(1,500,000.00)
	(35,615,563.60)	(316,301.00)	(35,931,864.60)	8,347,259.19	(9,276,776.34)	(36,861,381.75)	25,044,208.51	(11,817,173.24)

HRA Reserves

Appendix B

Description	Balance as at 31st March	Budgeted Movement	Balance as at 1st April	Transfer from	Transfer to	Revised Balance	Commitments	Remaining Balance
HRA Decent Homes Reserve	(1,500,000.00)	0.00	(1,500,000.00)			(1,500,000.00)	0.00	(1,500,000.00)
HRA Unused Efficiency Savings	(1,307,870.26)	250,000.00	(1,057,870.26)	133,790.00	(298,000.00)	(1,222,080.26)	20,000.00	(1,202,080.26)
HRA Service Improvement	(1,860,843.00)	0.00	(1,860,843.00)	17,604.91	0.00	(1,843,238.09)	1,251,412.58	(591,825.51)
HRA Regulatory Compliance / Modernisation	(250,000.00)	0.00	(250,000.00)	210,320.00	0.00	(39,680.00)	2,000.00	(37,680.00)
HRA Health And Safety	(364,299.03)	0.00	(364,299.03)			(364,299.03)	0.00	(364,299.03)
HRA Management Carry Forwards	(233,413.00)	0.00	(233,413.00)	233,413.00	(617,826.49)	(617,826.49)	617,826.49	0.00
HRA Insurance Fund	(50,000.00)	0.00	(50,000.00)			(50,000.00)	0.00	(50,000.00)
HRA Staffing & Pay Reserve	(86,074.40)	0.00	(86,074.40)			(86,074.40)	44,400.00	(41,674.40)
Earmarked for Known Pressure	(5,652,499.69)	250,000.00	(5,402,499.69)	595,127.91	(915,826.49)	(5,723,198.27)	1,935,639.07	(3,787,559.20)
HRA Working Balance	(2,000,000.00)		(2,000,000.00)	0.00	0.00	(2,000,000.00)	0.00	(2,000,000.00)
Un-ringfenced	(2,000,000.00)	0.00	(2,000,000.00)	0.00	0.00	(2,000,000.00)	0.00	(2,000,000.00)
Total HRA Reserves	(7,652,499.69)	250,000.00	(7,402,499.69)	595,127.91	(915,826.49)	(7,723,198.27)	1,935,639.07	(5,787,559.20)



BARNETT
WADDINGHAM

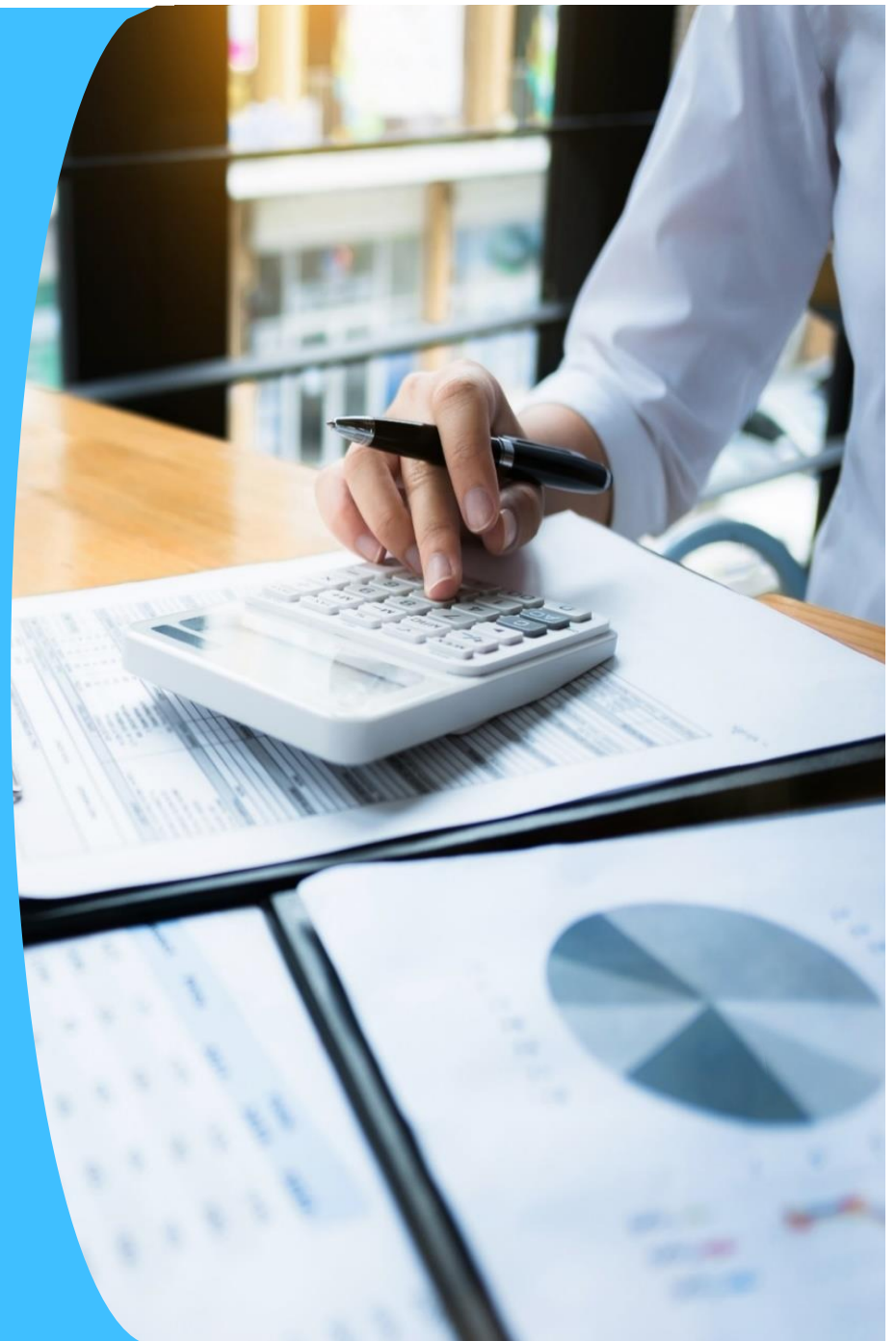
Part of **HOWDEN**

Nottinghamshire County Council Pension Fund

(3) Newark & Sherwood District Council

IAS19 as at 31 March 2026

18 May 2026



Introduction

We have been instructed by Nottinghamshire County Council, the administering authority to the Nottinghamshire County Council Pension Fund (the Fund), to undertake pension expense calculations in respect of pension benefits provided by the Local Government Pension Scheme (the LGPS). These benefits are provided to employees of Newark & Sherwood District Council (the Employer) as at 31 March 2026. We have taken account of current LGPS Regulations, as amended, as at the date of this report.

This report should be read in conjunction with the 31 March 2026 accounting briefing note. The figures contained in this report are in respect of the Employer's pension obligations under the LGPS as at 31 March 2026. IAS19 also requires the disclosure of any other employer provided pension benefits which are not paid from the Fund itself. We have only valued such additional liabilities, which would not be covered in the formal LGPS valuation, to the extent that they have been notified to us and are as disclosed in the data section of this report.

[Please use this link to access the 31 March 2026 accounting briefing note if you have not obtained a copy.](#)

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings. Full details of the benefits being valued are as set out in the Regulations and summarised on the LGPS website.

This report is addressed to the Fund, and is provided in our capacity as Fund Actuary to the Fund. The report may be shared with the Employer, provided that it is shared in its entirety, but it does not constitute advice to them. The Employer may also share the information contained in this report with their auditor, but BW neither assumes nor owes any duty or responsibility to any third party who relies on that information. Any liability to any third party is expressly disclaimed to the fullest extent permitted by law.

Barnett Waddingham does not provide, and shall not be responsible for, accounting or audit advice. From time to time, we may comment or otherwise give an opinion on any information, documentation, and/or guidance provided to us by or on behalf of the Fund. The Fund shall not rely on any such comment or opinion to make (or refrain from making) any decision or take (or refrain from taking) any action.

This report reflects our understanding of the relevant accounting and audit standards in force at the date of this report. It complies with Technical Actuarial Standard 100: General Actuarial Standards (TAS 100) as issued by the Financial Reporting Council (FRC).

Please note that we have incorporated an asset ceiling into the Employer's balance sheet. Further details of the approach taken are given later in this report.

This report supersedes previous versions of this report and has been updated to reflect the actual whole fund asset information at 31 March 2026, which wasn't available when the previous report was requested.

We would be pleased to answer any questions arising from this report.



Lucy Byrne FIA
Senior Consulting Actuary

Data used

We have used the following items of data which we received from the administering authority and the Employer via the use of MS Forms:

Results of the latest valuation as at	31 March 2025
Results of the previous IAS19 report (v4) as at	31 March 2025
Actual Fund returns to	n/a
Fund asset statement as at	31 March 2026
Fund income and expenditure items to	31 March 2026
Employer income and expenditure items to	31 March 2026
Details of any new unreduced early retirement payments to	31 March 2026
Details of any settlements to/from the Employer for the period to	31 March 2026

The data has been checked for reasonableness, including consistency with previous valuation data where relevant, and the data is within tolerances for the purposes of this report.

Although some estimation of the data to the accounting date may be required, we do not believe it is likely to be significant to the results in this report.

We have not been notified of any significant changes or events since we received the data.

Employer membership statistics

The table below summarises the membership data at 31 March 2025 from the latest valuation for members receiving funded benefits, and as at 31 March 2025 for any members receiving unfunded benefits.

Member data summary	Number	Salaries/Pensions £000s	Average age (salary/pension weighted)
Actives	634	18,982	46
Deferred pensioners	834	2,155	51
Pensioners	831	5,709	73
Unfunded pensioners	77	184	82

Employer payroll

The total pensionable payroll and projected payroll for the Employer is set out below and is based on information provided to us by the administering authority. This has been used to calculate the service cost and projected service cost respectively.

Estimated payroll for the year to 31 March 2026	£21,023,000
Projected payroll for the year to 31 March 2027	£21,759,000

Scheduled contributions

The table below summarises the minimum employer contributions due from the Employer to the Fund over this inter-valuation period. The Employer may pay further amounts at any time. Future contributions may be adjusted on a basis approved by us.

	Primary rate	Secondary rate for period beginning:			Minimum employer contributions due for the period beginning:		
		1 Apr 2026	1 Apr 2027	1 Apr 2028	1 Apr 2026	1 Apr 2027	1 Apr 2028
Total percent of payroll	16.4%	0.0%	0.0%	0.0%	16.4%	16.4%	16.4%
plus monetary amount (£000s)		472	489	507	472	489	507

Funding approach

The Employer currently participates in the Newark & Sherwood District Council pool with other employers in order to share experience of risks they are exposed to in the Fund. At the 2025 valuation, the deficit for the whole pool was calculated and allocated to each employer in proportion to their value of liabilities. The next reallocation will be carried out at the 2028 valuation, should the Employer remain in the pool. Each employer within the pool pays a contribution rate based on the cost of benefits of the combined membership of the pool.

Assets

The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2026 is 12.1%

The Employer's share of the assets of the Fund is approximately 1.93%.

The estimated asset allocation for the Employer at 31 March 2026 and 31 March 2025 is as follows (noting that due to rounding they may not total 100%):

Asset breakdown	31 Mar 2026		31 Mar 2025	
	£000s	%	£000s	%
Public Equities	85,294	54%	72,294	52%
Gilts	12,981	8%	11,580	8%
Other bonds	7,747	5%	8,971	6%
Property	12,790	8%	14,296	10%
Cash/temporary investments	11,383	7%	7,595	5%
Inflation Plus	10,406	7%	9,647	7%
Infrastructure	10,624	7%	10,219	7%
Private Equities	5,359	3%	4,855	3%
Total	156,584	100%	139,457	100%

The table below sets out the percentages of the Fund's assets held in each asset class at 31 March 2026 (split by those that have a quoted market price in an active market, and those that do not).

Asset breakdown		31 March 2026	
		% Quoted	% Unquoted
Fixed Interest Government Securities	UK	3%	-
	Overseas	-	-
Index Linked Government Securities	UK	5%	-
	Overseas	-	-
Corporate Bonds	UK	1%	-
	Overseas	4%	-
Equities	UK	16%	0%
	Overseas	39%	-
Property		-	8%
Private Equity		-	3%
Infrastructure		-	7%
Unit Trust Infl Linked		-	7%
Credit		-	4%
Cash/Temporary Investments		-	3%
Net Current Assets	Debtors	-	0%
	Creditors	-	-0%
Total		68%	32%

We do not have any further detail on the current asset allocation of the Fund; we suggest that if further information is required the administering authority is contacted in the first instance.

Financial Assumptions

Details of the actuarial methods and derivation of the assumptions used can be found in the 31 March 2026 briefing note issued alongside this report unless noted otherwise below. The key assumptions used are set out below.

Financial assumptions	31 Mar 2026	31 Mar 2025	31 Mar 2024
	p.a.	p.a.	p.a.
Discount rate	6.10%	5.80%	4.90%
Pension increases (CPI)	2.90%	2.90%	2.90%
RPI inflation	3.30%	3.20%	3.25%
Salary increases	3.90%	3.90%	3.90%

Projected unit method is used in our calculations.

In addition, we have allowed for actual ONS CPI inflation observed between March 2025 and March 2026. This is reflected in the Experience loss/(gain) on defined benefit obligation figure in the results.

Employer duration

The estimated Macaulay duration of the Employer's liabilities as at the accounting date using the assumptions set out above is 14 years.

Demographic Assumptions

Post retirement mortality	31 Mar 2026	31 Mar 2025
Base table	S4PA	S3PA
Multiplier (M/F)	110% / 100%	115% / 110%
Future improvements model	CMI_2025	CMI_2023
Long-term rate of improvement	1.50%	1.25%
Smoothing parameter	7.0	7.0
Initial addition parameter	0.0% p.a.	0.00 p.a.
2020 weight parameter	n/a	0%
2021 weight parameter	n/a	0%
2022 weight parameter	n/a	15%
2023 weight parameter	n/a	15%
Half life parameter	1.0	n/a

The assumed life expectancies, based on the assumptions set out above, are set out in the table below:

Life expectancy from age 65 (years)		31 Mar 2026	31 Mar 2025
Retiring today	Males	21.2	20.4
	Females	24.2	23.3
Retiring in 20 years	Males	22.8	21.7
	Females	25.9	24.7

We have adopted a set of demographic assumptions that are consistent with those used for the most recent Fund valuation, which was carried out as at 31 March 2025, except for an update of the CMI projection model. Details of the post retirement mortality assumption are set out above; further details of the demographic assumptions adopted can be found in the briefing note corresponding to this report, and the Fund's actuarial valuation report.

Past service costs

Past service costs arise if member benefits are introduced, withdrawn or changed. For example, an award of additional discretionary benefits such as added years by a member would be considered a past service cost. We are not aware of any additional benefits which were granted over the year ending 31 March 2026.

Curtailments

Over the year, we understand that no former employees became entitled to unreduced early retirement benefits.

Settlements

We are not aware of any liabilities being settled at a cost materially different to the accounting reserve during the year, which has been confirmed by the Fund.

Results

Balance sheet	As at	As at	As at
Net pension asset in the statement of financial position	31 Mar 2026	31 Mar 2025	31 Mar 2024
	£000s	£000s	£000s
Present value of the defined benefit obligation	141,605	130,966	145,832
Fair value of Fund assets (bid value)	156,584	139,457	135,539
Deficit / (Surplus)	(14,979)	(8,491)	10,293
Impact of asset ceiling	21,638	15,357	-
Unrecognised past service cost	-	-	-
Present value of unfunded obligation	1,408	1,379	1,549
Net defined benefit liability / (asset)	8,067	8,245	11,842

The amounts recognised in the profit and loss statement

	Year to	Year to
	31 Mar 2026	31 Mar 2025
	£000s	£000s
Service cost	3,008	3,503
Net interest on the defined benefit liability / (asset)	348	476
Administration expenses	81	68
Total loss / (profit)	3,437	4,047

For the purposes of our calculations, we distribute Fund administration expenses amongst the employers in the Fund in proportion to their individual asset shares.

Remeasurement of the net assets / (defined benefit liability) in other comprehensive income	Year to	Year to
	31 Mar 2026	31 Mar 2025
	£000s	£000s
Return on Fund assets in excess of interest	8,739	(1,512)
Other actuarial gains / (losses) on assets	1,240	-
Change in financial assumptions	6,039	19,871
Change in demographic assumptions	(4,760)	382
Experience gain / (loss) on defined benefit obligation	(6,815)	(64)
Changes in impact of asset ceiling	(5,390)	(15,357)
Remeasurement of the net assets / (defined benefit liability)	(947)	3,320

Investment expenses are included in return on Fund assets in excess of interest.

Reconciliation of opening & closing balances of the present value of the defined benefit obligation	Year to 31 Mar 2026 £000s	Year to 31 Mar 2025 £000s
Opening defined benefit obligation	132,345	147,381
Current service cost	3,008	3,489
Interest cost	7,522	7,090
Change in financial assumptions	(6,039)	(19,871)
Change in demographic assumptions	4,760	(382)
Experience loss/(gain) on defined benefit obligation	6,815	64
Liabilities assumed / (extinguished) on settlements	-	-
Estimated benefits paid net of transfers in	(6,630)	(6,579)
Past service costs, including curtailments	-	14
Contributions by Scheme participants and other employers	1,381	1,289
Unfunded pension payments	(149)	(150)
Closing defined benefit obligation	143,013	132,345

The experience loss/(gain) on the defined benefit obligation includes £497,000 in respect of the allowance for actual CPI inflation over the accounting period.

Reconciliation of opening & closing balances of the fair value of Fund assets	Year to 31 Mar 2026 £000s	Year to 31 Mar 2025 £000s
Opening fair value of Fund assets	139,457	135,539
Interest on assets	8,065	6,614
Return on assets less interest	8,739	(1,512)
Other actuarial gains/(losses)	1,240	-
Administration expenses	(81)	(68)
Contributions by employer including unfunded	4,562	4,324
Contributions by Scheme participants and other employers	1,381	1,289
Estimated benefits paid including unfunded net of transfers in	(6,779)	(6,729)
Settlement prices received / (paid)	-	-
Closing fair value of Fund assets	156,584	139,457

Investment expenses are included in actual return on assets in excess of interest.

Reconciliation of change in impact of asset ceiling	Year to 31 Mar 2026 £000s	Year to 31 Mar 2025 £000s
Opening impact of asset ceiling	15,357	-
Interest on impact of asset ceiling	891	-
Actuarial losses / (gains)	5,390	15,357
Closing impact of asset ceiling	21,638	15,357

The asset ceiling is the present value of any economic benefit available to the Employer in the form of refunds or reduced future employer contributions. Our calculation of the asset ceiling has followed our interpretation of IFRIC14.

Our calculations assume that:

- The Employer does not have a right to a refund of surplus at the level required by the accounting standard. Any surplus recognised is based on the economic benefit from a reduction in contributions.
- The Employer is a scheduled body and assumed to participate indefinitely.
- The requirement for the employer to make contributions to the Fund is considered to be a minimum funding requirement (MFR). For the period beyond the existing Rates and Adjustments certificate, our best estimate is that the existing rates remain in force. This is based on the fund actuary's methodology which is designed to provide a stable contribution rate, and also the lack of any other readily available figure.

In broad terms our analysis shows that:

- The potential economic benefit from the reduction in future contributions has been calculated to be nil. Since this is less than the unadjusted net asset of £14,979k, the initial impact of the asset ceiling is £14,979k.
- The Employer is currently paying deficit contributions towards a funding deficit. We have assessed this minimum funding requirement and calculate that it constitutes an onerous funding commitment. There is an additional liability of £6,659k to be recognised.
- The unadjusted funded surplus is £14,979k. There is an initial impact from an asset ceiling of £14,979k, plus an additional liability of £6,659k. The final funded net asset to be recognised is -£6,659k.
- In addition, there is an unfunded liability of £1,408k. The final deficit to be recognised is £8,067k.

Sensitivity analysis	£000s	£000s	£000s	£000s	£000s
Adjustment to discount rate	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	133,838	141,093	143,013	144,977	153,315
Projected service cost	2,445	2,814	2,914	3,017	3,464
Adjustment to long term salary increase	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	143,469	143,103	143,013	142,923	142,568
Projected service cost	2,914	2,914	2,914	2,914	2,914
Adjustment to pension increases and deferred revaluation	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	152,620	145,006	143,013	141,468	134,876
Projected service cost	3,507	3,025	2,914	2,807	2,411
Adjustment to life expectancy assumptions		+ 1 Year	None		- 1 Year
Present value of total obligation		148,331	143,013		137,911
Projected service cost		3,014	2,814		2,816

Projected pension expense

Year to
31 Mar 2027

£000s

Service cost	2,914
Net interest on the defined liability / (asset)	367
Administration expenses	81
Total loss / (profit)	3,362
Employer contributions	4,040

These projections are based on the assumptions as at 31 March 2026. The figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2026.

Appendix - auditor data pack

Introduction and Background

In preparing the accounting report under IAS19 for Newark & Sherwood District Council's participation in Nottinghamshire County Council Pension Fund, the Barnett Waddingham actuary is acting in their capacity as Management's Expert as defined by IAS(UK)500.

Newark & Sherwood District Council's auditor will generally need to receive sufficient appropriate audit evidence to carry out the audit. This is particularly the case with actuarially calculated values, which are considered to be accounting estimates under ISA(UK)540. The auditor will wish to evaluate the appropriateness of the Barnett Waddingham actuary's report as audit evidence (IAS(UK)500), and may engage the services of an Auditor's Expert to do so (ISA(UK)620). The Auditor's Expert will have specific knowledge of defined benefit pensions and will often wish to carry out substantive analytical procedures as referred to in ISA(UK)330 and ISA(UK)520.

While our main accounting report aims to meet Newark & Sherwood District Council's reporting and disclosure requirements under the relevant accounting standard, it may not provide all information required by the Auditor's Expert to carry out all procedures required by the relevant auditing standards. This often leads to detailed requests to Management's Expert for additional data items.

The purpose of the data pack is to provide many of the additional data items often requested. This should streamline the overall audit process by providing the required additional data in a single report, reducing the number of additional data queries flowing via the Fund. The following data supplements the information in the main accounting report and should be read in conjunction with it. We do not expect this report to be audited - it is provided to aid in the audit of main report.

Data

This additional data is ultimately based on the results of the last triennial valuation as at 31 March 2025 on which the accounting results are based. Some of the statistics are derived using approximate methods, but we expect that they will be suitable for the intended purpose, which is to carry out approximate rollforward and rebase calculations to verify the results quoted in the main report.

The data items provided are in respect of the Employer's pension obligations under the LGPS as at 31 March 2026, or the prior year comparator.

Results

Past and future service liability duration information

Duration, including definition (years)	As at 31 Mar 2026	As at 31 Mar 2025	Change over the period
Overall Macaulay duration ⁽¹⁾	14.4	14.8	(0.4)
Overall modified duration ⁽²⁾	13.6	14.0	(0.4)

⁽¹⁾ The Macaulay duration is the weighted average term to maturity of the benefit cashflows

⁽²⁾ The Modified duration is the sensitivity of the present value of the benefit cashflows to a change in discount rate

Duration calculations use the accounting assumptions at the respective date - the change over the period is due to the change in assumptions.

Liability split information

Approximate proportion of funded past service liability in each main category	As at 31 Mar 2025
Active (Final Salary) liability	11%
Active (CARE) liability	17%
Deferred liability	21%
Pensioner liability	52%
CPI-linked liability	89%
FS-linked liability	11%

Please note that these splits of liability are based on actual cashflow projections as at the last valuation date. We have not made any allowance for member movements or liabilities being extinguished in these estimated splits.

Approximate proportion of total liability split by gender	Proportion of liability
	female
Active (Final Salary) members	47%
Active (CARE) members	49%
Deferred members	52%
Pensioner members	44%
Overall membership	47%

Splits quoted are as at the last valuation. Liability weighted statistics use accounting assumptions at the last valuation date.

Average age information	Weighted by salary	Weighted by pension	Weighted by liability
Active members	46.0	51.5	52.0
Active (Final Salary) members		55.3	56.1
Active (CARE) members		49.8	52.8
Deferred members		51.2	53.9
Pensioner members		73.4	70.2

Tranche average retirement age	Weighted by pension	Weighted by liability
Active members	64.4	64.3
Active (Final Salary) members	64.4	64.3
Active (CARE) members	66.1	66.1
Deferred members	63.8	63.5

Ages quoted are as at the last valuation. Liability weighted statistics use accounting assumptions at the last valuation date.

Allowance for actual inflation

Detailed information on CPI statistics for known inflation allowance	Statistic date	Statistic value	Rate p.a.
Latest known CPI (start)	March, 2025	136.5	
Latest known CPI (end)	March, 2026	141.0	
Assumed inflation over period (CPI)			2.90%

Asset information

Value of assets (£000s) and asset share	As at 31 Mar 2026	As at 31 Mar 2025
Total fund assets*	8,114,207	7,256,162
Employer assets	156,584	139,457
Employer asset share	1.930%	1.922%

* estimated at 31 March 2026

Service cost information

Service cost	As at 31 Mar 2026	As at 31 Mar 2025
Employer service cost as % of salaries	13.0%	13.9%
Employee contributions as a % of salaries	6.5%	6.5%

The service cost shown above is based on membership data from the last actuarial valuation as at 31 March 2025

Cashflow disclosure

Employer cashflows (£000s)	Period to 31 Mar 2026
Employee contributions	1,381
Employer contributions	4,413
Other contributions	-
Benefit payments (funded)	(6,924)
Transfers In	619
Transfers Out	(325)
Unfunded benefit payments	(149)
Income received towards unfunded payments	149

Asset ceiling

Detailed breakdown of key results used in the asset ceiling calculation

		£000s
Gross funded liability	(a)	141,605
Gross funded assets	(b)	156,584
Funded accounting surplus (deficit) before asset ceiling	(c) = (b) - (a)	14,979
Present value of service cost including expenses	(d)	141,446
Present value of primary contributions	(e)	168,527
Present value of negative secondary conts (if any)	(f)	-
Present value of positive secondary conts (if any)	(g)	6,659
Economic benefit available from a reduction in contributions	(h)*	-
Accounting asset (before additional liability)	(i) = min[(h) , (c)]	-
Additional liability from onerous funding commitment	(j)**	6,659
Accounting asset (after additional liability)	(k) = (i) - (j)	(6,659)
Impact of asset ceiling	(l) = (c) - (k)	21,638
Gross unfunded liability	(m)	1,408
Final accounting asset that can be recognised (after unfunded liability)	(n) = (k) - (m)	(8,067)
Period over which service cost is considered		Infinite
Period over which primary contributions are considered		Infinite
Period over which negative secondary contributions are considered		n/a
Period over which positive secondary contributions are considered		17.0 years
Assumed secondary contribution in year following the end of certified period***		523

* $(h) = \max[(d) - [(e) - (f)], 0]$ if an MFR is assumed to apply, otherwise $(h) = d$

** $(j) = \max[(g) - \max[(h) - (c), 0], 0]$ for IAS19 only, otherwise $(j) = 0$

***The effective annual payment assumed over the remainder of the recovery plan, assumed to increase in line with salary inflation



Report to: Audit & Accounts Committee – 8 July 2026

Director or Business Manager Lead: Nick Wilson, Director Financial Services, Revenues & Benefits and S151

Lead Officer: Nick Wilson, Director Financial Services, Revenues & Benefits and S151

Report Summary	
Report Title	Going Concern Status of the Council
Purpose of Report	This report sets out the assessment by the Section 151 officer of the Council's Going Concern status.
Recommendations	That Members review the conclusion of the assessment of the Council's status as a going concern and approve that the Statement of Accounts 2025/26 be accounted for on that basis.
Reason for Recommendation	An assessment of the Council's Going Concern is required for the preparation and approval of the Statement of Accounts for the financial year ended 31 March 2026.

1.0 Background

- 1.1 The concept of a 'going concern' assumes that an authority, its functions, and services will continue in operational existence for the foreseeable future. This assumption underpins the accounts drawn up under the Local Authority Code of Accounting Practice and is made because local authorities carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If an authority experiences extreme financial difficulty, then alternative arrangements might be made by central government either for the continuation of the services it provides, or for assistance with the recovery of a deficit over more than one financial year.
- 1.2 There are a number of implications for the Statement of Accounts where an authority is not considered to be of 'going concern'. For instance, particular care would be needed in the valuation of assets, as inventories and property, plant and equipment may not be realisable at their book values and provisions may be needed for closure costs or

redundancies. An inability to apply the going concern concept would potentially have a fundamental impact on the financial statements.

- 1.3 Given the significant reduction in funding for local government in recent years and the potential threat to the ongoing viability of one or more councils consequently, External Auditors are placing a greater emphasis on local authorities undertaking an assessment of the 'going concern' basis on which they prepare their financial statements. In response the position at Newark and Sherwood District Council is set out within this report.

2.0 Assessment of Going Concern

- 2.1 As with all principal local authorities, the Council is required to compile its Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting for the relevant financial year (hereafter referred to as the Code). The Code is published by the Chartered Institute of Public Finance and Accountancy (CIPFA). In accordance with the Code the Council's Statement of Accounts is prepared assuming that the Council will continue to operate in the foreseeable future and that it is able to do so within the current and anticipated resources available. By this, it is meant that the Council will realise its assets and settle its obligations in the normal course of business.

The main factors which underpin the going concern assessment are:

- The Council's current financial position
- The Council's projected financial position
- The Council's governance arrangements
- The regulatory and control environment applicable to the Council as a local authority

These are considered in more detail below.

3.0 The Council's current financial position

- 3.1 The financial outturn position for the General Fund for 2025/26 shows a favourable variance against revised budget of £1.912m. This variance relates to a favourable variance on service provision £0.719m, £1.126m additional business rates and grant income, £0.045m reduction in MRP chargeable in the year and other smaller variances of £0.022m. Further details of this are detailed in the Financial Outturn report to 31st March 2026 to be presented to Cabinet on 21st July 2026.
- 3.2 As at the 31st March 2026, the Council held general fund revenue reserves of £36.862m. Of this, £4.165m relates to funds that are ring-fenced to specific activity (for instance Building Control/Homelessness), £8.555m is earmarked for future known pressures (for instance Repairs and Renewals, Management carry forwards, Business Rates Volatility), £8.925m relates to budget funding reserves (Medium Term Financial Plan reserve, Capital Financing Provision reserve and the Collection Fund budget reserve) and £15.217m was un-ringfenced. This balance includes the statutory general fund balance which has been assessed as a prudent level of £1.500m. The remainder of the un-ringfenced reserves relate to the Change Management Fund which provides resource to support business transformation and large-scale infrastructure projects.

Commitments against the Change Management Fund have already been made to support the delivery of infrastructure projects, leaving £2.186m uncommitted within this fund.

- 3.3 General reserves reflect the ability of the Council to deal with unforeseen events and unexpected financial pressures in any particular year and are a key indicator of the financial resilience of the organisation. As part of the Medium-Term Financial Strategy the Chief Finance Officer has assessed that the optimum level of the general reserve to be held by the Council to be at least £1.5m as per the above paragraph.
- 3.4 On 31st March 2026, the Council held £26.834m in the form of either cash or short term investments maturing within the next financial year. The Council also held £13.698m in long term financial assets. These relate to an equity investment in Arkwood Developments Ltd (the Council's wholly owned subsidiary) (£3.250m) together with investments in the CCLA's Property and Diversified Income funds (£10.448m). The Council's cash flow forecast for the future 12 months considers the anticipated inflows and outflows of cash. The forecast shows that over the next 12-month period, there will not be a point in which the Council does not have liquid funds available to service its liabilities.
- 3.5 Where the Council makes long term financing decisions (through the Capital programme) these can include decisions on forecast borrowing the Council may need to take. Where the Council does decide that borrowing is required, it has access through the Public Works Loan Board (PWLB) (or other market instruments where appropriate) to meet the funding requirement.
- 3.6 Regarding capital spending; £36.892m of expenditure was approved within the General Fund capital programme for the 2025/26 financial year (including Revenue Expenditure funded from Capital under Statute). The outturn performance was £24.439m which represents an under-spend, due to delays in capital projects, of £12.496m. 74% of this variance relates to the loan facility with the Council's wholly owned subsidiary Arkwood Developments Ltd. The remaining major variances relate to:
- Information technology investment £0.415m
 - Delivery of new council vehicles £0.331m
 - Woodland planting scheme £0.315m
 - 32 Stodman Street Regeneration £0.928m

4.0 The Council's Balance Sheet as at 31st March 2026

- 4.1 The balance sheet shows a net worth of £400.726m which includes a liability of £8.127m in relation to the future costs of Pensions liabilities. There are statutory arrangements for funding the pension deficit through increasing contribution over the remaining working life of the employees, as assessed by an independent actuary – Barnett Waddingham for the Nottinghamshire Pension Fund. Therefore, the financial position of the Council remains healthy. Other factors giving rise to this assessment include:
- The adequacy of risk assessed provisions for doubtful debts
 - The range of reserves set aside to help manage expenditure

- An adequate risk assessed general reserve to meet unforeseen expenditure

5.0 The Council's projected financial position

5.1 In March 2026, the Council approved a balanced budget for 2026/27. This allows for net spending of £20.700m and a council tax freeze (at a Band D level) compared with the 2025/26 financial year. A net transfer to reserves of £0.739m was approved which related to:

Reserve	Amount
Additions to:	
Contribution Capital Provision reserve	£0.512m
Contribution to Homelessness reserve	£0.227m
Total additions	£0.739m

5.2 The Council's Medium Term Financial Plan (MTFP) is updated annually and reflects a four-year assessment of the Council's spending plans and associated funding. It includes the ongoing implications of approved budgets and service levels and the revenue costs of the council's capital programme, as well as the management of debt and investments. The latest update, approved at Council in March 2026 showed that over the four-year period to 2029/30 the Council has a balanced budget. However, this does require the use of the Council's MTFP Reserve within the final two years. This is due to uncertainty over Government funding in the final year of the MTFP, which the new unitary authority will need to factor into its decision making.

5.3 The Council continues to monitor its forecast cash flow going forward in order to ensure that the inflows and outflows of cash are managed by prudent invest and borrowing decisions placed in accordance with the approved Treasury Management Strategy.

6.0 The Council's governance arrangements

6.1 The Council has a well-established and robust corporate governance framework. This includes the statutory elements like the post of Head of Paid Service, the Monitoring Officer and the Section 151 Officer in addition to the current political arrangements.

6.2 Since May 2022 the Council has adopted a Cabinet and Leader executive style of arrangement, whereby all services responsibilities are split into various Portfolio which are managed by Members of the controlling political party.

6.3 Financial performance against the approved budget and Medium-Term Financial Plan is scrutinised by the Policy and Performance Improvement Committee and by Cabinet.

7.0 The external regulatory and control environment

7.1 As a local authority the Council must operate within a highly legislated and controlled environment. An example of this is the requirement for a balanced budget each year combined with the legal requirement for councils to have regard to consideration of such matters as the robustness of budget estimates and the adequacy of reserves. In addition to the legal framework and central government control there are other factors

such as the role undertaken by External Audit as well as the statutory requirement in some cases for compliance with best practice and guidance published by CIPFA and other relevant bodies.

- 7.2 Against this backdrop it is considered unlikely that a local authority would be ‘allowed to fail’ with the likelihood being, when faced with such a scenario, that central government would intervene supported by organisations such as the Local Government Association to bring about the required improvements or help maintain service delivery. This has been evidenced with several councils, and the interventions that have been introduced as a result of the situation that arose.

8.0 Local Government Reorganisation

- 8.1 The English Devolution White Paper was published on the 16th December 2024, which, amongst other provisions, set out the direction of travel for Local Government. The paper set out that it’s the Government’s intention for two tier areas of Local Government to reorganise into Unitary authorities within Nottinghamshire and that this would happen for 1st April 2028.

- 8.2 Three proposals have been submitted from within Nottinghamshire, and the decision of which to implement is expected to be received during July 2026. Whilst this will see the closure of Newark and Sherwood District Council, the functions and services will continue to be provided by the newly created unitary authority, and hence this does not affect the going concern status of this authority.

9.0 Conclusion

- 9.1 Having considered the outturn position to 31 March 2026, Medium Term Financial Plan to 2029/30, levels of earmarked and general reserves and the treasury cash flow position, together with the Council’s governance arrangements, the s151 Officer considers that the Council remains a going concern.

10.0 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.

Background Papers and Published Documents

Statement of Accounts 2025/26

Annual Governance Statement 2025/26

General Fund and HRA Revenue and Capital Outturn report to 31st March 2026



Report to: Audit and Accounts Committee Meeting: 8 July 2026
 Director Lead: Nick Wilson, Director Financial Services, Revenues & Benefits and S151
 Lead Officer: Andrew Snape, Head of Financial Services ext. 5523

Report Summary	
Report Title	Unaudited Statement of Accounts 2025/26
Purpose of Report	For members of the committee to review the Council’s draft Statutory Accounts for the financial year ended 31 March 2026.
Recommendations	(a) Members note the Annual Governance Statement for the financial year ended 31 March 2026; and (b) Members note the draft Statement of Accounts for the financial year ended 31 March 2026 and agree to them being submitted to the external auditor (Mazars) for audit and certification;
Reason for Recommendation	To allow Members to consider the Council’s draft Statutory Accounts for the financial year ended 31 March 2026.

1.0 Introduction

- 1.1 The Accounts and Audit Regulations 2015 (Amended by 2024/907) require that the authority must prepare and publish its approved draft and audited Statement of Accounts by 30 June and 31 January respectively. The Regulations only require the Section 151 Officer to sign and certify that the unaudited Statement of Accounts present a true and fair view of the financial position of the Council. However, in the interests of transparency and good governance, these are still being presented to this committee in order to give the members of the committee a chance to review the contents rather than first inspection being when the audited Statement of Accounts need approving.
- 1.2 The Council published the unaudited Statement of Accounts on their website prior to the deadline of 30 June 2026.
- 1.3 The contents of the accounts are largely determined by statutory requirements and mandatory professional standards as set out within the ‘Code of Practice on Local Authority Accounting’ and ‘Standard of Professional Practice on Financial Reporting’ published by the

Chartered Institute of Public Finance and Accountancy (CIPFA). The CIPFA Code of Practice is based on International Financial Reporting Standards (IFRS).

2.0 **Audit of the Accounts**

2.1 The Council’s external auditors, Mazars, have already commenced with the audit of the accounts. On completion there is a requirement that the external auditor provides details of all the errors within the financial statement. This report is the Audit Completion report and will be brought to this committee in December along with the final audited Statement of Accounts for approval.

3.0 **Annual Governance Statement**

3.1 The Audit and Account Regulations 2015 require the Council to carry out an annual review of the effectiveness of its system of internal control. Having considered the findings of the review members are then required to approve an Annual Governance Statement, prepared in accordance with proper practices in relation to internal control. The Annual Governance Statement has been reviewed and updated for 2025/2026 and the draft version is included in the unaudited Statement of Accounts.

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

Background Papers and Published Documents

Nil.

2025 / 2026



DRAFT STATEMENT OF ACCOUNTS AND NARRATIVE REPORT

CONTENTS

Narrative Report

Welcome	3
Introduction by Section 151 Officer	4
Part one - Introduction to Newark and Sherwood	5
Part two - Our purpose: why the District Council is here	8
Part three - How the District Council worked during 2024/25	9
Part four - Community Plan Delivery	12
Part five - 2024/25 Financial Performance	20
Part six - Looking forward	25
Part seven - Corporate risks	28
Part eight - Explanation of Financial Statements	31

Statement of Accounts

Comprehensive Income and Expenditure Statement Movement in Reserves Statement	33
Balance Sheet	35
Cash Flow Statement	36
Notes to the Accounts	37
Supplementary Statement - Housing Revenue Account Supplementary Statement - Collection Fund Accounts Supplementary Statement - Group Accounts	108
	113


Annual Governance Statement


CONTACT US

Our residents, tenants and businesses can contact us in several ways.

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 customerservices@newark-sherwooddc.gov.uk

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 www.newark-sherwooddc.gov.uk

 /NSDCouncil

 @NSDCouncil

 @Newark and Sherwood District Council

Agenda Page 131

Welcome

Welcome to our Annual Statement of Accounts for 2025/26, which outlines our financial performance over the past year and highlights the progress we've made in delivering on our key priorities.



John Robinson
Chief Executive,
Newark and Sherwood District Council

Over the past year, we have continued to attract investment into our district, with significant milestones achieved that will make Newark and Sherwood a more prosperous and desirable place to visit, study, live, and work.

Despite global events and rising costs outside our control, we have remained resolute and focused on supporting our residents and businesses to thrive. This work has not been easy; it has taken considerable planning and perseverance to ensure our services continue to be delivered despite the challenges we face.

Preparations for Local Government Reorganisation have intensified over the past year and we have made sensible use of our resources to plan for the transition to a new unitary structure at the same time as retaining our focus on core business. As always, I am grateful to our financial services team for their stewardship and oversight of the public's resources.

This Statement of Accounts sets out the Council's financial position for the year and reflects our continued commitment to being a healthy, well-run Council. Despite a challenging financial climate and increasing pressures on local government, the Council has remained financially stable and focused on delivering services for residents responsibly and effectively.

This has only been possible through the dedication, professionalism and hard work of Council colleagues across the organisation, and we would like to offer our sincere thanks for their continued efforts and commitment.



Councillor Paul Peacock
Leader of Newark and
Sherwood District Council



Councillor Keith Melton
Chair of Audit and
Accounts Committee

INTRODUCTION BY S151 OFFICER



I am pleased to introduce our Statement of Accounts for 2025/26. The purpose of these accounts is to provide a true and fair representation of the financial outcomes of our activities over the year, as well as the value of our assets and liabilities at the close of the financial year.

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

Part one	Introduction to Newark and Sherwood
Part two	Our purpose – why the District Council is here
Part three	How the District Council worked during 2025/26 and how it will work in the future
Part four	Community Plan delivery
Part five	Financial performance for the year 2025/26 summarising the information within the main Statement of Accounts document
Part six	Looking forward at the adopted Community Plan and Medium Term Financial Plan
Part seven	Identified corporate risks
Part eight	Explanation of the Financial Statements to help navigate through what is at times quite a technical document

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

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

Nick Wilson
Director Financial Services, Revenues and Benefits
and S151 Officer



PART ONE

Introduction to Newark and Sherwood

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

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

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



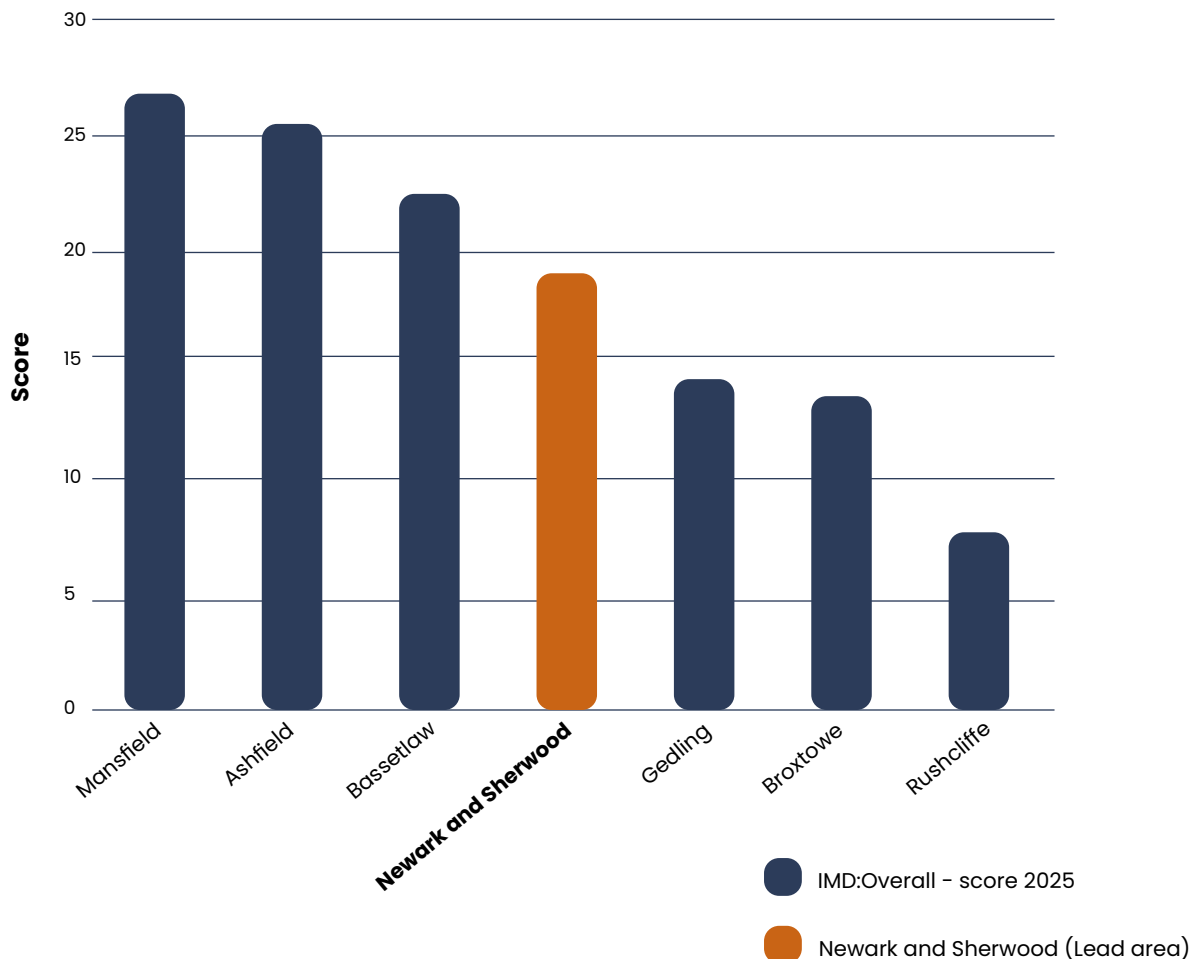
OUR AREA

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

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



This year saw the release of the 2025 Indices of Deprivation, which highlight Newark and Sherwood as a district with a mixed but broadly mid ranking deprivation profile. Positioned 4th out of Nottinghamshire’s seven authorities and 147th nationally out of 296. The chart below shows the overall 2025 IMD score for Newark and Sherwood, shown in red, and Nottinghamshire. The overall score is a weighted average of the seven domain scores and the most widely used of the indices.



While the District contains relatively few neighbourhoods among the most deprived 10% in England (4.05%), the data reveals persistent challenges across several domains, particularly in income, employment, health and crime, where Newark and Sherwood consistently sits within the mid to lower performing authorities in the county. Conversely, the District performs more strongly in domains such as Barriers to Housing and Services, where it ranks as the least deprived in Nottinghamshire, and remains comparatively stable in Living Environment measures relative to wider county wide deterioration. Taken together, these patterns suggest a community landscape characterised not by widespread acute deprivation but by concentrated pockets of need, especially in particular wards. This reinforces the importance of continued targeted investment, evidencing that budget utilisation across the District has appropriately supported both place based and preventative services. The financial performance set out in this Statement of Accounts therefore reflects not only prudent resource management but also a strategic alignment of spending, ensuring that public funds are directed to improving outcomes for the communities who need them most.

PART TWO

Our purpose: why the District Council is here

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

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

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

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

OUR 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.



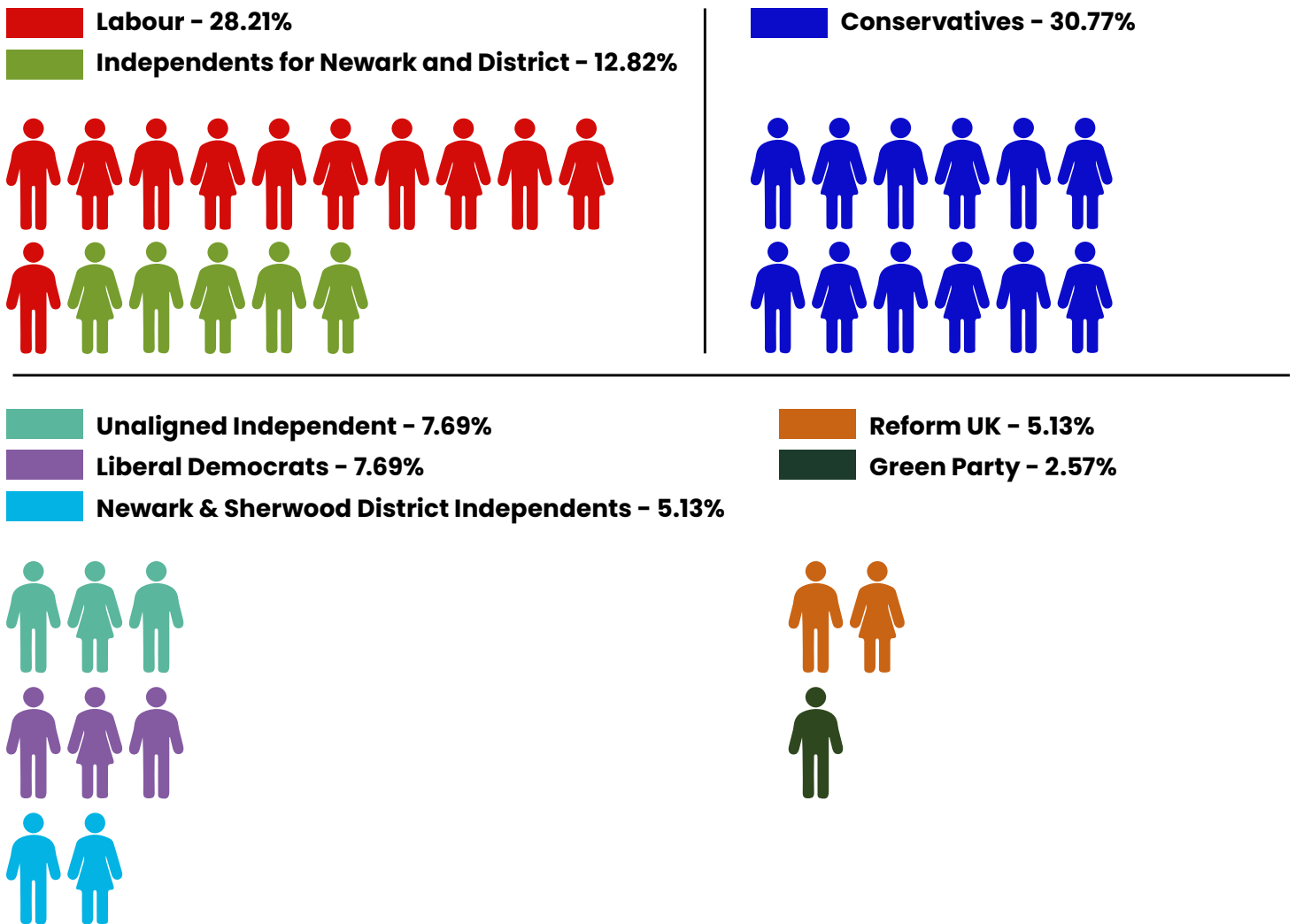
Click on the image to see our Community Plan.



PART THREE

How the District Council works

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



Please note that the political makeup of the Council depicted above was correct during the 2025/26 year.

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

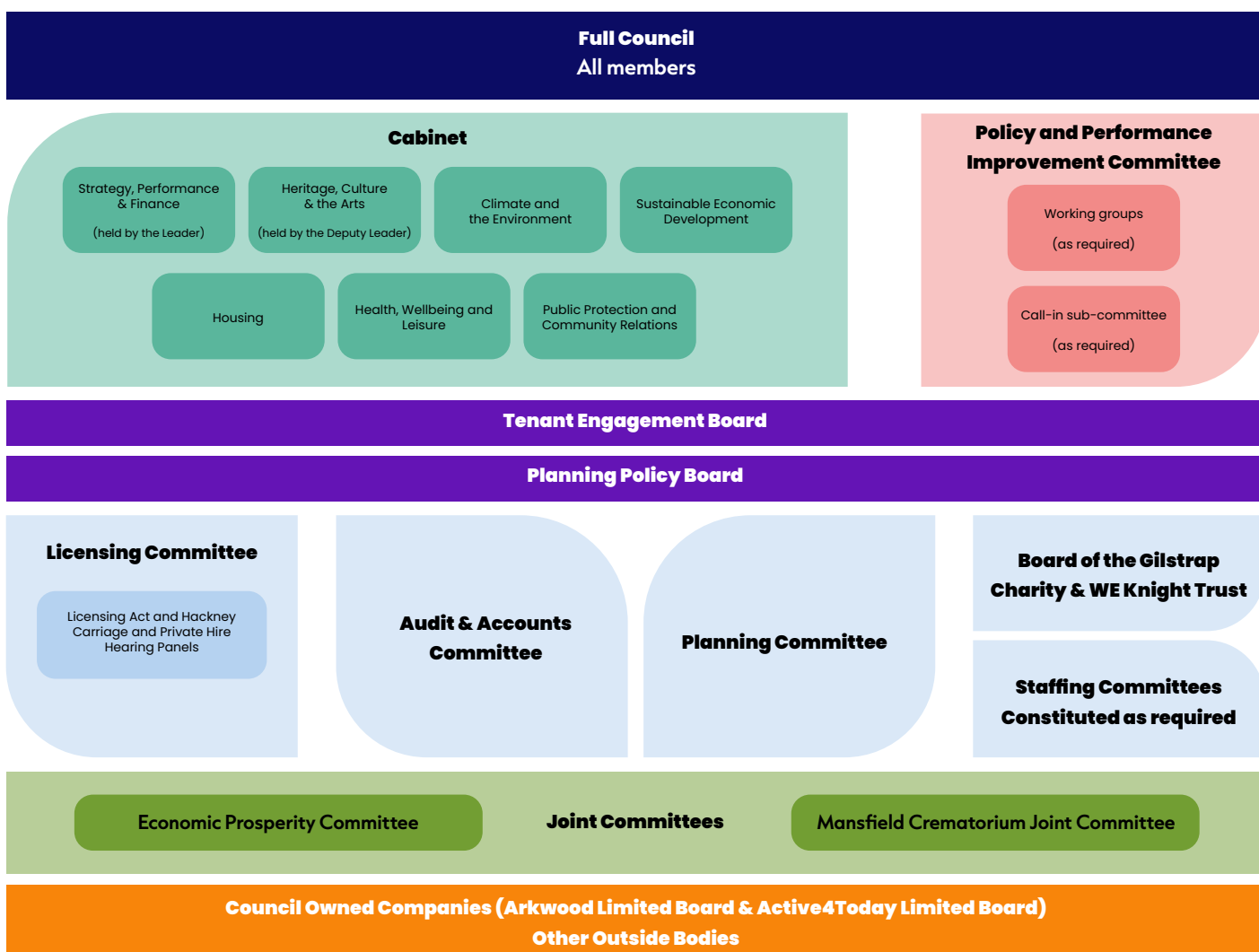
Surgeries provide an opportunity for any ward resident to go and talk to their Councillor face-to-face and these take place on a regular basis. Councillors appoint a Leader and Deputy Leader to provide political leadership and direction for the Council as a whole. Each year, Councillors also appoint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

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

How the District Council works: Governance Structure

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

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



Please note that the Council's Governance Structure set out above was correct during the 2025/26 year.

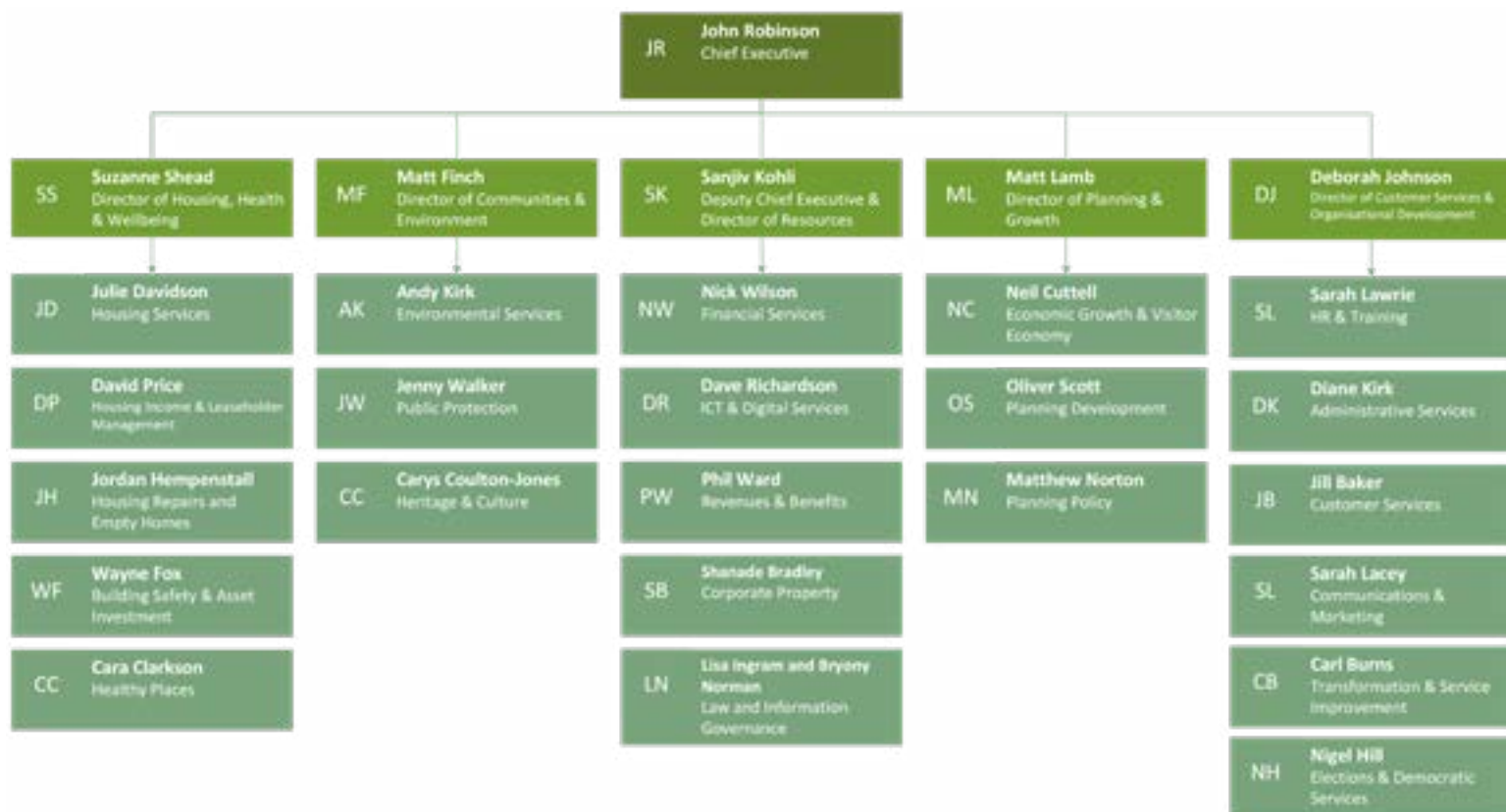
Newark and Sherwood's Cabinet Portfolios include:

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

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

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

How the Council works – internal staffing structure



PART FOUR

Community Plan Delivery

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

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



WHAT'S LEFT TO DELIVER



53 Community Plan Actions

Ambition 1

Raise peoples' skill levels and create employment opportunities for them to fulfil their potential.

District Council launches new strategy to drive economic growth

The Sustainable Economic Growth Strategy was developed and launched for 2026–2031. The strategy is a forward-looking five-year plan developed to unlock the district's potential, tackle long-standing challenges, and create a more resilient local economy.



Local students explore future careers at 8th annual Future First Careers Expo

The Annual Future First Expo was hosted with over 1,200 students from eight schools in attendance.



Newark and Sherwood Gift Card to boost tourism and drive 'shop local'

More than 100 businesses signed up to the Newark and Sherwood Gift card Scheme. The scheme is designed to encourage people to shop local and support our town centres. Both national and independent businesses of any size will easily be able to accept the card.



Ollerton's future takes shape as planning permission is submitted

Planning permission was submitted for the ambitious Ollerton town centre regeneration scheme.



A further £100,000 awarded to boost Newark and Sherwood businesses

12 business in Newark and Sherwood have been awarded a share of £100,000 through the latest round of the UK Shared Prosperity Fund (UKSPF) Business Growth and Productivity Grant Scheme, supporting more than £648,000 of total business investment across the district.

Ambition 2

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

New online service launched for the housing register

MyHome was launched, which provides a new online service that makes it easier for tenants to manage repairs and tenancy information.



Newark and Sherwood District Council secures funding to transform homes with enhanced warmth and energy efficiency

Newark and Sherwood District Council is set to accelerate its ambition to provide warmer, more energy-efficient homes after it successfully secured more than £2.4 million in government grants to fund its Warm Homes Programme for 2026-27 and 2027-28.



Yorke Drive Regeneration project secures East Midlands Combined County Authority funding



The major redevelopment work on the Yorke Drive estate continued, with additional funding from the East Midlands Combined County Authority secured.



Ambition 3

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

New accessible changing facility opens at the Dukeries Leisure Centre

A new self-contained toilet, changing and showering facility is now open at the Dukeries Leisure Centre. Funded by Newark and Sherwood District Council the facility will mean customers using the leisure centre who require accessible amenities will now be able to change safely and comfortably.



Community Lottery raises thousands for local groups



The Newark and Sherwood Community Lottery has generated more than £39,400 for local, non-profit organizations, with 60p of every £1 ticket directly supporting over 90 registered good causes. Since its 2021 launch, it has proven a vital, low-risk fundraising method for community projects, charities, and sports groups.

Teen cookery success

Teens cookery courses continued, alongside the junior cake bake challenge, both events reached and inspired over 150 young people.

The four week course gave young people an opportunity to learn how to cook some delicious recipes and share dinner together!



Community Grant Scheme returns to support local projects

More than £122,000 awarded to community groups through the Community Grant scheme. The scheme has reopened for another year with grants up to £20,000 for local charities, community groups, and parish councils.



Ambition 4

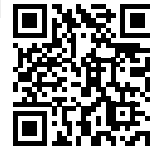
Reduce crime and anti-social behaviour, improving community feelings of safety.

New CCTV control room for Newark and Sherwood

The development of a centralised CCTV control room for Newark and Sherwood. This is a state-of-the-art facility dedicated exclusively to Newark and Sherwood District, offering significant advancements in the identification, monitoring, and response to incidents. Operators will have oversight of approximately 90 cameras covering Newark, Southwell, Ollerton, and neighbouring communities, ensuring a comprehensive approach to public safety.



See behind the scenes here:



Hundreds of pupils take part in safety education events across Newark and Sherwood

Working with Nottinghamshire Police, Nottinghamshire Fire and Rescue, Newark First Aid and British Transport Police, another very successful safety week at Sconce and Devon and Vicar Water was delivered. 24 Primary Schools engaged with the event, reaching more than 900 year 6 students, the sessions included Food Safety, Environmental Crime, Wildlife Crime, ASB, Water Safety, Fire Safety, Train and Railway Safety.

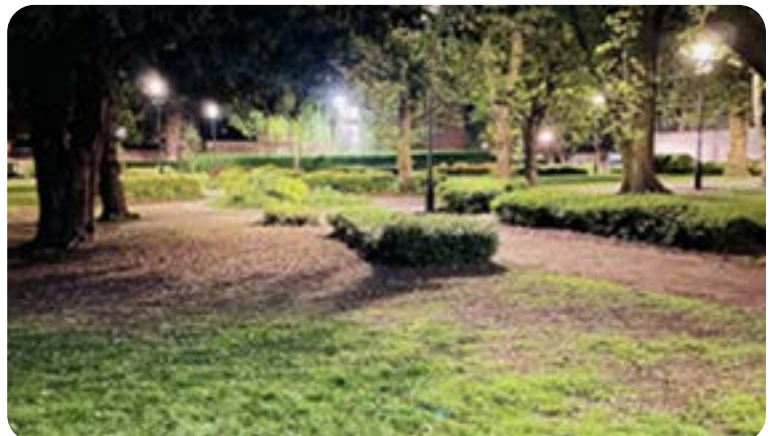
Newark Safer Streets

Safer Streets initiatives delivered increased hotspot patrols, use of targeted enforcement powers and focussed campaigns within the Castle, Magnus and Devon wards.



CCTV and lighting introduced to keep people safe

CCTV cameras and lighting have been installed in St Mary's Gardens, this increased lighting in the area has improved the quality and coverage of the footage, particularly during the hours of darkness.



Ambition 5

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

Newark Castle Gatehouse project continues to make progress

Newark Castle Gatehouse Renovation has progressed. Backed by funding from The National Lottery Heritage Fund, the Government's Towns Fund, and Newark and Sherwood District Council, this transformative project will secure the Castle's future, improve public access, and enhance and protect the surrounding gardens and green space.

A brand new website has been created here:
www.newarkcastleandgardens.co.uk



Redevelopment of 32 Stodman Street close to completion

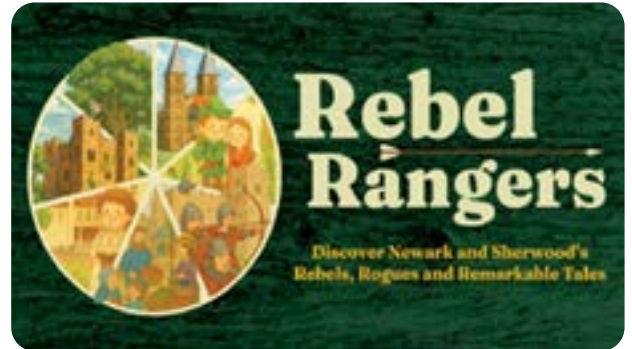
Work on transforming the former M&S building at 32 Stodman Street has made great progress with a completion date on the horizon in 2026. This is a flagship initiative led by Newark and Sherwood District Council and the Newark Town Board, the project is set to revitalise the town centre.

More here:



Local Summer Adventure for Families: Become a Rebel Ranger!

The Rebel Rangers Summer campaign was successfully delivered. The campaign was a free family-friendly challenge and encouraged the exploration of local landmarks like Sherwood Forest, The National Civil War Centre and King John's Palace, learning about historical rebels.



More here:



Newark Celebrates Local Heritage through New Trails

The historic Kiddey Sculptures were unveiled. These 12 intricately carved sandstone pieces form four bas-relief panels and are displayed in front of Castle House. Each panel represents a different aspect of electricity production.

The sculptures honour the legacy of Robert Kiddey, a distinguished Nottingham-born sculptor, artist, and educator.



Ambition 6

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

Record-breaking year as Newark and Sherwood celebrates six Green Flag Awards



Newark and Sherwood District Council is celebrating a record-breaking year after receiving six prestigious Green Flag Awards, the international quality mark for parks and green spaces.

Sherwood Avenue Park has joined the list of award-winning sites, bringing the District Council's total to six.

These recognitions highlight the District Council's ongoing commitment to maintaining high-quality, accessible, and environmentally sustainable green spaces for residents and visitors alike.



District triumphs at East Midlands in Bloom Awards

Newark was one of many places in the district honoured at the East Midlands in Bloom annual competition winning the 'least litter in the East Midlands' prize, thanks to the hard work of local groups, businesses, and volunteers.



Tree Strategy announced

Working with Nottinghamshire County Council and guided by our Tree Strategy, we continued the secondment of an officer to the 'Trees for Climate' programme. This supported the continued delivery of tree planting across the district and the wider Nottinghamshire area funded through the programme and resulted in over 30,000 trees being planted this year.



Green Gateways pilot blooms into annual programme

Following the success of its Green Gateways pilot scheme, Newark and Sherwood District Council is launching an annual programme to bring wildflower planting to the entrances and exits of towns and villages across the district. A Green Gateway is a planted area, typically located at the entrance or exit of a town or village, designed to enhance biodiversity, improve visual appeal, and create a more welcoming environment for residents and visitors. These spaces are transformed using native wildflowers and bulbs, turning ordinary roadside verges into colourful, nature-rich corridors that support pollinators.



Week of Action tackles fly-tipping at Eakring Road

A major clean-up operation took place in August 2025 at Eakring Road, led by Newark and Sherwood District Council, tackling long-standing issues of fly-tipping and environmental damage.

Working in close partnership with Mansfield District Council, Nottinghamshire County Council, Nottinghamshire Police, Nottinghamshire Fire and Rescue, Nottinghamshire Wildlife Trust, VIA and local volunteers, the District Council coordinated the removal of a staggering 18 tonnes of waste.

Ambition 7

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

Plans for Local Government Reorganisation continue

Efforts continue to secure the best outcome for Newark and Sherwood following local government reorganisation. In November 2025, Nottinghamshire submitted its final proposal and, while awaiting a government decision, authorities have collaborated on option-neutral activities to keep progress moving and prepare for possible implementation.



Corporate Peer Challenge returns



The Local Government Association carried out a Corporate Peer Challenge in our organisation in October 2024, acknowledging us as a leading authority with a strong culture and a proven history of delivering essential services. When the Peer Team returned in December 2025 to review our progress, they focused on their initial recommendations and looked at Local Government Reorganisation (LGR) as an important new priority. Their most recent review reaffirmed our cultural strengths, praised our collaborative work during LGR, and encouraged us to keep making improvements.

Recruitment and retention

We launched a project to look at everything to do with recruitment and retention to modernise our approach. The goal was to make it easier to fill open positions and, importantly, to keep our outstanding current staff. The project is nearly finished and has already led to several improvements, such as updated job descriptions and enhanced recruitment processes and policies.



PART FIVE: 2025/26 FINANCIAL PERFORMANCE

The Comprehensive Income and Expenditure Statement shows the District Council's outturn for the authority on an accounting basis (to include notional entries such as depreciation and revaluations). The Expenditure Funding Analysis shows the actual increase in the General Reserves (held for unforeseen circumstances) and the Housing Revenue Account (HRA) reserves. The Expenditure Funding Analysis shows an increase in General Fund reserves of £1.247m and an increase in HRA reserves of £0.070m.

	Balance at 31 March 2025	Increase/ (decrease) in year	Balance at 31 March 2026
General Fund working balance	£1.500m	£0.000m	£1.500m
General Fund earmarked reserves	£34.115m	£1.247m	£35.362m
General Fund total	£35.615m	£1.247m	£36.862m
HRA working balance	£2.000m	£0.000m	£2.000m
HRA earmarked reserves	£5.653m	£0.070m	£5.723m
HRA total	£7.653m	£0.070m	£7.723m

General Fund Revenue

The General Fund supports the day-to-day running of the District Council's services (excluding housing). The District Council set its General Fund budget for the 2025/26 financial year on 6 March 2025. View the budget report pack: [Budget report pack](#).

The revenue outturn performance for the year showed an overall favourable variance of £1.912m for the General Fund, with services showing a favourable £0.719m variance. The table below describes the main variances:

Reason for variance	Value £'m
Significant favourable variances within the Waste and Recycling department, driven by higher-than-expected income from trade waste, recycling, and garden waste.	(0.373)
Prices of Petrol & Diesel have stabilised since the budget setting for 2025/26 resulting in a favourable outturn variance	(0.121)
Income for resettlement schemes, particularly Homes for Ukraine, is below expectations as the original income budget set at the start of the scheme will not be achieved.	0.170
Temporary Accommodation Council tax void losses have occurred due to empty units.	0.050
Three vacancies within the Health Development Team (Active Lifestyles Project Officer, Regeneration Capital Project Officer and Health Improvement Officer) have been vacant for a significant period throughout the year	(0.112)
The Active4Today Management fee that was budgeted for, is not needed due to A4T forecasting a surplus in their accounts	(0.104)
A higher number of planning applications have been received during 2025/26 than was originally budgeted for	(0.263)
There is an overall favourable variance on the cleaning contract for the Council's corporate properties.	(0.100)
Favourable variance for utility costs across the Council's corporate properties.	(0.197)
Rental income for Newark Beacon has exceeded budget expectations, driven by higher occupancy levels, which have also helped reduce the Council's business rates costs.	(0.102)
Culmination of other employee favourable variances across the Council.	(0.737)
Vacancy Factor and Notional Savings.	1.135
Other Variances.	0.035
Favourable variance on services	(0.719)
Net variance on loss allowance, apprentice levy and corporate contingency.	(0.021)
Net variance on interest receivable and payable.	(0.534)
Additional income from the Nottinghamshire Business Rates Pool.	(0.342)
Levy payment, S31 and renewable energy	(0.169)
Additional grant income over budgeted level for Internal Drainage Board and National Insurance grants during the year.	(0.081)
Reduction in Minimum Revenue Provision due to reduction in actual borrowing required on the capital programme financing.	(0.046)
Additional transfer to usable reserves	1.912
Overall the council has increased its General Fund reserves position by £1.247m. This is attributed to:	
Brought forward reserves balance	35.615
Budgeted increase in reserves	0.316
Contributions to capital expenditure	(1.772)
Favourable variance in cost of running the council	1.912
Other movements	0.791
Reserves balance as at 31 March 2026	36.862

Housing Revenue Account (HRA)

The HRA is a ring-fenced landlord account for the running of the District Council's housing stock. The budget was approved on 11 February 2025. View the [budget report pack](#).

The service outturn position compared to budget amounted to an unfavourable variance of £0.113m with an overall surplus outturn position of £0.070m:

Reason for variance	Value £'m
Recharges from the General Fund are lower than budgeted, largely due to vacant roles in the General Fund.	(0.271)
A saving has been realised on contract cleaning for community centres due to actual expenditure being lower than the budgeted increase.	(0.063)
Compliance Services underspends on salaries and contracts, £177k, due to a lot of vacancies within the business unit however, this is offset by the overspend in agency staff of £153k.	(0.024)
A saving has been realised in compliance - servicing of appliances due to actual expenditure being lower than the increase in the budget from the previous financial year.	(0.203)
Income from housing rents, including service and management charges, is below target due to an increased number of void properties. Offset by increased income from leaseholder recharges PV fit generation.	0.420
The vacancy factor represents a planned allowance within the Council's establishment budget to reflect the likelihood that not all posts will be occupied throughout the year.	0.274
Other small variances	(0.020)
Net cost of HRA Services	0.113
Additional contribution to the bad debt provision	0.289
Reduction in interest cost incurred during the year	(0.159)
Variance on the depreciation value transferred to the Major Repairs Reserve compared to the budgeted amount	(0.313)
Surplus generated to be allocated to HRA balances	(0.070)
Brought forward reserves balance	7.653
HRA agreed carry forwards	0.384
Budgeted use of reserves	(0.250)
Unused efficiency savings	0.298
Favourable variance in cost of running HRA	0.070
Set up of damp and mould team	(0.134)
Other movements	(0.298)
Reserves balance as at 31 March 2026	7.723

Capital Spending

Capital money is spent on building or enhancing our asset base. There are rules and regulations regarding what can be classed as capital expenditure, and this spend must be financed separately from the day to day running costs. During 2025/26, we spent £38.668m on capital works. Key projects are listed below:

- **Disabled Facilities Grants: £1.222m** was spent to support accessibility improvements following referrals from occupational therapists.
- **Southern Link Road: £0.642m** was allocated to Urban & Civic for the Southern Link Road project, part of a £3m contribution from Nottinghamshire County Council, following the full utilisation of £20m from the Levelling Up Fund in previous years.
- **Stodman Street Redevelopment: £5.346m** was spent on the redevelopment of the former Marks and Spencer building, including utilisation of the final part of the Towns Fund Grant, the remaining funds being NSDC match funding. Completion expected during in 2026/27.
- **Castle Gatehouse: £2.559m** was spent on the works to deliver an improved public access and visitor experience and enhance the surrounding gardens and green space, securing the Castle's future. This project is funded by Towns Fund, National Lottery Heritage Fund (NLHF) and NSDC funding. Completion is expected during 2026/27.
- **Arkwood Developments: £9.602m** was provided through a loan to Arkwood Developments Ltd to enable progress with various housing development projects.
- **Investment in existing council dwellings: £12.684m** was invested in improvements to council dwellings during the year.
- **Council House Development Programme: £0.878m** was spent on delivering phase 5 of a 5-phase build programme to deliver 335 additional homes across the district, including the new phase 6, starting to deliver a further 50 units.

Major Movements on the Balance Sheet

Property, Plant and Equipment

Property, Plant and Equipment has increased by £16.026m. £26.641m has been added through the capital programme whilst the economic use of assets has reduced the value by £8.696m.

£2.711m worth of assets have been transferred to assets held for sale and heritage assets. Other assets have had their values increased by £0.792m.

Long Term Debtors

The £12.039m increase in long-term debtors is primarily driven by a £9.601m rise in the Housing Development company Arkwood's use of the Council's revolving credit facility, alongside the recognition of a £2.439m capital debtor linked to a land sale with a deferred condition.

Short Term Debtors

The decrease of £4.240m in short term debtors relates mainly to the decrease of £3.262m in monies owed to the District Council where an invoice has been issued for goods or works supplied by the District Council but not yet paid.

Assets Held for Sale

The £4.317m reduction in assets held for sale primarily reflects the completion of a land sale valued at £2.439m, which has deferred conditions, along with an increase in Right to Buy completions. The latter rose during 2024/25 following legislative changes, prompting eligible tenants to accelerate their applications in order to take advantage of the more favourable previous rules.

Cash and Cash Equivalents

The £10.884m decrease in cash and cash equivalents (including instant access deposit accounts) reflects the use of investments to support cash flow during the financial year. This has reduced the need for borrowing at a time when interest rates are elevated.

Short and Long Term borrowing

The overall decrease of £5.025m of borrowing relates to the principal repayment of £5.025m worth of loans that had come to the maturity date during the financial year.

Short Term Creditors

The £2.286m increase in short-term creditors is primarily due to a £3.560m rise in amounts payable for capital works. This reflects work completed and supplied to the Council up to 31 March 2026, for which invoices have not yet been issued by contractors. This increase is partially offset by a £1.356m reduction in collection fund balances payable to preceptors or Central Government.

PART SIX:

LOOKING FORWARD

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

You can find our Community Plan on our website: [Community Plan 2023–2027](#) and you can follow our progress in achieving our aims by reviewing the quarterly [Community Plan Performance Reports](#).

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

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



Local Government Reorganisation (LGR)

In December 2024, the Government released the English Devolution White Paper which outlined ambitions to begin a period of structural change to Local Government across England. The aim of this structural change is to transition from a two-tier system to a single tier system (also known as a Unitary Authority) of Local Government, which will be responsible for all local services in an area. In February 2025, the Government invited Councils to submit proposals for new Unitary Authority structures, with final submissions taking place in November 2025. The submissions aimed to create more efficient and effective Local Government, potentially leading to streamlined services and cost savings for residents.



Together with Bassetlaw, Gedling, and Mansfield Councils who are also supporting option 1e, we finalised the proposal for a north-south model. This would replace the existing nine Councils with two new unitary authorities. Sherwood Forest Unitary Council which would consist of Ashfield, Bassetlaw, Gedling, Mansfield, and Newark & Sherwood and Nottingham & South Nottinghamshire Unitary Council which would consist of Broxtowe, Nottingham City, and Rushcliffe.

Our Council feel this approach best aligns with the governments criteria; it unites communities with shared identities, heritage, travel-to-work patterns, and housing markets, while avoiding disruptive boundary changes. It also reflects strong alignment with similar north-south proposals being advanced by neighbouring authorities in Derbyshire. Importantly, this was also the option that received the strongest public support during the extensive engagement process. Around one-third of respondents viewed option 1e positively or as the better choice compared to 1b, citing its clearer geographic logic and alignment with local identities. Focus groups reinforced this preference, describing it as a “more natural split” between the north and south of the county.



Our Community Plan sets out our ambition to secure the very best option for the residents of Newark and Sherwood arising from the reorganisation of Local Government and as such, as further key strategic updates on how Local Government Reorganisation is progressing throughout the year can be found detailed within in Ambition 7.

Medium Term Financial Plan (MTFP)

The District Council's Medium Term Financial Plan (MTFP) for the period 2026/27 to 2029/30 was approved at Council on 5 March 2026 and is available on [our website](#). This sets out the District Council's assumptions on expenditure, income and financing to ensure the delivery of the District Council's Community Plan.

The funding reforms that have been mooted for a number of years by Central Government, took effect within the Local Government Finance Settlement (LGFS) for 2026/27. The reforms of the system are principally to make fairer the Government's annual funding allocations for local authorities and to reset baselines in respect of Business Rates income.

The outcome of the LGFS is positive on the Councils finances as the previous assumptions made regarding overall funding were more pessimistic than the actual outcome. Over the equivalent three year period in the 2025/26 MTFP, the Council is expecting an additional £2.395m in funding in the 2026/27 MTFP. This together with additional contributions expected from Arkwood Developments Ltd (the Councils wholly owned trading company) have meant that there is less reliance upon the MTFP reserve (which was specifically set up to mitigate the expected reductions in Government funding).

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

	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)	2029/30 (£m)
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
Total Expenditure	20.700	20.357	19.570	21.690
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)	(8.922)	(9.178)
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
Funding Shortfall prior to Mitigations	0	0	0.093	2.897

The above table shows the likely levels of resources necessary to fund the ambitions within the Community Plan over the next four-year period. This is matched with likely levels of Council Tax and Government funding to support this. The final year, 2029/30, is the first year outside of the multi-year LGFS, and hence allocations are estimates at this point. There are sufficient resources available within the MTFP reserve to fund this shortfall, should this materialise.

PART SEVEN: CORPORATE RISKS

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

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



Risk	Risk	Controls
Data management and security	Deliberate or unintentional loss/disclosure of personal, sensitive, confidential, business critical information or breach of information governance legislation	<ul style="list-style-type: none"> • IG and Cyber security strategy • Data protection and cyber awareness training including a section on information security and targeted training ongoing for staff located elsewhere and forms part of the induction process • Guidance and training for elected members. GDPR sessions provided for new members • External Audit on ICT security annually • Use of data processing and agreements with contractors and partners • CIGG group • Public Sector Network and Cyber Essentials compliant • Information security and governance is monitored and reviewed by the corporate information governance group on a monthly basis • ISMS – Key information management documents in place including Security Policy, Retention Policy, Data Protection Policy etc.
HSG Statutory compliance management	Implementation and maintenance of suitable management systems to ensure statutory safety compliance for the "BIG 7".	<ul style="list-style-type: none"> • Policies and procedures • Dedicated Compliance team and compliance reporting procedures • Dedicated software –asset compliance/management software ICT systems • Contract & performance management systems • Training and competence Staff/tenants/contractor • Assurance and scrutiny process – operational and committee levels • Use of specialist contractors/advisors • Auditing, reconciliation, inspection and complaints processes • Maintenance/inspection programmes • Pre let inspections • Business planning • Compliance with regulatory standards • Housing Assurance Board • Safety & Quality standard self-assessment undertaken • Regular Corporate & HRA compliance shared meetings • Tenancy engagement/enforcement procedures
Delivering Major Projects	Failure to deliver or sufficiently advance approved capital projects within the Council's Capital Programme and Community Plan prior to mandated funding deadlines and/or the end of Newark & Sherwood	<ul style="list-style-type: none"> • Approved capital programme • Approved community plan • Capital monitoring group • PIDs & project risk registers • Internal audits • Formal external/internal reporting including frequent reports to relevant grant funders, committees & SLT • Procurement policy • Contract procedure rules- Reference/ credit checks for suppliers prior to awarding projects • Quality based tendering process • Financial regulations • S151 officer • Security of tenure including tenants - Agreement to lease upon practical completion • Dedicated and competent project managers with required skills/ expertise • Use of consultants where necessary • Grant funding agreements • Fraud risk procedures • Stakeholder engagement meetings

Risk	Risk	Controls
LGR	To ensure smooth transition maintaining effective business as usual (BAU) delivery while implementing significant change. This includes pressures on workforce capacity, operational resilience and the ability to support staff, residents, and elected members throughout the transition	<p>Programme Management</p> <ul style="list-style-type: none"> • LGR programme & governance structure defined • Ongoing engagement with nationally available learning from previous LGR programmes <p>Governance</p> <ul style="list-style-type: none"> • Governance, general purposes & LGR (GGP&LGR) committee • LGR meeting & weekly SLT briefing • LGR implications included within reports template <p>Communication and Engagement</p> <ul style="list-style-type: none"> • Proactive engagement with government • Proactive engagement with neighbouring councils and sector bodies • Proactive engagement with Nottingham & Nottinghamshire partner work using NSDC representation across implementation groups • Maintenance of strong, clear and consistent communication and engagement with members, staff, partners, town and parish councils and residents. • Equality impact assessments • Joint communications and Engagement Plan • Established Comms Cell in place, with representation from all nine Councils. <p>Digital, Data and Technology</p> <ul style="list-style-type: none"> • Early planning for ICT, data and information governance integration, including assurance over cyber security and data protection. • Cyber security protocols • Information Security Management System • Data sharing agreement <p>Capacity and Workforce</p> <ul style="list-style-type: none"> • Learning and development plans • Protect BAU capacity <p>Financial</p> <ul style="list-style-type: none"> • Contracts register. • Dedicated transitional LGR reserve



PART EIGHT:

EXPLANATION OF FINANCIAL STATEMENTS

The Statement of Accounts sets out the District Council's income and expenditure for the year, as well as its financial position at 31 March 2026. It comprises core and supplementary statements, together with disclosure notes.

The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, which in turn is underpinned by International Financial Reporting Standards.

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

The core statements are:

The Comprehensive Income and Expenditure Statement

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

The Movements in Reserves Statement

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

The Balance Sheet

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

The Cash Flow Statement

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

The Supplementary Financial Statements are:

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

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

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

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

1 The Authority's Responsibilities

The authority is required to:

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

2 Responsibilities of the Chief Financial Officer

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

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

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

The Chief Financial Officer has also:

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

Certificate of the Chief Financial Officer

This statement of accounts is that upon which the auditor should enter their opinion. It presents a true and fair view of the financial position of the authority at 31st March 2026 and its income and expenditure for the year then ended.

Signed:

Nick Wilson, CPFA
Director of Finance, Revenues and Benefits
and S151 Officer

Date

I can confirm that these accounts were approved by the Audit and Accounts Committee at the meeting held on 09.12.2026.

Signed:

Councillor Keith Melton
Chair - Audit and Accounts Committee

Date

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2024/25			2025/26			
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
5,924	-3,724	2,200	Climate and the Environment	6,990	-4,432	2,558
-46	-561	-607	Health, Wellbeing and Leisure	1,231	-111	1,120
3,242	-2,220	1,022	Heritage, Culture and the Arts	2,962	-2,083	879
30,839	-32,843	-2,004	Housing	32,935	-33,959	-1,024
3,919	-969	2,950	Public Protection and Community Relations	4,280	-827	3,453
34,501	-25,350	9,151	Strategy, Performance and Finance	33,411	-22,890	10,521
8,407	-6,438	1,969	Sustainable Economic Development	5,927	-4,108	1,819
86,786	-72,105	14,681	Cost of Services	87,736	-68,410	19,326
6,749	-843	5,906	Other Operating Income and Expenditure Note 13	14,548	-8,290	6,258
11,026	-9,187	1,839	Financing and Investment Income and Expenditure Note 14	13,832	-9,875	3,957
14,965	-47,628	-32,663	Taxation and Non Specific Grant Income Note 15	15,275	-45,688	-30,413
119,526	-129,763	-10,237	Surplus (-) or Deficit on Provision of Services	131,391	-132,263	-872
		-2,163	Surplus(-) or Deficit on Revaluation of Non Current Assets			-8,682
		-3,318	Remeasurements of the Net Defined Benefit Liability (Asset)			951
		-5,481	Other Comprehensive Income and Expenditure			-7,731
		-15,718	Total Comprehensive Income and Expenditure			-8,603

MOVEMENT IN RESERVES STATEMENT

Movement in reserves 2025/26	Earmarked			Earmarked			Capital Grants Unapplied	Capital Receipts Reserve	Total		Total Council Reserves
	General Fund Balance	General Fund Reserves	Housing Revenue Account	Housing Revenue Account	Major Repairs Reserve	Reserves			Unusable Reserves	Reserves	
Balance at 31 March 2025 carried forward	1,500	34,115	2,000	5,653	10,502	13,387	1,295	68,452	323,671	392,123	
Total Comprehensive Income and Expenditure	3,610	0	-2,738	0	0	0	0	872	7,731	8,603	
Adjustment between accounting basis & funding basis under regulations (Note 11)	-2,260	0	2,808	0	-7,271	565	2,324	-3,834	3,834	0	
Net Increase/Decrease(-) before Transfers to Earmarked Reserves	1,350	0	70	0	-7,271	565	2,324	-2,962	11,565	8,603	
Transfers to/from(-) Earmarked Reserves (Note 12)	-1,350	1,350	-70	70	0	0	0	0	0	0	
Increase/Decrease(-) in 2025/26	0	1,350	0	70	-7,271	565	2,324	-2,962	11,565	8,603	
Balance at 31 March 2026 carried forward	1,500	35,465	2,000	5,723	3,231	13,952	3,619	65,490	335,236	400,726	

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

BALANCE SHEET

31 March 2025 £'000	Notes	31 March 2026 £'000
459,987 Property, Plant & Equipment	21	475,475
3,629 Heritage Assets	25	3,755
818 Intangible Assets	27	1,281
14,780 Long Term Investments - Fair Value through Profit and Loss	40	13,698
3,232 Long Term Debtors	29	15,271
4,234 Long Term Finance Lease Debtor	23	4,738
486,680 TOTAL LONG TERM ASSETS		514,218
8,182 Short Term Investments	40	8,181
390 Inventories		314
16,103 Short Term Debtors	29	11,863
5,110 Assets Held For Sale	26	793
29,537 Cash and Cash Equivalents	24	18,653
59,322 TOTAL CURRENT ASSETS		39,804
-37,441 Short Term Borrowings	40	-14,961
-11,794 Short Term Creditors	30	-14,080
-305 Provisions Short Term	31	-491
-8,864 Grants Receipts in Advance	19	-10,801
-58,404 TOTAL CURRENT LIABILITIES		-40,333
0 Long Term Creditors	30	-120
-316 Provisions Long Term	31	0
-5,000 Long Term Finance Lease Liability	22	-6,088
-73,357 Long Term Borrowing	40	-90,812
-8,302 Pensions Liability	38	-8,127
-8,500 Grants Receipts in Advance	19	-7,816
-95,475 TOTAL LONG TERM LIABILITIES		-112,963
392,123 TOTAL NET ASSETS		400,726
68,452 Usable Reserves	32	65,490
323,671 Unusable Reserves	33	335,236
392,123 TOTAL RESERVES		400,726

CASH FLOW STATEMENT

2024/25 £'000	Notes	2025/26 £'000
10,237	Net Surplus/Deficit(-) on the Provision of Services	872
12,042	Adjustment to Surplus or Deficit on the Provision of Services for Non-Cash Movements	27,384
-12,719	Adjust for Item Included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	-15,704
9,560	Net Cash Flows from Operating Activities	12,552
-18,972	Investing Activities	-17,623
22,993	Financing Activities	-5,813
13,581	Net Increase or Decrease(-) in Cash and Cash Equivalents	-10,884
15,956	Cash and Cash Equivalents at the Beginning of the Reporting Period	29,537
29,537	Cash and Cash Equivalents at the End of the Reporting Period	18,653

NOTES TO THE CORE FINANCIAL STATEMENTS

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

1 ACCOUNTING POLICIES

1.1 General Principles

The Statement of Accounts summarises the Council's transactions for the 2025/2026 financial year and its position at the year-end of 31 March 2026. The Council is required to prepare an annual statement of accounts by the Accounts and Audit Regulation 2015 which those Regulations require to be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Council Accounting in the United Kingdom 2025/2026 (the Code) supported by International Financial Reporting Standards (IFRS).

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

1.2 Accruals of Income and Expenditure

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

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

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

1.3 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments with immediate call back or instant access from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

1.4 Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors*

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Exceptionally, the 2025/26 Code provides that changes to the valuation of non-investment assets as set out in the Code will be applied prospectively, with no restatement of prior year figures.

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

1.5 Charges to Revenue for Non-Current Assets

General Fund service revenue accounts, support services and trading accounts are debited with the following amounts to record the real cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible assets attributable to the service.

The Council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance in the form of the Minimum Revenue Provision (MRP). This charge is based on the Asset Life method of calculation as per the Councils approved MRP Policy and will commence in the financial year after the asset becomes operational.

1.6 Council Tax and Non-Domestic Rates

The Council is a billing Council and acts as an agent collecting Council Tax and Non-Domestic Rates (NDR) on behalf of the major preceptors, including government for NDR, and as principals collecting Council Tax and NDR for itself. Billing authorities are required by statute to maintain a separate fund i.e. the Collection Fund for the collection and distribution of amounts due in respect of Council Tax and NDR. Under the legislative framework for the Collection Fund billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of Council Tax and NDR collected could be less or more than predicted. The council is part of a pool arrangement for NDR with its neighbouring Nottinghamshire councils.

Accounting for Council Tax and NDR

The Council Tax and NDR income included in the Comprehensive Income and Expenditure Statement is the Council's share of accrued income for the year. However, regulations determine the amount of Council Tax and NDR that must be included in the Council's General Fund. Therefore, the difference

between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item through the Movement in Reserves Statement.

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

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

1.7 Employee Benefits

Benefits Payable During Employment

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

Termination Benefits

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

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

Post-employment Benefits

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

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

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

- The liabilities of the pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bonds.
- The assets of the pension fund attributable to the Council are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price.
 - unquoted securities - professional estimate.
 - unlisted securities - current bid price.
 - property - market value.

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

Service Cost comprising

- current service cost - the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the revenue accounts of services for which the employees worked.
- past service cost - the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years - debited to the (Surplus)/Deficit on Continuing Operations in the Comprehensive Income and Expenditure Statement as part of Strategy, Performance and Finance.
- net interest on the net defined benefit liability or asset i.e. net interest expense for the Council – the change during the period in the net defined benefit liability or asset that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability or asset at the beginning of the period – taking into account any changes in the net defined benefit liability or asset during the period as a result of contribution and benefit payments

Re-measurements comprising

- the return on plan assets – excluding amounts included in net interest on the defined benefit liability or asset – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- contributions paid to the pension fund - cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff

are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.8 Financial Instruments

Financial Liabilities

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

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

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

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

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

Financial Assets

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

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

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely

payment of principal and interest (ie where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

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

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

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

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

Expected Credit Loss Model

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

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

Financial assets measured at fair value through profit or loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the surplus or deficit on the provision of services.

Fair value measurements of financial assets

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

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

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

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

Any gains and losses that arise on the derecognition of the asset are credited or debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

1.9 Government Grants and Contributions

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

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

Amounts recognised as due to the council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

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

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

Community Infrastructure Levy

The Council has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the Council) with appropriate planning consent. The council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport, flood defences and schools) to support the development of the area.

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

charges will be largely used to fund capital expenditure. However, a small proportion of the charges may be used to fund revenue administrative expenditure.

1.10 Heritage Assets

The Council's heritage assets are held in the Councils museum. The museum has an extensive collection comprising of art, Civil war, artefacts, clock, coins and tokens of heritage assets which are held in support of the primary objective of the Councils museum, i.e. increasing the knowledge, understanding and appreciation of the Councils history and local area. Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Councils accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below. The accounting policies in relation to heritage assets that are deemed to include elements of intangible heritage assets are also presented below. The Councils collections of heritage assets are accounted for as follows.

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

Heritage Assets – General

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Councils general policies on impairment – see note 1.17 in this summary of significant accounting policies. The trustees of the Councils museum will occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Councils general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts (again see note 1.18 in this summary of significant accounting policies).

1.11 Joint Operations

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

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

1.12 Leases

The Council as Lessee

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

Initial measurement

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

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

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

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

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

Subsequent measurement

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

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

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

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

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

The liability is remeasured when:

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

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

Low value and short lease exemption

As permitted by the Code, the Council excludes leases:

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

Lease expenditure

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

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

The Council as lessor

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

Finance leases

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

Lease rentals receivable are apportioned between:

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

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve (England and Wales) in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve (England and Wales).

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

Operating leases

Where the authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease or where this is initiated by a service to the individual service, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

1.13 Property, Plant and Equipment

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

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (ie repairs and maintenance) is charged as an expense when it is incurred. Expenditure under the value of £15,000 is treated as de-minimis. All capital expenditure will be depreciated in the following financial year of acquisition.

Measurement

Assets are initially measured at cost, comprising:

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

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

- Surplus Assets – the current value measurement base is fair value, estimated at highest and best use from a market participant’s perspective
- Dwellings – current value, determined using the basis of existing use value for social housing (EUUV–SH)
- Community Assets, Infrastructure and Assets Under Construction – measured at historical cost
- Other Land and Buildings, Vehicles, Plant and Equipment – fair value or, where there is no market based evidence of fair value, depreciated historical cost. Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Valuation

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

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment. Where Councils do not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, Councils revalue their assets every five years, with annual indexation applied to assets during the four intervening years. Where Councils cannot obtain indices without undue cost or effort, Councils revalue those assets using a quinquennial revaluation, with a desktop revaluation in year three.

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

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

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

Impairment

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

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

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

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

Depreciation

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

Depreciation is calculated on the following bases:

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

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

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

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of

any previously recognised losses in the Surplus or Deficit on the Provision of Services. Depreciation is not charged on assets held for sale.

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

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

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

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

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing.

Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance through the Movement in Reserves Statement.

1.14 Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

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

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

Contingent Liabilities

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

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

Contingent Assets

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

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

1.15 Reserves

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

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

1.16 Revenue Expenditure Funded from Capital under Statute

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

1.17 Value Added Tax

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

1.18 Fair Value Measurement of non-financial assets

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings [other financial instruments as applicable] at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

2 ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET ADOPTED

The Code of Practice requires that, where new or amended accounting standards have been issued but not adopted by 31st March 2026, the Council discloses the impact that this change would have had on the current year's financial statements had it already been adopted. The following changes to accounting standards will be applicable to the Council's accounts from 1 April 2026:

- a) Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024.
- b) Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024.
- c) Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024.
- d) Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

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

3 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

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

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

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

The items in the Council's Balance Sheet at 31 March 2026 for which there may be a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	<p>Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.</p> <p>Assets are valued on a five-year rolling basis. Building indices are not applied to approximate for those assets that are not subject to the revaluation process in the year.</p>	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.</p> <p>If the value of the Council's operational properties were to reduce by 10%, this would result in a charge to the Comprehensive Income and Expenditure Statement (CIES) of approximately £45m.</p>
Fair Value Measurements	<p>When the fair values of financial assets and financial liabilities cannot be measured, based on quoted prices in active markets (i.e. domestic Level 1 inputs), their fair value is measured using valuation techniques (eg quoted prices for similar assets or liabilities in active markets or the discounted cash flow (DCF) model). Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible, judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Council's assets and liabilities.</p> <p>Where Level 1 inputs are not available, the Council employs relevant experts to identify the most appropriate valuation techniques to determine fair value.</p>	<p>The Council uses a combination of indexation techniques, beacon valuations and discounted cash flow (DCF) models to measure the fair value of its Surplus Assets and Assets Held for Sale under IFRS13 depending on which technique it considers most appropriate.</p> <p>The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, occupancy levels, floor area repairs backlogs, beacon classifications and others.</p> <p>Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for these assets.</p> <p>If property value were to reduce by 10%, this would lead to a £0.08m reduction. This would impact the Council's CIES Surplus/Deficit.</p>
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured; however, the assumptions interact in complex ways.</p> <p>During 2025/26, the Council's actuaries advised that the net pensions liability had decreased by £0.2m attributable to updating of the assumptions.</p> <p>An increase in the discount rate would, if all other factors remained unchanged, result in a decrease in the present value of the defined benefit obligation.</p>

Arrears	At 31 March 2026, the Council had a balance of short term debtors totalling £14.358m. A review of significant balances suggested that a loss allowance of £2.495m was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.	If collection rates were to deteriorate, a doubling of the amount of the loss allowance would require an additional £2.495m to set aside as an allowance.
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5 MATERIAL ITEMS OF INCOME AND EXPENDITURE

During 2025/2026 there were no material transactions, which are not disclosed separately.

6 MATERIAL INTEREST IN JOINT BODIES

The Council has a joint interest in Mansfield Crematorium. The annual net surplus from the running of the crematorium amounts to £0.043m (2024/25 £0.024m) and is included within Other Operating Income and Expenditure. The Council also includes its share of the assets and liabilities of the crematorium in its Balance Sheet. For a more detailed breakdown please see Note 37.

7 TRUST FUNDS

The Council acts as sole trustee for two Trusts:

The W.E. Knight Trust

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

The Gilstrap Endowment

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

8 EXPENDITURE AND FUNDING ANALYSIS

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

2024/25			2025/26			
Net Expenditure Chargeable to the General Fund & HRA Balances £'000	Adjustment between the Funding and Accounting Basis £'000	Net Expenditure in the Comprehensive Income & Expenditure Statement £'000		Net Expenditure Chargeable to the General Fund and HRA Balances £'000	Adjustment between the Funding and Accounting Basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
2,493	-293	2,200	Climate and the Environment	1,563	995	2,558
458	-1,065	-607	Health, Wellbeing and Leisure	689	431	1,120
625	397	1,022	Heritage, Culture and the Arts	712	167	879
-14,406	12,402	-2,004	Housing	-12,583	11,559	-1,024
2,839	111	2,950	Public Protection and Community Relations	3,376	77	3,453
7,976	1,175	9,151	Strategy, Performance and Finance	9,752	769	10,521
2,099	-130	1,969	Sustainable Economic Development	1,954	-135	1,819
2,084	12,597	14,681	Net Cost of Services	5,463	13,863	19,326
-6,476	-18,442	-24,918	Other Income and Expenditure	-6,883	-13,315	-20,198
-4,392	-5,845	-10,237	Surplus(-)/Deficit	-1,420	548	-872

Agenda Page 185	General Fund & Earmarked Reserve £'000	HRA & Earmarked Reserve £'000	Total £'000		General Fund & Earmarked Reserve £'000	HRA & Earmarked Reserve £'000	Total £'000
	-32,649	-6,227	-38,876	Opening Balance	-35,615	-7,653	-43,268
	-2,966	-1,426	-4,392	Surplus(-) or Deficit on Balances in Year	-1,350	-70	-1,420
-35,615	-7,653	-43,268	Closing Balance at 31 March	-36,965	-7,723	-44,688	
Closing Balances Split by Reserve:							
-1,500	-2,000	-3,500	Working Reserve	-1,500	-2,000	-3,500	
-34,115	-5,653	-39,768	Earmarked Reserve	-35,465	-5,723	-41,188	
-35,615	-7,653	-43,268	Closing Balance at 31 March	-36,965	-7,723	-44,688	

9 NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

Adjustments between Funding and Accounting Basis 2025/26

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note 1) £'000	Net change for the Pensions Adjustments (Note 2) £'000	Other Differences (Note 3) £'000	Total Adjustments £'000
Climate and the Environment	1,249	-245	-9	995
Health, Wellbeing and Leisure	460	-27	-2	431
Heritage, Culture and the Arts	227	-56	-4	167
Housing	11,870	-388	77	11,559
Public Protection and Community Relations	236	-167	8	77
Strategy, Performance and Finance	1,292	-532	9	769
Sustainable Economic Development	3	-138	0	-135
Net Cost of Services	15,337	-1,553	79	13,863
Other income and expenditure from the Expenditure and Funding Analysis	-15,046	427	1,304	-13,315
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	291	-1,126	1,383	548

Adjustments between Funding and Accounting Basis 2024/25

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

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

Note 1 Adjustments for Capital Purposes

Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- Other operating expenditure – adjustments for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing ie Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Note 2 Net Change for the Pensions Adjustments

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

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

Note 3 Other Differences

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

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

10 EXPENDITURE AND INCOME ANALYSED BY NATURE

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

Expenditure/Income 2025/26	Climate and the Environment £'000	Health, Wellbeing and Leisure £'000	Heritage, Culture and the Arts £'000	Housing £'000	Public Protection and £'000	Strategy, Performance and Finance £'000	Sustainable Economic Development £'000	Corporate Amounts £'000	Total £'000
Fees, Charges and Other Service Income	-2,901	-72	-1,682	-4,468	-696	-6,026	-1,604	0	-17,449
Dwelling Rent Income	0	0	0	-27,426	0	0	0	0	-27,426
Income on Joint Associates	0	0	0	0	0	0	0	-116	-116
Interest and Investment Income	0	0	0	0	0	0	0	-2,697	-2,697
Pension Interest Asset	0	0	0	0	0	0	0	-7,174	-7,174
Income from Council Tax	0	0	0	0	0	0	0	-12,540	-12,540
Income from Non Domestic Rates	0	0	0	0	0	0	0	-21,573	-21,573
Housing Benefit Subsidy	0	0	0	0	0	-15,682	0	0	-15,682
Government Grants and Contributions	-1,531	-39	-401	-2,065	-131	-1,182	-2,504	-11,575	-19,428
Proceeds from Disposal of Assets	0	0	0	0	0	0	0	-8,178	-8,178
Total Income	-4,432	-111	-2,083	-33,959	-827	-22,890	-4,108	-63,853	-132,263
Employee Expenses	4,232	497	1,236	7,249	2,942	9,462	2,505	0	28,123
Other Service Expenses	1,509	275	1,499	12,561	1,102	6,103	2,521	0	25,570
Revenue Expenditure funded from Capital Under Statute	0	0	0	1,254	14	749	898	0	2,915
Loss Allowance	0	0	0	0	0	0	0	289	289
Housing Benefit Expenditure	0	0	0	0	0	15,823	0	0	15,823
Expenditure on Joint Associates	0	0	0	0	0	0	0	111	111
Developers Contribution Payment	0	0	0	0	0	0	0	232	232
Depreciation, Amortisation and Impairment	1,249	459	227	11,871	222	1,274	3	0	15,305
Revaluation on Financial instruments to fair value	0	0	0	0	0	0	0	1,082	1,082
Interest Payments	0	0	0	0	0	0	0	4,219	4,219
Pension Interest Cost	0	0	0	0	0	0	0	7,522	7,522
Non Domestic Rates Tariff & Deficit	0	0	0	0	0	0	0	15,043	15,043
Precepts and Levies	0	0	0	0	0	0	0	5,044	5,044
Early Termination of Lease	0	0	0	0	0	0	0	1,009	1,009
NBV of Disposal of Assets and costs	0	0	0	0	0	0	0	9,104	9,104
Total Operating Expenses	6,990	1,231	2,962	32,935	4,280	33,411	5,927	43,655	131,391
Surplus(-)/Deficit on Provision of Services	2,558	1,120	879	-1,024	3,453	10,521	1,819	-20,198	-872

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

11 ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

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

General Fund Balance

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

Housing Revenue Account Balance

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

Major Repairs Reserve

The Council is required to maintain the Major Repairs Reserve, which controls an element of the capital resources, limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the capital resources that have yet to be applied at the yearend.

Capital Grants Unapplied

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

Capital Receipts Reserve

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

2025/26 Usable Reserves	General Fund Balance £'000	Housing Revenue Account £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Capital Receipts in Reserve £'000	Movement in Unusable Reserves £'000
Adjustments to the Revenue Resources						
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:						
Pensions costs (transferred to (or from) the Pensions Reserve)	888	239	0	0	0	-1,127
Financial instruments (transferred to the Financial Instrument Adjustment Account)	4	0	0	0	0	-4
Pooled Investment (transferred to the Pooled Investment Adjustment Account)	-370	0	0	0	0	370
Council tax and NDR (transfers to (or from) Collection Fund)	-226	0	0	0	0	226
Holiday pay (transferred to the Accumulated Absences Reserve)	2	-81	0	0	0	79
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to Capital Adjustment Account - CAA):	-5,009	-15,390	0	-565	0	20,964
Total Adjustments to Revenue Resources	-4,711	-15,232	0	-565	0	20,508
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts	4,053	4,097	0	0	-7,681	-469
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	0	-47	0	0	47	0
Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	0	0	0	0	0	0
Posting of HRA resources from revenue to the Major Repairs Reserve	0	8,374	-8,374	0	0	0
Statutory and voluntary provision for the repayment of debt (transfer from the CAA)	843	0	5,041	0	0	-5,884
Capital expenditure financed from revenue balances (transfer to the CAA)	2,075	0	0	0	0	-2,075
Total Adjustments between Revenue and Capital Resources	6,971	12,424	-3,333	0	-7,634	-8,428
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	0	0	5,446	-5,446
Use of the Major Repairs Reserve to finance capital expenditure	0	0	10,604	0	0	-10,604
Application of capital grants to finance capital expenditure	0	0	0	0	0	0
Cash payments in relation to deferred capital receipts	0	0	0	0	-136	136
Total Adjustments to Capital Resources	0	0	10,604	0	5,310	-15,914
Total Adjustments	2,260	-2,808	7,271	-565	-2,324	-3,834

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

12 TRANSFERS TO/FROM(-) EARMARKED RESERVES

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

	Balance as at 31st March 2024 £'000	Movement in Year £'000	Balance as at 31st March 2025 £'000	Movement in Year £'000	Balance as at 31st March 2026 £'000
<u>General Fund for known pressures Reserves</u>					
Election Expenses	115	41	156	14	170
Insurance	107	17	124	0	124
ICT & Digital Services	110	159	269	-13	256
Renewal and Repairs	2,463	-77	2,386	-1,017	1,369
Building Control	61	21	82	-21	61
Domestic Homicide Review	10	51	61	-61	0
Museum Purchases	59	2	61	-25	36
Training Provision	282	112	394	-57	337
Community Safety Fund	136	-3	133	-7	126
Planning Costs	201	-10	191	0	191
Homelessness Fund	110	562	672	163	835
Energy and Home Support	103	-103	0	0	0
Emergency Planning Reserve	60	-26	34	22	56
Residential Food Waste	0	260	260	1,555	1,815
Mangement Carry Forward	771	194	965	109	1,074
Mansfield Crematorium	159	0	159	12	171
CSG/Enforcement Reserve	95	10	105	-99	6
Flood Defence Reserve	250	-30	220	-120	100
NNDR Volatility Reserve	500	-500	0	0	0
Community Initiative Fund	111	-10	101	-101	0
MTFP Reserve	8,462	551	9,013	-87	8,926
Asset Management Fund	351	-351	0	0	0
Capital Projects Feasibility Fund	222	55	277	-163	114
Community Engagement Fund	41	-41	0	0	0
Collection Fund Budget	1,378	-1,378	0	0	0
Theatre Centenary	18	1	19	2	21
Energy Efficiency East Midlands	0	99	99	0	99
Commercial Plan Invest to Save	200	0	200	-186	14
Workforce/LGR Reserve	170	-170	0	934	934
Community Lottery	18	3	21	-3	18
Homes for Ukraine Fund	354	-5	349	-349	0
Asylum Seekers Reserve	0	0	0	269	269
Unapplied Revenue Grants and Contributions	978	-291	687	97	784
Total for known pressures Reserves	17,895	-857	17,038	868	17,906
Change Management	11,986	1,801	13,787	-70	13,717
Total General Fund Revenue	29,881	944	30,825	798	31,623
<u>Capital Revenue Reserves</u>					
Capital Revenue Financing	1,268	2,022	3,290	552	3,842
Total General Fund Capital	1,268	2,022	3,290	552	3,842

Total General Fund Earmarked Reserves	31,149	2,966	34,115	1,350	35,465
<u>Housing Revenue Reserves</u>					
Insurance Fund	50	0	50	0	50
Staffing & Pay	100	-14	86	0	86
HRA Mangement Carry Forward	56	177	233	384	617
Decent Homes Reserve	1,500	0	1,500	0	1,500
Unused Efficiency Savings	999	308	1,307	-86	1,221
Service Improvements	905	956	1,861	-18	1,843
Regulatory Compliance/ Modernisation	250	0	250	-210	40
Health & Safety	367	-1	366	0	366
Total HRA Revenue	4,227	1,426	5,653	70	5,723
Total General Fund and HRA Earmarked Reserves	35,376	4,392	39,768	1,420	41,188

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

Residential Food Waste - a reserve to hold the grant monies received to cover the net efficient costs incurred in the efficient management of household packing waste.

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

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

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

Capital Provision – to support future capital projects.

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

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

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

13 OTHER OPERATING INCOME AND EXPENDITURE

2024/25 £000	2025/26 £000
3,880 Parish Council Precepts	4,091
950 Levies	953
874 Net Gains(-)/losses on revaluation of assets held for sale	0
123 Gains(-)/losses on the disposal of non-current assets	927
71 Loss Allowance	289
8 Mansfield Crematorium - Net Cost of Service	-2
5,906 Total	6,258

14 FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2024/25 £000	2025/26 £000
3,691 Interest payable and similar charges	5,227
476 Net interest on the net defined benefit liability (asset)	348
-2,569 Interest receivable and similar income	-2,697
244 Net (gains)/losses on financial assets at fair value through profit and loss	1,082
-3 Mansfield Crematorium - Financing and Investment Income and Expenditure	-3
1,839 Total	3,957

15 TAXATION AND NON-SPECIFIC GRANT INCOME AND EXPENDITURE

2024/25 £000	2025/26 £000
-12,058 Council tax income	-12,540
-6,522 Non-Domestic Rates income and expenditure	-6,530
-7,276 Non ring-fenced Government grants	-6,605
-8 Revenue Developers grants & contributions	-21
-1,052 Capital Developers grants & contributions	-710
-5,747 Capital grants and contributions	-4,007
-32,663 Total	-30,413

16 OFFICIALS' EMOLUMENTS

Amounts payable to senior employees in 2025/26 are disclosed below.

	2024/25 £	2025/26 £
<u>Chief Executive</u>		
Salary, Fees & Allowances	140,172	144,657
Expenses Allowances	346	1,056
Employer's Contribution to Pension	24,530	25,056
% Employee's Contribution to Pension	11.4%	11.4%
<u>Deputy Chief Executive & Director of Resources</u>		
Salary, Fees & Allowances	115,580	119,278
Expenses Allowances	0	0
Employer's Contribution to Pension	21,498	22,186
% Employee's Contribution to Pension	10.5%	10.5%
<u>Director of Customer Services & Organisational Development</u>		
Salary, Fees & Allowances	91,868	97,589
Expenses Allowances	0	0
Employer's Contribution to Pension	17,577	18,152
% Employee's Contribution to Pension	9.9%	9.9%
<u>Director of Communities & Environment</u>		
Salary, Fees & Allowances	94,563	97,589
Expenses Allowances	0	54
Employer's Contribution to Pension	17,589	18,152
% Employee's Contribution to Pension	9.9%	9.9%
<u>Director of Planning & Growth</u>		
Salary, Fees & Allowances	94,563	97,589
Expenses Allowances	92	0
Employer's Contribution to Pension	17,589	18,152
% Employee's Contribution to Pension	9.9%	9.9%
<u>Director of Housing, Health & Welbeing</u>		
Salary, Fees & Allowances	94,563	97,589
Expenses Allowances	162	51
Employer's Contribution to Pension	17,589	18,152
% Employee's Contribution to Pension	9.9%	9.9%
<u>Assistant Director Law & Democratic Services (left 19.10.2025)</u>		
Salary, Fees & Allowances	83,383	47,420
Expenses Allowances	95	0
Employer's Contribution to Pension	15,969	8,820
% Employee's Contribution to Pension	9.9%	9.9%

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

Exit Package Cost Band	No of Compulsory Redundancies		No of Other Agreed Departures		Total No of Exit Packages		Total Cost of Exit Packages	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
							£'000	£'000
£0 to £20,000	1	0	17	9	18	9	96	46
£20,001 to £40,000	0	0	1	0	1	0	20	0
£40,001 to £60,000	0	0	0	0	0	0	0	0
£60,001 to £80,000	0	0	0	0	0	0	0	0
£80,001 plus	0	0	0	0	0	0	0	0
Total	1	0	18	9	19	9	116	46

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

	Number of Employees 2025/26	Employees Included in 2025/26 leaving in same year	Number of Employees 2024/25
£50,000 to £54,999	14	0	12
£55,000 to £59,999	8	0	5
£60,000 to £64,999	7	0	5
£65,000 to £69,999	5	1	2
£70,000 to £74,999	1	0	5
£75,000 to £79,999	5	0	1
£80,000 to £84,999	0	0	1
£90,000 to £94,999	0	0	4
£95,000 to £99,999	4	0	0
£115,000 to £119,999	1	0	1
£140,000 to £145,999	0	0	1
£145,000 to £149,999	1	0	0
Total	46	1	37

Bandings are removed where each financial year has no value.

17 RELATED PARTY TRANSACTIONS

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

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

Party	Disclosure
<ul style="list-style-type: none"> UK Central Government has effective control over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions the Council has with other parties. 	Comprehensive Income and Expenditure Statement Cash Flow Statement
<ul style="list-style-type: none"> Members of the council have direct control over the council's financial and operating policies. 	Note 18 Members Allowances
<ul style="list-style-type: none"> Precepts from other Local Authorities. 	Collection Fund Accounts
<ul style="list-style-type: none"> Arkwood Developments Ltd is a wholly owned subsidiary of the Council. 	Group Accounts
<ul style="list-style-type: none"> Active4Today Ltd is a wholly owned subsidiary of the Council. 	Group Accounts
<ul style="list-style-type: none"> RHH Newark Ltd is a 50% owned joint venture of the Council. 	Group Accounts
<ul style="list-style-type: none"> The Council has joint control of Mansfield Crematorium. 	Note 37 Joint Crematorium Committee

During 2025/26 the following transactions occurred with companies and organisations in which Members, Officers and their close family members, had an interest.

	Receipts £'000	Payments £'000
Gilstrap	6	0
Social Action Hub	0	8

18 MEMBERS ALLOWANCES

2024/25 £'000	2025/26 £'000
123 Special Responsibility Payments	123
212 Basic Allowances	216
8 Travel and Subsistence	9
343 Total	348

19 GRANT INCOME

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

2024/25 £'000	2025/26 £'000
<u>Credited to Taxation and Non Specific Grant</u>	
-244 MHCLG - Revenue Support Grant	-287
-327 MHCLG - New Homes Bonus Grant	-987
-1,612 MHCLG - Funding Guarantee	-205
0 MHCLG - Recovery Grant	-321
-119 MHCLG - Drainage Board Grant	-158
0 MHCLG - Employers NI Grant	-184
-26 MHCLG - Services Grant	0
-31 MHCLG - New Burdens Grant	0
-52 MHCLG - Rural Services Delivery Grant	0
-4,865 MHCLG - S31 Grant Business Rates	-4,463
-8 Developers Contributions (Net of Payments)	-21
<u>Capital Related:</u>	
-1,052 Developers Contributions (Net of Payments)	-710
-676 Other Grants and Contributions	-261
-1,968 Towns Fund - Stodman Street Regeneration	-132
-400 Shared Prosperity - Stodman Street Regeneration	0
0 Levelling Up - Ollerton Regeneration	-626
0 Shared Prosperity - Ollerton Regeneration	-590
-1,093 DEFRA - Food Waste (Capital)	0
-350 Infrastructure	0
-253 Towns Fund - Castle Gatehouse	-2,350
-1,007 Decarbonisation	-48
-14,083 Total	-11,343
<u>Credited to Services</u>	
-10,308 Housing Benefits Subsidy - Rent Allowances	-9,127
-8,653 Housing Benefits Subsidy - Rent Rebates	-6,555
-260 Housing Benefits Administration Grant	-265
-1,316 Shared Prosperity Grant	-752
-425 MHCLG - Homelessness Grant	-447
-260 DEFRA - Food Waste (Revenue)	-1,524
-111 Asylum Seekers Home Office Grant	-160
-224 Council Tax Hardship Grant	-30
-233 MHCLG - Levelling up Ollerton	-308

0 MHCLG - Local Plan Implementation	-108
0 MHCLG - Supported Housing Strategies	-54
-289 Arts Council - National Portfolio Organisation	-374
-79 Towns Fund - Cultural Heart	-149
-174 Towns Fund - Feasibility	-74
-104 Towns Fund - Project Management	-38
0 Notts Police and Crime Commissioner	-58
-499 Other Revenue Grants and Contributions	-629
<u>Capital Related:</u>	
-1,073 Private Sector Disabled Facilities	-1,222
-720 Other Capital Grants and Contributions	-32
0 SLR - Sherwood LEP	0
-437 Developers Contributions (Net of Payments)	-731
-2,279 SLR - NCC	-642
-655 Rural Prosperity Fund	-256
-28,099 Total	-23,535

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

CURRENT LIABILITIES - GRANTS RECEIPTS IN ADVANCE

2024/25	2025/26
£'000	£'000
<u>Capital Related:</u>	
-4,744 Government	-5,915
-996 Other Third Parties	-363
-1,650 Section 106	-3,390
<u>Revenue Related:</u>	
-1,449 Government	-1,112
-17 Other Third Parties	-13
-8 Section 106	-8
-8,864 Total	-10,801

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

LONG TERM LIABILITIES - GRANTS RECEIPTS IN ADVANCE

2024/25	2025/26
£'000	£'000
<u>Capital Related:</u>	
-8,162 Section 106	-7,679
<u>Revenue Related:</u>	
-186 Government	0
-90 Section 106	-82
-62 Other Third Parties	-55
-8,500 Total	-7,816

20 AUDIT FEE

For 2025/26 Newark and Sherwood District Council incurred the following fee in relation to the audit of the Statement of Accounts:

2024/25	2025/26
£'000 Fees Payable to Mazars LLP in respect of:	£'000
163 External Audit Services	167
6 Other Services	7
169 Total	174

In addition, audit fees of £50,486 (£40,010 2024/25) were paid which related to work undertaken in prior financial years.

21 PROPERTY PLANT AND EQUIPMENT

Movements in 2025/26									
	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles Plant Equipment £'000	Infrastruct- ure Assets £'000	Commun- -ity Assets £'000	Surplus Assets £'000	Assets Under Constru- ction £'000	Total £'000	
Cost or Valuation									
At 1 April 2025	352,794	85,241	16,520	448	179	150	13,287	468,619	
Additions	12,525	3,022	724	0	0	689	9,681	26,641	
Donations	0	0	0	0	0	0	0	0	
Revaluation increases/decreases(-)to Revaluation Reserve	-2,662	4,596	0	0	0	74	0	2,008	
Revaluation increases/decreases(-) to Surplus/Deficit on the Provision of Services	-6,424	-737	0	0	0	-157	0	-7,318	
Derecognition - Disposals	0	-2,156	-593	0	0	0	0	-2,749	
Assets reclassified to(-)/from Held for Sale	-1,611	-1,100	0	0	0	0	0	-2,711	
Reclassifications - Other	3,811	-1	0	0	1	0	-3,811	0	
At 31 March 2026	358,433	88,865	16,651	448	180	756	19,157	484,490	
Accumulated Depreciation & Impairment									
At 1 April 2025	0	1,118	7,212	222	0	0	80	8,632	
Depreciation charge	5,630	1,208	1,821	35	0	2	0	8,696	
Depreciation written out to the Revaluation Reserve	-5,025	-1,574	0	0	0	0	0	-6,599	
Depreciation written out to the Surplus/Deficit on the Provision of Services	-605	-372	0	0	0	-2	0	-979	
Derecognition - Disposals	0	-155	-580	0	0	0	0	-735	
Reclassifications	0	0	0	0	0	0	0	0	
At 31 March 2026	0	225	8,453	257	0	0	80	9,015	
Net Book Value									
at 31 March 2026	358,433	88,640	8,198	191	180	756	19,077	475,475	
at 31 March 2025	352,794	84,123	9,308	226	179	150	13,207	459,987	

Movements in 2024/25								
	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles Plant Equipment £'000	Infrastruct- ure Assets £'000	Communi- ty Assets £'000	Surplus Assets £'000	Assets Under Constru- ction £'000	Total £'000
Cost or Valuation								
At 1 April 2024	346,518	84,653	14,834	448	179	0	9,583	456,215
Adjustments to Opening Balance for IFRS16 Leases	0	910	0	0	0	0	0	910
Gross Book Value at April 2024	346,518	85,563	14,834	448	179	0	9,583	457,125
Additions	14,426	1,077	2,506	0	0	155	5,845	24,009
Donations	0	0	0	0	0	0	0	0
Revaluation increases/decreases(-)to Revaluation Reserve	-532	-3,251	0	0	0	21	0	-3,762
Revaluation increases/decreases(-) to Surplus/Deficit on the Provision of Services	-6,748	2,804	0	0	0	-26	0	-3,970
Derecognition - Disposals	0	-5	-820	0	0	0	0	-825
Derecognition - Other	0	0	0	0	0	0	0	0
Assets reclassified to(-)/from Held for Sale	-3,561	0	0	0	0	0	0	-3,561
Reclassifications - Other	2,691	-947	0	0	0	0	-2,141	-397
At 31 March 2025	352,794	85,241	16,520	448	179	150	13,287	468,619
Accumulated Depreciation & Impairment								
At 1 April 2024	0	703	6,442	187	0	0	68	7,400
Depreciation charge	5,532	1,242	1,483	35	0	0	0	8,292
Depreciation written out to the Revaluation Reserve	-5,084	-771	0	0	0	0	0	-5,855
Depreciation written out to the Surplus/Deficit on the Provision of Services	-450	-42	0	0	0	0	0	-492
Derecognition - Disposals	0	0	-713	0	0	0	0	-713
Reclassifications	2	-14	0	0	0	0	12	0
At 31 March 2025	0	1,118	7,212	222	0	0	80	8,632
Net Book Value								
at 31 March 2025	352,794	84,123	9,308	226	179	150	13,207	459,987
at 31 March 2024	346,518	83,950	8,392	261	179	0	9,515	448,815

DEPRECIATION

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

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

CAPITAL COMMITMENTS

At 31 March 2026, the Council had entered into a number of contracts for the construction or enhancement of property, plant and equipment in 2025/26 and future years budgeted to cost £6.373m. Similar commitments at 31 March 2025 were £8.734m. The major commitments are:

- Stodman Street Redevelopment - £1.845m
- Castle Gatehouse - £1.934m
- Yorke Drive Regeneration - £0.456m
- Ollerton Regeneration RIBA 4 - £0.545m
- Phase 6 Council House Build - £1.592m

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

The Council does not have material surplus assets.

REVALUATIONS

The Council ensures that all property, plant and equipment to be measured at current value is subject to one of the following processes:

- A quinquennial revaluation, supplemented by annual indexation in intervening years.
- A rolling programme of revaluations over a five-year cycle, with annual indexation applied to assets during the four intervening years.
- For non-property assets only, appropriate indices.

From 1st April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of Property, Plant and Equipment. Where Council's do not have a rolling programme of revaluations in place and/or the assets are not non property assets subject to indexation, authorities revalue their assets every five years, with annual indexation applied to assets during the four intervening years. Where Council's cannot obtain indices without undue cost or effort authorities revalue those assets using a quinquennial revaluation with a desktop revaluation in year three.

All 31 March 2026 valuations were carried out by the Council's appointed surveyors, Wilks Head and Eve LLP, who are suitably qualified and experienced for this purpose. Valuations were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Plant and machinery is included implicitly in the valuation of the buildings. Properties regarded by the Council as operational were valued on the basis of open market value for the, existing use or, where this could not be assessed because there was no market for the asset, the depreciated replacement cost. Properties regarded by the Council as non-operational have been valued on the basis of open market value.

The significant assumptions applied in estimating the fair values are:

- Good title can be shown and all valid planning permissions and statutory approvals are in place.
- The property is connected and has a right to use mains services and that sewers, main services and roads giving access to it have been adopted.
- An inspection of those parts not inspected would not reveal defects that would affect the valuation.
- The testing of electrical or other services would not reveal defects that would cause the valuation to alter.
- There are no deleterious or hazardous materials or existing or potential environmental factors that would affect the valuation.
- The Indices used have been selected having considered various data sets and market commentaries relevant to the valuations sector including Land Registry, CoStar Analysis Reports, Knight Frank Reports and Data amongst others.

Note: This is likely to include assumptions regarding the selection of indices to ensure the value of an asset is kept materially up to date for movements in variables, eg build costs, rental income etc.

The Council has completed the assessment of indexation in line with the requirements of the Code as at 31 March 2026 and are shown in the table below:

Category	Rate	Valuation Change
Residential	5.00%	224
Brownfield Land	4.65%	30
Industrial	2.67%	251
DRC Build	2.24%	571
Office	0.62%	110
Amenity Land	0.00%	0
Commercial Land	0.00%	0
Greenfield Land	-2.40%	-20
Agricultural land	-2.86%	-1
DRC Land	-2.95%	-90
Retail	-4.10%	-13
Grand Total		1,062

The following property types have been identified as having no suitable index available and therefore fall into the category for the three-year desktop valuation:

- Car Parks
- Non-specialised community assets incorporating; Community Centres, Day Centres, Youth Centres and Pavilions.

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

	Council Dwellings £'000	Other Land & Buildings £'000	Vehicles Plant & Equipment £'000	Infra- Structure £'000	Community Assets £'000	Assets Under Construction £'000	Surplus £'000	Total £'000
Valued at Historical Cost	0	0	16,651	448	180	19,157	0	36,436
Valued at Current Value in:								
31 March 26	358,433	10,952	0	0	0	0	608	369,993
31 March 25	0	58,136	0	0	0	0	148	58,284
31 March 24	0	6,456	0	0	0	0	0	6,456
31 March 23	0	3,389	0	0	0	0	0	3,389
31 March 22	0	8,532	0	0	0	0	0	8,532
Indexation applied to the Valuations	0	1,062	0	0	0	0	0	1,062
Total	358,433	88,527	16,651	448	180	19,157	756	484,152
Non Revaluation adjustments	0	338	0	0	0	0	0	338
Gross Book Value	358,433	88,865	16,651	448	180	19,157	756	484,490

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

22 LEASES - DISCLOSURE AS LESSEE

The Council's lease contracts comprise leases of operational land and buildings, plant and equipment and motor vehicles.

Right-of-use assets

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

2024/25 £'000	2025/26 £'000
1,734 Balance at 1 April	2,740
910 Adjustment to Opening Balance for IFRS16	0
179 Additions	1,298
0 Revaluations	61
-83 Depreciation and amortisation	-42
0 Disposals	-2,002
2,740 Balance at 31 March	2,055

Transactions Under Leases

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

2024/25 £'000		2025/26 £'000
Comprehensive income and expenditure statement		
176	Interest expense on lease liabilities	185
0	Expense relating to short-term leases	0
44	Expenses relating to exempt leases of low-value items	46
0	Variable lease payments not included in the measure of lease liabilities	0
-175	Income from sub-letting right of use assets	-169
Cash Flow Statement		
339	Minimum lease payments	355

Maturity analysis of lease liabilities

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

2024/25 £'000		2025/26 £'000
169	Not later than one year	209
736	Later than one year and not later than five years	909
4,264	Later than five years	5,179
5,169	Total	6,297

23 LEASES - DISCLOSURE AS LESSOR

Finance Leases

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

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

The Council Sub lets the hotel asset on the Beaumont Cross site, on a finance lease with a remaining term of 20 years.

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

2024/25 £'000	2025/26 £'000
Finance Lease Debtor (net present value of minimum lease payments)	
136 • Current	159
4,234 • Non Current	4,738
2,040 Unearned Finance Income	2,392
6,410 Minimum Lease Repayments	7,289

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

2024/25		2025/26	
Minimum Lease Payments £'000	Gross Investment in the Lease £'000	Minimum Lease Payments £'000	Gross Investment in the Lease £'000
305	136	364	159
1,221	601	1,458	709
4,884	3,633	5,467	4,030
6,410	4,370 Total	7,289	4,898

Operating Leases

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

Aggregate rentals received by the Council in its capacity as lessor for 2025/26 was £2,009k (£1,390k 2024/25).

The total future lease commitments are:

2024/25 £'000	2025/26 £'000
1,136	1,938
2,950	4,084
3,369	3,935
7,455 Total Operating Lease Costs	9,957

24 CASH AND CASH EQUIVALENTS

2024/25 £'000	2025/26 £'000
3 Cash held by the Council	3
913 Bank current accounts	957
28,621 Short-term deposits with Money Market Funds	17,693
29,537 Total Cash and Cash Equivalents	18,653

25 HERITAGE ASSETS

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

	Museum Collection £'000	Other Assets £'000	Total Assets £'000
Cost or Valuation			
At 1 April 2025	3,504	125	3,629
Additions	0	217	217
Revaluation increases/decreases(-)to Revaluation Reserve	73	2	75
Revaluation increases/decreases(-) to Surplus/Deficit on the Provision of Services	0	-166	-166
At 31 March 2026	3,577	178	3,755
Cost or Valuation			
At 1 April 2024	3,450	110	3,560
Additions	0	399	399
Revaluations	54	-384	-330
At 31 March 2025	3,504	125	3,629

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

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

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

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

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

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

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

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

26 ASSETS HELD FOR SALE

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

2024/25		2025/26
£'000		£'000
3,194	Balance outstanding at start of year	5,110
	Assets newly classified as held for sale:	
3,613	Transfer from Property, Plant and Equipment	2,819
-874	Revaluation losses	0
	Assets declassified as held for sale:	
-52	Transfer back to Property, Plant and Equipment	-108
-771	Assets Sold	-7,028
5,110	Balance outstanding at year-end	793

27 INTANGIBLE ASSETS

During 2025/26 the Council's intangible assets consisted of computer software. These were considered to have significant long term value to justify inclusion within the Balance Sheet. They are amortised on a straight line basis over the estimated period of economic benefit to the Council which varies between 5 and 10 years depending on the particular system. The amortisation amount is charged to the relevant revenue service and is included within the (Surplus)/Deficit on Continuing Operations.

2024/25		2025/26
£'000		£'000
	Balance at start of year:	
1,970	Gross carrying amounts	2,240
-1,319	Accumulated amortisation	-1,422
651	Net carrying amount at start of year	818
	Movements:	
270	Purchases	593
0	Other disposals	-14
-103	Amortisation for the period	-116
0	Reclassifications	0
818	Net carrying amount at end of year	1,281
	Comprising:	
2,240	Gross carrying amounts	2,180
-1,422	Accumulated amortisation	-899
818	Net carrying amount at end of year	1,281

28 CAPITAL EXPENDITURE AND FINANCING

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

2024/25 £'000	2025/26 £'000
135,657	147,045
<i>Opening Capital Financing Requirement</i>	
440	0
<i>Adjustments to Opening Balance for IFRS16 Leases</i>	
136,097	147,045
<i>Revised Opening Capital Financing Requirement (CFR)</i>	
<u>Capital Investment:</u>	
24,009	26,641
Property, Plant and Equipment	
4,683	12,235
Capital Loans and Shares	
0	217
Heritage Assets	
270	593
Intangible Assets	
5,443	2,915
Revenue Expenditure Funded from Capital Under Statute	
<u>Sources of Finance</u>	
-3,413	-5,445
Capital Receipts	
-9,732	-7,034
Government Grants and Contributions	
-10,312	-18,565
Sums set aside from Revenue (inc MRP and finance leases)	
147,045	158,602
<i>Closing Capital Financing Requirements</i>	
<i>Explanation of Movements in Year</i>	
14,823	17,441
Increase in underlying need to borrow (unsupported by Government financial assistance)	
-3,875	-5,884
Other Movements (MRP including finance leases)	
10,948	11,557
<i>Increase in Capital Financing Requirement</i>	
<i>Split on Capital Financing Requirement between General Fund and Housing Revenue Account</i>	
37,408	51,553
General Fund	
109,637	107,049
Housing Revenue Account	
147,045	158,602
Total	Total

29 ANALYSIS OF DEBTORS

The amounts due to the Council were:-

2024/25 £'000	2025/26 £'000
Amounts falling due within one year:-	
1,020	914
Trade Receivables	
823	1,079
Prepayments	
16,474	12,365
Other Receivable Amounts	
-2,214	-2,495
Less Loss Allowance	
16,103	11,863
Total Short Term Debtors	
3,232	15,271
Other Entities and Individuals	
3,232	15,271
Total Long Term Debtors	
19,335	27,134
Total Debtors	

DEBTORS FOR LOCAL TAXATION

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

2024/25 £'000	2025/26 £'000
595 Council Tax	620
299 Non-Domestic Rates	477
894 Total Debtors for Local Taxation	1,097

30 ANALYSIS OF CREDITORS

The amounts owed by the Council were:-

2024/25 £'000	2025/26 £'000
Amounts falling due within one year:-	
5,438 Trade Payables	8,926
6,356 Other Payables	5,154
11,794 Short Term Creditors	14,080
0 Other Payables	120
0 Long Term Creditors	120
11,794 Total	14,200

31 PROVISIONS

2024/25 £'000	Non Domestic Rate Appeals £'000	2025/26 Total £'000
203 Short Term Balance at 1 April	305	305
-246 Amounts used in year	-231	-231
348 Transfer from Long Term	417	417
305 Short Term Balance at 31 March	491	491
377 Long Term Balance at 1 April	316	316
287 Increase/Decrease (-) in provisions made in year	101	101
-348 Transfer to Short Term	-417	-417
316 Long Term Balance at 31 March	0	0

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

32 USABLE RESERVES

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

33 UNUSABLE RESERVES

2024/25 £'000	2025/26 £'000
151,415 Revaluation Reserve	155,147
178,256 Capital Adjustment Account	183,617
-99 Financial Instruments Adjustment Account	-96
-8,245 Pensions Reserve	-8,067
-57 Crematorium Pension Reserve	-59
4,370 Deferred Capital Receipts Reserve	7,338
-1,682 Pooled Investment Adjustment Account	-2,052
113 Collection Fund Adjustment Account	-113
-400 Accumulated Absences Account	-479
323,671 Total Unusable Reserves	335,236

REVALUATION RESERVE

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

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

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

2024/25 £'000	2025/26 £'000
152,027 Balance at 1 April	151,415
16,645 Upward revaluations of assets	16,247
-14,482 Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	-7,566
2,163 Surplus or deficit(-) on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	8,681
-2,528 Difference between fair value depreciation and historical cost depreciation	-2,490
-247 Accumulated gains on assets sold or scrapped	-2,459
-2,775 Amount written off to the Capital Adjustment Account	-4,949
151,415 Balance at 31 March	155,147

CAPITAL ADJUSTMENT ACCOUNT

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

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

2024/25 £'000		2025/26 £'000
172,574	Balance as at 1st April	178,256
470	Adjustments to Opening Balance for IFRS16 Leases	0
173,044	Revised Balance as at 1 April	178,256
	Reversal of items relating to capital expenditure debited or credited to the CIES:	
-8,292	Charges for depreciation and impairment of non-current assets	-8,696
-4,749	Revaluation losses on Property, Plant and Equipment	-6,502
-103	Amortisation of intangible assets	-116
-78	Revaluation on Financial Instrument classed as capital	-711
-5,443	Revenue expenditure funded from capital under statute	-2,915
-884	Amounts of non-current assets written off on disposal or sale as part of the gain(-)/loss on disposal to the CIES	-9,057
-19,549	Total	-27,997
247	Adjusting amounts written out of the Revaluation Reserve	2,460
-19,302	Net written out amount of the cost of non-current assets consumed in the year	-25,537
	Capital financing applied in the year:	
3,413	Use of Capital Receipts Reserve to finance new capital expenditure	5,445
4,454	Use of Major Repairs Reserve to finance new capital expenditure	10,604
9,431	Capital grants and contributions credited to the CIES that have been applied to capital financing	7,034
302	Applications of grants to capital financing from the Capital Grant Unapplied Account	0
837	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	843
-1,470	Capital Long Term Debtor write down principal repayments	-2,633
3,037	Voluntary provision against General Fund and repayment of HRA debt	5,041
1,982	Capital expenditure charged against the General Fund and HRA balances	2,074
21,986	Total	28,408
2,528	Adjustment between Capital Adjustment Account and Revaluation Reserve for depreciation that relates to the revaluation balance rather than historic cost	2,490
178,256	Balance at 31 March	183,617

FINANCIAL INSTRUMENT ADJUSTMENT ACCOUNT

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

2024/25 £'000	2025/26 £'000
-103 Balance at 1 April	-99
4 Differences between statutory debits/credits and amounts recognised as income and expenditure in relation to financial instruments	3
-99 Balance at 31 March	-96

PENSIONS RESERVE

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

2024/25 £'000	2025/26 £'000
-11,842 Balance at 1 April	-8,245
18,677 Remeasurements of the net defined benefit liability/(asset)	4,443
-15,357 Impact of asset ceiling	-5,390
-4,047 Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	-3,437
4,324 Employers pensions contributions and direct payments to pensioners payable in the year	4,562
-8,245 Balance at 31 March	-8,067

CREMATORIUM PENSION RESERVE

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

2024/25 £'000	2025/26 £'000
-107 Balance at 1 April	-140
166 Remeasurements of the net defined benefit liability/(asset)	112
-219 Impact of asset ceiling	-188
-53 Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	-43
73 Employers pensions contributions and direct payments to pensioners payable in the year	77
-140 Balance at 31 March	-182
Balance split by Authority:	
-57 Newark and Sherwood District Council's proportion	-59
-65 Ashfield District Council's Proportion	-84
-18 Mansfield District Council's Proportion	-39
-140 Balance at 31 March	-182

DEFERRED CAPITAL RECEIPTS RESERVE

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

2024/25 £'000	2025/26 £'000
6,692 Balance at 1 April	4,370
0 Transfer of deferred capital receipt repayable credited as part of the gain(-)/loss on disposal to the CIES	3,104
-2,322 Transfer to Capital Receipts Reserve	-136
4,370 Balance at 31 March	7,338

POOLED INVESTMENT FUNDS ADJUSTMENT ACCOUNT

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

2024/25 £'000	2025/26 £'000
-1,516 Balance at 1 April	-1,682
112 Upward revaluation of investments	0
-278 Downward revaluation of investments	-370
-1,682 Balance at 31 March	-2,052

COLLECTION FUND ADJUSTMENT ACCOUNT

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

2024/25 £'000	2025/26 £'000
342 Balance at 1 April	113
-229 Amount by which council tax and non-domestic rating income credited to the CIES is different from council tax and non-domestic rating income calculated for the year in accordance with statutory requirements	-226
113 Balance at 31 March	-113

ACCUMULATED ABSENCES ACCOUNT

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

2024/25 £'000	2025/26 £'000
-400 Balance at 1 April	-400
400 Settlement or cancellation of accrual made at the end of the preceding year	400
-400 Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-479
-400 Balance at 31 March	-479

34 CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities to disclose.

35 CASH FLOW STATEMENTS

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

2024/25 £'000	2025/26 £'000
10,237	872
Net Surplus or Deficit(-) on the Provision of Services	
Adjust net surplus or deficit on the provision of services for non-cash movements	
8,292	8,697
Depreciation of Property, Plant and Equipment	
4,749	6,504
Impairment and downward valuations	
103	116
Amortisation of Intangible Assets	
78	711
Material impairment losses on Investments debited to surplus or deficit on the provision of services in year	
166	371
Adjustment for movements in fair value of investments classified as Fair Value through Profit & Loss a/c	
196	-149
Increase/Decrease(-) in interest Creditors	
-345	-378
Increase/Decrease(-) in Creditors	
238	148
Increase(-)/Decrease in interest and dividend Debtors	
-2,102	3,488
Increase(-)/Decrease in Debtors	
19	76
Increase(-)/Decrease in Inventories	
-278	-1,127
Pension Liability	
42	-130
Increase/Decrease(-) in Provisions	
884	9,057
Carrying amount of non-current assets and non-current Assets Held For Sale, sold or derecognised	
12,042	27,384
Total	
Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities	
0	0
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	
-11,963	-7,600
Capital Grants credited to surplus or deficit on the Provision of Services	
0	0
Premiums or Discounts on the repayment of financial liabilities	
-756	-8,104
Proceeds from the sale of Property Plant and Equipment, Investment Property and Intangible Assets	
-12,719	-15,704
Total	
9,560	12,552
Net Cash Flows from Operating Activities	

B Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2024/25 £'000	2025/26 £'000
2,807	2,845
Interest received	
-3,427	-4,286
Interest paid	
-620	-1,441
Total	

C Cash Flow Statement - Investing Activities

2024/25 £'000		2025/26 £'000
-32,214	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	-22,717
-3,000	Purchase of short-term and long-term Investments	0
-3,213	Other payments for investing activities	-9,601
3,079	Proceeds from the sale of Property, Plant and Equipment, Intangible Assets and Finance Lease Receivables	5,136
2,000	Proceeds from short-term and long-term Investments	0
14,376	Other receipts from investing activities	9,559
-18,972	Net cash flows from investing activities	-17,623

D Cash Flow Statement - Financing Activities

2024/25 £'000		2025/26 £'000
31,220	Cash receipts for short and long-term Borrowing	34,918
0	Other receipts from financing activities	0
-135	Cash payments for the reduction of the outstanding liabilities relating to Finance Leases	-170
-6,884	Repayments of short and long-term Borrowing	-39,794
-1,208	Other payments for financing activities	-767
22,993	Net cash flows from financing activities	-5,813

36 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2025/26 1 April £'000	Financing Cash Flows £'000	Non-cash changes		2025/26 31 March £'000
			Acquisit- ion £'000	Other non- cash changes £'000	
Long-term borrowings	73,356	-5,041	0	22,496	90,811
Short-term borrowings	36,441	165	0	-22,496	14,110
Lease Liabilities	5,170	-170	1,298	0	6,298
Total Liabilities from financing activities	114,967	-5,046	1,298	0	111,219

37 JOINT CREMATORIUM COMMITTEE

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

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

2024/25		2025/26	
Total	NSDC	Total	NSDC
£'000	Share	£'000	Share
Comprehensive Income and Expenditure Statement			
-1,993	-70	-2,036	-113
1,389	49	1,334	73
-604	-21	-702	-40
Charged to Other Operating Income and Expenditure before Surplus Distribution			
875	30	700	38
271	9	-2	-2
Total Charged to Other Operating Income and Expenditure			
-97	-3	-72	-3
174	6	-74	-5
Surplus (-) or Deficit on Provision of Services			
0	0	-59	-3
Surplus(-) or Deficit on Revaluation of Non Current Assets			
52	2	76	4
Remeasurements of the Net Defined Benefit Liability (Asset)			
226	8	-57	-4
Total Comprehensive Income and Expenditure			

2024/25		2025/26	
Total	NSDC	Total	NSDC
£'000	Share	£'000	Share
Balance Sheet			
2,136	251	2,025	244
2,136	251	2,025	244
Long Term Assets			
265	26	289	27
2,070	222	2,131	225
2,335	248	2,420	252
Current Assets			
-981	-89	-831	-81
-981	-89	-831	-81
Current Liabilities			
-140	-57	-182	-59
-140	-57	-182	-59
Long Term Liabilities			
3,350	353	3,432	356
Net Assets			
Financed By:			
1,355	159	1,589	171
-140	-57	-182	-59
1,146	178	1,061	173
989	73	964	71
3,350	353	3,432	356
Total Reserves			

38 POST EMPLOYMENT BENEFITS

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

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

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

These transactions are as follows:-

2024/25 £'000	2025/26 £'000
Comprehensive Income and Expenditure Statement	
<u>Cost of Services</u>	
3,491 Current service cost	3,010
14 Past service costs	0
0 (Gain)/loss from settlements	0
<u>Financing and Investment Income and Expenditure</u>	
476 Net interest expense	348
68 Administration costs	81
4,049 Total charged to Surplus/Deficit on Provision of Services	3,439
<u>Remeasurement of the net defined benefit liability</u>	
-1,515 Return on plan assets	8,744
0 Other actuarial gains/(losses)	1,242
19,880 Changes in financial assumptions	6,044
382 Changes in demographic assumptions	-4,763
-64 Experience gains/(losses)	-6,818
-15,365 Impact of asset ceiling	-5,400
3,318 Total charged to Other Comprehensive Income and Expenditure	-951
7,367 Total charged to Comprehensive Income and Expenditure Statement	2,488
Movement in Reserves Statement	
278 Reversal of net charges made for retirement benefits	1,127
Actual amount charged against the General Fund Balance	
4,327 Employers' contributions payable to scheme (including release of prepaid contributions)	4,566

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

Funding Arrangements

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

The latest full triennial valuation of the Fund was carried out by Barnet Waddingham, the Fund's actuary, as at 31 March 2025 in accordance with the Funding Strategy Statement of the Fund and Regulation 36 of the Local Government Pension Scheme (Administration) Regulations 2008. The purpose of the valuation is to review the financial position of the Fund and to set appropriate contribution rates for each employer in the Fund for the period from 1 April 2026 to 31 March 2029 as required under Regulation 62 of the Regulations.

The results were published in the triennial valuation report dated 13 March 2026, with the funding level decreased marginally from 100% at the 2022 valuation to 99%. This report details the fund assumptions and employer contribution rates for the three years from 2026/27.

The triennial valuation undertaken as at 31 March 2025 covers the three financial years to 2028/29. The actuary's market value of the scheme's assets at 31 March 2025 was £7.40bn and the Actuary assessed the smoothed value of the funded obligation at £7.50bn. This indicates a net deficit of £109m, which equates to a funding level of 99% (2022 surplus: £9m and 100%).

Assets and liabilities in relation to retirement benefits

Pension Assets and Liabilities Recognised in Balance Sheet

Assets	2025/26	2024/25	2025/24	2022/23	2021/22
	£'000	£'000	£'000	£'000	£'000
Present value of liabilities	-143,094	-132,421	-147,460	-144,926	-213,553
Fair value of assets	156,624	139,484	135,562	125,128	128,654
Net liability	13,530	7,063	-11,898	-19,798	-84,899
Impact of asset ceiling	-21,657	-15,365	0	0	0
Net Liability	-8,127	-8,302	-11,898	-19,798	-84,899

Reconciliation of present value of the scheme liabilities:

2024/25 £'000	2025/26 £'000
147,460 1st April	132,421
3,491 Current service cost	3,010
7,093 Interest cost	7,527
1,290 Contributions by scheme participants	1,382
<i>Remeasurement (gains)/losses</i>	
-382 Changes in demographic assumptions	4,763
-19,880 Changes in financial assumptions	-6,044
64 Other	6,818
14 Past service cost	0
-6,729 Benefits paid	-6,783
132,421 31st March	143,094

Reconciliation of fair value of the scheme assets:

2024/25 £'000	2025/26 £'000
135,562 1st April	139,484
6,617 Interest income	8,070
<i>Remeasurement gain/(loss)</i>	
-1,515 Return on plan assets	8,744
0 Other	1,242
4,327 Contributions from employer	4,566
1,290 Contributions from scheme participants	1,382
-6,729 Benefits paid	-6,783
-68 Administration costs	-81
0 Settlement Paid	0
139,484 31st March	156,624

Reconciliation of change in impact of asset ceiling

2024/25 £'000	2025/26 £'000
0 Opening Impact of asset ceiling	15,365
0 Interest on impact of asset ceiling	892
15365 Actuarial losses/(gains)	5,400
15,365 Closing impact of asset ceiling	21,657

Explanation of the Asset Ceiling

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

Basis for estimating assets and liabilities

The following tables exclude the Councils portion of Mansfield Crematorium pension liability due to materiality. Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The scheme liabilities have been assessed by Barnett Waddingham LLP, an independent firm of actuaries, the estimates for the County Council Fund being based on the latest full valuation of the scheme as at 31st March 2025.

The principal assumptions used by the actuary have been:

2024/25 £'000		2025/26 £'000
<u>Mortality Assumptions</u>		
Longevity at 65 for current pensioners		
20.4	Men	21.2
23.3	Women	24.2
Longevity at 65 for future pensioners		
21.7	Men	22.8
24.7	Women	25.9
3.20%	Rate of inflation – Retail Price Index	3.30%
3.90%	Rate of increase in salaries	3.90%
2.90%	Rate of increase in pensions (CPI)	2.90%
5.80%	Rate for discounting scheme liabilities	6.10%
Take up of option to convert annual pension into retirement		
50%	Lump Sum	50%
10%	Take up of option to pay 50% contributions for 50% benefits	10%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The estimations in the sensitivity analysis have followed the accounting policies for the scheme.

<u>Impact on the defined benefit obligation</u>	<u>Adjustment</u>	<u>Increase in assumption</u> £'000	<u>Decrease in assumption</u> £'000
Discount Rate	+/- 0.1%	-1,920	1,964
Salary Increase	+/- 0.1%	0	-90
Pension Increase	+/- 0.1%	1,993	-1,545
Mortality Age	+/- 1 year	5,318	-5,102

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

2024/25 £'000		Quoted	Unquoted	2025/26 £'000
Equity Investment				
20,854	UK investment	24,813	0	24,813
51,440	Overseas investment	60,481	0	60,481
4,855	Private equity investment	0	5,359	5,359
77,149	Total			90,653
Gilts				
11,580	UK fixed interest	12,981	0	12,981
11,580	Total			12,981
Other Bonds				
2,563	UK corporates	1,549	0	1,549
6,408	Overseas corporates	6,198	0	6,198
8,971	Total			7,747
14,296	Property	0	12,790	12,790
7,595	Cash/Credit/Unit Trust	0	11,383	11,383
9,647	Inflation-linked pooled fund	0	10,406	10,406
10,219	Infrastructure	0	10,624	10,624
139,457	Total	106,022	50,562	156,584

Projected Pension Expense for the Year to 31 March 2027

	Year to 31-Mar-27 £'000
Projection for Year to 31 March 2027	
Service cost	2,914
Net Interest on the defined liability (asset)	367
Administration expenses	81
Total	3,362
Employer contributions	4,040

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2026. These projections are based on the assumptions as at 31 March 2026.

Virgin Media Legal Case

This issue relates to a case where missing actuarial certification resulted in historic benefit changes being void. The Department for Work and Pensions (DWP) published an announcement on 5 June 2025 noting the plan to introduce new legislation in response to the Virgin Media vs NTL Trustees ruling. The legislation will allow affected pension schemes to retrospectively obtain written actuarial confirmation that historic changes to scheme rules met the required standards.

The new legislation is hoped to provide clarity to affected schemes; we have therefore assumed that there will be no impact on the LGPS as a result of the ruling.

39 FINANCIAL INSTRUMENTS – RISK AND RISK MANAGEMENT

Disclosure of nature and extent of Risk arising from Financial Instruments

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

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

Overall Procedures for Managing Risk

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

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

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

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

Credit Risk: Treasury Investment

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

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

A summary of the credit quality of the Council's investments at 31 March 2026 is shown below:

2024/25			2025/26		
Fair Value through Profit & Loss £'000	Investments (Amortised Cost) £'000	Credit Rating	Fair Value through Profit & Loss £'000	Investments (Amortised Cost) £'000	
0	22,528	AAA	0	11,640	
0	0	AA+	0	0	
0	0	AA	0	0	
0	0	AA-	0	0	
0	9,000	A+	0	9,000	
0	5,000	A	0	5,000	
0	0	A-	0	0	
14,780	0	N/A	13,698	0	
14,780	36,528	Total	13,698	25,640	

Credit Risk: Amounts arising from Expected Credit Losses

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

Investment at Amortised Cost	Principal Amount £'000	Historic Risk of Default	Lifetime Expected Credit Losses – not credit impaired £
<u>Money Market Funds</u>			
Deutsche	20	0.000%	0
Invesco	9,175	0.000%	0
CCLA	2,240	0.000%	0
Northern Trust	20	0.000%	0
Goldmans Sachs	185	0.000%	0
<u>Other Investments</u>			
Lloyds Call Account	6,000	0.000%	7
Standard Chartered - ESG	3,000	0.020%	585
Santander UK Plc - 180 day notice a/c	5,000	0.000%	6
Total	25,640		598

Please note that we are currently using Historic Default Rates from 1990-2025 for Fitch, 1983-2025 for Moody's and 1981-2025 for S&P. Under IFRS 9 please be aware that the Code does not recognise a loss allowance where the counterparty is central government or a local authority since relevant statutory provisions prevent default. For these instruments, the Expected Credit Loss will be nil.

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

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

Credit Risk: Trade Receivables

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

	Amount at 31st March 2026 £'000	Historical Experience of Default %	Adjustment for Market 31st March 2026 %	Estimated Maximum Exposure to Default 31st March 2026 £'000	Estimated Maximum Exposure to Default 31st March 2025 £'000
Trade Receivables	913	4.8	4.8	44	49
	913			44	49

The following analysis summarises the Council's trade receivables, by due date. Only those receivables meeting the definition of a financial asset are included. The Council does not generally allow credit to its trade debtors, such that £0.477m of the £0.913m balance is past its due date for payment. The past due amount can be analysed by age as follows:

2024/25 £'000	2025/26 £'000
Debtor Analysis	
491 Up to 30 days	194
98 31 to 60 days	4
4 61 to 90 days	1
220 Greater than 90 days	278
813 Total	477

Community Infrastructure Levy and section 106 receivables have payment terms of 90 days before recovery action is taken. £0m of the £0.278m debt which is over 90 days old relates to these debtors.

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

Liquidity Risk

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

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

The maturity analysis of financial instruments is as follows:

2024/25			2025/26		
Liabilities	Assets	Net	Liabilities	Assets	Net
£'000	£'000	£'000	£'000	£'000	£'000
		Time to Maturity (years)			
32,941	36,528	3,587	14,111	25,640	11,529
3,044	0	-3,044	23,046	0	-23,046
16,137	10,819	-5,318	20,401	10,449	-9,952
6,811	0	-6,811	0	0	0
47,364	3,961	-43,403	47,365	3,249	-44,116
3,500	0	-3,500	0	0	0
109,797	51,308	-58,489	104,923	39,338	-65,585

* The Council has £0m (2024/25: £3.5m) of "Lender's option, borrower's option" (LOBO) loans where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty. Due to current low interest rates, in the unlikely event that the lender exercises its option, the Council is likely to repay these loans. The maturity date is therefore uncertain.

Liquidity Risk: Refinancing and Maturity risk

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

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

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

Market Risk: Interest Rate Risk

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

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

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

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

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

	£'000
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable rate investments	-524
Impact on Surplus or Deficit on the Provision of Services	-524
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus(-) or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	4,958

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

Market Risk: Price Risk

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

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

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

The £4m shares are all classified at fair value through profit or loss, however as the transaction is a classed as capital all pricing movements will be reversed to the Capital Adjustment Account to remove impact on the tax payer. The carrying value as at 31 March 2026 is £3.249m.

The Council also holds £12.5m in the CCLA property fund and diversified income fund that has a carrying value as at 31 March 2026 of £10.447m. However, any movements in price will not impact on the General Fund Balance as regulations are currently in force to remove the impact of the fair value movements on the tax payer.

40 FINANCIAL INSTRUMENTS – BALANCES

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

	Long Term		Current	
	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000
Financial Assets				
Investments				
Principal at amortised cost	0	0	8,000	8,000
Accrued Interest	0	0	181	191
Fair Value through Profit and Loss	13,698	14,780	0	0
Total Financial Assets	13,698	14,780	8,181	8,191
Cash and Cash Equivalents				
Cash (including bank accounts)	0	0	956	928
Cash equivalents at amortised cost	0	0	17,640	28,528
Accrued interest	0	0	53	93
Total Cash and Cash Equivalents	0	0	18,649	29,549
Loans and Receivables				
Trade Debtors	0	0	913	1,022
Other Debtors	20,009	7,466	499	2,444
Loans	0	0	0	0
Total Loans and Receivables	20,009	7,466	1,412	3,466
Total	33,707	22,246	28,242	41,206

	Long Term		Current	
	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000
Financial Liabilities				
Principal sum borrowed at Amortised cost	90,812	73,357	14,111	36,440
Accrued Interest	0	0	850	999
Fair Value through Profit and Loss	0	0	0	0
Total Financial Liabilities	90,812	73,357	14,961	37,439
Trade Creditors	0	0	7,227	3,915
Other Creditors	278	248	322	276
Finance Lease Liability	6,088	5,000	209	169
Provisions	0	0	0	0
Total Non-Financial Liabilities	6,366	5,248	7,758	4,360
Total	97,178	78,605	22,719	41,799

Note – Fair value has been measured by:

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

41 FINANCIAL INSTRUMENTS – GAINS/LOSSES

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

	Financial Liabilities		Financial Assets	
	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000
Net gains/losses on:				
• Financial assets measured at fair value through profit and loss via Surplus or Deficit on Provision of Services	0	0	1,082	244
Total Net (Gains) / Losses	0	0	1,082	244
Interest expense	4,100	3,568	0	0
Interest Payable and Similar Charges	4,100	3,568	0	0
Interest income	0	0	-2,258	-2,543
Interest and Investment Income	0	0	-2,258	-2,543

42 FINANCIAL INSTRUMENTS – FAIR VALUES

Basis for recurring fair value measurements:

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

Fair Value of Financial Assets

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

Financial assets measured at fair value	Input Level in Fair Value Hierarchy	Valuation technique used to measure fair value	2025/26 £'000	2024/25 £'000
<i>Fair Value through Profit and Loss</i>				
Equity shareholdings in Arkwood Developments Ltd	Level 3	Net Assets valuation (see * below)	3,250	3,961
CCLA Property Fund	Level 1	Unadjusted quoted prices in active markets for identical shares	5,848	5,941
CCLA Diversified Income Fund (DIF)	Level 1	Unadjusted quoted prices in active markets for identical shares	4,599	4,877
Total			13,697	14,779

***Equity Shareholding in Arkwood Developments Ltd**

The Council's shareholding in Arkwood Developments Ltd – the shares in this company are not traded in an active market and fair value of £3.250m has been based on valuation techniques that are not based on observable current market transactions or available market data. The valuation has been made based on an analysis of the net assets in the company's latest audited accounts.

History of Fair Value Movements of Financial Assets

	Opening Principal 1.4.25 £'000	In Year Principal Movement £'000	Closing Principal 31.3.26 £'000	Opening Fair Value Adj 1.4.25 £'000	In year Movement £'000	Closing Fair Value Adj 31.3.26 £'000	Carrying Value 31.3.26 £'000
Equity in Arkwood Developments Ltd	4,000	0	4,000	-39	-711	-750	3,250
CCLA Property Fund	7,000	0	7,000	-1,059	-93	-1,152	5,848
CCLA Diversified Income	5,500	0	5,500	-623	-278	-901	4,599
Total	16,500	0	16,500	-1,721	-1,082	-2,803	13,697

Transfers between Levels of the Fair Value Hierarchy

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

Changes in the Valuation Technique

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

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

	2025/26 £'000	2024/25 £'000
Opening balance	3,961	4,039
Transfers into Level 3	0	0
Transfers out of Level 3	0	0
<i>Total gains or loss (-) for the period:</i>		
• Included on line Financing and Investment Income and Expenditure within the Surplus or Deficit on the Provision of Services	-711	-78
• Included in Other Comprehensive Income and Expenditure	0	0
Additions	0	0
Disposals	0	0
Closing Balance	3,250	3,961

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

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

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

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

The fair values calculated are as follows:

Fair values of financial liabilities:	2025/26		2024/25		
	Fair Value Level	£'000 Balance Sheet £'000	£'000 Fair value £'000	£'000 Balance Sheet £'000	£'000 Fair value £'000
<i>Financial Liabilities held at amortised cost:</i>					
Public Works Loans Board	2	91,515	75,278	83,000	67,673
Non PWLB debt	2	14,258	10,227	27,798	13,601
Total		105,773	85,505	110,798	81,274
<i>Liabilities for which fair value is not disclosed:</i>					
Short-term creditors		7,549	7,549	4,191	4,191
Long term Creditors		278	278	248	248
Finance Lease Liabilites		6,297	6,297	5,169	5,169
Total		14,124	14,124	9,608	9,608
Total Liabilities		119,897	99,629	120,406	90,882

The fair value of borrowings is lower than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the prevailing rates at the balance sheet date. This shows a notional future gain (based on economic conditions at 31 March 2026) arising from a commitment to pay interest to lenders below current market rates.

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

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

Fair values of financial assets:	2025/26		2024/25		
	Fair Value Level	£'000 Balance Sheet £'000	£'000 Fair value £'000	£'000 Balance Sheet £'000	£'000 Fair value £'000
<i>Financial assets held at amortised cost:</i>					
Long term investments	2	0	0	0	0
Total		0	0	0	0
<i>Assets for which fair value is not disclosed:</i>					
Short term Debtors		1,412	1,412	3,466	3,466
Long term Debtors		20,009	20,009	7,466	7,466
Short term investments		8,181	8,181	8,191	8,191
Cash and Cash Equivalents		18,649	18,649	29,549	29,549
Total		48,251	48,251	48,672	48,672
Total Assets		48,251	48,251	48,672	48,672

HOUSING REVENUE ACCOUNT

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

2024/25 £'000	Note	2025/26 £'000
<u>Income</u>		
-27,501 Dwelling Rent		-27,426
-122 Garages		-115
-30 Shops		-30
-27,653 Gross Rental Income		-27,571
-1,451 Charges for Services and Facilities		-1,552
-1,233 Contributions towards Expenditure		-1,695
-30,337 Total Income		-30,818
<u>Expenditure</u>		
6,824 Supervision and Management		8,314
6,748 Repairs and Maintenance		7,774
1,439 Rents, Rates, Taxes and Other Charges		1,417
98 Revenue Expenditure Funded by Capital		0
Depreciation of non current assets		
5,524 On dwellings		5,630
314 On other assets		374
20 Amortisation of non current assets		47
0 Impairment of non current assets		0
Revaluation of non current assets		
6,297 On dwellings		5,817
247 On other assets		-332
14 Debt Management Expenses		14
27,525 Total Expenditure		29,055
3 HRA share of other amounts included in the whole authority net expenditure of continuing operations but not allocated to specific services		0
176 HRA Share of Corporate and Democratic Core		258
-2,633 Net Cost of HRA Services as included in the whole authority		-1,505
<u>Comprehensive Income and Expenditure Statement</u>		
10 (Gain)/Loss on sale of HRA non current assets		-2
3,508 Net Interest on the Net Defined Benefit Liability		4,165
115 Interest Payable and Similar Charges		91
-97 HRA Interest and Investment Income		-81
171 Loss Allowance		262
-17 Revenue grants and contributions		0
-1,513 Capital grants and contributions		-192
-456 Surplus(-)/Deficit for the year on HRA Services		2,738

MOVEMENT ON THE HOUSING REVENUE ACCOUNT STATEMENT

2024/25 £'000		2025/26 £'000
-6,227	HRA Balance brought forward including HRA Earmarked Reserves	-7,653
-456	Surplus(-)/Deficit on the HRA Income and Expenditure Statement	2,738
	<u>Adjustments between Accounting Basis and Funding Basis under Regulations:</u>	
	<u>Adjustments to the Revenue Resources</u>	
58	Pensions costs (transferred to (or from) the Pensions Reserve)	239
0	Holiday pay (transferred to the Accumulated Absences Reserve)	-81
-11,576	Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to Capital Adjustment Account):	-15,390
	<u>Adjustments between Revenue and Capital Resources</u>	
589	Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	4,097
-10	Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	-47
0	Capital expenditure funded by the Housing Revenue Account	0
9,969	Posting of HRA resources from revenue to the Major Repairs Reserve	8,374
-970	Total Adjustments between Accounting Basis and Funding Basis under the legislative framework	-2,808
-1,426	Increase(-)/Decrease in year in the HRA	-70
-7,653	HRA Balance carried forward, including HRA Earmarked Reserves	-7,723

H1 HOUSING STOCK

The Council was responsible for managing an average of 5,532 dwellings during 2025/26 (5,567 2024/25). The stock was made up as follows:

Total 2024/25 No		Pre 1945 No	1945- 1964 No	1965- 1974 No	Post 1975 No	Total 2025/26 No
<u>Traditional/Non Traditional Houses and Bungalows</u>						
2,104	1 - 2 Bedrooms	75	875	528	689	2,167
1,889	3+ Bedrooms	370	1,088	288	170	1,916
<u>Flats</u>						
1,545	Low Rise (1-2 storeys)	14	568	372	476	1,430
29	Medium Rise (3-5)	1	10	6	2	19
5,567	Total	460	2,541	1,194	1,337	5,532

H2 HOUSING REVENUE ACCOUNT ASSETS

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

2024/25 £'000	2025/26 £'000
352,794 Dwellings	358,433
7,963 Other Land and Buildings	10,343
0 Investment Properties	0
5,391 Assets Under Construction	3,277
0 Surplus Assets	0
87 Community Assets	88
197 Infrastructure Assets	165
1,934 Vehicle, Plant and Equipment	1,799
368,366 Total HRA Property, Plant and Equipment	374,105
428 Intangible Assets	560
3,080 Assets Held for Sale	643
371,874 Total HRA Assets on Balance Sheet	375,308

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

2024/25 £'000	2025/26 £'000
839,986 Dwellings	853,414
839,986 Total	853,414

The council dwellings valuations have been arrived at using a valuation report prepared by the Council's appointed surveyors, Wilks Head and Eve. The valuation was carried out as at the 31 March 2026. The values have been applied to council houses on a beacon property base whereby similar properties in similar areas are all given the same value. Property valuations have moved in line with the current domestic property market.

H3 MOVEMENTS ON THE MAJOR REPAIRS RESERVE

2024/25 £'000	2025/26 £'000
8,025 Balance Brought Forward 1st April	10,502
Transfers to Reserve re Depreciation	
5,524 Dwellings	5,630
314 Non Dwellings	374
20 Amortisation of non current assets	47
Transfers to the HRA:	
4,111 HRA Revenue Contribution	2,249
0 Additional transfer to Reserve	74
-3,038 Repayment of Debt	-5,041
-4,454 Amounts used to finance Capital Expenditure	-10,604
10,502 Balance Carried Forward 31st March	3,231

H4 CAPITAL EXPENDITURE AND FINANCING

2024/25 £'000	2025/26 £'000
515 Structural Maintenance	165
1,013 Roofing Works	1,277
167 Asbestos and Fire Safety	933
2,188 Kitchens and Bathrooms	2,580
45 Garage Forecourts	0
387 External Works	400
622 Electrical Works	442
1,118 Disabled Facilities Provision	907
1,338 Heating Systems	1,241
1,843 Energy Efficiency Works	276
133 Environmental Works	0
105 Building Safety	17
6,491 Affordable Housing	1,545
1,910 Other works	4,446
17,875 Total	14,229
<u>Financing</u>	
11,609 Borrowing	2,226
4,454 Major Repairs Reserve	10,604
1,007 Government Grants	48
505 Contributions	145
0 Capital Revenue Financing	0
300 Capital Receipts	1,206
17,875 Total	14,229

H5 CAPITAL RECEIPTS

2024/25 £'000	2025/26 £'000
2,350 Land and Other Property	0
589 Sold Council Houses through Right to Buy	3,385
-10 Less administration costs on sale of Council Houses	-47
2,929 Total	3,338

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

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

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

H6 DEPRECIATION CHARGES

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

2024/25 £'000	2025/26 £'000
5,524 Council Houses	5,630
314 Other Assets	374
5,838 Total	6,004

H7 REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

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

The total amount of Revenue Expenditure Funded from Capital under Statute totals £0m for 2025/26 (£0.098m in 2024/25).

H8 IMPAIRMENT CHARGES

During the financial year 2025/26 there were no material impairment charges.

H9 RENT ARREARS

The total amount of rent arrears as at 31st March 2026 was £1,602,819 (31 March 2025 £1,008,091). Included in the loss allowance is the amount of £677,373 (2024/25 £476,363) relating to rent arrears.

H10 CONTRIBUTIONS TOWARDS EXPENDITURE

The income of £1,694,628 (£1,233,067 in 2024/25) primarily relates to contributions:

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

COLLECTION FUND

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

2024/25 £'000	Domestic Rates £'000	2025/26 Council Tax £'000	Total £'000
<u>Amounts required by statute to be credited to the collection fund</u>			
-45,885	-48,339	0	-48,339
-104,414	0	-110,979	-110,979
-1,045	-287	-1	-288
-324	0	-98	-98
<u>Contributions towards previous year's estimated collection fund deficit:</u>			
-117	0	-174	-174
-731	0	-1,099	-1,099
-114	0	-171	-171
-38	0	-56	-56
0	0	0	0
-152,668	-48,626	-112,578	-161,204
<u>Amounts required by statute to be debited to the collection fund</u>			
<u>Council Tax Precepts and Demands:</u>			
76,858	0	80,936	80,936
12,000	0	12,650	12,650
3,922	0	4,153	4,153
8,286	0	8,484	8,484
3,881	0	4,091	4,091
<u>Non Domestic Rates:</u>			
22,674	23,881	0	23,881
18,139	19,105	0	19,105
4,081	4,299	0	4,299
453	478	0	478
<u>Contributions towards previous year's estimated collection fund surplus:</u>			
505	315	0	315
404	252	0	252
91	57	0	57
10	6	0	6
0	0	0	0
0	0	0	0
170	172	0	172
23	46	0	46
1,121	106	1,069	1,175
105	-324	0	-324
1,185	1,397	0	1,397
153,908	49,790	111,383	161,173
1,240	1,164	-1,195	-31
-673	-695	1,262	567
567	469	67	536

C1 ACCOUNTING POLICIES

- (a) Revenue Support Grant is paid directly to all billing and precepting authorities and will be included within Taxation and Non Specific Grant Income on the Comprehensive Income and Expenditure Statement.
- (b) Parish precepts are paid from the General Fund of billing authorities and will be included within Other Operating Expenditure on the Comprehensive Income and Expenditure Statement.
- (c) The year-end deficit of £0.067m on the Council Tax collection fund is distributed between billing and precepting authorities on the basis of estimates, made on 15 January, of the year-end balance.
- (d) The year end deficit of £0.469m on the Non Domestic Rate collection fund is distributed between billing and precepting authorities on the basis of prescribed shares between central government and precepting authorities.

C2 INCOME FROM BUSINESS RATES

Under the arrangements regarding Business Rates, the Council collects non-domestic rates for its area, which are based on rateable values multiplied by a standard multiplier, for 2025/26 this was set at 55.5p (2024/25: 54.6p). In 2025/26 the small business rating multiplier was set at 49.9p, (2024/25: 49.9p) where it applies. The system for funding Local Authority expenditure changed in 2013/14 with a share of the proceeds of Non-Domestic Rate income being retained by billing and precepting authorities.

The non-domestic rateable value at the 31st March 2026 was £115,772,294 (31st March 2025: £115,568,645).

C3 COUNCIL TAX

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

The Council Tax base for 2025/26 is as follows:

Band	Adjusted for Discounts, Disabled			Band D Equivalents	2024/25 Band D Equivalents
	Total Dwellings	Relief and Exemptions	Ratio		
A-	-	63.87	5/9	35.48	33.52
A	24,245	17,627.29	6/9	11,751.52	11,522.66
B	8,954	7,360.04	7/9	5,724.47	5,580.84
C	9,613	8,454.63	8/9	7,515.23	7,377.17
D	6,622	6,093.81	9/9	6,093.81	5,977.36
E	4,560	4,240.37	11/9	5,182.68	5,126.53
F	2,813	2,647.16	13/9	3,823.67	3,807.55
G	1,524	1,447.15	15/9	2,411.91	2,380.50
H	136	113.75	18/9	227.50	215.50
Total	58,467	48,048.07		42,766.27	42,021.63
Estimate of Additional Properties to be added during the year				255.53	723.85
Collection Adjustment				- 301.15	- 213.73
Council Tax Base				42,720.65	42,531.75

GROUP ACCOUNTS

The Council is required under the Local Government Act 2003 to produce a set of Group accounts where it has subsidiaries, joint ventures or associates. The criteria for deciding if the Council has such relationships is laid down by the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 based on International Financial Reporting Standards (referred to within these accounts as “the Code”). The Code has been developed to bring Council accounts in line with the International Financial Reporting Standards (IFRS) which other reporting bodies have to comply with and to assist users of the accounts to understand better the Council’s overall financial position.

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

Active4Today Ltd is a wholly owned subsidiary of the authority. Active4Today Ltd manages and operates the Council’s leisure services including leisure centres and sports development activities. The General Fund includes a £0m (2024/25 £0.080m) management fee paid to Active4Today Ltd. The management agreement came into effect on 1 June 2015.

Active4Today Ltd produces a set of accounts with a year end of 31 March. The accounts for 2025/26, which have been consolidated here, have been produced by Active4Today’s external accountant under the Financial Reporting Standard for Smaller Entities and have been audited by Active4Today’s auditors and have been given an unqualified audit opinion. Active4Today’s auditors for 2025/26 are Wright Vigar Ltd, 15 Newland, Lincoln, Lincolnshire, LN1 1XG. Consolidation adjustments have been made to align these accounts with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26. Active4Today Ltd publishes an Annual Report which may be viewed at their offices at Newark Sports and Fitness Centre, Bowbridge Road, Newark on Trent, Notts, NG24 4DH. The company is limited by guarantee and does not have any share capital.

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

Arkwood Development Ltd produce a set of company accounts with a year end of 31 March. The accounts for 2025/26, which have been consolidated here, have been audited by Arkwood’s auditors and have been given an unqualified audit opinion. Arkwood’s auditors for 2025/26 are Wright Vigar Ltd, 15 Newland, Lincoln, Lincolnshire, LN1 1XG. Arkwood Development Ltd publish an Annual Report which may be viewed at their offices at Castle House, Great North Road, Newark, Notts, NG24 1BY. The company does have share capital, all of which is owned by the Council.

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

RHH Newark Ltd prepares its financial statements with a year end of 31 March. The Council holds a 50% shareholding in the company, and accordingly, 50% of the company’s results for the financial year 2025/26 have been consolidated into the Council’s group accounts. The company has issued share capital, of which the Council owns half.

ACCOUNTING POLICIES

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

TAXATION

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

GOING CONCERN

The Council is satisfied that the consolidated entities are going concerns and the Group financial statements for 2025/26 have been prepared on this basis accordingly.

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2024/25				2025/26		
Gross Expend- iture	Gross Income	Net Expend- iture		Gross Expend- iture	Gross Income	Net Expend- iture
5,924	-3,715	2,209	Climate and the Environment	6,990	-4,425	2,565
3,943	-4,977	-1,034	Health, Wellbeing and Leisure	5,731	-5,094	637
3,241	-2,220	1,021	Heritage, Culture and the Arts	2,962	-2,083	879
32,721	-37,082	-4,361	Housing	36,124	-36,674	-550
3,919	-941	2,978	Public Protection and Community Relations	4,280	-799	3,481
35,357	-24,977	10,380	Strategy, Performance & Finance	33,407	-22,544	10,863
8,407	-6,437	1,970	Sustainable Economic Development	5,928	-4,108	1,820
93,512	-80,349	13,163	Cost of Services	95,422	-75,727	19,695
5,875	-843	5,032	Other Operating Income and Expenditure Note G1	12,518	-5,851	6,667
10,951	-9,210	1,741	Financing and Investment Income and Expenditure Note G1	13,416	-9,826	3,590
14,965	-47,628	-32,663	Taxation and Non Specific Grant Income Note G1	15,275	-45,689	-30,414
125,303	-138,030	-12,727	Surplus (-) or Deficit on Provision of Services	136,631	-137,093	-462
-17	0	-17	Corporation Tax	10	-237	-227
125,286	-138,030	-12,744	Group Surplus(-)/Deficit	136,641	-137,330	-689
		-1,788	Surplus(-) or Deficit on Revaluation of Non Current Assets			-9,436
		-3,295	Remeasurements of the Net Defined Benefit Liability (Asset)			1,666
		-5,083	Other Comprehensive Income and Expenditure			-7,770
		-17,827	Total Comprehensive Income and Expenditure			-8,459

GROUP MOVEMENT IN RESERVES

Movement in reserves during 2025/26

	General Fund Balance £'000	Group Earmarked General Fund Reserves £'000	Housing Revenue Account £'000	Housing Revenue Account Earmarked Reserves £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Group Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2025	1,500	34,776	2,000	5,653	10,502	13,387	1,295	69,113	323,710	392,823
Total Comprehensive Income and Expenditure	3,167	259	-2,738	0	0	0	0	688	7,771	8,459
Adjustment between accounting basis & funding basis under regulations	-2,562	-150	2,808	0	-7,271	565	2,324	-4,286	4,286	0
Net Increase/Decrease(-) before Transfers to Earmarked Reserves	605	109	70	0	-7,271	565	2,324	-3,598	12,057	8,459
Transfers to/from(-) Earmarked Reserves	-1,350	1,350	-70	70	0	0	0	0	0	0
Dividends Issued	0	0	0	0	0	0	0	0	0	0
Increase/Decrease(-) in 2025/26	-745	1,459	0	70	-7,271	565	2,324	-3,598	12,057	8,459
Balance at 31 March 2026	755	36,235	2,000	5,723	3,231	13,952	3,619	65,515	335,767	401,282

Movement in reserves 2024/25

	General Fund Balance £'000	Group Earmarked General Fund Reserves £'000	Housing Revenue Account £'000	Housing Revenue Account Earmarked Reserves £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Group Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2024	1,500	31,787	2,000	4,227	8,025	11,157	159	58,855	315,327	374,182
Adjustments to Opening Balance for Leases	0	0	0	0	0	0	0	0	470	470
Revised at 31 March 2024	1,500	31,787	2,000	4,227	8,025	11,157	159	58,855	315,797	374,652
Total Comprehensive Income and Expenditure	9,859	0	456	0	0	0	0	10,315	7,833	18,148
Adjustment between Group Accounts and Authority accounts	0	78	0	0	0	0	0	78	0	78
Adjustment between accounting basis & funding basis under regulations	-6,893	-55	970	0	2,477	2,230	1,136	-135	80	-55
Net Increase/Decrease(-) before Transfers to Earmarked Reserves	2,966	23	1,426	0	2,477	2,230	1,136	10,258	7,913	18,171
Transfers to/from(-) Earmarked Reserves	-2,966	2,966	-1,426	1,426	0	0	0	0	0	0
Dividends Issued	0	0	0	0	0	0	0	0	0	0
Increase/Decrease(-) in 2024/25	0	2,989	0	1,426	2,477	2,230	1,136	10,258	7,913	18,171
Balance at 31 March 2025	1,500	34,776	2,000	5,653	10,502	13,387	1,295	69,113	323,710	392,823

GROUP BALANCE SHEET

31 March 2025 £'000	31 March 2026 £'000
469,634 Property, Plant & Equipment	490,948
3,629 Heritage Assets	3,755
818 Intangible Assets	1,281
10,819 Long Term Investments	10,449
19 Long Term Debtors	17
4,234 Long Term Finance Lease Debtor	4,738
489,153 TOTAL LONG TERM ASSETS	511,188
8,182 Short Term Investments	8,181
394 Inventories	317
16,638 Short Term Debtors	12,398
3,080 Assets Held For Sale	5,558
29,701 Cash and Cash Equivalents	18,757
57,995 TOTAL CURRENT ASSETS	45,211
-36,540 Short Term Borrowings	-13,895
-13,141 Short Term Creditors	-16,236
-305 Provisions Short Term	-491
-8,864 Grants Receipts in Advance	-10,801
-58,850 TOTAL CURRENT LIABILITIES	-41,423
0 Long Term Creditors	-120
-316 Provisions Long Term	0
-5,000 Long Term Finance Lease	-6,254
-73,357 Long Term Borrowing	-90,812
-8,302 Pensions Liability	-8,692
-8,500 Grants Receipts in Advance	-7,816
-95,475 TOTAL LONG TERM LIABILITIES	-113,694
392,823 TOTAL NET ASSETS	401,282
69,113 Usable Reserves	65,515
323,710 Unusable Reserves	335,767
392,823 TOTAL RESERVES	401,282

GROUP CASH FLOW STATEMENT

2024/25 £'000	2025/26 £'000
12,744	689
Net Surplus/Deficit(-) on the Provision of Services	
17,244	27,914
Adjustment to Surplus or Deficit on the Provision of Services for Non-Cash Movements	
-12,719	-13,263
Adjust for Item Included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	
17,269	15,340
Net Cash Flows from Operating Activities	
-24,501	-20,471
Investing Activities	
19,406	-5,813
Financing Activities	
12,174	-10,944
Net Increase or Decrease(-) in Cash and Cash Equivalents	
17,527	29,701
Cash and Cash Equivalents at the Beginning of the Reporting Period	
29,701	18,757
Cash and Cash Equivalents at the End of the Reporting Period	

G2 NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

Adjustments between Funding and Accounting Basis 2025/26

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustment for Capital Purposes (Note 1) £'000	Net change for the Pensions Adjustment (Note 2) £'000	Other Differences (Note 3) £'000	Total Adjustments £'000
Climate and the Environment	1,249	-245	-9	995
Health, Wellbeing and Leisure	460	-177	-2	281
Heritage, Culture and the Arts	227	-56	-4	167
Housing	11,870	-388	77	11,559
Public Protection and Community Relation	236	-167	8	77
Strategy, Performance & Finance	1,292	-532	9	769
Sustainable Economic Development	3	-138	0	-135
Net Cost of Services	15,337	-1,703	79	13,713
Other income and expenditure from the Expenditure and Funding Analysis	-15,348	427	1,304	-13,617
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	-11	-1,276	1,383	96

Adjustments between Funding and Accounting Basis 2024/25

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustment for Capital Purposes (Note 1) £'000	Net change for the Pensions Adjustment (Note 2) £'000	Other Differences (Note 3) £'000	Total Adjustments £'000
Climate and the Environment	-162	-131	0	-293
Health, Wellbeing and Leisure	-1,051	-63	0	-1,114
Heritage, Culture and the Arts	429	-32	0	397
Housing	12,610	-206	0	12,404
Public Protection and Community Relation	201	-90	0	111
Strategy, Performance & Finance	1,447	-272	0	1,175
Sustainable Economic Development	-56	-74	0	-130
Net Cost of Services	13,418	-868	0	12,550
Other income and expenditure from the Expenditure and Funding Analysis	-19,455	538	389	-18,528
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	-6,037	-330	389	-5,978

Note 1 Adjustments for Capital Purposes

Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- Other operating expenditure – adjustments for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing ie Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Note 2 Net Change for the Pensions Adjustments

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

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

Note 3 Other Differences

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

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

G3 EXPENDITURE AND INCOME ANALYSED BY NATURE

Expenditure/Income 2025/26	Climate and the Environment	Health, Wellbeing and Leisure	Heritage, Culture and the Arts	Housing	Public Protection & Community Relations	Strategy, Performance and Finance	Sustainable Economic Development	Corporate Amounts	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees, Charges and Other Service Income	-2,894	-5,055	-1,682	-7,194	-668	-5,680	-1,604	0	-24,777
Dwelling Rent Income	0	0	0	-27,415	0	0	0	0	-27,415
Income on Joint Associates	0	0	0	0	0	0	0	-116	-116
Interest and Investment Income	0	0	0	0	0	0	0	-2,289	-2,289
Pension Interest Asset	0	0	0	0	0	0	0	-7,534	-7,534
Income from Council Tax	0	0	0	0	0	0	0	-12,540	-12,540
Income from Non Domestic Rates	0	0	0	0	0	0	0	-21,573	-21,573
Housing Benefit Subsidy	0	0	0	0	0	-15,682	0	0	-15,682
Government Grants and Contributions	-1,531	-39	-401	-2,065	-131	-1,182	-2,504	-11,575	-19,428
Proceeds from Disposal of Assets	0	0	0	0	0	0	0	-5,739	-5,739
Corporation Tax	0	0	0	0	0	0	0	-237	-237
Total Income	-4,425	-5,094	-2,083	-36,674	-799	-22,544	-4,108	-61,603	-137,330
Employee Expenses	4,232	2,995	1,236	7,783	2,942	9,462	2,506	0	31,156
Other Service Expenses	1,509	2,263	1,499	15,217	1,102	6,099	2,521	0	30,210
Revenue Expenditure funded from Capital Under Statute	0	0	0	1,254	14	749	898	0	2,915
Loss Allowance	0	0	0	0	0	0	0	289	289
Housing Benefit Expenditure	0	0	0	0	0	15,823	0	0	15,823
Expenditure on Joint Associates	0	0	0	0	0	0	0	111	111
Developers Contribution Payment	0	0	0	0	0	0	0	232	232
Depreciation, Amortisation and Impairment	1,249	466	227	11,870	222	1,274	3	0	15,311
Revaluation on Financial instruments to fair value	0	0	0	0	0	0	0	370	370
Interest Payments	0	7	0	0	0	0	0	4,165	4,172
Pension Interest Cost	0	0	0	0	0	0	0	7,872	7,872
Non Domestic Rates Tariff & Deficit	0	0	0	0	0	0	0	15,043	15,043
Precepts and Levies	0	0	0	0	0	0	0	5,044	5,044
Early Termination of Lease	0	0	0	0	0	0	0	1,009	1,009
NBV of Disposal of Assets	0	0	0	0	0	0	0	7,074	7,074
Corporation Tax	0	0	0	0	0	0	0	10	10
Total Operating Expenses	6,990	5,731	2,962	36,124	4,280	33,407	5,928	41,219	136,641
Surplus(-)/Deficit on Provision of Services	2,565	637	879	-550	3,481	10,863	1,820	-20,384	-689

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

G4 PROPERTY PLANT AND EQUIPMENT

Movements in 2025/26									
	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles Plant Equipment £'000	Infrastruct- ure Assets £'000	Commun- -ity Assets £'000	Surplus Assets £'000	Assets Under Construct- ion £'000	Total £'000	
Cost or Valuation									
At 1 April 2025	352,794	85,241	16,520	448	179	2,180	20,904	478,266	
Additions	12,525	3,022	939	0	0	689	21,922	39,097	
Revaluation increases/decreases(-)to Revaluation Reserve	-1,811	4,596	0	0	0	73	0	2,858	
Revaluation increases/decreases(-) to Surplus/Deficit on the Provision of Services	-6,424	-737	0	0	0	-157	0	-7,318	
Derecognition - Disposals	0	-2,156	-592	0	0	0	0	-2,748	
Assets reclassified to(-)/from Held for Sale	-9,085	-1,100	0	0	0	0	0	-10,185	
Reclassifications - Other	10,434	-1	0	0	1	0	-10,434	0	
At 31 March 2026	358,433	88,865	16,867	448	180	2,785	32,392	499,970	
Accumulated Depreciation & Impairment									
At 1 April 2025	0	1,118	7,212	222	0	0	80	8,632	
Depreciation charge	5,630	1,208	1,828	35	0	2	0	8,703	
Depreciation written out to the Revaluation Reserve	-5,025	-1,574	0	0	0	0	0	-6,599	
Depreciation written out to the Surplus/Deficit on the Provision of Services	-605	-372	0	0	0	-2	0	-979	
Derecognition - Disposals	0	-155	-580	0	0	0	0	-735	
Reclassifications	0	0	0	0	0	0	0	0	
At 31 March 2026	0	225	8,460	257	0	0	80	9,022	
Net Book Value									
at 31 March 2026	358,433	88,640	8,407	191	180	2,785	32,312	490,948	
at 31 March 2025	352,794	84,123	9,308	226	179	2,180	20,824	469,634	

Movements in 2024/25								
	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles Plant Equipment £'000	Infrastruct- ure Assets £'000	Communi- ty Assets £'000	Surplus Assets £'000	Assets Under Construct ion £'000	Total £'000
Cost or Valuation								
At 1 April 2024	346,518	84,653	14,834	448	179	2,904	10,596	460,132
Adjustments to Opening Balance for IFRS16 Leases	0	910	0	0	0	0	0	910
Gross Book Value at April 2024	346,518	85,563	14,834	448	179	2,904	10,596	461,042
Additions	14,426	1,077	2,506	0	0	155	12,236	30,400
Revaluation increases/decreases(-)to Revaluation Reserve	-391	-3,251	0	0	0	21	0	-3,621
Revaluation increases/decreases(-) to Surplus/Deficit on the Provision of Services	-6,748	2,804	0	0	0	-900	0	-4,844
Derecognition - Disposals	0	-5	-820	0	0	0	0	-825
Consolidation Adjustment	0	0	0	0	0	0	2,352	2,352
Assets reclassified to(-)/from Held for Sale	-5,841	0	0	0	0	0	0	-5,841
Reclassifications - Other	4,830	-947	0	0	0	0	-4,280	-397
At 31 March 2025	352,794	85,241	16,520	448	179	2,180	20,904	478,266
Accumulated Depreciation & Impairment								
At 1 April 2024	0	703	6,442	187	0	0	68	7,400
Depreciation charge	5,532	1,242	1,483	35	0	0	0	8,292
Depreciation written out to the Revaluation Reserve	-5,084	-771	0	0	0	0	0	-5,855
Depreciation written out to the Surplus/Deficit on the Provision of Services	-450	-42	0	0	0	0	0	-492
Derecognition - Disposals	0	0	-713	0	0	0	0	-713
Reclassifications	2	-14	0	0	0	0	12	0
At 31 March 2025	0	1,118	7,212	222	0	0	80	8,632
Net Book Value								
at 31 March 2025	352,794	84,123	9,308	226	179	2,180	20,824	469,634
at 31 March 2024	346,518	83,950	8,392	261	179	2,904	10,528	453,642

G5 ASSETS HELD FOR SALE

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

2024/25 £'000		2025/26 £'000
2,267	Balance outstanding at start of year	3,080
Assets newly classified as held for sale:		
5,893	Transfer from Property, Plant and Equipment	10,185
0	Revaluation losses	0
Assets declassified as held for sale:		
-52	Transfer back to Property, Plant and Equipment	0
-5,028	Assets Sold	-7,707
3,080	Balance outstanding at year-end	5,558

G6 DEBTORS

The amounts due to the Group were:-

2024/25 £'000		2025/26 £'000
Amounts falling due within one year:-		
936	Trade Receivables	914
823	Prepayments	1,079
17,093	Other Receivable Amounts	12,900
18,852	Total	14,893
-2,214	Less Loss Allowance	-2,495
16,638	Total Short Term Debtors	12,398
19	Other Entities and Individuals	17
19	Total Long Term Debtors	17
16,657	Total Debtors	12,415

G7 CASH AND CASH EQUIVALENTS

2024/25 £'000		2025/26 £'000
3	Cash held by the Council	3
376	Cash in transit	474
691	Bank current accounts	577
28,631	Short-term deposits with Money Market Funds	17,703
29,701	Current Assets	18,757

G8 CASH FLOW STATEMENTS

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

2024/25 £'000		2025/26 £'000
12,744	Net Surplus or Deficit(-) on the Provision of Services	689
	Adjust net surplus or deficit on the provision of services for non-cash movements	
8,292	Depreciation of Property, Plant and Equipment	8,696
4,750	Impairment and downward valuations	6,504
103	Amortisation of Intangible Assets	116
1,394	Increase/Decrease(-) in Creditors	168
-1,813	Increase(-)/Decrease in Debtors	3,750
19	Increase(-)/Decrease in Inventories	76
-333	Pension Liability	-1,277
4,624	Carrying amount of non-current assets, sold or derecognised	9,640
208	Other non-cash items charged to the net surplus or deficit on the provision of services	241
17,244	Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities	27,914
0	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in joint ventures and subsidiaries)	0
-11,962	Capital Grants credited to surplus or deficit on the Provision of Services	-5,663
-757	Proceeds from the sale of non-current assets	-7,600
-12,719	Sub-Total	-13,263
17,269	Net Cash Flows from Operating Activities	15,340

B Cash Flow Statement - Investing Activities

2024/25 £'000		2025/26 £'000
-38,603	Purchase of Property, Plant and Equipment and Intangible Assets	-35,166
-3,000	Purchase of short-term and long-term Investments	0
0	Other payments for investing activities	0
728	Proceeds from the sale of Property, Plant and Equipment and Intangible Assets	5,136
2,000	Proceeds from short-term and long-term Investments	0
14,374	Other receipts from investing activities	9,559
-24,501	Net cash flows from investing activities	-20,471

C Cash Flow Statement - Financing Activities

2024/25 £'000	2025/26 £'000
27,000 Cash receipts for short and long-term Borrowing	34,919
0 Other receipts from financing activities	0
-135 Cash payments for the reduction of the outstanding liabilities relating to Finance Leases	-170
-6,251 Repayments of short and long-term Borrowing	-39,795
-1,208 Other payments for financing activities	-767
19,406 Net cash flows from financing activities	-5,813

GLOSSARY OF TERMS

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

ACCOUNTING POLICIES

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

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

Accounting policies do not include estimation techniques.

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

ACCRUALS

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

ADMINISTRATIVE BUILDINGS

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

AMORTISATION

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

ARMS LENGTH MANAGEMENT COMPANY

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

BALANCES

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

BALANCE SHEET

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

BILLING AUTHORITIES

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

CAPITAL ADJUSTMENT ACCOUNT

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

CAPITAL CHARGES

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

CAPITAL EXPENDITURE

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

CAPITAL PROGRAMME

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

CAPITAL RECEIPTS

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

CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)

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

COLLECTION FUND

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

COMMUNITY ASSETS

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

CONTINGENT LIABILITIES

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

COUNCIL TAX

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

COUNCIL TAX BASE

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

CURRENT EXPENDITURE

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

DEFERRED CAPITAL RECEIPTS

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

DEFERRED CREDITORS

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

DEPRECIATION

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

EARMARKED RESERVES

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

EMOLUMENTS

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

EXTERNAL AUDIT

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

FEES AND CHARGES

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

FINANCE LEASE

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

FINANCIAL INSTRUMENT

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

FINANCIAL INSTRUMENT ADJUSTMENT ACCOUNT

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

FINANCIAL REPORTING STANDARD (FRS)

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

FINANCIAL YEAR

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

GAAP

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

GENERAL FUND

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

GROSS EXPENDITURE

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

HERITAGE ASSETS

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

HOUSING BENEFIT

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

HOUSING REVENUE ACCOUNT

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

IMPAIRMENT

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

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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

INFRASTRUCTURE ASSETS

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

INTERNAL AUDIT

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

INVESTMENTS

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

LONG TERM DEBTORS

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

MINIMUM REVENUE PROVISION (MRP)

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

NON DOMESTIC RATE (NDR)

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

NET EXPENDITURE

Gross expenditure less gross income.

NON-OPERATIONAL ASSET

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

OPERATIONAL ASSET

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

OPERATIONAL LEASE

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

PENSION FUND

An employees' pension fund maintained by a Council, or a group of authorities, in order to make

pension payments on retirement of participants. It is financed from contributions from the employing Council, the employee and investment income.

PRECEPT

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

PRECEPTING AUTHORITIES

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

PROVISIONS

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

PUBLIC WORK LOANS BOARD (PWLB)

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

RELATED PARTIES

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

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

Examples of related parties of an Council include:

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

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

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

REVALUATION RESERVE

This records unrealised revaluation gains arising since 1st April 2007 from holding assets. It

should be noted that this reserve and the Capital Adjustment Account are matched by fixed assets within the Balance Sheet. They are not resources available to the Council and are therefore termed 'Unusable'.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

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

REVENUE SUPPORT GRANT (RSG)

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

SOFT LOANS

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

STATEMENT OF ACCOUNTS

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

STATEMENT OF RECOMMENDED PRACTICE (CODE)

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

TOTAL COST

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

TRADING SERVICES

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

USABLE CAPITAL RECEIPTS

Amounts available to finance capital expenditure in future years.

USABLE RESERVES

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

UNUSABLE RESERVES

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



ANNUAL GOVERNANCE STATEMENT

NEWARK AND SHERWOOD DISTRICT COUNCIL

ANNUAL GOVERNANCE STATEMENT

1 Executive Summary

The Council is required by the Accounts and Audit Regulations 2015 to prepare and publish an Annual Governance Statement, in order to report publicly on the extent to which we comply with our own Local Code of Corporate Governance, including how we have monitored the effectiveness of our arrangements in year and any planned changes to our governance arrangements in the coming year.

Having considered the results of the review of effectiveness below, the Council is satisfied that its governance arrangements during 2025/26 were generally fit for purpose and provided a satisfactory level of assurance. The review has nevertheless identified areas where arrangements can be strengthened further, governance oversight and the continued embedding of improvement actions arising from internal audit and the Corporate Peer Challenge. The Council will continue to monitor delivery of these improvements and reflect progress in its next Annual Governance Statement.

2 Scope of responsibility

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

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

3 The purpose of the governance framework

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

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

materialising and the impact should the risks materialise, and to manage these risks efficiently, effectively and economically.

4 The governance framework

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

Within the Constitution (Part H), the Council has approved and adopted a Code of Corporate Governance (the Code), which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*, which was revised in 2016. The Code was also reviewed during 2016 to ensure it complied with the requirements of the revised Framework. The Code was reviewed by the Senior Leadership Team in 2025/26 and the Governance, General Purposes and LGR Committee in April 2026. The Code will be reviewed annually.

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

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

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

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

The Council approved a revised Community Plan at its meeting on 20 May 2025. Further information about how the Community Plan is developed and the process to revise the plan can be found at section 4. The performance monitoring framework for the revised Community Plan commenced on 1 April 2025. During 2025/26 the Council facilitated policy and decision-making through a Cabinet system. Cabinet meetings are open to the public except where exempt or confidential matters are being considered. Cabinet Members with Portfolio responsibility have authority to take delegated decisions outside Cabinet meetings; these are published on the Council's Decision Register. In addition, the Council's Constitution gives delegated authority for senior officers of the Council to make decisions in certain specified circumstances. Significant or 'Key' proposals are published on the Council's Forward Plan for 28 days before the decision is taken.

The system of governance is comprised of:

The Cabinet – which is made up of the Leader, Deputy Leader and a Cabinet of additional Councillors appointed by the Leader. Cabinet Members are responsible for the portfolio of services/functions allocated to them by the Leader. During 2025/26 the Cabinet comprised 7 portfolio holders including the Leader and Deputy Leader. The leader of the Council's largest opposition group is a Cabinet Member with voting rights but without portfolio.

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

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

Audit and Accounts Committee – comprises 9 Members and is politically balanced, with an additional co-opted independent, non-voting member. This Committee provides those charged with governance with independent assurance on the adequacy of the risk management framework, the internal control environment, and the integrity of the Council's financial reporting and governance processes. It is also responsible for promoting and maintaining high standards of conduct by Members and Co-opted Members of the Council.

During the year a new Governance, General Purposes and Local Government Reorganisation Committee was formed, comprising 12 Members. The purpose of the Committee is to promote and maintain high standards of conduct by Members, to maintain oversight of arrangements for Local Government Reorganisation, the Council's Constitution and decision-making, and to consider electoral and boundary matters as required. This new committee was created based on a recommendation from the Peer Challenge in October 2024, to review the previous Audit and Governance Committee. More about the Peer Challenge is included further below.

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

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

These were distilled by the Council into a set of principles to underpin the design of the arrangements: –

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

The District Council has a cross-service Risk Management Group that meets regularly to identify and evaluate all significant risks. Strategic, Corporate and Operational Risk Registers are in place and appropriate staff have been trained in the assessment, management and monitoring of risks. The Corporate Risk Management Strategy and Policy was reviewed by the Audit and Accounts Committee in December 2025 and was approved by Cabinet in January 2026. In addition to this, a Fraud Risk Register is in place and a refresh was presented to the Audit and Accounts Committee at its meeting in April 2026.

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

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

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

The statutory role of Monitoring Officer was undertaken by the Assistant Director Legal and Democratic Services for part of the 2025/26 financial year. For the second half of the year the role was undertaken through a joint arrangement with Gedling Borough Council. It is the function of the Monitoring Officer to ensure compliance with established policies, procedures, laws and regulations. After consulting with the Head of Paid Service and the s151 Officer, the Monitoring Officer will report to the Full Council if they consider that any proposal, decision or omission would give rise to unlawfulness or maladministration. The standards of behaviour for members and employees are defined through Codes of Conduct and the Code of Corporate Governance. The Council also has an Anti-Fraud and Corruption Strategy a Whistleblowing Policy (reviewed annually and updated in February 2026) and a Gifts and Hospitality Policy (updated in February 2026) that enables concerns to be raised confidentially by employees or persons doing business with the Council. A complaints system is also operated by the Council to enable comments on services to be received and investigated and this is assessed against the relevant Ombudsman Effective Complaints Handling Code. The Arrangements for dealing with complaints under the Member's Code of Conduct were reviewed by the Governance, General Purposes and LGR Committee in February 2026.

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

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

The District Council communicates with its communities and stakeholders through a range of channels. The Council's website is designed to keep information accurate, up to date and easy to find, and to comply with government accessibility requirements. In addition, systems are in place to issue regular newsletters to specific audiences. These were initially used to strengthen internal communications through fortnightly staff newsletters, and a resident-facing newsletter is now issued monthly to share key information. The Council has continued to expand its use of social media and proactive media relations to support public communications. Other channels used, where appropriate, include local radio, local and national media, digital communications and advertising, door-to-door communications, television advertising and point-of-sale materials in strategic locations. For tenants specifically, there is a tenant involvement framework consisting of four Local Influence Networks covering Sherwood, Newark, rural villages and building safety. These are complemented by a menu of opportunities for engagement with the Council's 5,500 tenants and an annual tenant report setting out key activities and performance.

Full Council appoints a non-voting Independent Member to the Audit and Accounts Committee. This appointment supplements the elected membership of the Committee by bringing additional technical, analytical and independent perspective to its consideration of governance, risk and financial reporting matters. This, together with a structured training programme for Committee members, supports the continued development of the Committee in meeting its responsibilities effectively.

5 Review of effectiveness

Newark and Sherwood District Council is responsible for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. This review draws on a range of assurance sources, including the work of Directors and Business Managers who maintain the governance environment, the Head of Internal Audit's annual opinion, the External Auditor's reports, findings from inspection and regulatory activity where applicable, and the outcomes of committee oversight during the year. Business Managers are also required to provide assurance to the s151 Officer that service areas are operating in accordance with the Council's governance arrangements.

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

The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure that its aims and principles are given full effect. The Council reviews the Constitution through the Governance, General Purposes and LGR Committee, which may meet as a working party for more in-depth reviews, and makes recommendations for amendment to Full Council. During 2025/26, the Committee undertook a detailed review of selected constitutional provisions and recommended changes to Full Council. The reviews related to the changes in governance structures and functions with the establishment of the Governance, General Purposes and LGR Committee approved by Council in 2025/26. In addition, reviews were undertaken of the Social Media Protocol for Members, the Member/Officer Protocol, the Code of Corporate Governance and the Tenant Engagement Board, with recommendations to Full Council for adoption in May 2026. A further programme of review will be undertaken in 2026/27.

Overview and Scrutiny – During 2025/26 the Overview and Scrutiny function was undertaken through the Policy and Performance Improvement Committee. Any Member of the Council can ask for an item to be included on the agenda for the Committee, and all Cabinet and Portfolio Holder decisions, and the Forward Plan, are circulated to all Members for transparency and awareness. The Committee has the ability to set up working groups to undertake in-depth scrutiny, performance review and policy development.

Internal Audit – is responsible for reviewing the quality and effectiveness of systems of internal control. The internal audit function was carried out by TIAA (UK) Ltd during 2025/26. Public Sector Internal Audit Standards (Standards) require an External Quality Assessment (EQA) at least every five years. The Standards aim to promote quality and effectiveness in the internal audit profession across both public and private sectors. They re-affirm how important having a robust, independent and objective internal audit is to the success of the Council and its governance framework. Our current Internal Auditors TIAA (UK) Ltd were last assessed in December 2022 with the outcome of their EQA stating that they ‘generally conform’ with all areas of the Public Sector Internal Audit Standards and IIA/IPPF. There were no recommended improvements.

An annual audit plan is approved by the s151 Officer in consultation with the Business Manager – Financial Services and the Senior Leadership Team and is reported to the Audit and Accounts Committee. Internal Audit reports are issued to the relevant Chief Officer and Business Manager and include recommendations for improvement, together with an action plan requiring management response. The Audit and Accounts Committee receive summaries of internal audit work and updates on progress in implementing agreed recommendations. Internal Audit findings are also considered by the Senior Leadership Team. The Head of Internal Audit provides an annual opinion on the overall adequacy and effectiveness of the Council’s governance, risk management and control framework. For 2025/26, that opinion concluded that, for the areas reviewed during the year, Newark and Sherwood District Council had reasonable and effective risk management, control and governance processes in place.

During 2025/26, two internal audit reviews resulted in limited assurance opinions: HRA H&S Mould and Absence Management (two during 2024/25). These areas will continue to be monitored through the Council’s governance and improvement arrangements.

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

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

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

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

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

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

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

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

improvement, as well as assurance to local leaders and residents.

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

The process consists of a team of local authority peers who review the Council against five core elements, together with any locally identified areas for challenge. In particular, the governance and culture element considers whether decision-making arrangements are clear and robust, whether there is effective audit, overview and scrutiny, and whether Member and officer roles, behaviours and accountability are well understood and consistently applied.

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

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

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

While the ambitious, energetic nature of the Council was something to be valued, the Peers raised reservations about a "lack of clear prioritisation from Councillors" and the tendency to take on responsibilities that properly fell to other organisations. It was acknowledged that this was in part the result of a lack of understanding given the large number of new Councillors but carried the risk of over-stretching officers and placing a strain on the Council's capacity to deliver its core services.

The report comments throughout on the Council's performance and includes a number of improvement opportunities in addition to the formal recommendations. In governance terms, these include strengthening the respective roles of the Audit and Accounts

Committee, the Governance, General Purposes and Local Government Reorganisation Committee, and Overview and Scrutiny; improving Member engagement in decision-making and assurance; strengthening the Annual Governance Statement so that it more clearly identifies key governance risks, sources of assurance and planned improvements; reinforcing the application of the Member Code of Conduct; and embedding a structured councillor development programme so that Members are better equipped to discharge their responsibilities in relation to scrutiny, governance and financial sustainability.

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

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

In response to the recommendations, a Member and officer working group was established to consider the findings in detail and oversee the development of a delivery plan. This work has included identifying which recommendations should be led through Cabinet, the Policy and Performance Improvement Committee, the Audit and Accounts Committee, and the Governance, General Purposes and Local Government Reorganisation Committee, together with the supporting officer actions required. The delivery plan is intended to provide clear ownership, target dates and reporting arrangements so that progress can be monitored through the Council's formal governance framework. During December 2025 the Peer Challenge Team conducted a Progress Review to provide feedback on the early progress made by the Council against the recommendations, consider the peers' reflections on new opportunities or challenges that may have arisen since the peer team were "on-site" and discuss any early impact of learning from the progress made to that point.

The Peer Team concluded that of the six recommendations, the Council had significantly progressed five of them, including completing three of these, whilst the remaining three had actions undertaken, but are more of an on-going nature which will continue in the forthcoming years.

During 2025/26 the Governance, General Purposes and LGR Committee approved a Member Development Plan aimed at improving and enhancing the training offer to members to support them in their roles. A review of the Council's Arrangements for Dealing with Code of Conduct Complaints was undertaken and regular updates to Committee agreed in relation to the volume and nature of Code of Conduct complaints. As referenced above, sections of the constitution relating to member's including the Social Media Protocol

and Member/Officer protocol were also reviewed. Further Code of Conduct training for Members is planned in 2026/27.

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

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

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

All 17 standards were reviewed by the s151 Officer during April 2026, and it was concluded that all 17 were assessed as Green.

Council’s Responsibility as Landlord – In relation to the Council’s landlord services, the Council is co-regulated by the Regulator of Social Housing with annual engagement meetings and on a four year cycle a planned inspection of services against the Consumer Standards. The Council were notified of their inspection in January 2026, with the on-site visit completed on 1st May 2026. The inspection involved meetings with key staff and teams, members and tenants to evidence assurance and the submission of over 200 documents. The inspection team are now preparing a submission to the moderating Board and our grading between a C1 – C4 and an improvement plan is expected in July 2026. The results of this will be included in this document at the point in which it is signed as a final version.

6. Governance Issue and Action

Issue	Action	Responsible Officer	Completion Date
Political governance in a no overall control environment – during 2025/26 and currently, no single political group or informal coalition held more than 50% of seats on the Council.	Officers will continue to support effective cross-party engagement and decision-making by maintaining appropriate informal and formal meeting arrangements, providing timely advice to political leaders and group representatives, and keeping the effectiveness of governance arrangements under review.	Chief Executive and Senior Leadership Team	Ongoing

The Council will take forward the action set out above during the coming year in order to further strengthen its governance arrangements. Progress against these actions will be monitored through the Council’s governance framework and reported, where appropriate, to the relevant committees as part of the next annual review of effectiveness.

Conclusion

Having considered the results of the review of effectiveness, the Council is satisfied that its governance arrangements during 2025/26 were generally fit for purpose and provided a satisfactory level of assurance. The review has nevertheless identified areas where arrangements can be strengthened further, governance oversight and the continued embedding of improvement actions arising from internal audit. The Council will continue to monitor delivery of these improvements and reflect progress in its next Annual Governance Statement.

Signed

J. Robinson

Chief Executive

P. Peacock

Leader of the Council





Report to: Audit & Accounts Committee Meeting 08 July 2026
 Director Lead: Deborah Johnson, LGR Director
 Lead Officer: Dave Richardson, Assistant Director Digital & Customer

Report Summary	
Report Title	Update on Information and Cyber Security
Purpose of Report	To present updates on the Councils information security management system and our alignment with the local government cyber assessment framework
Recommendations	Members review, comment upon and note the update
Reason for Recommendation	To provide Members with details and assurance on information and cyber security matters

1.0 Background

- 1.1 The LGA Cyber360 action plan completed in early 2026 and it was agreed that updates on Information and Cyber Security will continue. Specifically updates on programmes and frameworks that the Council is adopting.
- 1.2 Members should note that, alongside existing programmes and frameworks, the Department for Work and Pensions (DWP) has issued a memorandum of understanding. The Council will be assessed against the relevant standards and frameworks, with submission due in July and audit activity starting in August 2026.
- 1.3 Furthermore, the artificial intelligence threat landscape continues to increase and is acknowledged in our strategic risk SR603 Data management security plan.

2.0 Proposal /Options Considered

- 2.1 That members will note and comment on the updates provided in the exempt report.
- 2.2 Acknowledgement that resources are committed to the DWP MOU data gathering and audit.

2.3 Members will gain an understanding of the increasing threat risk, the impact on our communities and the evolving use of artificial intelligence by malicious actors.

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.

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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

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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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Work Programme for Audit & Accounts Committee



23 SEPTEMBER 2026

Report Title/Topic	Responsible Officer & Business Unit	Exempt Information included (Yes/No)	Comments and Movement
Internal Audit Progress Report 2026/27	Phil Lazenby (TIAA Ltd)		
External Auditors Progress	Mark Surrige (Mazars)/Nick Wilson		
Annual Review of Exempt Items	Nick Wilson		
Information and Cyber Security Update	Dave Richardson	Yes	

9 DECEMBER 2026

Report Title/Topic	Responsible Officer & Business Unit	Exempt Information included (Yes/No)	Comments and Movement
Internal Audit Progress Report 2026/27	Phil Lazenby (TIAA Ltd)		
Audit and Accounts Committee Annual Report	Nick Wilson		
Information and Cyber Security Update	Dave Richardson	Yes	
Counter Fraud Activity Report 1 April 2026 – 30 th September 2026	Nick Wilson		
Treasury Management half yearly report 2026/27	Jenna Norton		
Audited Statement of Accounts	Andrew Snape		
Audit Completion Report	Mark Surridge (Mazars)		

Work Programme for Audit & Accounts Committee



3 MARCH 2027

Report Title/Topic	Responsible Officer & Business Unit	Exempt Information included (Yes/No)	Comments and Movement
Internal Audit Progress Report 2026/27	Phil Lazenby (TIAA Ltd)		
External Auditors Progress	Mark Surridge (Mazars)/Nick Wilson		
Strategic Risk Management	Richard Bates		Previous report went in December 2025 (to update on a 6 monthly basis) then taken to 8 July 2026
Information and Cyber Security Update	Dave Richardson	Yes	
Treasury Management Strategy	Jenna Norton		
Investment Strategy	Jenna Norton		
Capital Strategy	Jenna Norton		
Budget Reports 2027/28	Andrew Snape		

21 APRIL 2027

Report Title/Topic	Responsible Officer & Business Unit	Exempt Information included (Yes/No)	Comments and Movement
Internal Audit Progress Report 2026/27	Phil Lazenby (TIAA Ltd)		
External Auditors Audit Strategy	Mark Surridge (Mazars)		
Accounting Policies and Assumptions 2026/27	Andrew Snape		
Information and Cyber Security Update	Dave Richardson	Yes	

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

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