



**Castle House
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Tuesday, 23 July 2024

**Chair: Councillor P Harris
Vice-Chair: Councillor S Forde**

Members of the Committee:

**Councillor R Cozens
Councillor P Farmer
Councillor A Freeman
Councillor J Hall
Councillor S Haynes**

**Councillor J Kellas
Councillor S Michael
Councillor C Penny
Councillor M Shakeshaft
Councillor T Thompson**

MEETING:	Audit and Governance Committee
DATE:	Wednesday, 31 July 2024 at 6.00 pm
VENUE:	Civic Suite, Castle House, Great North Road, Newark, NG24 1BY
<p>You are hereby requested to attend the above Meeting to be held at the time/place and on the date mentioned above for the purpose of transacting the business on the Agenda as overleaf.</p> <p>If you have any queries please contact Karen Langford on Karen.Langford@newark-sherwooddc.gov.uk.</p>	

AGENDA

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19. Exclusion of the Press and Public	

To consider resolving that, under section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in part 1 of Schedule 12A of the Act.

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|-----|--|-----------|
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NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Audit and Governance Committee** held in the Civic Suite, Castle House, Great North Road, Newark, NG24 1BY on Wednesday, 24 April 2024 at 6.00 pm.

PRESENT: Councillor P Harris (Chair) - delayed arrival
Councillor S Forde (Vice-Chair) – due to Councillor Harris’s delayed arrival Councillor Forde chaired the open part of the meeting

Councillor R Cozens, Councillor A Freeman, Councillor J Hall, Councillor J Kellas, Councillor S Michael and Councillor C Penny and Mr C Richardson (Non-Voting Co-Optee)

APOLOGIES FOR ABSENCE: Councillor S Haynes, Councillor J Lee, Councillor M Shakeshaft and Councillor T Thompson

63 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.

64 DECLARATIONS OF INTEREST FROM MEMBERS AND OFFICERS

Councillor Forde and Councillor Freeman declared an interest in Active4Today which is referred to as part of the Agenda.

65 MINUTES OF THE MEETING HELD ON 21 FEBRUARY 2024

AGREED that the minutes of the meeting held on 21 February 2024 be approved as a correct record and signed by the Vice-Chair.

66 INTERNAL AUDIT PROGRESS REPORT 2023/24

The Committee considered the report from Philip Lazenby, Director of Audit (TIAA) providing a summary of Internal Audit work undertaken during 2023/24 against the agreed audit plan.

The Audit Plan for 2023/24 had been agreed at the Audit & Governance Committee in April 2023 and then throughout the year reports on the progress made and changes to the plan are then taken to the Audit & Governance Committee.

The Committee discussed the report containing details of reports issued in the last quarter together with a summary of all reports considered this financial year.

AGREED (unanimously) that Members considered and commented upon the latest internal audit progress report and noted its content.

67 EXTERNAL AUDITORS ANNUAL AUDIT COMPLETION REPORT

The Committee considered the report from the Business Manager for Financial

Services presenting the External Auditor's Final Annual Audit Completion Report for Newark and Sherwood District Council for 2022/23.

The representative from Mazars, Nomfundo Magwaza, present at the meeting had provided the report at Appendix A.

From the report the Non-Voting Co-Optee was concerned that 5 Members had not completed declaration of interest forms, the Business Manager for Financial Services advised that this was from the last financial year and that Members were being chased for this year end. Councillor Kellas highlighted that the delay in returning the form could be due to the fact that the form is not straight forward to complete.

AGREED (unanimously) that:

- a) Members received and noted the External Auditors Final Annual Audit Completion Report for 2022/23; and
- b) Members noted the adjustments to the audited financial statements set out in the report.

68 ETHICAL AND FOSSIL FUEL INVESTMENTS

The Committee considered the report from the Business Manager for Financial Services, presenting to Members the Ethical and Fossil Fuel Investment policies of the Investment banks used by the Council.

It was explained to the Committee that if two similar investments were available, the company that has ethical investments policies would be chosen over the non-ethical one.

AGREED (unanimously) that Members noted the policies utilised by the Investment banks used by the Council.

69 STRATEGIC RISK MANAGEMENT

The Committee considered the report from the Safety and Risk Manager providing an update to members highlighting the Council's 2024/25 Strategic Risk Register and its current status.

The report highlighted that in accordance with the Risk Management Policy, a facilitated strategic risk workshop had been undertaken with the Senior Leadership Team (SLT) in January. This workshop evaluated all existing strategic risks and identified emerging risks for the forth coming year.

The Committee acknowledged the new risk register and were also informed of the introduction of a process to review the Contracts Register.

AGREED (unanimously) that Members noted amendments to the Strategic Risk Register and highlighted any issues of concern.

70 STATEMENT OF ACCOUNTING POLICIES 2023/2024

The Committee considered the report from the Assistant Business Manager for Financial Services providing Members with updates made to the Council's accounting policies in relation to the closedown of the 2023/2024 financial year.

The report informed at 2.1 of the report the key changes to the code and Appendix A providing the full details.

AGREED (unanimously) that Members approved the amended Statement of Accounting Policies for 2023/2024.

71 UNDERLYING PENSION ASSUMPTIONS FOR 2023/2024 STATEMENT OF ACCOUNTS

The Committee considered the report from the Assistant Business Manager for Financial Services providing 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 2023/2024 Statement of Accounts.

AGREED (unanimously) that Members noted and approved the assumptions used in the calculation of pension figures for 2023/2024.

72 UNDERLYING VALUATION ASSUMPTIONS FOR 2023/2024 STATEMENT OF ACCOUNTS

The Committee considered the report from the Assistant Business Manager for Financial Services providing Members with information regarding the assumptions made by the Valuers in calculating the figures to be reported in the 2023/24 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 2023/2024.

73 ANNUAL REVIEW OF THE COUNCIL'S CONSTITUTION

The Committee considered the report from the Assistant Director Legal & Democratic Services, Monitoring Officer providing an annual report to consider any updates or amendments that may be required to the Council's Constitution.

AGREED (unanimously) that the following sections of the Constitution are reviewed by Members of Audit & Governance Committee at an informal workshop, and that proposals are presented at the earliest opportunity to Committee for formal consideration: -

1. The Petition Scheme
2. Full Council Procedure Rules – Petitions and Annual Budget
3. Local Code on Corporate Governance
4. Other minor amendments proposed by the Monitoring Officer

74 REVIEW OF ARRANGEMENTS FOR DEALING WITH CODE OF CONDUCT COMPLAINTS REGARDING COUNCILLORS

The Committee considered the report from the Assistant Director Legal & Democratic Services, Monitoring Officer to commence a review of the Council's Arrangements for dealing with Code of Conduct Complaints regarding Councillors.

One of the Members suggested it would be useful to see how other Councils deal with Code of Conduct Complaints regarding Councillors.

AGREED (unanimously) that the Council's Arrangements for dealing with Code of Conduct Complaints regarding Councillors are reviewed by Members of the Audit & Governance Committee at an informal workshop, and that proposals are presented at the earliest opportunity to the Committee for formal consideration.

75 UPDATE ON 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.

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

76 AUDIT AND GOVERNANCE COMMITTEE WORK PLAN

The Committee considered the joint report of the Assistant Director Legal & Democratic Services and Monitoring Officer and the Business Manager for Financial Services which attached the Committee's Work Plan for consideration.

The Committee queried if the 'Update on LGA Newark and Sherwood District Council Cyber 360 Report' is required to be provided at every meeting. Suggestions were received to only include a report when an update comes up or leave to the discretion of the Chair.

AGREED (unanimously) that the Work Plan be noted.

77 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.

Councillor Peter Harris joined the meeting

78 UPDATE ON THE LGA NEWARK AND SHERWOOD DISTRICT COUNCIL CYBER 360 ACTION PLAN

The Committee considered the exempt report from the Business Manager for ICT

providing an update on the LGA Newark and Sherwood District Council Cyber 360 Action Plan.

79 DATE OF NEXT MEETING

The next Audit & Governance Committee meeting to be held on Wednesday 3 July 2024.

80 CHAIR FOR JULY MEETING OF AUDIT & GOVERNANCE COMMITTEE IN THE EVENT CHAIR AND VICE CHAIR UNAVAILABLE

The Chair and Vice-Chair informed the Committee that they would both be unavailable for the 3 July 2024 meeting.

The Chair advised that he would be able to attend the Pre-Agenda meeting on the 20 June 2024.

Councillor Andy Freeman volunteered to take on the role as Chair on the 3 July and to also attend the Pre-Agenda meeting.

Meeting closed at 6.57 pm.

Chair

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

Document is Restricted



Report to: Audit and Governance Committee – 31 July 2024

Director Lead: Deborah Johnson, Director - Customer Services and Organisational Development.
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Lead Officers: Jill Baker, Business Manager - Customer Services
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Report Title	Revised Customer Complaint and Feedback Policy and Housing Ombudsman Complaint Handling Code Self-Assessment update.
Purpose of Report	<p>To update Members on the changes required to the Customer Complaints and Feedback Policy to ensure the Council meets the requirements of the Housing Ombudsman Complaint Handling Code.</p> <p>To update Members on the outcome of the completion of the Housing Ombudsman Complaint Handling Code Self -Assessment.</p>
Recommendations	<p>That the Audit and Governance Committee:</p> <p>a) Approve the revised Customer Complaints & Feedback Policy and the Housing Ombudsman Complaint Handling Code Self-Assessment; and</p> <p>b) Approve the completed Housing Ombudsman Complaint Handling Code Self-Assessment.</p>

1.0 **Background**

- 1.1 The Housing Ombudsman (HO) and Local Government and Social Care Ombudsman (LGSCO) recently carried out individual consultations on their joint complaint handling code proposals, with the aim of having one joint code, setting out a gold standard for complaint handling across the local government and social housing sector. Unfortunately as each Ombudsman was at a different stage in their process, it was not possible for them to adopt a joint code at this time.
- 1.2 The LGSCO have issued their Code as “advice and guidance” and intend to start considering the Code as part of their process from April 2026. Councils are encouraged to adopt the Code as soon as they are able to do so. They are working with a number of pilot Councils to understand the impact of the Code and provide further guidance to the sector, the nearest to us is North Kesteven District Council. The LGSCO has advised that the Code itself will not change as a result of the pilots but learning from these councils

will inform the accompanying guide and the way they use the Code when applying it in their casework.

- 1.2 Previously, landlords had to complete a self-assessment against the Code and publish it on their websites. There is now a statutory requirement for landlords to submit their self-assessment annually to the HO. The timing of the annual submission to the HO aligned with the Regulator of Social Housing's requirements for the publication and submission of Tenant Satisfaction Measures (TSM). We need to have submitted ours by 30 June 2024.
- 1.4 The key areas of the HO Code include:
- universal definition of a complaint
 - providing easy access to the complaints procedure and ensuring residents are aware of it, including their right to access the Housing Ombudsman Service
 - the structure of the complaint's procedure - only 2 stages necessary and clear times set out for responses.
 - ensuring fairness in complaint handling with a resident-focused process
 - taking action to put things right and appropriate remedies.
 - creating a positive complaint handling culture through continuous learning and improvement
 - demonstrating learning in annual reports
 - annual self-assessment against the Code
- 1.5 The significant changes to the new code which impact us are:
- timescales and requirements for acknowledging complaints at each stage
 - timescales to responding to complaints at each stage, including extensions to timescales
 - exclusions to and/or escalating complaints
 - requirement to produce and publish an annual complaints and service improvement report.
- 1.6 The revised Customer Complaints and Feedback policy (**Appendix 1**) and Complaint Handling Code Self-Assessment (**Appendix 2**) was shared with the Involved Tenants for their comments and it was reviewed by the Tenant Engagement Board on 20 June 2024.
- 1.7 These two items were then considered by the Policy and Performance committee on 24 June 2024 and they endorsed for them to be considered by the Audit & Governance committee. The completed self-assessment was submitted to the Housing Ombudsman on 26 June 2024, ahead of their deadline of 30 June 2024.

2.0 Current Situation

- 2.1 Our current policy has the following timescales, which in the vast majority of cases are met.

	Acknowledgement	Response
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Stage one	3 working days	10 working days
Stage two	3 working days	15 working days

In order to meet the Housing Ombudsman requirements, if the complaint relates to a housing tenancy, the acknowledgment process for stage 1 and 2 complaints is slightly different. Prior to sending the acknowledgement, the senior officer who is investigating the complaint will contact the complainant to discuss their complaint with them. The acknowledgement timescale for these complaints is up to 5 working days.

3.0 Required Changes to the Customer Complaints and Feedback Process

3.1 In order to meet the requirements of the HO Complaint Handling Code, a number of changes are required to the Customer Complaints and Customer Feedback Policy. Although the changes are to meet the HO requirements, in order to have the one policy and process, it is proposed that the changes are made council wide. They do meet the proposed LGSCO Complaint Handling Code. These changes have already been made for complaints relating to housing tenancies.

3.2 The proposed changes are:

- a. the timescale to submit a stage 1 complaint increases from six to twelve months
- b. complaints are allocated to the investigating officer and it is the investigating officer who acknowledges the complaint and contacts the complainant to discuss their complaint with them
- c. the acknowledgment response timescale for both stage 1 and stage 2 complaints is 5 working days from the complaint being logged.
- d. the response time for stage two complaints is increased from 15 working days to 20 working days. This meets the Housing Ombudsman code and will provide more time to carry out detailed investigations and carry out home visits where required
- e. the current timescale to escalate a complaint to a stage 2 is three months from date of the stage 1 response being issued. The Housing Ombudsman recommends that there is no timescale to escalate a complaint to stage 2, unless we have a very good reason to impose one.

3.3 In order to accommodate these changes into our Customer Relationship Management system, our supplier will need to modify the system which will cost £2,550.

4.0 Next Steps

4.1 The staff guidance and processes require updating. Training will be delivered to staff by attending team meetings.

4.2 An Equality Impact Assessment is being completed. A cohort of housing tenants is providing support to this.

5.0 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.

Financial Implications FIN24-25/3686

- 5.1 In order to accommodate these changes into our CRM system, our supplier will need to modify the system which will cost £2,550. These costs can be met from existing budgets.

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.

Customer Complaints and Feedback Policy

Content

1. Overview of the policy
2. Scope of the policy
3. Reporting feedback
4. Complaints – what is a complaint?
5. Complaint process
6. Complaint stages – stage 1 and stage 2
7. Ombudsman information and additional information for Council tenants
8. Anonymous complaints
9. Complaint outcomes
10. Praise
11. Comments and suggestions
12. Publicising the policy
13. Managing Unreasonable Behaviour
14. Review and approval

1.0 Overview

- 1.1 Newark & Sherwood District Council recognises the importance of listening to the views of its residents about the service they receive from us.
- 1.2 One of our values is to be “Welcoming and Responsive”. To achieve this we strive to be approachable, open to feedback and challenge and swift to act. This policy seeks to outline how we will achieve this through customer feedback.
- 1.3 We aim to provide services which are accessible to all residents. If a customer needs additional support or reasonable adjustments to provide their feedback, we will ensure this is provided.
- 1.4 This policy provides us with the opportunity to capture, investigate, respond, and learn from customer feedback to assist with the delivery and shaping of our services in the future.
- 1.5 This policy should be read in conjunction with:
 - Reasonable Adjustments Policy
 - Managing Unacceptable Behaviour Policy
 - Compensation Policy (Housing)

2.0 Scope of the policy

2.1 This policy is designed to cover complaints, praise, comments and suggestions received through any channel related to the services we provide.

2.2 Whilst we welcome all customer feedback, there are some circumstances in which a matter will not be considered as a complaint. Neither does this policy cover issues where there is a separate process for reporting a matter to us or there is a statutory right of appeal. These include:

- Service requests. reporting a missed bin collection or a repair to a Council property
- **an expression of dissatisfaction with services made through a survey**
- complaints regarding formal decisions taken by a committee for which there is an existing right of appeal – either within the Council itself or to an independent tribunal
- any matter where there is an alternative statutory process or appeal process
- complaints about Councillors
- requests for information or explanations of our policies or practices
- the issue giving rise to the complaint occurred over twelve months ago
- legal proceedings have started. This is defined as details of the claim, such as the Claim Form and Particulars of Claim, having been filed at court
- matters that have previously been considered under this policy

2.3 **If we determine that it is not appropriate for a complaint to be escalated through our feedback process, we will advise the complainant of what that process or right of appeal is.**

3.0 Reporting Feedback

3.1 A customer may feel hesitant in submitting feedback, especially if wanting to make a complaint, as they might be concerned in doing so, they could receive poor service or suffer unpleasant consequences of their action. It is important for customers to understand that making a formal complaint will not have a detrimental impact on the level of service we provide.

3.2 Feedback can be made either directly by the complainant or by someone appointed to act on their behalf e.g. a friend, relative or a voluntary agency, providing we have their consent.

3.3 Feedback can be submitted through these contact channels:

- online – via the online form
- email
- to any of our staff including by telephone
- letter
- social media

If a customer submits a complaint via social media, they will be contacted to be advised for the complaint to be progressed via a different method to ensure confidentiality and privacy is maintained.

4.0 Complaints – what is a complaint?

- 4.1 Complaints provide an opportunity for us learn from feedback and gives insight into the drivers of customer satisfaction. We use complaints to review the services we deliver.
- 4.2 A complaint is defined as “an expression of dissatisfaction, however made, about the standard of service, actions, or lack of action by the Council, its own staff, or those acting on its behalf, affecting an individual resident or group of residents”. This is whether the service is provided directly by us or by one of our contractors or partners. You do not need to use the word complaint for it to be treated it as one.
- 4.3 We acknowledge that customers will at times, feel dissatisfied with the service they have received. We are committed to providing all of our customers with a positive experience no matter what the circumstances are. In the first instance, the customer will be encouraged to resolve their issue directly with the staff member or business unit and if applicable a service request will be raised.
- 4.4 A service request is a request from a customer to the Council, requiring action to be taken to put something right e.g. to report a missed bin collection or to carry out a repair. Service requests will be recorded, monitored and reviewed regularly. **They can be defined as a request that the council provides or improves a service, fixes a problem, or reconsiders a decision.**
- 4.5 **If the customer raises dissatisfaction with the response to their service request, or it cannot be resolved in the above manner, or if further enquiries are needed to resolve the matter, or the customer requests it, then the issue will be logged as a formal stage one complaint, even when the handling of the service request is ongoing.**
- 4.6 Each complaint will be considered on its own merit. We will accept a complaint unless there is a valid reason not to do so. There are certain issues which we cannot treat as a complaint and where this is the case, we will let the customer know by setting out the reasons why it is not suitable for the complaints process. These are detailed in section 2.2 above.
- 4.7 If we are your landlord and decide not to accept a complaint, a detailed explanation will be provided to you as the tenant setting out the reasons why the matter is not suitable for the complaints process. If you are not happy with the decision, you have the right to refer your concerns to the Housing Ombudsman.
- 4.8 A complaint can be made either directly by the complainant or by someone appointed to act on their behalf e.g. friend, relative, voluntary agency or other third party/representative, providing the complainant provides the consent for them to act on their behalf.

- 4.9 An expression of dissatisfaction with services made through a survey is not defined as a complaint. Surveys carried out by the Council will include details on how residents can submit a complaint.

5.0 The Complaint Process

- 5.1 We will accept complaints within twelve months of the issue occurring or the complainant becoming aware of the issue unless the complaint is excluded as per the reasons detailed in section 2.2. We will consider whether to apply our discretion to accept complaints made outside this time limit where there are good reasons to do so. If we decide not to accept a complaint, we will provide an explanation setting out the reasons why and provide details of your right to take our decision to the relevant Ombudsman and record all correspondence on our system.
- 5.2 The investigating officer will discuss with the complainant about any reasonable adjustments which are required during the complaint process, including being given the opportunity to have a representative deal with their complaint and to be represented/accompanied at any meeting. Other adjustments may include for decisions or letters to be discussed in person or by telephone prior to being issued, home visits or less telephone contact.
- 5.3 Where a service is provided by a third party on behalf of the Council, they will be expected to follow our Customer Complaint and Feedback Policy.
- 5.4 Complaints will be responded to when the answer/remedy is known, not when the outstanding actions required to address the issue are completed. These actions will be tracked and actioned with appropriate updates to the complainant.
- 5.5 If during the course of an investigation, additional complaints are raised, if they relate to the existing complaint, they should be incorporated into the response. Where matters are unrelated or it would be unreasonable to delay the response further, the issues will be logged as a new complaint.

6.0 Complaint stages

- 6.1 There are two stages to our process.
- 6.2 Stage 1
- Once a complaint has been received by channels mentioned in section 3.3, it will be recorded by a customer services team leader or senior advisor. They will allocate the complaint to the relevant business unit and a senior officer will then, where appropriate, speak to the complainant. This enables them to:
- check their understanding of the issue the complainant wants investigating and confirm it is a complaint which we can investigate
 - understand any reasonable adjustments required and any support needed during the complaint process
 - identify opportunities to resolve the complaint at the earliest opportunity

- manage the customers' expectations and answer any questions about the process
- hear the complainant's view of what has gone wrong and how they say it has affected them
- understand the outcome they are wanting and explain if the desired outcome is unreasonable or realistic

The contact stage between the Council and complainant is valuable. It is a way of finding out whether the complainant needs assistance to pursue the complaint and to agree a way of dealing with and responding to the complaint.

When submitting a complaint, the complainant will receive notification by either an automated email or letter informing them that the senior officer who is investigating their complaint, will contact them within **5 working days**.

Within these **5 working days**, the investigating officer will issue an acknowledgement email or letter which will include the details of the complaint and the outcome requested. This is known as the "complaint definition".

The investigating officer will conduct a thorough investigation of the complaint and provide a response directly to the complainant within **10 working days** from the date the 5 day acknowledgement was issued.

Where it is not possible to provide a full response within this timescale, prior to the 10 day deadline, the investigating officer will contact the complainant and explain why this is the case and advise of an estimated date of response. This extension will not exceed a further **10 working days** without good reason. The reason for the extension will be clearly explained and suitable intervals agreed for updating the complainant.

At this stage, the complainant will be provided with the contact details of the relevant Ombudsman.

6.3 Stage 2

If the complainant is unhappy with the outcome of the stage 1 complaint, they can request it progresses to stage 2.

The stage 2 complaint will be investigated by a director or business manager who was not involved in the stage 1 complaint. The allocation and acknowledgment processes are the same as for a stage 1 complaint. The investigating officer will contact the complainant to ensure that the nature of the stage 2 complaint is understood, any outstanding issues and the desired outcome as well as any reasonable adjustments required. Where this is not possible, the stage 2 investigation will be a review of the stage 1 response.

The investigating officer will conduct a thorough investigation of the complaint including a review of the response provided at stage 1. The response will be issued within **20 working days** from the date the 5 day acknowledgment was issued.

Where it is not possible to provide a full response within this timescale, prior to the deadline, the investigating officer will contact the complainant and explain why this is the case and advise of an estimated date of response. **This extension will not exceed a further 20 working days without good reason. The reason for the extension will be clearly explained and suitable intervals agreed for updating the complainant.**

7.0 Ombudsman information and additional information for Council tenants

- 7.1 If at the end of the stage 2 process, the tenant remains unhappy with the outcome of their complaint, they can refer it to the Housing Ombudsman.

The Housing Ombudsman also welcomes tenants to contact them at any point for additional support and they do not have to complete the Council's full complaints process before doing so.

If the complainant remains dissatisfied – all other complaints.

If after receiving the stage 2 response, the customer is still unhappy with the outcome they can refer it to the Local Government and Social Care Ombudsman.

In most circumstances the Ombudsman will expect the complainant to have followed the Council's complaint process. However it is acknowledged that in some very rare cases, there is nothing to be gained from progressing with both stages. In these situations the Ombudsman may be prepared to consider complaints without both stages being completed.

8.0 Anonymous complaints

- 8.1 **Customers are encouraged to provide their identity when submitting a complaint. Complaints may be made anonymously and will still be treated with the same degree of importance and within the relevant timescales set out in our procedure above. Anonymous complaints may be more difficult to investigate, and therefore in most cases will be recorded as a service request to the appropriate business unit. They will be investigated by the relevant senior officer.**

It is at the discretion of the relevant business manager receiving the anonymous complaint whether to investigate it or not. The business manager will consider the following when make the decision:

- seriousness of the complaint
- credibility of the complaint
- likelihood of confirming the allegation from attributable sources
- whether the allegations have been investigated previously

9.0 Complaint outcomes

- 9.1 The complainant will be informed of the outcome of the investigation of their complaint, including what we have found and how and why we came to that

conclusion. If we find there is a fault in our systems or the way we do things, we will advise of this and explain how we plan to change things to stop it happening again. If we have got something wrong, we will apologise. Where issues have been raised regarding the conduct of officers, we will tell you if we think we have got it wrong but matters relating to any potential disciplinary action will not be divulged as these need to remain confidential. Within the response to your complaint, we will advise you how you can escalate your complaint should you remain dissatisfied.

- 9.2 Complainants should appreciate that not all complaints may be resolved to their satisfaction; however, we will always apologise and try to make things right if we find we are at fault. We will not tolerate abusive or unreasonable behaviour whilst investigating your complaint and ask that our staff are treated with courtesy and respect.

10.0 Praise

- 10.1 Praise is an expression of satisfaction, a compliment, thanks, or congratulations. These provide an additional overview for us to learn from when we have done something well and learn valuable insight into customer satisfaction.

It is appreciated when a customer takes the time to thank or praise us or our staff for when we have done something well.

11.0 Comments and Suggestions

- 11.1 A comment is a general statement about our policies, practices or the service we provide and can be positive or negative. A suggestion is about how we could change what we do.

These are welcomed as valuable sources of information as to how we could improve the service we deliver. It may not always be possible to implement or make changes because of a customer's comment or suggestion, but they are still important as the feedback might influence decisions we make in the future.

12.0 Publicising the Complaints and Feedback Policy

- 12.1 It is important that customers understand that there is a policy. As a minimum it will be publicised:

- on our website
- in our customer facing buildings
- in regular social media campaigns
- in tenant communications e.g. newsletters and rent statements including guidance on how to make a complaint and our complaint process

- 12.2 The details of the Housing Ombudsman and Local Government and Social Care Ombudsman, including links to their Complaint Handling Codes are published on our website.

<https://www.housing-ombudsman.org.uk/>

<http://www.lgo.org.uk/>

13.0 Managing Unreasonable Behaviour

13.1 In a minority of cases, complainants pursue their complaints in a way which is unreasonable. They may behave unacceptably or be unreasonably persistent in their contacts and submission of information. This can impede investigating their complaint (or complaints by others) and can have significant resource issues for us. These actions can occur either while their complaint is being investigated, or once an organisation has finished the complaint investigation.

13.2 A copy of our policy detailing how we manage these customers can be found on our website.

14.0 Review

14.1 The Policy is to be reviewed every two years or in response to changes in relevant legislation and or other Newark & Sherwood District Council policies, procedures, and agreements.

Approval, Consultation and Review Timetable

Document title	Customer Complaints and Feedback Policy		
Version number	DRAFT v.1 – replaces 1 February 2022 policy	Protective marking	Official
Lead Director	Director Customer Services and Organisational Development		
Lead Business Unit	Customer Services		
Lead Contact	Customer Services Business Manager		
Date approved (SLT)	14 May 2024	Date approved (Members)	
Reviews due:	July 2026		
Consultation			
Consultee	Date	Comments received	Material change requested (yes/no)
Involved tenants			
PPIC			

Appendix A: Self-assessment form

This self-assessment form should be completed by the complaints officer and it must be reviewed and approved by the landlord's governing body at least annually.

Once approved, landlords must publish the self-assessment as part of the annual complaints performance and service improvement report on their website. The governing body's response to the report must be published alongside this.

Landlords are required to complete the self-assessment in full and support all statements with evidence, with additional commentary as necessary.

We recognise that there may be a small number of circumstances where landlords are unable to meet the requirements, for example, if they do not have a website. In these circumstances, we expect landlords to deliver the intentions of the Code in an alternative way, for example by publishing information in a public area so that it is easily accessible.

Section 1: Definition of a complaint

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
1.2	A complaint must be defined as: <i>‘an expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the landlord, its own staff, or those acting on its behalf, affecting a resident or group of residents.’</i>	Yes	Defined in the Customer Complaints and Feedback Policy, section 4.1 Customer-Complaints-and-Feedback-Policy-April-2024-(002).pdf (newark-sherwooddc.gov.uk) Also included in complaint response template letters	
1.3	A resident does not have to use the word ‘complaint’ for it to be treated as such. Whenever a resident expresses dissatisfaction landlords must give them the choice to make complaint. A complaint that is submitted via a third party or representative must be handled in line with the landlord’s complaints policy.		Included in the Customer Complaints and Feedback Policy, section 4.1 and 4.3 Customer-Complaints-and-Feedback-Policy-April-2024-(002).pdf (newark-sherwooddc.gov.uk)	We recognise that complaints can be submitted in any format and do not need to include the word “complaint”. The policy clearly defines that third parties can submit a complaint on behalf of someone else, providing we have the persons consent.

1.4	Landlords must recognise the difference between a service request and a complaint. This must be set out in their complaints policy. A service request is a request from a resident to the landlord requiring action to be taken to put something right. Service requests are not complaints, but must be recorded, monitored and reviewed regularly.	Yes	Included in the Customer Complaints and Feedback Policy, section 4.3 and staff complaints handling guidance Customer-Complaints-and-Feedback-Policy-April-2024-(002).pdf (newark-sherwooddc.gov.uk)	Training has been provided to staff on recognising the difference the two and if in doubt, staff are encouraged to seek clarification.
1.5	A complaint must be raised when the resident expresses dissatisfaction with the response to their service request, even if the handling of the service request remains ongoing. Landlords must not stop their efforts to address the service request if the resident complains.	Yes	Included in the Customer Complaints and Feedback Policy, section 4.3 and staff complaints handling guidance Customer-Complaints-and-Feedback-Policy-April-2024-(002).pdf (newark-sherwooddc.gov.uk)	
1.6	An expression of dissatisfaction with services made through a survey is not defined as a complaint, though wherever possible, the person completing the survey should be made aware of how they can pursue a complaint if they wish to. Where landlords ask for wider feedback about their services, they also must provide details of how residents can complain.	Yes	A sentence has been added to our survey template to advise of this. Included in Viewpoint and Star surveys	

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Section 2: Exclusions

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
2.1	Landlords must accept a complaint unless there is a valid reason not to do so. If landlords decide not to accept a complaint, they must be able to evidence their reasoning. Each complaint must be considered on its own merits	Yes	Included in the Customer Complaints and Feedback Policy, sections 2.2, 4.3 and 4.5 and staff complaints handling guidance Customer-Complaints-and-Feedback-Policy-April-2024-(002).pdf (newark-sherwooddc.gov.uk)	The policy clearly defines when we will not accept a complaint and that each complaint will be considered on its own merit.
2.2	A complaints policy must set out the circumstances in which a matter will not be considered as a complaint or escalated, and these circumstances must be fair and reasonable to residents. Acceptable exclusions include: <ul style="list-style-type: none"> The issue giving rise to the complaint occurred over twelve months ago. Legal proceedings have started. This is defined as details of the claim, such as the Claim Form and 	Yes	Included in the Customer Complaints and Feedback Policy, sections 2.2 and 4.5 and staff complaints handling guidance Customer-Complaints-and-Feedback-Policy-April-2024-(002).pdf (newark-sherwooddc.gov.uk)	The policy clearly defines when we will not accept a complaint

	<p>Particulars of Claim, having been filed at court.</p> <ul style="list-style-type: none"> • Matters that have previously been considered under the complaints policy. 			
2.3	<p>Landlords must accept complaints referred to them within 12 months of the issue occurring or the resident becoming aware of the issue, unless they are excluded on other grounds. Landlords must consider whether to apply discretion to accept complaints made outside this time limit where there are good reasons to do so.</p>	Yes	<p>Included in the Customer Complaints and Feedback Policy, sections 2.2 and 5.1 and staff complaints handling guidance</p> <p>Customer-Complaints-and-Feedback-Policy-April-2024-(002).pdf (newark-sherwooddc.gov.uk)</p>	<p>This is defined in the policy and it states that we will use discretion to consider whether to accept a complaint out of this time limit.</p>
2.4	<p>If a landlord decides not to accept a complaint, an explanation must be provided to the resident setting out the reasons why the matter is not suitable for the complaints process and the right to take that decision to the Ombudsman. If the Ombudsman does not agree that the exclusion has been fairly applied, the Ombudsman may tell the landlord to take on the complaint.</p>	Yes	<p>Included in the Customer Complaints and Feedback Policy, sections 2.2 and 5.1 and staff complaints handling guidance</p> <p>Customer-Complaints-and-Feedback-Policy-April-2024-(002).pdf (newark-sherwooddc.gov.uk)</p>	
2.5	<p>Landlords must not take a blanket approach to excluding complaints; they must consider the individual circumstances of each complaint.</p>	Yes	<p>The policy requires all complaints to be dealt on their own individual merit.</p>	

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Section 3: Accessibility and Awareness

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
3.1	Landlords must make it easy for residents to complain by providing different channels through which they can make a complaint. Landlords must consider their duties under the Equality Act 2010 and anticipate the needs and reasonable adjustments of residents who may need to access the complaints process.	Yes	Complaints are accepted through all channels and we will make reasonable adjustments for tenants to submit a complaint and how we respond to them. Reasonable adjustment policy	
3.2	Residents must be able to raise their complaints in any way and with any member of staff. All staff must be aware of the complaints process and be able to pass details of the complaint to the appropriate person within the landlord.		Included in the Customer Complaints and Feedback Policy, section 6.0 and staff complaints handling guidance Customer-Complaints-and-Feedback-Policy-April-2024-(002).pdf (newark-sherwooddc.gov.uk)	We accept complaints through all contact channels
3.3	High volumes of complaints must not be seen as a negative, as they can be indicative of a well-publicised and accessible complaints process. Low complaint volumes are potentially a sign that residents are unable to complain.	Yes	We welcome all feedback Complaint performance is provided to Policy and Performance Improvement Committee and Tenant Engagement Board	We welcome all feedback. We recognise the importance to identify issues in service delivery and welcome the opportunity to learn from them.

3.4	Landlords must make their complaint policy available in a clear and accessible format for all residents. This will detail the two stage process, what will happen at each stage, and the timeframes for responding. The policy must also be published on the landlord's website.		The policy is published on our website. Customer-Complaints-and-Feedback-Policy-April-2024-(002).pdf (newark-sherwooddc.gov.uk) It is included in tenant newsletters and rent statements	
3.5	The policy must explain how the landlord will publicise details of the complaints policy, including information about the Ombudsman and this Code.	Yes	Defined in section 9 of policy Customer-Complaints-and-Feedback-Policy-April-2024-(002).pdf (newark-sherwooddc.gov.uk)	
3.6	Landlords must give residents the opportunity to have a representative deal with their complaint on their behalf, and to be represented or accompanied at any meeting with the landlord.	Yes	Defined in section 6 of policy Customer-Complaints-and-Feedback-Policy-April-2024-(002).pdf (newark-sherwooddc.gov.uk)	
3.7	Landlords must provide residents with information on their right to access the Ombudsman service and how the individual can engage with the Ombudsman about their complaint.	Yes	Published on our website and included in acknowledgment and response template letters Customer feedback Newark & Sherwood District Council (newark-sherwooddc.gov.uk) Promoted in tenant newsletters and rent statements	

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Section 4: Complaint Handling Staff

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
4.1	Landlords must have a person or team assigned to take responsibility for complaint handling, including liaison with the Ombudsman and ensuring complaints are reported to the governing body (or equivalent). This Code will refer to that person or team as the 'complaints officer'. This role may be in addition to other duties.	Yes	Business Manager Customer Services is responsible for complaint handling and is the link officer for the Ombudsman. There is a single point of access for all complaints.	All complaints are managed through a CRM system called Meritec. The customer service team leaders log the complaints and allocate them to the senior officer for action
4.2	The complaints officer must have access to staff at all levels to facilitate the prompt resolution of complaints. They must also have the authority and autonomy to act to resolve disputes promptly and fairly.	Yes	The Complaints Officer has access to all staff and is able to remedy complaints.	
4.3	Landlords are expected to prioritise complaint handling and a culture of learning from complaints. All relevant staff must be suitably trained in the importance of complaint handling. It is important that complaints are seen as a core service and must be resourced to handle complaints effectively	Yes	Complaint investigations staff recognise that the importance of investigating complaints promptly. The CRM automatically produces reminders prior to the complaint due date	All complaint investigation officers have received staff training.

Section 5: The Complaint Handling Process

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
5.1	Landlords must have a single policy in place for dealing with complaints covered by this Code. Residents must not be treated differently if they complain.	Yes	We have one policy	All complaints are dealt with on their individual merit.
5.2	The early and local resolution of issues between landlords and residents is key to effective complaint handling. It is not appropriate to have extra named stages (such as 'stage 0' or 'informal complaint') as this causes unnecessary confusion.	Yes	We also aim for early and local resolution as it provides an effective and efficient outcome for the complainant	There are two stages in our Policy. Officers are encouraged to liaise with complaints to support an early resolution
5.3	A process with more than two stages is not acceptable under any circumstances as this will make the complaint process unduly long and delay access to the Ombudsman.	Yes	There are two stages in our policy Customer feedback Newark & Sherwood District Council (newark-sherwooddc.gov.uk)	
5.4	Where a landlord's complaint response is handled by a third party (e.g. a contractor or independent adjudicator) at any stage, it must form part of the two stage complaints process set out in this Code. Residents must not be	N/a	Our complaints are not handled by a third party	

	expected to go through two complaints processes.			
5.5	Landlords are responsible for ensuring that any third parties handle complaints in line with the Code.	N/a	Our complaints are not handled by a third party	
5.6	When a complaint is logged at Stage 1 or escalated to Stage 2, landlords must set out their understanding of the complaint and the outcomes the resident is seeking. The Code will refer to this as “the complaint definition”. If any aspect of the complaint is unclear, the resident must be asked for clarification.	Yes	Defined in section 5.2 of the policy Customer-Complaints-and-Feedback-Policy-April-2024-(002).pdf (newark-sherwooddc.gov.uk)	Staff investigating a complaint which comes under the jurisdiction of the Housing Ombudsman, contact the complainant at the acknowledgement stage. Included in complaint template letters and staff guidance
5.7	When a complaint is acknowledged at either stage, landlords must be clear which aspects of the complaint they are, and are not, responsible for and clarify any areas where this is not clear.	Yes	Included in guidance and process documents	
5.8	At each stage of the complaints process, complaint handlers must: a. deal with complaints on their merits, act independently, and have an open mind;	Yes	All complaint investigation staff have received training on the complaints process in line with the policy	

	<ul style="list-style-type: none"> b. give the resident a fair chance to set out their position; c. take measures to address any actual or perceived conflict of interest; and d. consider all relevant information and evidence carefully. 			
5.9	Where a response to a complaint will fall outside the timescales set out in this Code, the landlord must agree with the resident suitable intervals for keeping them informed about their complaint.		Included in section 5.2 of the Policy Customer-Complaints-and-Feedback-Policy-April-2024-(002).pdf (newark-sherwooddc.gov.uk)	
5.10	Landlords must make reasonable adjustments for residents where appropriate under the Equality Act 2010. Landlords must keep a record of any reasonable adjustments agreed, as well as a record of any disabilities a resident has disclosed. Any agreed reasonable adjustments must be kept under active review.	Yes	<p>Updated Reasonable Adjustments Policy.</p> <p>Agreed adjustments added to housing management system.</p> <p>Discussed and reviewed with tenants as part of getting to know you visits</p>	
5.11	Landlords must not refuse to escalate a complaint through all stages of the complaints procedure unless it has valid reasons to do so. Landlords must clearly set out these reasons, and they must comply with the provisions set out in section 2 of this Code.	Yes	We would not refuse for a complaint to be escalated through its complaints procedure unless the complaint had been advised that there is a separate process for reporting it or a statutory right of appeal.	

5.12	A full record must be kept of the complaint, and the outcomes at each stage. This must include the original complaint and the date received, all correspondence with the resident, correspondence with other parties, and any relevant supporting documentation such as reports or surveys.	Yes	These are kept within the central CRM system records kept within the Housing Management System.	Included in staff guidance, process and training
5.13	Landlords must have processes in place to ensure a complaint can be remedied at any stage of its complaints process. Landlords must ensure appropriate remedies can be provided at any stage of the complaints process without the need for escalation.	Yes	Our Policy allows for complaints to be dealt with and resolved at any time of the process	
5.14	Landlords must have policies and procedures in place for managing unacceptable behaviour from residents and/or their representatives. Landlords must be able to evidence reasons for putting any restrictions in place and must keep restrictions under regular review.	Yes	Managing Unacceptable Policy	
5.15	Any restrictions placed on contact due to unacceptable behaviour must be proportionate and demonstrate regard for the provisions of the Equality Act 2010.	Yes	Covered in Managing Unacceptable Policy	

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Section 6: Complaints Stages

Stage 1

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
6.1	Landlords must have processes in place to consider which complaints can be responded to as early as possible, and which require further investigation. Landlords must consider factors such as the complexity of the complaint and whether the resident is vulnerable or at risk. Most stage 1 complaints can be resolved promptly, and an explanation, apology or resolution provided to the resident.	Yes	All investigating officers are trained to prioritise and respond to complaints within a timely manner	Staff guidance and processes
6.2	Complaints must be acknowledged, defined and logged at stage 1 of the complaints procedure <u>within five working days of the complaint being received.</u>	Yes	Included in section 5.2 of the Policy Customer-Complaints-and-Feedback-Policy-April-2024-(002).pdf (newark-sherwooddc.gov.uk)	All investigating officers are trained to respond to within this timescale.
6.3	Landlords must issue a full response to stage 1 complaints <u>within 10 working days</u> of the complaint being acknowledged.	Yes	Included in section 5.2 of the Policy Customer-Complaints-and-Feedback-Policy-April-2024-(002).pdf (newark-sherwooddc.gov.uk)	All investigating officers are trained to respond to within this timescale.
6.4	Landlords must decide whether an extension to this timescale is needed	Yes	Included in section 5.2 of the Policy	

	when considering the complexity of the complaint and then inform the resident of the expected timescale for response. Any extension must be no more than 10 working days without good reason, and the reason(s) must be clearly explained to the resident.		Customer-Complaints-and-Feedback-Policy-April-2024-(002).pdf (newark-sherwooddc.gov.uk)	
6.5	When an organisation informs a resident about an extension to these timescales, they must be provided with the contact details of the Ombudsman.	Yes	Included in the Policy Customer-Complaints-and-Feedback-Policy-April-2024-(002).pdf (newark-sherwooddc.gov.uk)	
6.6	A complaint response must be provided to the resident when the answer to the complaint is known, not when the outstanding actions required to address the issue are completed. Outstanding actions must still be tracked and actioned promptly with appropriate updates provided to the resident.	Yes	Included in staff guidance and training	Investigating officers are trained to provide response in a timely manner when the response is known. The Council actively registers and monitors actions regarding complaints.
6.7	Landlords must address all points raised in the complaint definition and provide clear reasons for any decisions, referencing the relevant policy, law and good practice where appropriate.	Yes	Included in staff guidance and training	
6.8	Where residents raise additional complaints during the investigation, these must be incorporated into the stage 1 response if they are related and the stage 1 response has not been	Yes	Included in staff guidance and training Included in the Policy	

	issued. Where the stage 1 response has been issued, the new issues are unrelated to the issues already being investigated or it would unreasonably delay the response, the new issues must be logged as a new complaint.			
6.9	Landlords must confirm the following in writing to the resident at the completion of stage 1 in clear, plain language: <ul style="list-style-type: none"> a. the complaint stage; b. the complaint definition; c. the decision on the complaint; d. the reasons for any decisions made; e. the details of any remedy offered to put things right; f. details of any outstanding actions; and g. details of how to escalate the matter to stage 2 if the individual is not satisfied with the response. 	Yes	The response templates include this	

Stage 2

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
6.10	If all or part of the complaint is not resolved to the resident's satisfaction at stage 1, it must be progressed to stage 2 of the landlord's procedure. Stage 2 is the landlord's final response.	Yes	Included within the Policy and staff guidance	

6.11	Requests for stage 2 must be acknowledged, defined and logged at stage 2 of the complaints procedure within five working days of the escalation request being received.	Yes	Included within the Policy and staff guidance	
6.12	Residents must not be required to explain their reasons for requesting a stage 2 consideration. Landlords are expected to make reasonable efforts to understand why a resident remains unhappy as part of its stage 2 response.	Yes	Included within the Policy	
6.13	The person considering the complaint at stage 2 must not be the same person that considered the complaint at stage 1.	Yes	Included within the Policy	
6.14	Landlords must issue a final response to the stage 2 <u>within 20 working days</u> of the complaint being acknowledged.	Yes	Included within the Policy	New policy is 20 working days
6.15	Landlords must decide whether an extension to this timescale is needed when considering the complexity of the complaint and then inform the resident of the expected timescale for response. Any extension must be no more than 20 working days without good reason, and the reason(s) must be clearly explained to the resident.	Yes	Included within the Policy	Ours is within 10 working days
6.16	When an organisation informs a resident about an extension to these timescales, they must be provided with the contact details of the Ombudsman.	Yes		

6.17	A complaint response must be provided to the resident when the answer to the complaint is known, not when the outstanding actions required to address the issue are completed. Outstanding actions must still be tracked and actioned promptly with appropriate updates provided to the resident.	Yes		Investigating officers are trained to provide response in a timely manner when the response is known. The Council actively registers and monitors actions regarding complaints.
6.18	Landlords must address all points raised in the complaint definition and provide clear reasons for any decisions, referencing the relevant policy, law and good practice where appropriate.	Yes	Included in staff guidance and training	
6.19	Landlords must confirm the following in writing to the resident at the completion of stage 2 in clear, plain language: a. the complaint stage; b. the complaint definition; c. the decision on the complaint; d. the reasons for any decisions made; e. the details of any remedy offered to put things right; f. details of any outstanding actions; and g. details of how to escalate the matter to the Ombudsman Service if the individual remains dissatisfied.	Yes		

6.20	Stage 2 is the landlord's final response and must involve all suitable staff members needed to issue such a response.	Yes	We have a two stage process	
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Section 7: Putting things right

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
7.1	<p>Where something has gone wrong a landlord must acknowledge this and set out the actions it has already taken, or intends to take, to put things right. These can include:</p> <ul style="list-style-type: none"> • Apologising. • Acknowledging where things have gone wrong; • Providing an explanation, assistance or reasons; • Taking action if there has been delay; • Reconsidering or changing a decision; • Amending a record or adding a correction or addendum; • Providing a financial remedy; • Changing policies, procedures or practices. 	Yes	<p>This is covered in the response letter templates.</p> <p>We have a Compensation Policy for our tenants</p> <p>Covered in training for investigating officers</p>	
7.2	Any remedy offered must reflect the impact on the resident as a result of any fault identified.	Yes	This is covered in the response letter templates.	

			We have a Compensation Policy for our tenants which is used to assist with providing a remedy	
7.3	The remedy offer must clearly set out what will happen and by when, in agreement with the resident where appropriate. Any remedy proposed must be followed through to completion.	Yes	<p>This is covered in the response letter templates.</p> <p>We have a Compensation Policy for our tenants which is used to assist with providing a remedy</p>	
7.4	Landlords must take account of the guidance issued by the Ombudsman when deciding on appropriate remedies.	Yes	<p>This is covered in the response letter templates.</p> <p>We have a Compensation Policy for our tenants which is used to assist with providing a remedy.</p>	

Section 8: Putting things right

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
8.1	<p>Landlords must produce an annual complaints performance and service improvement report for scrutiny and challenge, which must include:</p> <ol style="list-style-type: none"> the annual self-assessment against this Code to ensure their complaint handling policy remains in line with its requirements. a qualitative and quantitative analysis of the landlord's complaint handling performance. This must also include a summary of the types of complaints the landlord has refused to accept; any findings of non-compliance with this Code by the Ombudsman; the service improvements made as a result of the learning from complaints; any annual report about the landlord's performance from the Ombudsman; and any other relevant reports or publications produced by the Ombudsman in relation to the work of the landlord. 	Yes	<p>Quarterly Performance reports are reported to our Senior Leadership Team and the relevant committees together with a more in-depth complaints report half yearly.</p> <p>Our annual self-assessment against the Complaint Handling Code and the Annual Ombudsman review letters are reported to the following committees:</p> <ul style="list-style-type: none"> • Policy and Performance Improvement Committee • Audit and Governance • Tenant Engagement Board <p>Housing Ombudsman Spotlight Reports shared with Tenant Engagement Board</p>	

8.2	The annual complaints performance and service improvement report must be reported to the landlord's governing body (or equivalent) and published on the on the section of its website relating to complaints. The governing body's response to the report must be published alongside this.	Yes	This will be reported and published annually	
8.3	Landlords must also carry out a self-assessment following a significant restructure, merger and/or change in procedures.	Yes	This will be carried out by the designated Complaints Manager and Housing Regulatory Compliance Manager The self-assessment will be reviewed annually	
8.4	Landlords may be asked to review and update the self-assessment following an Ombudsman investigation.	Yes	This would happen	
8.5	If a landlord is unable to comply with the Code due to exceptional circumstances, such as a cyber incident, they must inform the Ombudsman, provide information to residents who may be affected, and publish this on their website Landlords must provide a timescale for returning to compliance with the Code.	Yes	This would happen if an incident took place. This would be carried out by the designated Complaints Manager and Housing Regulatory Compliance Manager	

Section 9: Scrutiny & oversight: continuous learning and improvement

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
9.1	Landlords must look beyond the circumstances of the individual complaint and consider whether service improvements can be made as a result of any learning from the complaint.	Yes	Covered in training and staff guidance	
9.2	A positive complaint handling culture is integral to the effectiveness with which landlords resolve disputes. Landlords must use complaints as a source of intelligence to identify issues and introduce positive changes in service delivery.	Yes	Business Managers review all customer feedback mess	
9.3	Accountability and transparency are also integral to a positive complaint handling culture. Landlords must report back on wider learning and improvements from complaints to stakeholders, such as residents' panels, staff and relevant committees.	Yes	Quarterly Performance reports are reported to our Senior Leadership Team and the relevant committees together with a more in-depth complaints report half yearly. Complaints data is discussed at the Housing Directorate Monthly meetings	
9.4	Landlords must appoint a suitably senior lead person as accountable for	Yes	The Director of Customer Services & Org Development has	The designated Complaints Manager and Housing

	their complaint handling. This person must assess any themes or trends to identify potential systemic issues, serious risks, or policies and procedures that require revision.		the overall responsibility for Complaints	Regulatory Compliance Manager will provide the member with the background information
9.5	In addition to this a member of the governing body (or equivalent) must be appointed to have lead responsibility for complaints to support a positive complaint handling culture. This person is referred to as the Member Responsible for Complaints ('the MRC').	Yes	The lead member for complaints is the Chair of the Policy and Performance Improvement Committee	Designated Complaints Manager and Housing Regulatory Compliance Manager will provide the member with the background information
9.6	The MRC will be responsible for ensuring the governing body receives regular information on complaints that provides insight on the landlord's complaint handling performance. This person must have access to suitable information and staff to perform this role and report on their findings.	Yes	<p>Quarterly Performance reports are reported to our Senior Leadership Team and these committees together with a more in-depth complaints report half yearly.</p> <ul style="list-style-type: none"> • Policy and Performance Improvement Committee • Audit and Governance • Tenant Engagement Board <p>Housing Ombudsman Spotlight Reports shared with Tenant Engagement Board</p>	The MRC, the chair of Policy and Performance Committee Portfolio Holder for Resources is responsible for complaints and reporting to Cabin

9.7	<p>As a minimum, the MRC and the governing body (or equivalent) must receive:</p> <ul style="list-style-type: none"> a. regular updates on the volume, categories and outcomes of complaints, alongside complaint handling performance; b. regular reviews of issues and trends arising from complaint handling; c. regular updates on the outcomes of the Ombudsman's investigations and progress made in complying with orders related to severe maladministration findings; and d. annual complaints performance and service improvement report. 		<p>Quarterly Performance reports are reported to our Senior Leadership Team and the relevant committees together with a more in-depth complaints report half yearly.</p> <p>Our annual self-assessment against the Complaint Handling Code and the Annual Ombudsman review letters are reported to the following committees:</p> <ul style="list-style-type: none"> • Policy and Performance Improvement Committee • Audit and Governance • Tenant Engagement Board <p>Results of Ombudsman investigations with the above committees</p>	
9.8	<p>Landlords must have a standard objective in relation to complaint handling for all relevant employees or third parties that reflects the need to:</p> <ul style="list-style-type: none"> a. have a collaborative and co-operative approach towards resolving 	Yes		

	complaints, working with colleagues across teams and departments; b. take collective responsibility for any shortfalls identified through complaints, rather than blaming others; and c. act within the professional standards for engaging with complaints as set by any relevant professional body.			
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Report to: Audit & Governance Committee Meeting 31 July 24

Director or Business Manager Lead: Deborah Johnson, Director of Customer Services & Organisational Development

Lead Officer: Carl Burns, Transformation and Service Improvement Manager
Tracey Allen, Research & Development Officer

Report Summary	
Report Title	Customer Feedback (Complaints, Suggestion & Praise for the period October 2023 – March 2024 (Half 2 - 2023/24)
Purpose of Report	To present the Customer Feedback half year report
Recommendations	Review the Customer Feedback Report attached at appendix 1: Consider the report's content, identifying areas of good practice and areas for improvement
Reason for Recommendation	To enable members to monitor and review the council's customer feedback, ensuring performance development and staff recognition as appropriate.

1.0 Background

- 1.1 The Council acknowledges the significance of listening to residents' views regarding the services they receive. Our customer feedback policy facilitates the capture, investigation, response, and learning from customer feedback, contributing to the improvement and development of Council services in the future.
- 1.2 Significant efforts have been made in the past year concerning complaints, policy, procedures, and training. Staff members responsible for handling complaints have undergone comprehensive training, covering complaint responses, our policy, and the role of the Ombudsman.
- 1.3 This report details the feedback received over the second half of 2023/24 and will be presented on a half yearly basis

2.0 Proposal/Options Considered

- 2.1 That PPIC review the Customer Feedback Report and provide comment.

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

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

OCTOBER - MARCH
2023/2024



NEWARK &
SHERWOOD
DISTRICT COUNCIL

CUSTOMER FEEDBACK

(COMPLAINTS, SUGGESTIONS
AND PRAISE)

Director Lead:

Deborah Johnson, Director of
Customer Services and
Organisational Development

Lead Officers:

Carl Burns, Transformation and Service
Improvement Manager

Tracey Allen, Research & Development Officer

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CUSTOMER FEEDBACK ANALYSIS

October 2023 – March 2024

Director Lead: Deborah Johnson, Director of Customer Services and Organisational Development

Lead Officers: Carl Burns, Transformation and Service Improvement Manager, Tracey Allen, Research & Development Officer, performance.team@newark-sherwooddc.gov.uk,

Our Customer Feedback Policy has been formally adopted and agreed and is designed to cover the requirement of both the Local Government & Social Care Ombudsman and the Housing Ombudsman. We are bound by the requirements both Ombudsmen set out which are clear about the expectations on us in how we deal with complaints.

One of the key things that both Ombudsmen expect that we report on and use all the feedback from customers, especially complaints, to improve our services.

This report is shared with:

- Senior Leadership Team and Business Managers
- Member Champion for complaints
- Housing Assurance Board
- Policy and Performance Improvement Committee
- Audit and Governance Committee

Contents

1. Context
2. Overview of Feedback
3. Complaints – stage 1
 - 3.1 Number of complaints received
 - 3.2 Complaints by Business Unit
 - 3.3 Complaints by category
 - 3.4 Processing times
 - 3.5 Outcomes of complaints by delivery teams
 - 3.6 What we learned – examples
4. Complaints – Stage 2
5. Ombudsman complaints
6. Suggestions
7. Compliments (Praise)
8. Putting it Right

1. Context

The Council recognises the importance of listening to the views of its residents about the services they receive from us. Our customer feedback policy provides the opportunity to capture, investigate, respond, and learn from customer feedback to assist with the delivery and shaping of Council services in the future.

This involves two stages, with a response to the complaint provided by the relevant service at Stage 1. If the complainant remains unsatisfied, they can request the complaint is reviewed by a more senior officer, this is then a stage 2 complaint. Following this, the complainant is able to request a review by the relevant Ombudsman if they remain dissatisfied.

Fig 1



Both positive and negative feedback is important to us as it provides us with customer opinion, it allows us to recognise what areas need improvement and provides opportunity for us to learn. It can act as an early warning of problems that may otherwise stay unseen until they become a larger problem, which can then take up significant resource and time to remedy. Feedback helps us find the root cause of problems and to recognise where specific systems or processes aren't working as they should, it enables us to create meaningful and effective changes in policies, procedures, or the training of staff.

Considerable work has been undertaken in the last year around complaints, policy, procedure, and training etc. Staff who respond to complaints have undertaken comprehensive training which included how to respond to complaints, our policy, and the role of the Ombudsman. A complaints toolkit has been developed for staff which includes guidance in how to carry out an investigation and how to respond to a complaint. To support this, we have created complaint response templates which aid consistency in the responses.

If a complainant has been through both stages of our complaints procedure and is still unhappy, they can ask the Local Government and Social Care Ombudsman, or if the complaint is regarding a housing tenancy, the Housing Ombudsman, to review their complaint. Tenants can contact the Housing Ombudsman at any point for additional support, and do not have to complete our full complaints process before they do so.

The Housing Ombudsman (HO) and Local Government and Social Care Ombudsman (LGSCO) recently carried out individual consultations on their joint complaint handling code proposals, with the aim of having one joint code, setting out standard for complaint handling across the local government and social housing sector. Unfortunately, They have concluded that it isn't possible at this time to do this.

The LGSCO have issued their Code as "advice and guidance" and intend to start considering the Code as part of their process from April 2026. Councils are encouraged to adopt the Code as soon as they are able to do so.

[LGSCO Complaint Handling Code - February 2024](#)

Previously, landlords had to complete a self-assessment against the Code and publish it on their websites. There is now a requirement for landlords to submit their self-assessment annually to the HO. The timing of the annual submission to the HO aligned with the Regulator of Social Housing's requirements for the publication and submission of Tenant Satisfaction Measures (TSM). Ours were submitted by the deadline of 30 June 2024.

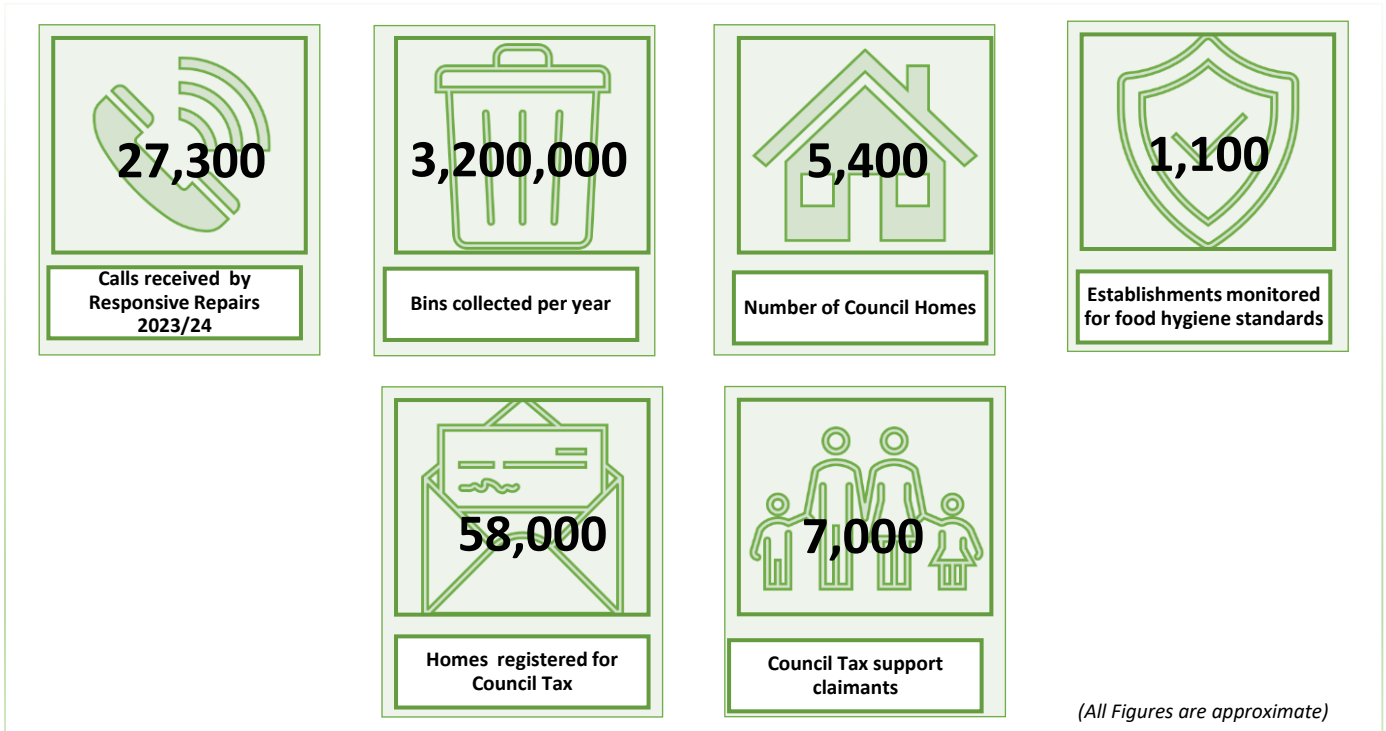
In addition to this half yearly report, the Housing, Health & Wellbeing Directorate also produce a quarterly complaints and satisfaction report which covers tenant and housing-related aspects. It includes information on:

- Complaints performance: Tracking the number of complaints received, response times, and types of complaints.
- Satisfaction: Measuring tenant satisfaction with housing services.

Our Responsibilities

The Council delivers services, across various areas, and feedback is received for all these services. Some data to provide context can be found in fig 2 below:

Fig 2



2. Overview of feedback

Table 1 illustrates the total feedback received during the second half of 2023-24. For consistency in reporting, this includes all feedback received during the period 1 October 2023 – 31 March 2024 (Half 2) as follows:

- Stage 1 Complaints
- Stage 2 complaints
- Suggestions
- Compliments

Table 1

Stage 1 Complaints	Stage 2 Complaints	Suggestions	Compliments (Praise)
229	19	13	77

All figures shown include complaints withdrawn complaints unless stated otherwise. These tend to be enquiries which are submitted as complaints but upon investigation, are found to be service requests. The customer is contacted and if they agree with this approach then the complaint is withdrawn and treated as a service request.

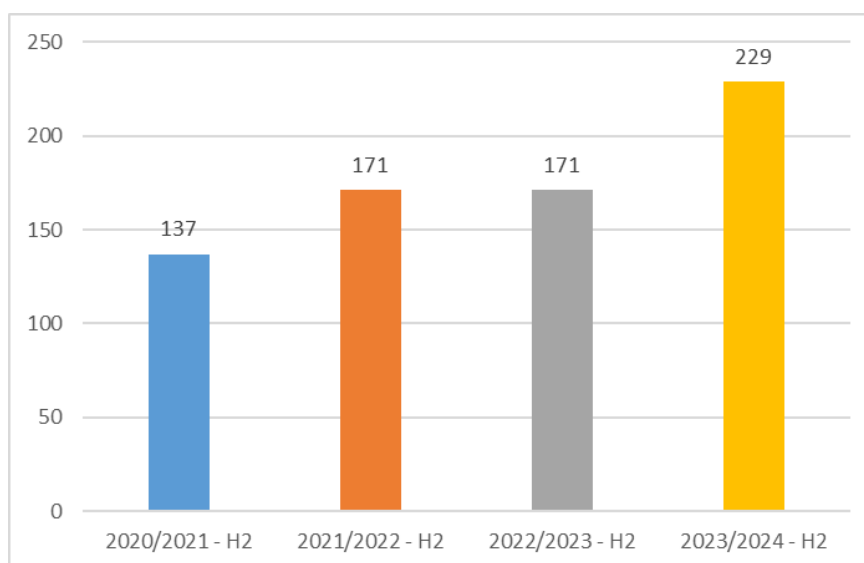
3. Complaints – Stage 1

It is important for us to use many different methods to engage and consult with people, so as to receive as broad and representative response as possible. Complaints are a valuable source of information that help the Council identify areas for improvement and offer insight into where it is delivering a good service.

3.1. Number of Complaints received

Over the past year, we have engaged in various initiatives related to handling complaints. These efforts include consulting on our customer promise, promoting our customer strategy, and providing staff training on complaint resolution. The increase in complaint numbers during the second half of 2023/24—up by 25% compared to the same period in 2022/23 (Chart 1)—indicates that customers are more aware and feel empowered to voice their concerns.

Chart 1

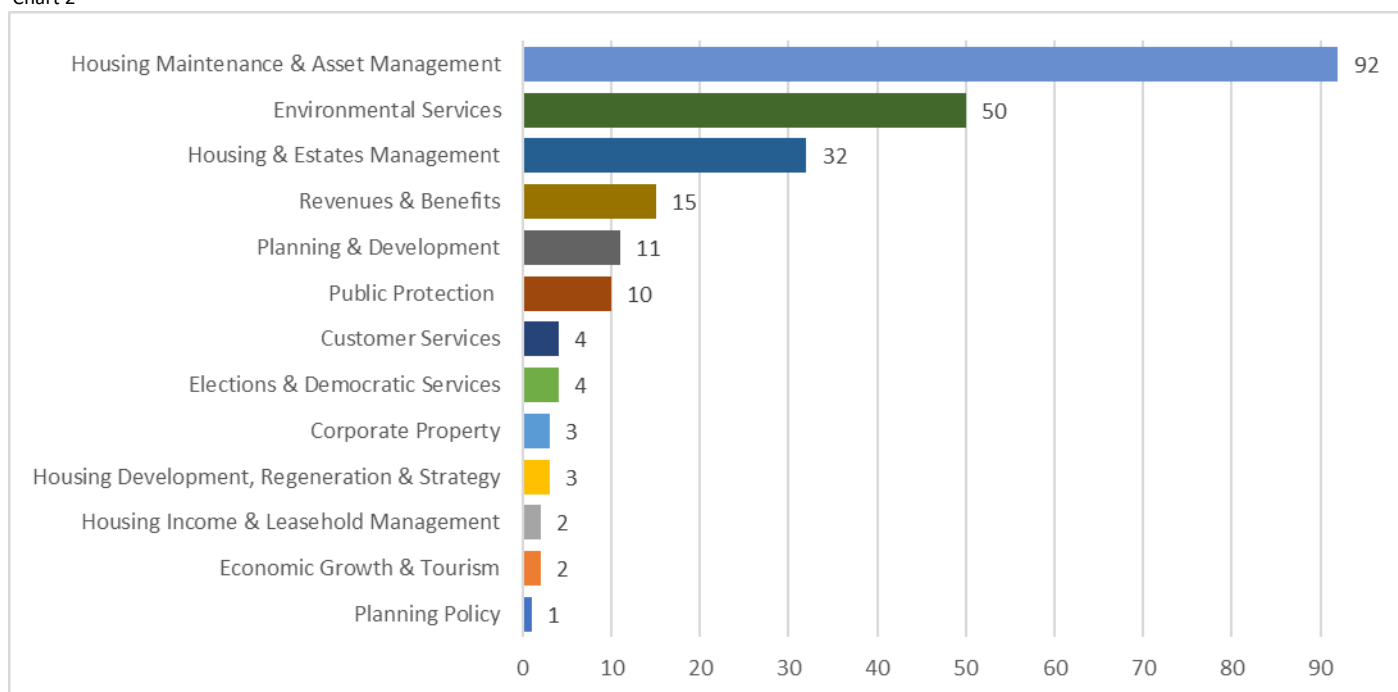


3.2. Complaints by Business Unit

The largest proportion of complaints received in the period (Chart 2) were for the front facing services with:

- Housing Maintenance & Asset Management receiving 40% of all reported issues.
- Environmental Services received 22%
- Housing & Estates Management 14%
- Revenues & Benefits 7%
- Planning & Development 5%
- The following Business units also received complaints during the period which, together, accounted for approximately 12% of the total received:
 - Public Protection
 - Customer Services
 - Elections & Democratic Services
 - Corporate Property
 - Housing Development, Regeneration & Strategy
 - Housing Income & Leaseholder Management
 - Economic Growth & Tourism
 - Planning Policy

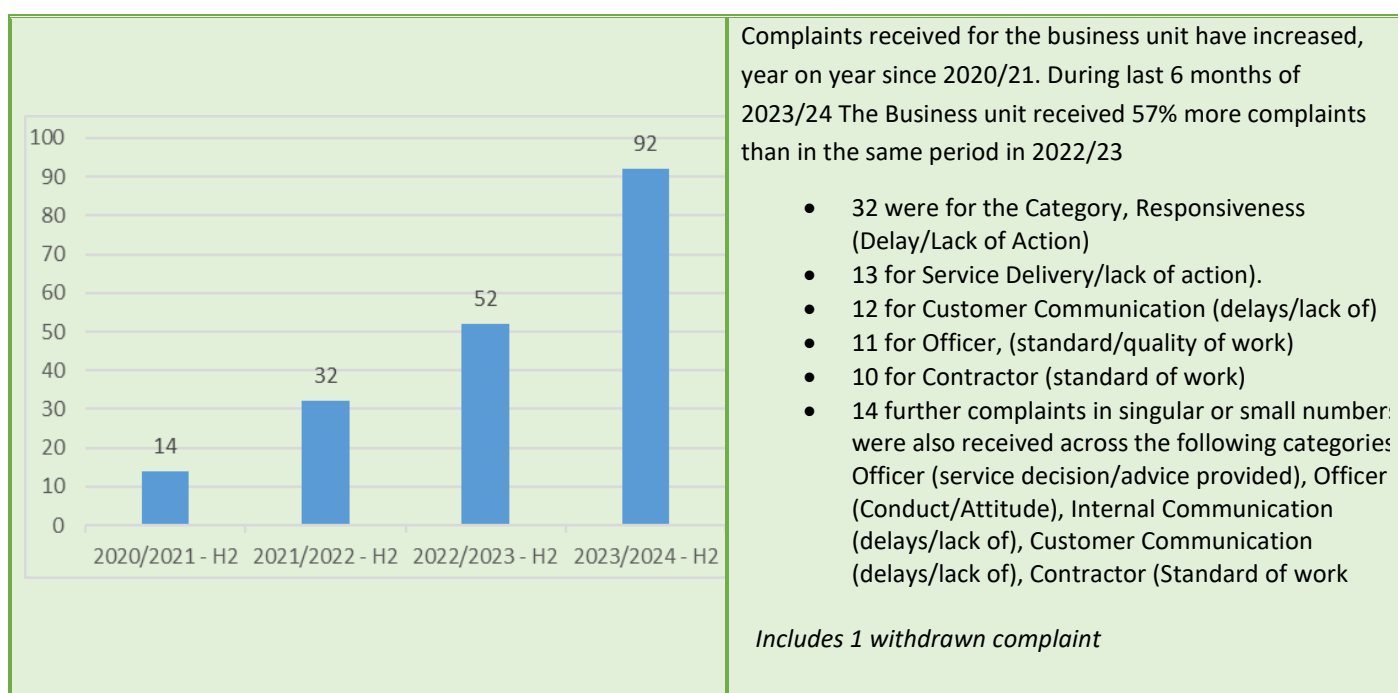
Chart 2



All Figures shown include complaints withdrawn. This provides a more accurate measure of demand

3.2a Housing Maintenance & Asset Management – 92 complaints received

Chart 3



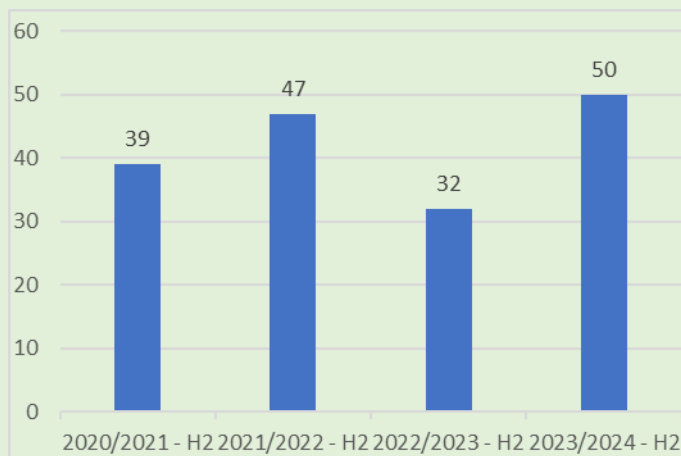
3.2b Environmental Services – 50 complaints received

Chart 4

The Business unit has received 32% more complaints than in the same period in 2022/23. A breakdown of complaints received are as follows:

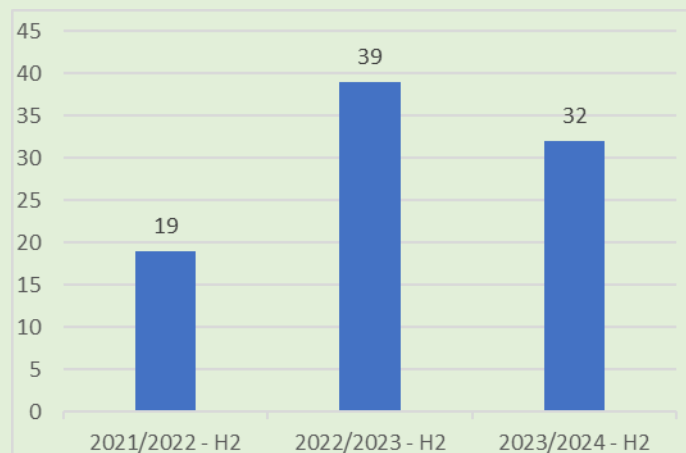
- 19 Service delivery, (missed action)
- 16 Officer (Conduct/Attitude)
- 5 Responsiveness Delay/ lack of action
- 10 further complaints in singular or small numbers were also received across the following categories: Officer (service decision/advice provided Customer Communication (delays/lack of), Officer (standard/quality of work), Contractor (Standard of work), Service delivery (delay) and, Internal Communication (delays/lack of)
- Of the 4 Delivery teams within the Business Unit, the majority of complaints (36) were for the Waste & Transport, Team and Street Scene/Grounds Maintenance (10), Environmental Services and Waste Development each received 2 complaints.

Includes 1 withdrawn complaint



3. 2c Housing & Estates Management – 32 Complaints received

Chart 5



Complaints have fluctuated in numbers across the previous years for Housing & Estates Management. They have decreased by 22% when compared to the same period in 2022/23.

The categories which received the most complaints were as follows:

- 10 for Officer conduct/attitude
- 11 for Officer service decision/advice provided
- 6 for Customer communication (delays/lack of)
- 5 further complaints in singular or small numbers were for the categories: Officer (Standard/quality of work), Service delivery (lack of action) and, Other dissatisfaction (general)

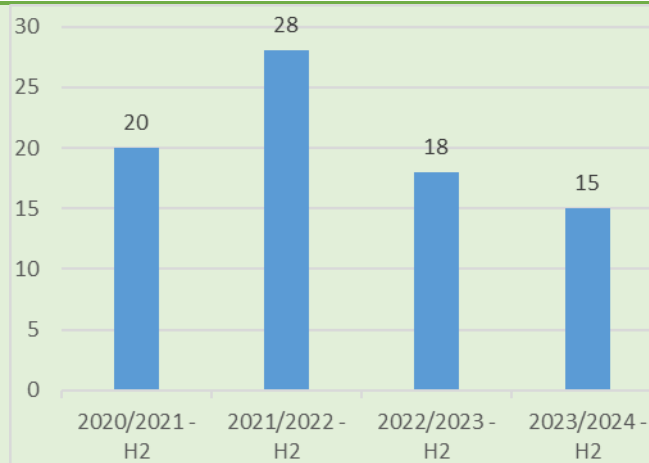
Includes 6 withdrawn complaints

3.2d Revenues & Benefits – 15 Complaints received

Chart 6

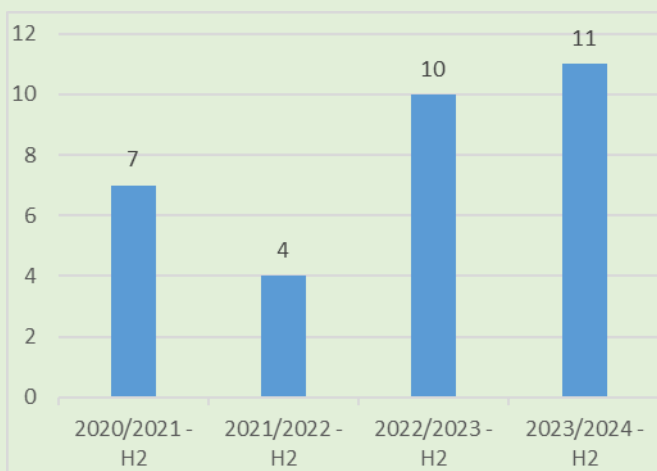
Complaints received for the period has fallen overall for the past 2 years with a 17% reduction against the same period in 2022/23. The categories which received the most complaints were as follows:

- 10 for Officer (Service decision/advice provided) of which 9 complaints were for the Revenues Team and 1 for Benefits
- 5 for Customer communication (delays/lack of), of which 4 were for Revenues and 1 for Benefits



3.2e Planning & Development – 11 complaints received

Chart 7



Generally, complaints for the Business Unit have risen over the 4-year monitoring period with a small increase of just 1 complaint in this period when compared to 2022/23. The categories which received the most complaints were as follows:

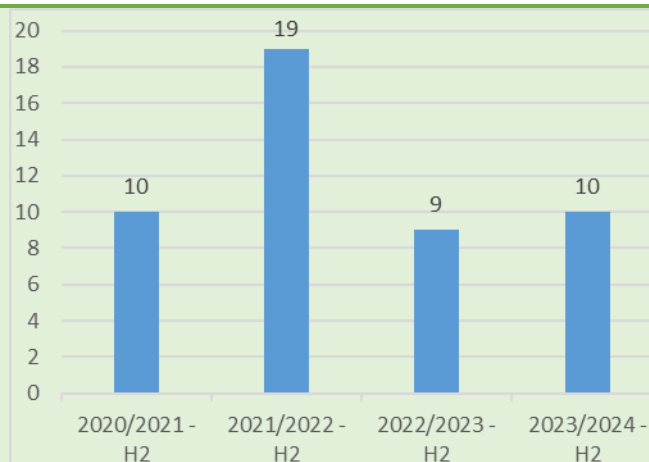
- 6 for Officer (Service decision/advice provided)
- 5 further complaints in singular or small numbers were for the categories: Customer communication (delay/lack of), Responsiveness (delay/lack of), Officer (Conduct/Attitude), and Other dissatisfaction (general)
- Where a customer is unhappy with a planning decision, there is a separate planning appeals process, and they are not included here within complaints.

3.2f Public Protection – 10 complaints received

Chart 8

Complaints have reduced for the Business Unit between 2021/22 and 2022/23. This period there was an increase of just 1 complaint (10%). The categories which received the most complaints were as follows:

- 5 for Responsiveness (delay/lack of),
- 3 for Customer communication (delay/lack of)
- 1 each for Officer (Conduct/Attitude), and Other dissatisfaction (general)



3.3 Complaints by Category

This period, Responsiveness (delay/lack of action) was the category most mentioned with 19.7% of all complaints received. Officer Service decision/advice provided received 17.0%. Customer Communication (delays/lack of) accounted for 16.2% and, Officer (Conduct/Attitude) received 15.7%

Table 2

Category	Complaints Received
Responsiveness (delay/lack of action)	45
Officer (service decision/advice provided)	39
Customer Communication (delays/lack of)	37
Officer (Conduct/Attitude)	36
Service delivery (missed action)	19
Officer (standard/quality of work)	15
Service delivery (lack of action)	14
Contractor (Standard of work)	12
Other dissatisfaction (general)	8
Service delivery (delay)	2
Internal Communication (delays/lack of)	2
Grand Total	229

3.4 Complaint Processing Times

To ensure compliance with the Housing Ombudsman's complaint handling code, it is necessary for our policy to include specific timescales for responding to complaints. We are therefore revising our response timescales to align with those stipulated by the Ombudsman

- Stage 1 - acknowledge the complaint within 5 working days of the request being received and provide a full response within 10 working days
- Stage 2 -acknowledge the complaint within 5 working days of the escalation request being received and provide a full response within 20 working days.

It is important that we take complaints seriously. Defined response timescales support this and provide reassurance to customers that we will promptly investigate their complaint and provide a speedy response. Complaint officers must investigate and respond to a complaint as soon as possible and not wait until the timescales are up.

There will be occasions where the timescales need to be extended e.g. a complex complaint. The complainant will be kept updated.

Table 3 below details the number of complaints which haven't met our statutory deadlines. The complaints which have not made the deadline in the period are being investigated to understand why. Occasionally, to ensure that officers can provide a thorough and detailed response, it may be required to extend the response deadline. We are actively addressing the reasons that led to the response delays for these complaints, with the aim of avoiding such delays in the future.

Table 3

Period	Met Deadline	Missed Deadline	Total completed	% on Target
October 2022 – March 2023	150	12	162	93%
October 2023 – March 2024	195	20	218*	91%
<i>*11 Withdrawn are excluded from calculations</i>				

*Out of the 218 completed complaints, 20 missed their 10-working-day deadline. This represents a 2% decline compared to the 2022/23 figure of 93%. The late responses by delivery team are detailed in Table 4.

Table 4

Delivery Team	Overdue Responses
Waste & Transport	5
Housing Maintenance & Asset Management	4
Council Tax	2
Street Scene/Grounds Maintenance	2
Planning Development	1
Corporate Property & Car Parks	2
Public Protection/CCTV/ASB	1
Democratic services	1
Economic Growth	1
Housing & Estate Management BM	1

3.5 Outcome of Complaints by Delivery Team

- Once the officer responsible for responding to a complaint has undertaken the appropriate investigation they will determine if the complaint was fully upheld, partially upheld, or not upheld. In writing the response they clearly state the outcome and record this within the ESB system.
- Often complaints contain more than 1 issue, complaints partially upheld include some elements of the complaints, but not all.
- Complaints that haven't been decided may be addressed after the reporting period and will be included in future reports once their decision process is complete.

Table 5 shows the decision status of the Stage 1 complaints received in the period

Table 5

Period	Complaints Upheld	Complaints Partially Upheld	Complaints not Upheld
2021/22	42	45	70
2022/23	47	39	74
2023/24	78	59	59
**Figures exclude withdrawn, suspended or incomplete cases			

3.6 What have we learned?

Analysis of customer feedback enables us to identify and tackle specific issues:

Table 6

Housing Maintenance & Asset Management	
Area of concern	Action taken to improve
Scaffolding encroaching on neighbouring property	Contractor process with regards to customer engagement has been reviewed and implemented. The process includes contacting neighbouring properties when scaffold is erected.
Repairs timescales - leaking roof, damp, and mould	The flat roof has had a temporary repair that has not worked. Review of timescales for flat roof replacements to be completed if temporary repair has been unsuccessful.
Lack of communication over central heating repair	We have revised the process to take into account the increased number of repairs during the winter months. after a trial period the process will be altered if successful.

Table 7

Public Protection	
Area of concern	Action taken to improve
Noise nuisance	There were delays formalising an approach under the Environmental Protection Act 1990, spending too much time carrying out informal approached under the Licensing Act 2003. We have already instigated changes so that the Environmental Protection Team lead on any complaint from a Pub/Club, with the Licensing Team assisting.

Table 8

Planning Development	
Area of concern	Action taken to improve
Lack of communication regarding TPO planting request	Ongoing review of such requests now part of case officer weekly 1:1 reviews. Additionally, officers now has letter template to assist with such requests.

Table 9

Revenues & Benefits	
Area of concern	Action taken to improve
Council tax charges relating to empty property	The empty property premium council tax charges are now more prominently displayed on the council tax web pages

4. Complaints - Stage 2

It is important to pay particular attention to Stage 2 complaints, this is where a customer remains unsatisfied with the response that they have received at Stage 1. What can we learn from this both in terms of direct service delivery and the approach to the initial response.

There were 19 complaints escalated to stage 2 during this period and 2 complaints answered in this period; these are detailed below in table 10.

Table 10

Team	Nature of complaint	Category	Outcome at Stage 1	Reason not resolved at Stage 1	Outcome at Stage 2	Lessons learned
Council Tax	Having moved into a property and informed the council wishes to complain on receiving a bill for the caravan parked on his drive.	Council process	Not upheld	Customer dissatisfied with response and now seeking compensation.	Not upheld	Previous lessons learnt from original complaint regarding the more prominent publication of empty property premium on our council tax web pages.
Council Tax	Customer was told and twice issued bills at zero charge as the flood relief had been applied, and then was issued with a bill that applied a charge.	Council process	Partially upheld	Customer dissatisfied with answer	Upheld	The issuing of the zero charge was an error. Staff reminded of flood grant exemption procedure.
Debtors team	Council tax debt	Council process	Partially upheld	Customer not satisfied with the original answer. Wanted debt writing off and wanted to push for this again	Not upheld	Further training given on checking all debt when looking to set up payment plans.
Environmental health	Noise complaint delay in action being taken	Council process	Not upheld	Customer dissatisfied with response and now seeking compensation for the delays and moving costs	Partially upheld	There were delays formalising an approach under the Environmental Protection Act 1990, Operational changes have already been made to ensure an improved service for the future.

Team	Nature of complaint	Category	Outcome at Stage 1	Reason not resolved at Stage 1	Outcome at Stage 2	Lessons learned
Housing Assets	Time taken to undertake repairs - damp and mould.	Service failure	Upheld	That promised actions in stage 1 response had not been fully completed	Upheld	New policy and procedure will ensure issues will be escalated in a timely manner.
Housing Assets	Wants a drive installing at their property, linked to parking issues.	Council process	Partially upheld	Customer dissatisfied that their property will not get a driveway.	Not upheld	Introduction of a clear process which includes liaison with VIA and a community impact assessment which mean tenants can see what is achievable and the impact a parking scheme would have.
Housing Assets	The customer stated they felt discriminated against as a driveway was not installed at their bungalow and that an officer had not been honest regarding the parking scheme.	Council process and conduct of officers	Partially upheld	Customer dissatisfied with stage 1 response which did not fully address their concerns.	Not upheld	A clear process is now in place on the consultation and other factors to consider when dealing with parking issues.
Housing Assets	Damp causing issues in their home, water ingress via the back door, broken guttering.	Council process and contractor quality of work	Upheld	The stage 1 response clearly stated the repairs were needed and that they should be escalated and completed promptly. This had not been carried out and no further contact had been made with the tenant.	Upheld	There were issues with both the quality and speed of works. Reminder to staff of the importance of completing repairs correctly and escalating accordingly. Greater oversight of this area now in place.
Housing Assets	Work to level a floor was defective, leaving an uneven surface, different levels between rooms, and the inability to fit new flooring as the front door would not skim over it.	Quality of service (repair)	Upheld	The repair was undertaken but was again of poor quality, meaning a floor covering could still not be fitted.	Upheld	There was a delay in completing the works. Poor workmanship will be addressed by the supervisor.

Team	Nature of complaint	Category	Outcome at Stage 1	Reason not resolved at Stage 1	Outcome at Stage 2	Lessons learned
Housing Assets	The door entry/intercom system is not working and needs repair and the missing inspection cover needs replacing. This has been reported but work has not been done.	Delay in service (repair)	Upheld	4 weeks after stage 1 response repairs have not been undertaken	Partially Upheld	There were delays with a repair due to the new intercom system being set up. Improved information now on Capita. Officers reminded that dates for completion of repairs to be included in stage 1 responses.
Housing Assets	Customer reported bathroom has leaked a number of times over the last few months and it has been replaced but is still leaking which has caused damage and damp and mould.	Delay in service & quality of works (repair)	Partially upheld	A further attempt at repair had taken place, but the leak continued.	Partially upheld	A number of visits had taken place before the leak was actually detected and the issue not diagnosed correctly.
Housing Options	Damp and mould in the property	Service failure	Upheld	Customer dissatisfied with response	Upheld	An officer was not dispatched quickly enough to assess the property which caused the tenant to complain. The incoming Damp and Mould Policy (now in place) will ensure quicker attendance and manage tenants' expectations.
Planning Development	GRT planning application for Barnby in the willows.	Council process	Not upheld	Customer dissatisfied and seeking further clarity	Not upheld	None - cannot determine anything that could be changed or improved following this complaint
Planning Development	Planning applicant unhappy that during the standard consultation process a comment on the application was published which he found offensive.	Council process	Not upheld	Customer dissatisfied with stage 1 response	Not upheld	The comment highlighted was not found to be inappropriate. No action required.
Planning Development	Information from planning service was contradictory and unhelpful and that the application was dealt with unfairly.	Council process	Not upheld	Customer dissatisfied with response	Partially upheld	Staff to be advised to be clearer in communications around the need to agree extensions of times and the statutory deadlines for applications.

Team	Nature of complaint	Category	Outcome at Stage 1	Reason not resolved at Stage 1	Outcome at Stage 2	Lessons learned
Planning Policy	CIL land charges not applied correctly and the length of time it has taken for a response from the council on the CIL land charges.	Lack of response, council process	Not upheld	Customer dissatisfied with response	Not upheld	This was a complex matter for which the council sought legal opinion before being able to reply, an extension to the timeline for response was communicated to the customer.
Public Protection - ASB	A number of ASB incidents reported in relation to the area in which the customer resides. The customer felt the response was blunt and unsympathetic.	Officer conduct	Partially upheld	Customer dissatisfied with response	Not upheld	The original response to the enquiry was factually accurate, the issues reported by the customer were police matters rather than things the council could deal with. An empathetic template of response will be devised for responses where the customer will be directed to contact the police.
Supported Housing	Tenant complaints relating to behaviour of a fellow tenant.	Behaviour of other persons	Partially upheld	Customer dissatisfied with response	Not upheld	None – all appropriate action in relation to the complaint was undertaken
Tenancy Support	Tenant felt unsupported and discriminated against	Staff conduct	Not upheld	Customer dissatisfied with stage 1 response	Not upheld	None - The tenant had received considerable support and the Police had dealt with the criminal behaviour of a neighbour, resulting in a prosecution.
Tenancy Support	Customer alleges officer has been unsupportive and had behaved inappropriately.	Staff conduct	Not upheld	Customer dissatisfied with response.	Not upheld	No specific improvements identified.
Waste and Recycling	Customer reported repeated missed bin over the last 6 months and taking up to 2 weeks to collect the bin when reported as missed.	Service failure	Partially upheld	Customer dissatisfied with response.	Upheld	A new procedure put in place for operations relating to this difficult to locate property. All staff spoken to, and clear expectations set out.

5. Ombudsman Complaints

Each Ombudsman produces Annual Review Letters detailing how many complaints they have received for individual councils and how many decisions they have made. These are reported to the Audit and Governance Committee. Table 11 below summarises the number of complaints received by the LGSCO for the previous three years. Figures for 2023/24 are expected to be published in July 2024 and reported in the 2024/25 (Half 1) Customer Feedback report.

Table 11

Year	Decided by the LGSCO	Number Upheld
April 2022 – March 2023	9	0
April 2021 – March 2022	12	0
April 2020 - March 2021	11	1

None of the complaints decided were upheld the by LGSCO throughout 2021 - 2023. This is testament to the detailed responses to the complaints submitted to the Council. During the 2020/21 period, one complaint was upheld. This case related to the conduct of a Parish Councillor. Following the Ombudsman's recommendation, the complaint was re-evaluated, and ultimately, a resolution was reached.

The received and decided figures are different due to several reasons including:

- The complaint may have been received during 2022 - 2023 but a decision will be made in 2023 - 2024 (or even later) and therefore the complaint will show in a later year's report.
- The complaint did not relate to a service providing by us e.g., highways.
- The complaint was classed as premature

The Local Government and social care ombudsman have published two good practice guides aimed at helping authorities to get things right before cases are escalated:

- Appendix 1. [Section 117 Aftercare guidance \(lgo.org.uk\)](https://lgo.org.uk/section-117-aftercare-guidance)
- Appendix 2. [Guidance for practitioners: Deprivation of Capital \(lgo.org.uk\)](https://lgo.org.uk/guidance-for-practitioners-deprivation-of-capital)

The Housing Ombudsman outcomes for the past 3 years are shown in Table 12. Figures for 2023/24 are expected to be published in November 2024 and reported in the 2024/25 (Half 2) Customer Feedback report

Table 12

Year	Decided by the HO	Number Upheld
April 2022 – March 2023	1	0
April 2021 – March 2022	1	0
April 2020 - March 2021	1	0

6. Suggestions

In the period, 13 suggestions were received. (Table 13) of which 7 were subsequently withdrawn.

Table 13

Suggestion	Passed to	Outcome
Most cities or towns would promote the archaeological find near the Southern link road. Is it possible that the council could either show this find through a museum or at a shop not currently used. It might well attract visitors	Heritage, Culture & Visitors	Archaeological works are currently underway on the construction site for the new Southern link road This has revealed archaeological remains, which portray the occupation of parts of the site over around 10 thousand years. Response to suggestion from Senior Conservation officer: This is both a good idea and essential in the important cultural heritage of Newark. The challenge is where to display and for how long. Suggestions have been shared with the relevant colleagues.
How about having a litter action group with volunteers looking after roads near where they live. I appreciate council employees do a good job and this is just additional support with local residents taking more control over their area.	Health & Community Development	We currently have 20 residents on a new scheme, and we are running a soft launch to make sure the collection system works. We have well over 60 additional individual volunteers across the district on our system. Including 10 Duke of Edinburgh Students, and over 30 groups who are regularly picking. The gentleman has now been added to our Green Champions group across the district
Suggestion regarding preservation of Town Centre ethos and ensuring all storefront designs blend with the historical charm of the towns heritage	Planning Development I BM	The Planning Enforcement and Conservation team will review the suggestion raised in relation to the shops in Newark. If there is a breach of planning control and it is expedient to take action, this will be progressed.
Difficulty using online forms - Suggestions to improve online forms to enable accessibility	Communications BM	The Portal referred to is externally managed, the comments and suggestions have been forwarded to review how to make the user experience better.
Potential suggestion of NSDC offering water butts free to households, to encourage the collection of rainwater.	Transformation	Environmental team to explore options to establish feasibility of this idea
Suggestion for signage outside schools stating "Switch engines off" to discourage parents from leaving their engines running whilst waiting for children at school. Many residents in the area suffer from health problems.	Public Protection	We are currently developing an anti-idling campaign that will include such signs and wider school and parent engagement to try to reduce this issue. However, in the interim our Community Protection Officer will attend the location and undertake interim discussions with the school and parents at pick up time.

7. Compliments (Praise)

Compliments can help us identify what our customers' value and highlight good practice. This includes compliments to the Council by a customer relating to the quality of service provided by individual staff members or service teams. On a few occasions, customer have submitted a compliment instead of a complaint, to prevent confusion we have amended the wording to Praise

Table 14

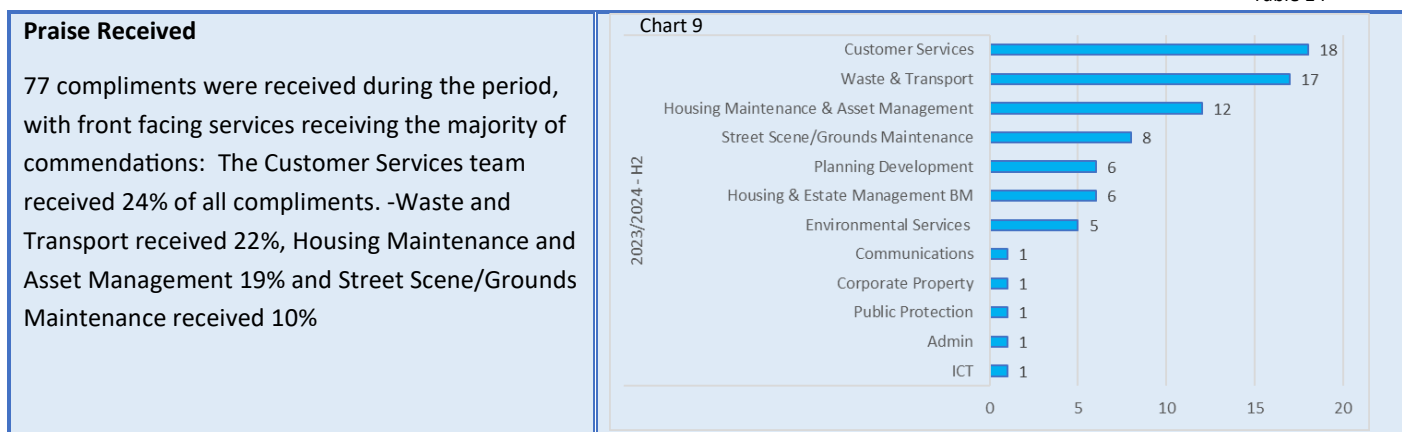
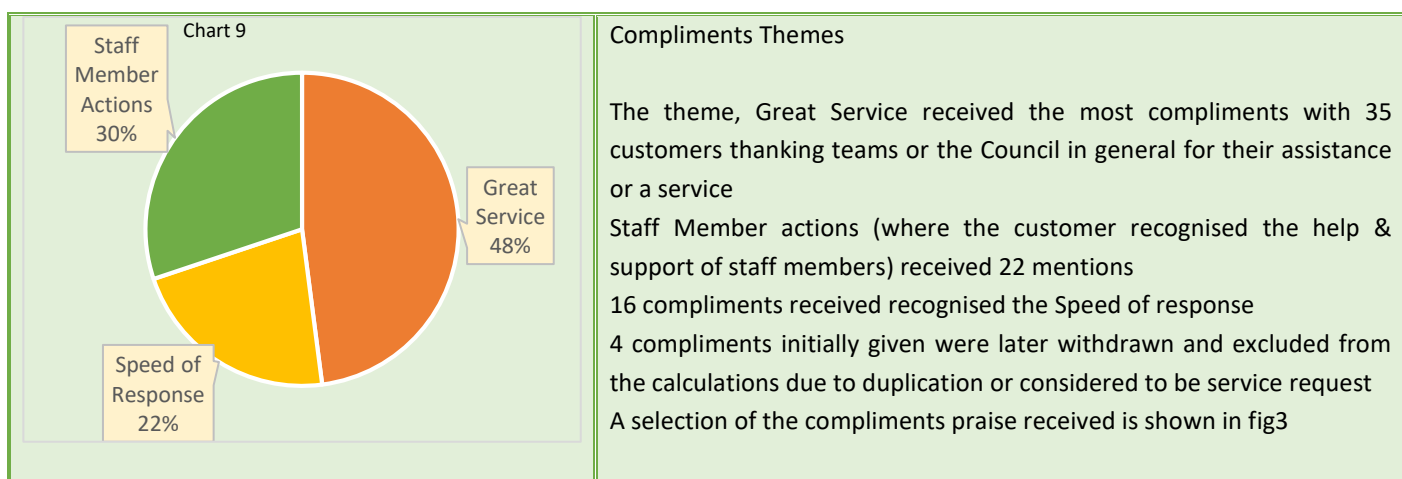


Table 15



Compliments Examples

Fig 3



8. Putting it Right

A response to a complaint will be open and transparent and we ask the customer what they would want as a resolution to the complaint and where this is reasonable we will put right our mistake. Our first priority is always to rectify the issue that has been reported.

Compensation is considered to be a remedy for inconvenience or distress caused by a service failure within the council's social housing, and claims will be considered on a case-by-case basis. The amount of compensation paid will reflect the level of inconvenience, disturbance and distress caused by not getting things right sooner and the extent to which the Council is solely responsible. The Council will also take into account, the time taken to resolve the problem and whether this is excessive.

25 claims were awarded compensation in this period amounting to a total of £6,135. Chart 10 shows the number of awards to each category and percentage of the total awards. Table 16 displays the the costs awarded in each category

Chart 10

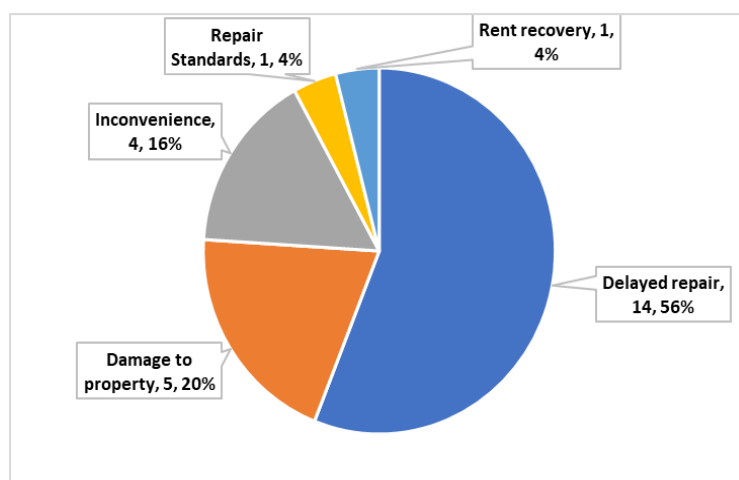


Table 16

Category	Awarded
Delayed repair	£4,880
Inconvenience	£544
Damage to property	£531
Repair Standards	£100
Rent recovery	£81
Grand Total	£6,135



Report to: Audit & Governance Committee 31 July 2024

Director

or Business Manager Lead: Sanjiv Kohli – Deputy Chief Executive and Director –
Resources
Nick Wilson, Business Manager – Financial Services

Lead Officer: Carl Burns, Transformation & Service Improvement Manager

Report Summary	
Report Title	Productivity Plan
Purpose of Report	This report outlines the appended Productivity Plan with the aim of providing Elected Member oversight prior to being submitted to Central Government in July.
Recommendations	That the Audit & Governance Committee note: a) the Productivity Plan presented at appendix 1 and the activities detailed therein
Reason for Recommendation	The requirement to submit a productivity plan to central government was confirmed in April 2024 along with the requirement for it to have member oversight.

1.0 Background

A recently announced funding package for local government comes with the requirement for local authorities to produce 'productivity plans' for submission to central government.

- 1.1 In January 2024 the then Secretary of State for Levelling Up, Housing and Communities announced plans to provide an additional £600 million of funding for local government to be distributed across the sector, including £500 million of new ring-fenced funding for councils responsible for the provision of adults and children's social care.
- 1.2 The Secretary of State stressed the need for further work to be done to *"improve productivity in local government, as part of our efforts to return the sector to sustainability in the future"* and announced that local authorities would be required to produce productivity plans *"setting out how they will improve service performance and reduce wasteful expenditure to ensure every area is making the best use of taxpayers' money."*

- 1.3 The Secretary of State also emphasised that this money, alongside all funding announced at the provisional Settlement, should be used by local authorities to deliver the frontline services on which our communities rely, rather than to be put aside for later use. We will therefore continue to monitor the level of local authority reserves.
- 1.4 A panel is to be established to advise the Government on financial sustainability in the sector which will include the Office for Local Government and the Local Government Association. The panel will review local authority productivity plans and advise the Government on best practice in this area. The Government will monitor these plans and use them to inform funding Settlements in future years.

2.0 Proposal/Options Considered

That the Audit and Governance committee note the Productivity Plan presented at appendix 1 and the activities detailed therein.

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

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

NEWARK AND SHERWOOD DISTRICT COUNCIL

PRODUCTIVITY PLAN

2024-2025



FOREWORD

This is the Council's first Productivity Plan, which sets out how we intend to improve the productivity and performance of our Council. We recognise the challenges and opportunities that lie ahead, and we are committed to delivering high-quality services and outcomes for our residents, businesses, and partners.

Productivity is not just about efficiency and cost savings. It is also about innovation, collaboration, and value creation. It is about making the best use of our resources, our people, our assets, and finding new ways to meet the needs and aspirations of our communities.

WHERE ARE WE NOW AND WHERE ARE WE GOING TO:

Newark and Sherwood is a diverse and dynamic district, with a rich heritage, a vibrant economy, and a strong sense of community. We have a population of over 122,000 in a mix of urban and rural areas throughout an area of 251 square miles. Our district includes the historic market town of Newark the ancient Sherwood Forest, and It boasts access to numerous green spaces, including 5 green flag parks and several green space visitor destinations.

We are a responsive and innovative council, with a track record of delivering efficient and effective services, improving customer satisfaction, and investing in our infrastructure and assets. The Council's Community Plan, which covers the period through to 2027 sets out to achieve the following 8 objectives:

- Improve Health and Well-Being
- Increase the Supply, Choice and Standard of Housing
- Raise peoples' skills levels and create employment opportunities for them to fulfil their potential.
- Reduce crime and anti-social behaviour.
- Protect and enhance the district's natural environment and green spaces.
- Reduce the impact of Climate Change
- Celebrate and invigorate community spirit, pride of place and a sense of belonging.
- Be a top performing, modern and accessible Council.

Our performance management framework ensures regular challenge of our progress, and this is led by our Transformation Business Unit who work closely with our scrutiny committee - the Policy and Performance Improvement Committee and Tenant Engagement Board. The transparent delivery of quarterly service performance and financial reports to our senior leadership, involved tenants and elected members provides the opportunity for scrutiny and drives performance across the council.

The Council prides itself in having a firm, shared understanding of its finances. Like many other District and Borough Council's we await the long overdue Local Government finance reform and the business rates re-set. The reset to the business rates baseline is now anticipated for 2026/27, but it is more than likely going to be further delayed due to the Parliamentary elections to take place on 4th July 2024.



We are in a strong financial position to deal with the financial challenge of dealing with the funding gap shown in our latest approved MTFP through, in the short term, utilising our MTFP reserve which has been built up for this specific purpose of cushioning us from the anticipated reduction in funding, and in the medium to long term by savings through efficiencies, service reviews and through additional income from plans that we already have in place. Whilst the attention, invariably, tends to be on the funding of General Fund Services, we do not lose sight of the fact that we are a housing authority with over 5,500 council owned homes, with a gross total income from dwellings and non-dwellings of £30.226m and total expenditure of £22.6m. The HRA has its own pressures of maintaining our homes to a decent standard, building new homes and addressing the de-carbonisation agenda. The 30-year [HRA business plan](#) demonstrates the need to set future rent levels to as close to the maximum permitted by government. The HRA has a significant capital programme related to programmed replacements, energy improvement works and decarbonisation of our housing stock. At present the assumption is that we will need to expend circa £80m on decarbonisation with 50% of this being funded by government grant. The 30-year business plan is fully funded. Further re-modelling is going to be undertaken in September 2024.

The Council's Value For Money strategy is reviewed annually centres on three key principles. These are Efficiency, Effectiveness and Economy. The balance between these principles is key and relies on us being able to sustain the funding arrangement whilst demonstrating the most appropriate use of resources.

We have made significant progress in the past few years, but we know there is more to do. We have identified six key themes that will guide our actions and priorities for the next year and beyond: Service Transformation; ICT and Digital Transformation; Organisational Development (Reward and Retention); Commercialisation; Arkwood Developments Limited; and looking Beyond Core Funding.

1. Service Transformation

Our in-house Transformation team was established in 2020 with the aim of supporting the organisation in monitoring service performance and carrying out targeted reviews to drive improvements in service delivery and thereby deliver productivity gains.

Internal service reviews are an effective way to guide improvement and change. We have conducted reviews in several service areas in the past year. The review of our Council Tax and Housing Benefits service, for instance, not only enabled us to streamline processes and upskill staff resulting in an efficiency saving of 1x FTE, but also our performance in the speed of processing council tax support applications and housing benefit claims improved significantly from 18 days to 11 days.

A review of our Administration Business Unit resulted in team structure changes which saved 0.83 FTE in addition to a range of process improvements which will make further savings. This will allow further scrutiny on spending patterns and ensure that spending is done in the most efficient manner.

A further example of a successful service review is the review of our Legal Services Business Unit. To minimise overspend on agency solicitors and outsourcing of work, an additional permanent post has been added to the establishment. This has also facilitated recruitment to a trainee post that had been left vacant to utilise budget for agency solicitors.

2. ICT and Digital Transformation

The Council has already invested in technologies such as Microsoft Copilot, Power BI and Engage Process which will not only enhance our outputs but also release much needed officer time. This has been especially useful in our customer service area whereby utilising technology such as the 'MyAccount' self service area of our website has not only resulted in a reduction in call volumes but also increased notifications to residents, improving service delivery and customer satisfaction. These are the first steps in embracing Artificial Intelligence (AI) and will take us to the next revision of our Digital Strategy and Plan.

Efficiency savings are being evidenced through the work of our digital transformation team. Savings have been achieved across the digital sphere such as, a reduction in the mobile phone budget by £20k p.a., reflecting a strategic decrease without compromising service quality by allowing laptops and tablets to be used anywhere in the district. Also, transitioning to Software Defined Wide Area Network (SDWAN) enabled a budget reduction of £60k p.a., and ensured more efficient network management. Additionally, by implementing Microsoft Always On Virtual Private Network (AOVPN) a budget reduction of £20k p.a was achieved, enhancing remote access capabilities while maintaining fiscal responsibility. We have also implemented an on-line digital service for our Careline customers. These initiatives and others have allowed us to maintain the current budget for digital technology and to realign budgets to critical technologies.

3. Organisational Development

Without doubt our most valuable asset is our fantastic workforce. The savings gained in our digital services have enabled the ongoing service that supports our hybrid working model. This approach has been well received by our staff since its introduction and it not only allows for savings on infrastructure costs to the council but also limits travel costs and associated environmental impact such as our wider carbon footprint.



Agenda Page 77

Our Workforce Development Strategy is a 5-year plan to ensure we have a workforce that is equipped to deliver the existing and future needs of the council, transform our HR & Training Services and put our people at the heart of everything we do. This includes key workstreams such as recruiting and attracting new employees, the employee journey and retention. This commitment is evidenced further in our ongoing support to Learning and Development. Here we encourage our managers to evaluate their teams' learning needs 3 times a year and submit requests for funding under the pillars of legal requirement, skills gaps, CPD and succession planning. In 2023/4 we invested around £160k in this area. This approach not only enables the improvement of our services due to better trained staff, but it also demonstrates to our staff the council's commitment to supporting their development.

The Council's Reward and Retention (R&R) project seeks to address the challenge of recruiting, developing, and retaining suitably qualified and experienced staff. The project is taking a route and branch approach of revising pay grading structures, reviewing the current Job Evaluation process, reviewing and revising job descriptions as well as implementing immediate measures to incentivise staff, including salary sacrifice plans such as private health care and car purchase schemes.

4. Commercialisation

Imbedded in the council's budget and decision-making processes is our approach to commercialisation i.e., the identification and realisation of efficiency savings and/or additional income; thereby providing value for money services to our residents. Over a period of years, several actions have resulted in increasing the income from our services. The primary objective has always been to provide improved services to our residents and businesses; with the biproduct being an increase in our income base.

This Council as many other councils has been anticipating since 2021 a "cliff edge" funding reduction following the business rates baseline re-set. As part of our response to this funding challenge, the Council has an active commercial strategy that is underpinned by a plan that identifies areas where additional income can be made and/or savings could be achieved without impacting the quality-of-service delivery. The progress on the delivery of the targets set out in the plan are tracked as part of the budget monitoring process and are reported twice a year Cabinet as part of the annual revision to the Medium-Term Financial Plan and as a separate report. Additional income of £100,000 has been built into the current 2024/25 budget, an additional £100,000 in 2025/26 and an additional £200,000 in 2026/27.

5. Arkwood Developments Limited

In May 2018, the council incorporated Arkwood Developments Limited to develop open market housing for sale. The key objectives of the company are to support housing growth that meets existing and emerging needs of Newark and Sherwood District Council, to bring forward sites that other private sector developers are not interested in developing, develop mix of house types to meet local demand, to prevent land banking, and to provide additional income stream to the council to fund its services. The income from the company takes three forms: interest on arms-length loan facility, provision of support services and year-end dividend. Since inception the Council has generated, non-dividend income from Arkwood of £287,000.

Arkwood has completed its first development of 87 homes and is scheduled to complete a further 253 homes by the end of 2026/27. The Company's Business Case demonstrates that the company will be able to pay a dividend of £500K in 2025/26, and £650K in each of the following two years. These target dividend levels are incorporated in the Council's MTFP. The performance is closely monitored by the Shareholder Committee and by the Council's s151 Officer who is a Board member. The Council's Chief Executive also attends all Board meeting as an observer and link to the Shareholder Committee.

6. Beyond Core Funding

We look beyond our core funding and take opportunities to secure government funding to regenerate and develop our towns and communities. This funding has a multiplier effect of attracting other public/private sector funding to support new infrastructure enabling housing and employment growth and providing new educational opportunities. Over the last 3 years we have secured or are in the process of securing just over £90m of government funding via Newark Town Fund, Levelling Up Fund One, Levelling Up Fund Three, Shared Prosperity Fund, Rural Prosperity Fund, Brownfield Land Regeneration Fund, Heritage High Street Fund, etc.

We have also been instrumental in partnership working across the County and the Region to secure over £16m from the Non-Strategic Road Network Funding (the A614/617 improvements) and the National Road Investment Strategy 1 (RIS1) project of the A46 Newark Bypass, a £500m+ project to dual the last remaining section of this important corridor. This will have a further beneficial effect on our local economy.

There is the added, indirect beneficial impact of this growth on the finances of the council through increases in the council tax base and increases in business rates growth that can be retained locally via the Nottinghamshire Business Rates Pool.



We recognise that there are some barriers and risks that may hinder or prevent us from achieving our vision and objectives. These include:

- A major barrier towards financial sustainability relates to lack of certainty of medium-term funding of the General Fund. Since 2020 local government finance reform and re-set of business rates baseline funding has been in abeyance and councils have been receiving one year finance settlements. This makes it impossible to plan effectively, efficiently, and economically and all councils have been forecasting a “cliff edge” impact at the point of the anticipated reset of business rates reset. This “cliff edge” has each year successively been pushed back when developing the MTFP; presently this point has been moved back to 2026/27 when it was last muted that the re-set would take place. However, with the Parliamentary election on 4th July 2024, it is once again unlikely that this will happen for the 2026/27 financial year and once again, we will only be able to effectively plan for one year. The ask of government is to provide local government with some certainty over the medium term with multi-year draft settlements.
- Long term rent settlement and securing additional government funding for additional burdens on the Council through the Social Housing (Amendment) Act including the significant additional costs around building safety, asset investment, tenant engagement and improving our systems to manage tenant and stock data.
- Another major barrier towards financial sustainability the funding of the Internal Drainage Boards. Newark and Sherwood District Council contributes almost £950,000 annually to assist the IDBs with funding their responsibilities. Over the last four financial years, the IDB levy for Newark and Sherwood has increased by 59% from £595,400 in 2020/21 to £949,800 in 2024/25, far outstripping the increases in Council Tax which is allowed to be charged (a maximum of 10.3% over the same period). As annual increases in the levy have outweighed the additional yield in Council Tax generatable, budgets available for front line services have had to be diverted to contribute towards the cost of the imposed levy. The impact on service delivery is compounded with inflationary costs (such as pay awards and cost inflation) that are not able to be raised through Council Tax as the whole of the Council Tax increase is being consumed by the increase in the levy. Our ask of government is for IDBs to be centrally funded through a separate precept.
- The current referendum limit for Council Tax limits the ability for the Council to raise local funds to deliver against our key priorities and objectives. Council Tax increases should be limited to the minimum where appropriate, whilst should be sufficient to deliver against Council objectives. Increases in fees and charges are limited to ensure that profits are not made, albeit this would not be appropriate to overcharge service users to deliver against other Council priorities, and the ability to raise funds through other means is limited. Our ask of government is to remove the cap on council tax increases.
- A lack of consistent data with which to benchmark costs of services against performance inhibits the ability to improve quality and reduce cost. Most returns are not audited and hence cost comparison is not necessarily possible. A greater clarity of reporting would ensure that comparison could be made to enable better quality service improvement potential. An example of this is the data collected and published by OFLOG which has some serious flaws, regarding the debt matrices, which are misleading and harmful to the reputation of councils. Our ask of government is to remove layers of reporting and replace with one consistent model, which could be audited through the Statement of Accounts process to aide cost comparison.

- Reward and Retention is a particular barrier, in that it is difficult to employ and then retain quality staff in key professional disciplines. This is further exasperated by increases in the national minimum wage – linked to the lower spinal column points within the NJC pay structure. As the lower points have previously received larger increases in annual pay awards than higher graded staff, this erodes the differential between posts meaning it is less attractive to take on more responsibilities. Thus, meaning there is a requirement for the Council to appoint costly agency staff or consultants to fill technical roles with specialist knowledge. This is further exacerbated by shortages in the labour market driving up cost. The ask of government is to provide funding support to the sector to resolve the “squeeze” effect caused by annual increases in the national minimum wage and the limitation on being able to increase spinal column points above the national minimum wage to maintain differentials.
- The communities in Newark and Sherwood are badly affected by the floods that have become more frequent over the past few years. Storm Babet and Storm Henk caused a great deal of devastation, and our residents and businesses required a great deal of support. Despite us meeting the threshold for financial support via the Bellwin scheme and despite several chasing communications, we still have not been compensated for the eligible costs incurred. This places a further unnecessary burden on us and therefore our ask of government is to be more responsive in making timely payments to affected authorities.





Report to: Audit & Governance Committee Meeting
31 July 2024

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

Lead Officer: Nick Wilson, Business Manager – Financial Services
01636 655317

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 2023/24 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 2024.

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 2023/24 shows a favourable variance against revised budget of £0.989m for transfers to usable reserves. This variance relates to a favourable variance on service provision £0.252m, £0.627m additional business rates and grant income and £0.110m reduction in MRP chargeable in the year. Further details of this are detailed in the Financial Outturn report to 31st March 2024 presented to Cabinet on 23rd July 2024.
- 3.2 As at the 31st March 2024, the Council held general fund revenue reserves of £32.649m. Of this, £1.977m relates to funds that are ring-fenced to specific activity (for instance Building Control/Homelessness), £7.348m is earmarked for future known pressures (for instance Repairs and Renewals, Management carry forwards, Business Rates Volatility), £9.838m relates to budget funding reserves (Medium Term Financial Plan reserve, Capital Financing Provision reserve and the Collection Fund budget reserve) and £13.486m 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 £2.453m 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 2024, the Council held £23.196m in the form of either cash or short term investments maturing within the next financial year. The Council also held £15.024m in long term financial assets. These relate to an equity investment in Arkwood Developments Ltd (the Council's wholly owned subsidiary) (£4.040m) together with investments in the CCLA's Property and Diversified Income funds (£10.984m). 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; £66.354m of expenditure was approved within the General Fund capital programme for the 2023/24 financial year (including Revenue Expenditure funded from Capital under Statute), with a further £21.772m slipped from the 2022/23 financial year. The budget was further adjusted during the year to allocate budgets into future years where appropriate, this reduced the budget to £52.523m. The outturn performance was £41.350m which represents an under-spend, due to delays in capital projects, of £11.173m. Major variances relate to:
- Glass Recycling bin purchase £1.097m
 - Installation of solar PV at Council sites £0.423m
 - Contribution to Southern Link Road £1.661m
 - Loan facility to Arkwood Developments £4.000m
 - 32 Stodman Street Regeneration £0.620m

These, including the remaining reasons, for this shortfall in planned expenditure were outlined within the Council's financial outturn report approved at Cabinet on 23rd July 2024.

4.0 The Council's Balance Sheet as at 31st March 2024

- 4.1 The balance sheet shows a net worth of £378.905m which includes a liability of £11.898m 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 2024, the Council approved a balanced budget for 2024/25. This allows for net spending of £19.879m and a council tax increase of 2.99% (at a Band D level) compared with the 2023/24 financial year. A net transfer to reserves of £0.794m was approved which related to:

Reserve	Amount
Additions to:	
Contribution to Feasibility reserve	£0.160m
Contribution to Capital Financing provision	£0.580m
Contribution to Homelessness reserve	£0.254m
Total additions	£0.994m
Use of:	
Use of MTFP reserve	(£0.200m)
Total use of reserves	(£0.200m)
Overall contribution to reserves	£0.794m

- 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 2024 showed that over the four-year period to 2027/28 the Council needs to find £1.627m. However, this is after several initiatives have been applied to the MTFP to bridge the inherent funding gap.
- 5.3 Since that point, the Council has further reviewed the MTFP in the context of the outturn position for the 2023/24 financial year. Due to this, the target of £1.627m has been revised down to £0.235m over the four year period, due to:
- The assumption of an inherent annual favourable variance of £0.250m
 - A reduction in Minimum Revenue Provision charges of £0.392m
- 5.4 The Council is well underway with meeting the targets set out within the MTFP. A Commercialisation Strategy has been approved on 27th January 2022 at the Policy and Finance Committee. Updates have been reported to Cabinet since that point and assumptions built into budgets where appropriate. The Council continues to review

service delivery to ensure the efficiency and effectiveness of services to demonstrate value for money and where alternative processes can reduce financial resources needed.

- 5.5 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 Conclusion

- 8.1 Having considered the outturn position to 31 March 2024, Medium Term Financial Plan to 2027/28, 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.

Background Papers and Published Documents

Statement of Accounts 2023/24

Annual Governance Statement 2023/24

General Fund and HRA Revenue and Capital Outturn report to 31st March 2024



Report to: Audit & Governance Committee Meeting 31 July 2024

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

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

Report Summary	
Report Title	Unaudited Statement of Accounts 2023/24
Purpose of Report	For members of the committee to review the Council's draft Statutory Accounts for the financial year ended 31 March 2024.
Recommendations	(a) Members note the Annual Governance Statement for the financial year ended 31 March 2024; and (b) Members note the draft Statement of Accounts for the financial year ended 31 March 2024 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 2024.

1.0 Introduction

- 1.1 The Accounts and Audit Regulations 2015 (Amended by 2022/708) require that the authority must prepare and publish its approved draft and audited Statement of Accounts by 31 May and 30 September 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 31 May 2024.
- 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, will commence the audit of the accounts in September 24. 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 2023/2024 and the draft version is included in the unaudited Statement of Accounts.

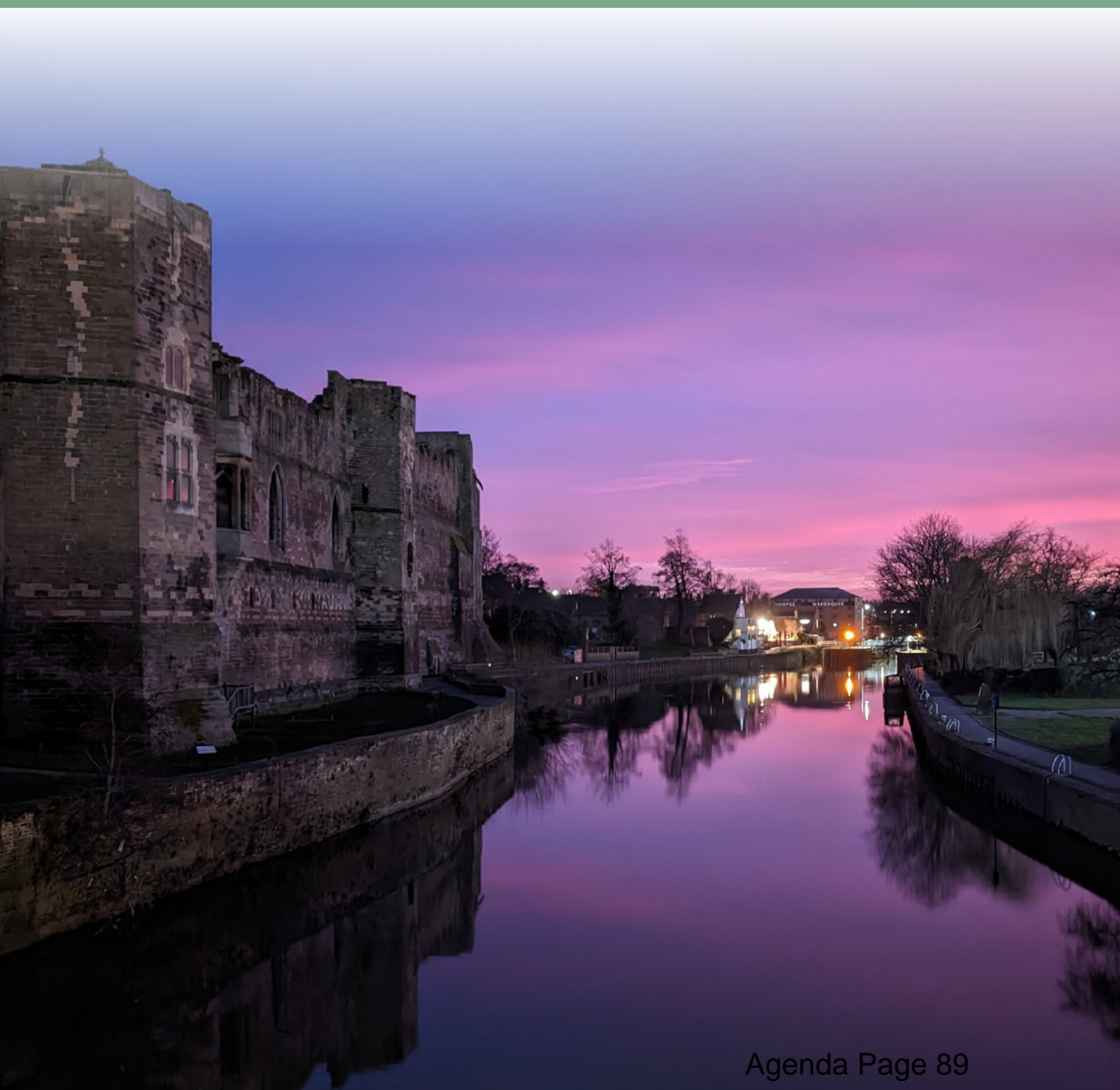
Background Papers and Published Documents

Nil.

DRAFT

STATEMENT OF ACCOUNTS AND NARRATIVE REPORT

2023 / 2024



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Contact Us

Our residents, tenants and businesses can contact us in a number of ways.

Telephone: 01636 650000

Email: customerservices@newark-sherwooddc.gov.uk

In person: Castle House, Great North Road, Newark, Nottinghamshire NG24 1BY

The offices and telephone lines are open 9am to 5pm Monday to Friday. Most of our services are fully available on our website.



/NSDCouncil



@NSDCouncil



@NSDCouncil



@Newark and Sherwood District Council

WELCOME

Welcome to our Annual Statement of Accounts for 2023/24, which details our financial performance over this past year. We have been working hard to make significant progress in delivering on our top priorities.

We have continued to secure more investment for our district which will help us in further promoting Newark's heritage while striving to achieve our ambition of making our district a place people want to visit, study, live and work. The pandemic, cost-of-living crisis and Brexit have changed our landscape and it is important that we do all we can to continue to support our residents and businesses while completing financial planning, allocating the right resources at the right time.

I am so incredibly proud of what we have achieved over this last year.



John Robinson

Chief Executive, Newark and Sherwood District Council

Newark and Sherwood District Council has adopted a series of values, which guide and drive the way we design and deliver our services. We wanted to consider the views of as many residents as possible in the development of our Community Plan so we set out to gather the views of as many people as possible in our Resident Survey. As a result of this, it was important that the consultation provided a holistic and balanced account of the district.

The Community Plan was under development for a number of months, in which Cabinet, Chairs and Vice Chairs met a number of times to develop and shape the priorities of the Community Plan 2023-2027. The results of the Resident Survey 2022 were reviewed and reflected upon to ensure that the Community Plan was developed to reflect the priorities of the community.

During 2023/2024 we found ourselves in the final year of our Community Plan 2019-2023 during which we remained as committed as ever to improving residents' quality of life and enabling those who live, work and invest in Newark and Sherwood to prosper and fulfil their potential. The priorities identified during the consultation period with residents when drafting the community plan remained our focus and, as such, direct resources were allocated accordingly to ensure these priorities were met.

I am aware of the future challenges that the District Council faces. Listening to our residents must always be the council's driving ambition - to tackle the district's challenges and continue delivering and maintaining high quality services. As can be shown in this report, despite still being impacted by the pandemic, the District Council can demonstrate value for money, linking spend to priorities and performance, and a sound financial landscape going forward.

Councillor Peter Harris

Chairman Audits and Accounts Committee

Councillor Paul Peacock

Leader of Newark and Sherwood District Council



INTRODUCTION BY S151 OFFICER

Sanjiv Kohli

Deputy Chief Executive and Director of Resources (S151 Officer)

I am pleased to introduce our Statement of Accounts for 2019-2023 and the beginning of the 2023-2027 Community Plan. This report represents the performance at the end of the 2019-2023 plan. The purpose of these accounts is to present a true and fair view of the financial results of our activities for the year and the value of our assets and liabilities at the end of the financial year. This narrative report is set out in eight parts, 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 2023/24 and how it will work in the future
Part four	Community Plan delivery
Part five	Financial performance for the year 2023/24 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

In considering this report, it should be noted that the favourable variance reported against service budgets, which we use internally to monitor our financial performance, is not directly comparable to the deficit disclosed in the Statement of Accounts. This is mainly due to the accounting adjustments required to comply with reporting requirements, which do not impact on the amount of our spending to be met by local taxpayers. The key differences relate to the way in which we account for items such as depreciation, impairment, reserves, provisions and carry-forwards. Each of these items is explained further in our accounting policies and the glossary.



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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 2023, as well as a number of green space visitor destinations which are detailed in the map of the district below. The district also has a number of historic visitor destinations, Sherwood Forest is a historic and ancient woodland that is associated with the world-renowned legend of Robin Hood and draws many visitors into the district.

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



PART TWO

Our purpose: why the District Council is here

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. Our Council wants 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 be at the forefront of sustainable living. We are proud to represent Newark and Sherwood and although everyone may not agree with everything that we do, 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

Consistently delivering on promises; providing good quality and demonstrating integrity.

Welcoming and responsive

Approachable, open to feedback and challenge and swift to act.



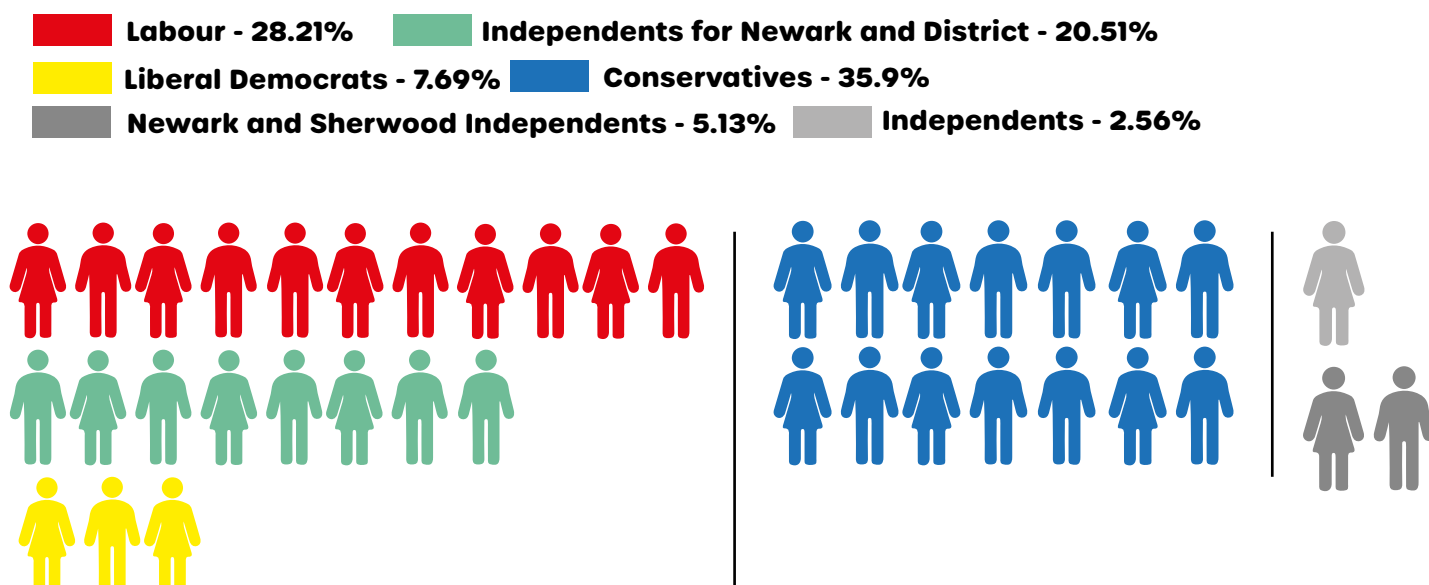
Click on the image to see our Community Plan.



PART THREE

How the District Council works

Residents of Newark and Sherwood are represented by 39 elected members. The political make-up of the Council from May 2023 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, Independents for Newark and District and the Liberal Democrat Group who between them provide the political leadership of the Council. Councillors are elected by the community to decide how the Council should carry out its various activities. They represent public interest as well as individuals living within the ward in which he or she has been elected to serve a term of office. They have regular contact with the general public through Council meetings, telephone calls or surgeries.

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

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

All Councillors meet together as the "Full Council" and these meetings are open to the public.

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 8 portfolios (listed below) and the ninth and final member of Cabinet is the Leader of the largest opposition party. They are a voting member of the Cabinet, but they do not have a portfolio.

Newark and Sherwood's Cabinet Portfolios include:

- Strategy, Performance and Finance Portfolio
- Heritage, Culture and the Arts
- Climate Change
- Biodiversity and Environmental Services
- 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.



How the Council works - internal staffing structure



PART FOUR

Community Plan Delivery

Newark and Sherwood District Council's Community Plan sets out what the Council intends to achieve over the next four years and outlines how we will go about doing this. The current version of the Community Plan recently came to an end in quarter 4 2023/24. The plan was revised in 2020 and contained seven key objectives. Those objectives are outlined below, accompanied by some of the activities that we have delivered over the past year.

This is the final time we will report progress against these 7 objectives, as we have recently developed a new Community Plan, which will take effect as of quarter 1 2024. More information can be found in part six, page 19.

Create vibrant and self-sufficient local communities where residents look out for each other and actively contribute to their local area.

- A review of the community grant scheme criteria has been undertaken and was subsequently presented and approved by Cabinet in October 2023, the scheme was then launched in November 2023.
- We have continued to promote the Community Lottery which annually raises over £30,000 per annum for local good causes registered with the Lottery.
- We supported residents impacted by the flooding experienced during Storm Babet and Storm Henk. This has included immediate emergency support in the form of aqua sacs, guidance to residents and in the more extreme cases evacuation. This assistance continued through to the recovery phase, providing grant funding to eligible properties and signposting to the Property Flooding Resilience Grants which have also been released. This was managed by Nottinghamshire County Council.
- The Humanitarian Assistance Response Team (HART) team were also stood up in response to the flooding. The team provided a full range of humanitarian assistance which included safe and well checks, food and medicine deliveries and home verification visits. Households were supported in how to access grants through application support, arranging waste collections and signposting to services.

Deliver inclusive and sustainable economic growth.

- The 2022 Levelling Up Fund bid for Sherwood has been approved in principle, with focus now on the delivery of the three component parts of the original bid, which include the Ollerton Town Centre Scheme, Clipstone Employment Project and Clipstone Development Project.
- We submitted the Amended Allocations & Development Management Development Plan Document (DPD) for examination on the 16 January 2024. It is expected that the DPD will be formally adopted in Autumn 2024.
- We have progressed in a supportive role and continue to do so, on key infrastructure projects around the district including the Newark Southern Link Road, A1 over bridge, Ollerton Roundabout and the A614.
- We have been working towards developing the Newark Investment Plan for 2024 – 2034 to secure the proposed additional £20m Long Term Plan for Towns Fund alongside the Newark Town Centre Masterplan and Design Code by August 2024.
- Construction of the Air & Space Institute has progressed well and is due for practical completion in Spring 2024, opening to a new cohort of learners by Autumn 2024.
- In September 2023 Sherwood Forest provided a stunning backdrop to the world-famous Tour of Britain cycle race. NSDC hosted both the start and finish of stage 4 of the race. The world-class field of riders passed through several towns and villages in the districts of Bassetlaw and Newark and Sherwood along the 170-kilometre stage.



Create more and better quality homes through our roles as landlord, developer and planning authority.

- We continue to exceed national performance targets for determining planning applications. The national target is 60% determined in 13 weeks for major applications and 70% determined in 8 weeks for non-majors applications. Both of our indicators are exceeding the national targets at 90% or over.
- Our new temporary accommodation facility, Alexander Lodge reached practical completion in January 2024, and has been undergoing site and process trials ahead of the first occupants.
- We launched the new online repairs facility for tenants in September 2023. The online repairs facility provides our tenants with a quick and easy way to report a repair and book their own appointment. This means tenants can now report non-urgent repairs 24 hours, 7 days a week and enables tenants to choose a time that best suits them.
- We have introduced 'fit to let' inspections, which are carried out by tenants from our Local Influence Network groups. The results of these inspections are fed back to the Voids team, who use the information to drive continued improvements.

Continue to maintain the high standard of cleanliness and appearance of the local environment.

- 93.6% of fly-tipping offences were removed within 72 hours of them being reported.
- 99.96% of 3,530,800 bins were collected on time, meaning 1,431 were missed at time of collection
- The District Council has been delivering a grounds maintenance service for social housing (HRA), this year the average performance monitoring inspections scored 1.58 out of 5 (1 being best).
- We have completed the £350,000 play area improvement works with 10 sites having been improved and refreshed over the last quarter. Highlights include the new fitness zone and castle play area at Sconce and Devon Park. At Vicar water, we have conducted a number of drainage and footpath improvements and are working with Nottinghamshire wildlife trust to improve the health and flow of Vicar Water stream as it runs through Vicar Water Country Park.

Enhance and protect the district's natural environment.

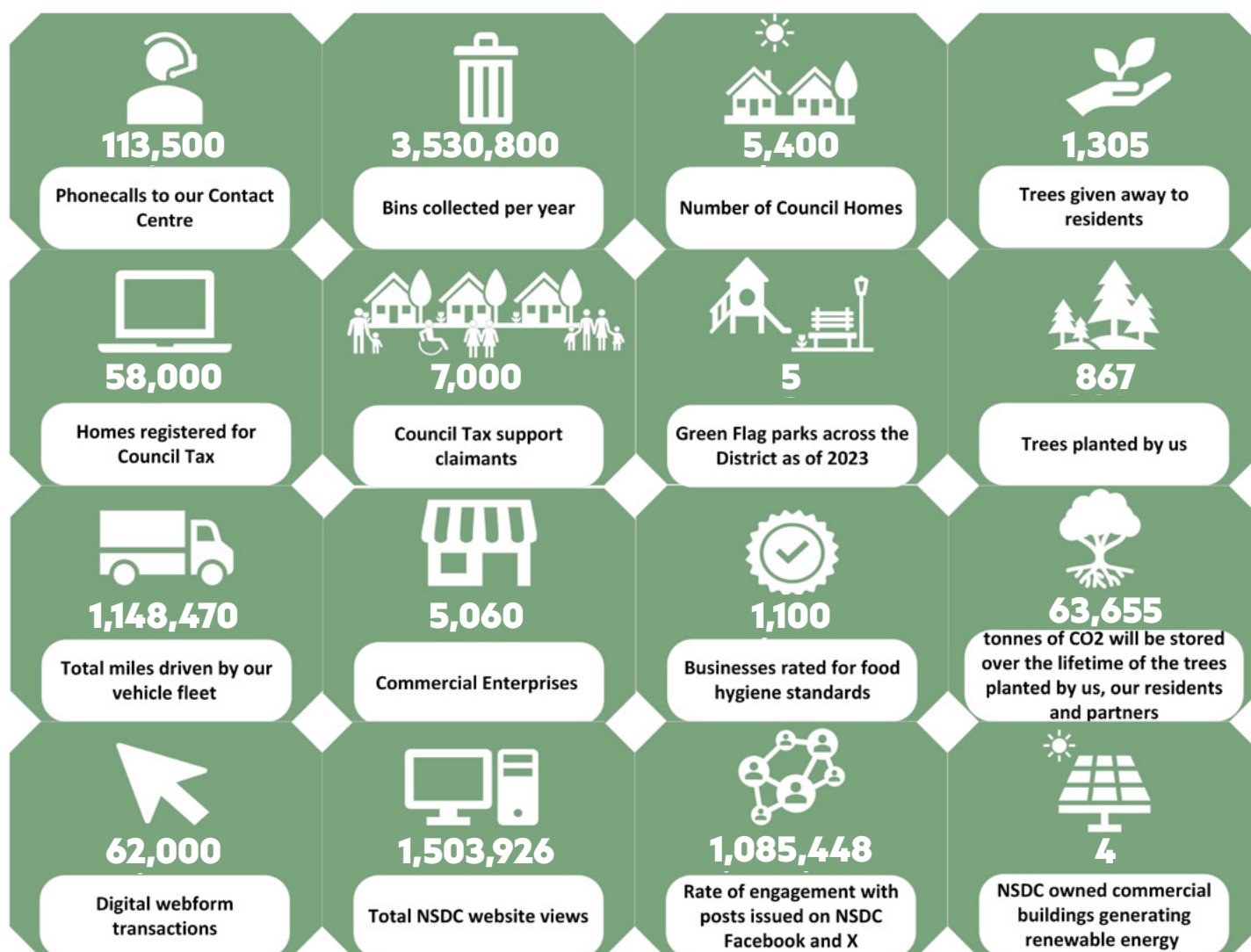
- The introduction of Kerbside Glass recycling provision for our residents has progressed this year. Some significant milestones achieved included writing to every household, ordering the vehicles, submitted a planning application, and initiated the procurement of the bins. The service began in April 2024.
- We undertook comprehensive engagement on the Forest Corner Masterplan with key stakeholders, as well as assessment of traffic, planning review, options analysis and project review this year. We are now working towards completion of the Forest Corner Masterplan and developing the project plans for implementation over the next 5 years.
- As part of the move towards net zero carbon emissions, we secured a government grant of £1.3m this year, which we will match fund to deliver a £2.6m social housing decarbonisation programme over two years. The programme will target at least 102 eligible households with oil or LPG heating systems. The plan is to replace these costly, carbon intensive fossil fuel systems with carbon neutral alternatives, using air source heat pumps, solar panels and battery storage to reduce carbon emission and make them cheaper to run. Creating warm homes that are free from damp and mould.
- An additional £583,000 of funding was granted from the Department of Levelling Up, Housing and Communities as part of the preparation for the East Midlands Combined Authority. The funding means 38 homes will benefit from greener heating or lower costs and energy usage from the installation of solar panels – keeping homes warm and cheaper to run.
- We continued to be a part of the Nottinghamshire wide Green Rewards App this year, which is an online platform designed to incentivise and encourage residents to undertake positive behaviour change by enabling users to log carbon reducing activities and gain points for these activities (which equate to prizes). The scheme has been live for almost 2 years and continues to be successful with over 567 users utilising the application.

Reduce crime and anti-social behaviour and increase feelings of safety in our communities.

- As of March 2024, anti-social behaviour reduced by 17% across the whole district when compared to the County.
- We secured approval to operate the CCTV control room, moving it back to Newark. We are now working to create the full feasibility study and business case move. Linked to this, approval was secured for the draft CCTV replacement scheme and that all the cameras will move under our control and ownership.
- The Safer Streets initiative has continued this year, with Safer Streets 4 having drawn to a close and Safer Streets 5 has commenced.

Improve the health and wellbeing of local residents.

- 1,101,987 visits have been recorded across all District Council owned leisure centres.
- 326 events have been delivered in District Council owned parks.
- 818 children have benefited from environmental education visits to all District Council owned parks.



* Please note, figures have been rounded where necessary, so may be an approximation.

PART FIVE: 2023/24 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 £0.329m and a decrease in HRA reserves of £0.888m.

	Balance at 31 March 2023	Increase/ (decrease) in year	Balance at 31 March 2024
General Fund working balance	£1.500m	£0.000m	£1.500m
General Fund earmarked reserves	£30.820m	£0.329m	£31.149m
General Fund total	£32.320m	£0.329m	£32.649m
HRA working balance	£2.000m	£0.000m	£2.000m
HRA earmarked reserves	£5.115m	(£0.888m)	£4.227m
HRA total	£7.115m	(£0.888m)	£6.227m

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 2023/24 financial year on 9 March 2023. You can find the budget report pack [here](#).

The revenue outturn performance for the year showed an overall favourable variance of £0.989m for the General Fund, with services showing a favourable £0.252m variance. The table below describes the main variances:

Reason for Variance	Value £'m
Savings in Microsoft licencing £0.073m, £0.100m in additional charges to the HRA in respect of the build of the new Housing Management system	(0.194)
Vacant posts within the Administration Business Unit	(0.071)
Increase in cost of rent allowance payments and discretionary support for Council Tax payers	0.165
Housing Benefit grant income less than budgeted	0.120
Additional income of £0.052m across Trade refuse, Bulky waste and Garden waste together with reductions in payments to Notts County Council for waste disposal and a lower reliance on agency staff	(0.088)
Additional net income generated at the Palace Theatre of £0.170m offset by funds set aside for Building bridges project	(0.110)
Vacant posts within the Health and Community relations team	(0.072)
Additional planning income of £0.190m together with a saving in outsourced legal costs	(0.266)
Reduction in income generation as major tenant moved out of the Beacon within the year.	0.073
Increase in utility costs within Castle House	0.093
Costs incurred by the Council in relation to the flooding events.	0.094
Reduction in income generation at the lorry park due to the floods, together with the cleaning costs of taking away flood waters	0.097
Charge to HRA no longer applicable for Farrar Close	0.053

Budgets created in relation to glass recycling not expended in year £0.050m additional vehicle inspection income of £0.018m and additional recharge to HRA for the cost of repairs to vehicles £0.046m	(0.128)
Other Variances	(0.017)
Favourable variance on services	(0.252)
Contribution towards bad debt provision	0.154
Additional income from the Nottinghamshire Business Rates Pool	(0.541)
Reduction in Minimum Revenue Provision due to slippage on Bowbridge Road Carpark scheme in 2022/23	(0.110)
Internal Drainage Board grant received in year	(0.240)
Favourable variance in cost of running Council	0.989

As actual capital expenditure levels did not meet budgeted levels, there has been a significant overachievement of interest receivable. This is due to having higher bank balances than expected due to the slippage in some of the capital schemes. £1.165m additional interest receivable has been received and transferred into the capital provision reserve which will reduce future borrowing requirements, therefore reducing the burden on the revenue account. Service variances combined with non-service related income and expenditure variances has meant that overall the District Council has increased its General Fund reserves by £0.329m.

This increase has been identified as being related to:

Brought Forward Reserves balance	32.320
Budgeted increase in reserves	1.457
Business Rates Pool contribution to MTFP reserve	0.600
Contributions to capital expenditure	-3.209
Contributions from additional interest receivable	1.165
Favourable variance in cost of running Council	0.989
Other movements	-0.673
Reserves balance as at 31st March 2024	32.649

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 7 February 2023. The budget report back can be seen [here](#).

The Service outturn position compared to budget amounted to a surplus of £0.147m with an overall outturn position of £0.111m:

HRA £0.099m	Value £'m
Timing delay of budget requirement for Yorke Drive, budgeted for now in 2024/25	(0.424)
Vacancies and timing delays of budget requirement in Voids maintenance	(0.123)
Vacancies within the Tenancy and Estates team, together with delays in the workplan for engagement with tenants due to influx of regulatory consultations in 2023/24	(0.074)
Increase in numbers of properties where gas servicing carried out for compared with the budget	0.203
Backdated Business Rates charge for all Community Centres, as they had never been rated by the Valuation Office Agency previously	0.100
Concierge service was agreed not to be provided during 2023/24, hence a reduction in budgeted income	0.079
Vacancies within the Income Management Team	(0.053)

Other Variances individually less than £0.050m	0.145
Net cost of HRA Services	(0.147)
Additional interest costs due to bank rate increases	0.160
Increase in loss allowance provision due to revision of assumptions	0.086
Total Transfer from HRA Balances	0.099
Reduction in Depreciation chargeable to the Major Repairs Reserve (MRR)	(0.210)
Additional transfer to Major Repairs Reserve	0.111
Total HRA Balance	0.00

Brought Forward Reserves balance	7.115
Budgeted decrease in reserves	-0.500
Contribution to capital expenditure	-0.350
Favourable variance in cost of running HRA	0.113
Other movements	-0.151
Reserves balance as at 31st March 2024	6.227



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 2023/24, we spent £55.385m on capital works. Key projects are listed below:

- £0.516m spent on Disabled Facilities Grants following referrals from an occupational therapist
- As part of the annual Vehicles, Plant and Equipment replacement programme, in 2023/24 spend was incurred of £1.125m, replacing 2 existing Refuse Collection Vehicles, and acquiring 3 new Glass Collection Vehicles, along with a Telehandler for the glass transfer station, a POP waste collection vehicle and two smaller vehicles, one hybrid and one full electric.
- The purchase of 12 houses, part funded by the Local Authority Housing Fund (LAHF) were completed in 2023/24, one home is a four-bed property that will be specifically allocated to an Afghan Refugee family from bridging accommodation and the remaining 11 are two and three bed properties being allocated to Ukrainian families. Total spend £2.432m.
- Work on the homeless hostel at the former Seven Hills site now named Alexander Lodge, has been completed with spend in 2023/24 amounting to £1.663m.
- Land off Bowbridge Road, adjacent to Newark Hospital (purchased during 2022/23), has been developed into a car park and is leased to the Sherwood Forest Hospital Trust. Spend incurred £0.601m.
- £23.224m passed to Urban & Civic towards the delivery of the Southern Link Road, fully utilising the Levelling Up Fund money of £20m.
- Towns Fund schemes are progressing, with spend on the Air and Space Institute (ASI) of £6.802m, and the build of the redevelopment of the former Marks and Spencers building at Stodman Street £1.575m.
- Investment in existing Council Dwellings to maintain a decent standard incurred costs of £9.575m in 2023/24. Including £1.269m on Decarbonisation, £0.902m of which is 50% grant funded from the Social Housing Decarbonisation Fund (SHDF) and is a two year programme, £0.366m of which is the Devolution Retrofit Programme which is fully funded by grant from The Midlands Net Zero Hub (MNZH).
- The Council is progressing with its 5 phase council house development programme to deliver 335 additional homes across the district to meet the housing needs of local residents. Total programme spend in 2023/24 equates to £4.146m. Phase 5 is due to deliver 31 units with sites due for completion during 2024/25.

Major Movements on the Balance Sheet

Property, Plant and Equipment

Property, Plant and Equipment has decreased by £1.286m. £23.430m has been added through the capital programme whilst the economic use of assets has reduced the value by £8.144m. £0.102m worth of assets have been transferred back from assets held for sale. Other assets have had their values decreased by £16.674m.

Short Term Investments and Cash and Cash Equivalents

The reduction of £27.473m in short term investments and cash and cash equivalents (such as instant access cash deposit accounts) is due to a number of investment products maturing during the financial year and the funds then being required for usage within the immediate cash flow requirements and therefore not being reinvested over a period of time.

Short Term Debtors

The decrease of £2.254m relates mainly to the reduction in monies owed to the District Council from Government departments for items including the year end balance of Housing Subsidy claims and the monthly VAT returns. There is a £0.593m reduction in monies owed to the District Council where an invoice has been issued for goods or works supplied by the District Council but not yet paid.

Short and Long Term borrowing

The overall decrease of borrowing relates to the repayment of £5.494m worth of loans that had come to the maturity date during the financial year.

Short and Long Term Capital Grants Receipts in Advance

The District Council was able to release capital grants, where conditions have now been met, totalling £20.469m which has then been used to fund capital projects including the Southern Link Road (£14.430m), Contribution to IASl (£3.951m) and 32 Stodman Street Regeneration (£1.575m).

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

Other Long Term Liabilities

The decrease of £10.932m relates mainly to the District Council's future pension fund liabilities. This change has arisen from an increase in the anticipated liabilities of £2.534m together with an offsetting increase in the value of the District Council's portion of the overall fund assets of £10.434m.



PART SIX: LOOKING FORWARD

Work is now ongoing to deliver on the agreed actions from our Community Plan 2023-2027. This was formed throughout several workshops and clinics between our Elected Members our Officers and feedback received from our Resident Survey. With a new Community Plan comes new business Plans and Key Performance Indicators. These help us ensure that our officers have an effective plan to deliver on our promises in addition to a Performance Framework.

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

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



Medium Term Financial Plan (MTFP)

The District Council's Medium Term Financial Plan (MTFP) for the period 2024/25 to 2027/28 was approved at Council on 7 March 2024 and is available [here](#). This sets out the District Council's assumptions on expenditure, income and financing in order to ensure the delivery of the District Council's Community Plan for the same period.

Central Government has had plans to reform the local government finance system for a number of years. The Government initially intended for these reforms to take effect from 2020/21. It has now delayed these reforms further to 2026/27 at the earliest.

The reforms of the system are principally to increase the proportion of non-domestic rates (NDR) business rates retained locally; and to make fairer the Government's annual funding allocations for local authorities.

The impact of the government's decision to delay the reform to the system has been positive on the funding position of Newark and Sherwood District Council. The delay in re-setting the NDR baseline has meant that expected NDR income in 2024/25 and 2025/26 is £8.0m higher than forecast within the MTFP that was approved on 8 March 2022.

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

Throughout 2024/25, officers will closely monitor the government's announcements relating to the local government finance system and assess the implications of these on the council's funding for 2026/27 and future years.

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

	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)
Net Service Expenditure (less capital charges)	19.787	20.749	20.718	21.376
Total Other Expenditure	0.092	1.348	2.250	2.250
Total Expenditure	19.879	22.097	22.968	23.626
Business Rates: receivable annually	(9.117)	(9.597)	(9.597)	(9.597)
Business Rates: other adjustments	(0.093)	0.000	0.000	0.000
Council Tax: receivable annually	(8.286)	(8.614)	(8.955)	(9.307)
Council Tax: other adjustments	0.117	0.000	0.000	0.000
Other Grants	(3.294)	(2.597)	(0.407)	(0.353)
Contribution (to) or from Reserves	0.994	0.272	0.278	0.283
Funding Shortfall prior to Mitigations	0.200	1.551	4.277	4.642

The above table shows the likely levels of contributions from reserves necessary to fund the Community Plan over the four year period. Clearly there are large shortfalls in each of the final two years based on the assumption at the time with the anticipated reforms to the local Government finance system.

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

	2024/25 (£m)	2025/26 (£m)	2026/27 (£)	2027/28 (£)
Funding Shortfall prior to Mitigations	0.200	1.551	4.277	4.642
Dividends from Arkwood Developments Ltd	-	(0.500)	(0.650)	(0.650)
Savings from service reviews	-	(0.100)	(0.170)	(0.170)
Savings/efficiencies from making business processes more efficient	-	(0.100)	(0.150)	(0.150)
Increased income from the council becoming more commercial	-	(0.100)	(0.200)	(0.200)
Use of MTFP reserve to offset contributions from reserves in future years	(0.200)	(0.751)	(3.107)	(1.845)
Proposed General Fund Funding Gap	0.000	0.000	0.000	1.627



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 its a positive opportunity or threat, and the likely impact. The risk management processes are subject to regular review and updating. Set out below are the key risks from the District Council's corporate risk register.

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



RISK	RISK	CONTROLS
Failure to deliver growth infrastructure	Facilitating the provision of key local infrastructure projects to ensure growth within the district to meet agreed plans and corporate priorities.	<ul style="list-style-type: none"> Continued liaison with key funders to monitor progression of SLR and A1 overbridge A high performing planning service Active lobbying of central Government and engagement with developers, stakeholders and partners Key documents in place such as the Community Infrastructure Levy charging schedule, a defined infrastructure list, Economic Growth Strategy and Development plan (Amended Core Strategy and Allocations and Development Management DPD and community plan Governance arrangements - Planning Committee, Planning policy board, Cabinet and Full Council Economic Growth Strategy – Newark Town Investment plan & Visitor economy strategy
Contract/ supply failure	Managing contracts with key suppliers, including Newark and Sherwood District Council's wholly own companies, to ensure the continued delivery of an effective service and ensure delivery of the District Council's priorities and objectives.	<ul style="list-style-type: none"> Procurement advice provided through Welland Procurement Contract register maintained on Pro-Contract and contract managers named for every contract Regular contract management meetings in place Wholly owned companies- Management agreements for wholly owned companies regularly reviewed. SLA register devised and actively managed by service areas and reviewed annually Comprehensive audit undertaken of contracts
Workforce	Ensuring the District Council is able to recruit, maintain and retain appropriate staffing resource to ensure it is able to deliver its services and meet its corporate objectives.	<ul style="list-style-type: none"> Business planning embedded throughout the District Council with clear links to community planning and performance framework Partnership approach with recognised trade unions to support staff and organisational change Training and development programme to support ongoing development of skills and competencies with Business Managers as well as other staff (i.e. change management, sickness and performance management and recruitment and softer skills) Procedures, policies and guidance, such as the managing absence guidance, in place to ensure best practice, and a rolling programme of review for HR policies to ensure they remain robust and fit for purpose Family friendly policies and enhanced workplace entitlements to attract and retain quality candidates including hybrid working, flexible working, employee counselling and therapy services, health and wellbeing initiatives Targeted training interventions to support individual employee development and the facilitation of succession management.

RISK	RISK	CONTROLS
Corporate governance	Risk of failure in systems of governance within the District Council, District Council owned/ influenced organisations and partnerships or other collaborative arrangements.	<ul style="list-style-type: none"> Annual internal review of the fraud risk register to carry out proactive work, check on internal controls. This is reported to members Corporate governance self-assessment against the Code of Corporate Governance undertaken periodically Annual review of the District Council's Constitution which ensures it is fit for purpose and up to date Periodic review of governance by three statutory officers Code of corporate governance created, maintained and monitored in accordance with CIPFA guidance Officer training on governance issues including anti-fraud and financial regulations and member inductions for new members Key Procedures, policies and guidance in place, such as Officer code of conduct, Officer registers of interests, Gifts and hospitality, Council Financial regulations and procedures, Contract procedures, Whistle blowing policy, Anti-fraud and corruptions strategy. Annual governance statement Annual combined assurance Internal Audit work including risk-based Audit Plan. Effective use of External Auditor.
Data management and security	Deliberate or unintentional loss/disclosure of personal, sensitive, confidential, business critical information or breach of information governance legislation	<ul style="list-style-type: none"> IG and Cyber security strategy Data protection and cyber awareness training including a section on information security and targeted training ongoing for staff located elsewhere and forms part of the induction process Guidance and training for elected members. GDPR sessions provided for new members External Audit on ICT security annually Use of data processing and agreements with contractors and partners CIGG group Public Sector Network and Cyber Essentials compliant Information security and governance is monitored and reviewed by the corporate information governance group on a monthly basis ISMS - Key information management documents in place including Security Policy, Retention Policy, Data Protection Policy etc.
Environment	Ability to meet requirements of the Government's green agenda and aspirations/ expectations of the Newark and Sherwood community in delivering a greener/carbon neutral service.	<ul style="list-style-type: none"> Annual report to members on progress against the action plan and carbon footprint target Climate Emergency was declared in July 2019 The Carbon Trust were appointed to work alongside officers and members to develop a Climate Emergency Strategy and Action Plan. The approved strategy, and costed action plan, support a net neutral date of 2035 Appointed a dedicated officer to drive carbon reduction projects forward Costed action plan to support net neutral date Climate emergency project working group Financial planning - MTFP Community plan

RISK	RISK	CONTROLS
Statutory compliance management	Implementation and maintenance of suitable statutory safety compliance management systems.	<ul style="list-style-type: none"> • Key policies and procedures in place e.g. auditing, inspection and reconciliation processes • Dedicated compliance teams • Training for staff and contractors • A complaints process for customer and tenants • A robust maintenance and inspection programme • Compliance reporting systems in place • Procurement processes to ensure competent/licenced/registered engineers/inspectors • Contract and Performance management systems • Assurance and scrutiny processes in place • Business planning



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 2024. 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 2023/24, 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 Deputy Chief Executive, Director of Resources and S151 Officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

2 Responsibilities of the Chief Financial Officer

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

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

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

The Chief Financial Officer has also:

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

Certificate of the Chief Financial Officer

This statement of accounts is that upon which the auditor should enter their opinion. It presents a true and fair view of the financial position of the authority at 31st March 2024 and its income and expenditure for the year then ended.

Signed:

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

Date

Signed:

Councillor Peter Harris
Chair - Audit and Governance Committee

Date

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

RESTATED 2022/23				2023/24		
Gross Expend- iture £'000	Gross Income £'000	Net Expend- iture £'000		Gross Expend- iture £'000	Gross Income £'000	Net Expend- iture £'000
2,564	-384	2,180	Biodiversity and Enviornmental Services	1,982	-443	1,539
4,653	-1,916	2,737	Climate Change	4,682	-2,053	2,629
3,627	-679	2,948	Community Safety & Community Development	3,837	-1,356	2,481
2,450	-317	2,133	Health, Wellbeing and Leisure	4,216	-362	3,854
2,199	-1,401	798	Heritage, Culture & the Arts	2,539	-1,824	715
25,633	-28,023	-2,390	Housing	34,305	-29,244	5,061
32,210	-23,421	8,789	Strategy, Performance & Finance	35,219	-23,911	11,308
13,109	-5,562	7,547	Sustainable Economic Development	34,128	-29,513	4,615
86,445	-61,703	24,742	Cost of Services	120,908	-88,706	32,202
5,875	-2,400	3,475	Other Operating Income and Expenditure Note 14	5,691	-1,005	4,686
8,430	-2,983	5,447	Financing and Investment Income and Expenditure Note 15	5,446	-4,017	1,429
14,463	-45,373	-30,910	Taxation and Non Specific Grant Income Note 16	14,850	-43,240	-28,390
115,213	-112,459	2,754	Surplus (-) or Deficit on Provision of Services	146,895	-136,968	9,927
		-22,841	Surplus(-) or Deficit on Revaluation of Non Current Assets			-1,177
		-71,824	Remeasurements of the Net Defined Benefit Liability (Asset)			-8,192
		-94,665	Other Comprehensive Income and Expenditure			-9,369
		-91,911	Total Comprehensive Income and Expenditure			558

MOVEMENT IN RESERVES STATEMENT

	General Fund Balance	Earmarked General Fund Reserves	Housing Revenue Account	Earmarked Housing Revenue Account	Major Repairs Reserve	Capital Grants Unapplied	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Council Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Movement in reserves 2023/24										
Balance at 31 March 2023 carried forward	1,500	30,820	2,000	5,115	13,244	14,047	1,374	68,100	311,363	379,463
Total Comprehensive Income and Expenditure	-7,632	0	-2,295	0	0	0	0	-9,927	9,369	-558
Adjustment between accounting basis & funding basis under regulations (Note 12)	7,961	0	1,407	0	-5,219	-2,890	-1,215	44	-44	0
Net Increase/Decrease(-) before Transfers to Earmarked Reserves	329	0	-888	0	-5,219	-2,890	-1,215	-9,883	9,325	-558
Transfers to/from(-) Earmarked Reserves(Note 13)	-329	329	888	-888	0	0	0	0	0	0
Increase/Decrease(-) in 2023/24	0	329	0	-888	-5,219	-2,890	-1,215	-9,883	9,325	-558
Balance at 31 March 2024 carried forward	1,500	31,149	2,000	4,227	8,025	11,157	159	58,217	320,688	378,905

	General Fund Balance	Earmarked General Fund Reserves	Housing Revenue Account	Earmarked Housing Revenue Account	Major Repairs Reserve	Capital Grants Unapplied	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Council Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Movement in reserves 2022/23										
Balance at 31 March 2022 carried forward	1,500	34,843	2,000	5,294	17,450	13,052	2,910	77,049	210,503	287,552
Total Comprehensive Income and Expenditure	-2,387	0	-367	0	0	0	0	-2,754	94,665	91,911
Adjustment between accounting basis & funding basis under regulations (Note 12)	-1,636	0	188	0	-4,206	995	-1,536	-6,195	6,195	0
Net Increase/Decrease(-) before Transfers to Earmarked Reserves	-4,023	0	-179	0	-4,206	995	-1,536	-8,949	100,860	91,911
Transfers to/from(-) Earmarked Reserves(Note 13)	4,023	-4,023	179	-179	0	0	0	0	0	0
Increase/Decrease(-) in 2022/23	0	-4,023	0	-179	-4,206	995	-1,536	-8,949	100,860	91,911
Balance at 31 March 2023 carried forward	1,500	30,820	2,000	5,115	13,244	14,047	1,374	68,100	311,363	379,463

BALANCE SHEET

31 March 2023 £'000	Notes	31 March 2024 £'000
453,071 Property, Plant & Equipment	22	451,785
3,560 Heritage Assets	26	3,560
376 Intangible Assets	28	651
15,384 Long Term Investments - Fair Value through Profit and Loss	41	15,024
2,377 Long Term Debtors	30	2,373
4,342 Long Term Finance Lease Debtor	24	4,225
479,110 TOTAL LONG TERM ASSETS		477,618
27,435 Short Term Investments	41	7,240
407 Inventories		409
12,925 Short Term Debtors	30	10,671
4,054 Assets Held For Sale	27	3,194
23,234 Cash and Cash Equivalents	25	15,956
68,055 TOTAL CURRENT ASSETS		37,470
-10,081 Short Term Borrowings	41	-7,863
-17,379 Short Term Creditors	31	-17,905
-354 Provisions Short Term	32	-203
-25,472 Grants Receipts in Advance	20	-6,461
-53,286 TOTAL CURRENT LIABILITIES		-32,432
0 Long Term Creditors	31	0
-1,117 Provisions Long Term	32	-377
-4,863 Long Term Finance Lease Liability	23	-4,714
-81,435 Long Term Borrowing	41	-78,403
-19,798 Pensions Liability	39	-11,898
-7,203 Grants Receipts in Advance	20	-8,359
-114,416 TOTAL LONG TERM LIABILITIES		-103,751
379,463 TOTAL NET ASSETS		378,905
68,100 Usable Reserves	33	58,217
311,363 Unusable Reserves	34	320,688
379,463 TOTAL RESERVES		378,905

CASH FLOW STATEMENT

2022/23 £'000	Notes	2023/24 £'000
-2,754 Net Surplus/Deficit(-) on the Provision of Services		-9,927
14,406 Adjustment to Surplus or Deficit on the Provision of Services for Non-Cash Movements	36A	27,969
-16,023 Adjust for Item Included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	36A	-33,338
-4,371 Net Cash Flows from Operating Activities		-15,296
8,408 Investing Activities	36C	15,271
-8,461 Financing Activities	36D	-7,253
-4,424 Net Increase or Decrease(-) in Cash and Cash Equivalents		-7,278
Cash and Cash Equivalents at the Beginning of the Reporting Period		23,234
23,234 Cash and Cash Equivalents at the End of the Reporting Period	25	15,956

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 2023/2024 financial year and its position at the year-end of 31 March 2024. 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 2023/2024 (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 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.

1.5 Council Tax and Non-Domestic Rates

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

Accounting for Council Tax and NDR

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

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

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

1.6 Employee Benefits

Benefits Payable During Employment

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

Termination Benefits

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

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

Post-employment Benefits

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

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

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

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

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

Service Cost comprising

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

Re-measurements comprising

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

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

Discretionary Benefits

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

1.7 Financial Instruments

Financial Liabilities

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

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

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

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

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

Financial Assets

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

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

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

Financial Assets Measured at Amortised Cost

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

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

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

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

Expected Credit Loss Model

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

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

Financial assets measured at fair value through profit or loss

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

Fair value measurements of financial assets

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

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

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

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

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

1.8 Government Grants and Contributions

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

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

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

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

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

Community Infrastructure Levy

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

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

1.9 Heritage Assets

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

are deemed to include elements of intangible heritage assets are also presented below. The Councils collections of heritage assets are accounted for as follows.

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

Heritage Assets – General

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

1.10 Joint Operations

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

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

1.11 Leases

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

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

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

The Council as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation

to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account through the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (eg there is a rent-free period at the commencement of the lease).

The Council as Lessor

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 (ie 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 through 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 through 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.

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 through the Movement in Reserves Statement.

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the 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, even if this does not match the pattern of payments (eg there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

1.12 Property, Plant and Equipment

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

Recognition

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

Measurement

Assets are initially measured at cost, comprising:

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

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

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

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

- Surplus Assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective

- Dwellings – current value, determined using the basis of existing use value for social housing (EUV–SH)
- Community Assets, Infrastructure and Assets Under Construction – measured at historical cost
- Other Land and Buildings, Vehicles, Plant and Equipment – fair value or, where there is no market based evidence of fair value, depreciated historical cost

Valuation

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

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

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

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

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

Impairment

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

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

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

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

Depreciation

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

Depreciation is calculated on the following bases:

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

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

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

Disposals and Non-current Assets Held for Sale

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

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

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

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

value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

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

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

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

1.13 Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

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

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

Contingent Liabilities

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

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

Contingent Assets

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

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

1.14 Reserves

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

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

1.15 Revenue Expenditure Funded from Capital under Statute

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

1.16 Value Added Tax

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

1.17 Fair Value Measurement of non-financial assets

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

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

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

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

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

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

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

2 ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET ADOPTED

The Code of Practice requires that, where new or amended accounting standards have been issued but not adopted by 31st March 2024, 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 2024:

- a) IFRS 16 Leases issued in January 2016.
- b) Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020.
- c) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022.
- d) Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022.

IFRS 16 will be implemented from 1 April 2024 into the financial statements, however the effects of this standard are presently being evaluated.

It is likely that though they provide clarifications, items b), c) 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:

- 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 2024 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>	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.
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>
Provision - Business Rates	<p>Since the introduction of the Business Rates Retention Scheme effective from 1st April 2013 local authorities are liable for successful appeals against business rates charged to businesses in 2023/24 and earlier financial years in their proportionate share. A provision has been recognised for the best estimate of the amount that businesses have been overcharged up to 31st March 2024.</p> <p>Estimation of backdated appeals was provided by Analyse Local. This assumes that various amounts of appeals are received, and then subsequently agreed.</p>	Decrease in collection amount of NNDR, leaving the Council with a reduced amount of funding for Services. 40% of any reduction would impact upon the Council.
Arrears	At 31 March 2024, the Council had a balance of short term debtors totalling £12.906m. A review of significant balances suggested that a loss allowance of £2.263m 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 £2.263m to set aside as an allowance.

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 2023/24, the Council's actuaries advised that the net pensions liability had decreased by £7.9m 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>
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5 MATERIAL ITEMS OF INCOME AND EXPENDITURE

During 2023/2024 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 £0.039m (2022/23 £0.058m) 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 38.

7 POST BALANCE SHEET EVENT

The final Audited Statement of Accounts will be authorised for issue by the Deputy Chief Executive and Director of Resources S151 Officer on 25 September 2024. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

8 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.

9 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.

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RESTATED 2022/23				2023/24		
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
1,260	920	2,180	Biodiversity and Enviornmental Services	1,391	148	1,539
1,936	801	2,737	Climate Change	2,140	489	2,629
1,946	1,002	2,948	Community Safety & Community Development	2,412	69	2,481
570	1,563	2,133	Health, Wellbeing and Leisure	837	3,017	3,854
549	249	798	Heritage, Culture & the Arts	645	70	715
-13,039	10,649	-2,390	Housing	-12,949	18,010	5,061
6,640	2,149	8,789	Strategy, Performance & Finance	7,541	3,767	11,308
1,260	6,287	7,547	Sustainable Economic Development	1,435	3,180	4,615
1,122	23,620	24,742	Net Cost of Services	3,452	28,750	32,202
3,080	-25,068	-21,988	Other Income and Expenditure	-2,893	-19,382	-22,275
4,202	-1,448	2,754	Surplus(-)/Deficit	559	9,368	9,927
General Fund & Earmarked Reserve £'000	HRA & Earmarked Reserve £'000	Total £'000		General Fund & Earmarked Reserve £'000	HRA & Earmarked Reserve £'000	Total £'000
-36,343	-7,294	-43,637	Opening Balance	-32,320	-7,115	-39,435
4,023	179	4,202	Surplus(-) or Deficit on Balances in Year	-329	888	559
-32,320	-7,115	-39,435	Closing Balance at 31 March	-32,649	-6,227	-38,876
Closing Balances Split by Reserve:						
-1,500	-2,000	-3,500	Working Reserve	-1,500	-2,000	-3,500
-30,820	-5,115	-35,935	Earmarked Reserve	-31,149	-4,227	-35,376
-32,320	-7,115	-39,435	Closing Balance at 31 March	-32,649	-6,227	-38,876

10 NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

Adjustments between Funding and Accounting Basis 2023/24

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
Biodiversity and Environmental Services	197	-49	0	148
Climate Change	556	-67	0	489
Community Safety & Community Development	119	-50	0	69
Health, Wellbeing and Leisure	3,019	-2	0	3,017
Heritage, Culture & the Arts	93	-23	0	70
Housing	18,169	-159	0	18,010
Strategy, Performance & Finance	3,982	-215	0	3,767
Sustainable Economic Development	3,239	-59	0	3,180
Net Cost of Services	29,374	-624	0	28,750
Other income and expenditure from the Expenditure and Funding Analysis	-20,305	915	8	-19,382
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	9,069	291	8	9,368

Adjustments between Funding and Accounting Basis 2022/23

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts RESTATED	Adjustments for Capital Purposes (Note 1) £'000	Net change for the Pensions Adjustments (Note 2) £'000	Other Differences (Note 3) £'000	Total Adjustments £'000
Biodiversity and Environmental Services	596	294	30	920
Climate Change	362	402	37	801
Community Safety & Community Development	665	300	37	1,002
Health, Wellbeing and Leisure	1,552	15	-4	1,563
Heritage, Culture & the Arts	99	145	5	249
Housing	9,684	945	20	10,649
Strategy, Performance & Finance	711	1,287	151	2,149
Sustainable Economic Development	5,890	365	32	6,287
Net Cost of Services	19,559	3,753	308	23,620
Other income and expenditure from the Expenditure and Funding Analysis	-23,165	2,225	-4,128	-25,068
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	-3,606	5,978	-3,820	-1,448

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.

11 EXPENDITURE AND INCOME ANALYSIED BY NATURE

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

Expenditure/Income 2023/24	Biodiversity and Environmental £'000	Climate Change £'000	Community Safety & Community £'000	Health, Wellbeing and Leisure £'000	Heritage, Culture & the Arts £'000	Housing £'000	Strategy, Performance & Finance £'000	Sustainable Economic Developme £'000	Corporate Amounts £'000	Total £'000
Fees, Charges and Other Service Income	-409	-2,053	-643	-99	-1,422	-28,129	-5,006	-1,313	0	-39,074
Income on Joint Associates	0	0	0	0	0	0	0	0	-139	-139
Interest and Investment Income	0	0	0	0	0	0	0	0	-4,008	-4,008
Income from Council Tax	0	0	0	0	0	0	0	0	-11,363	-11,363
Income from Non Domestic Rates	0	0	0	0	0	0	0	0	-20,277	-20,277
Housing Benefit Subsidy Rent Allowance	0	0	0	0	0	0	-9,810	0	0	-9,810
Housing Benefit Subsidy Rent Rebates	0	0	0	0	0	0	-8,541	0	0	-8,541
Grants and Contributions	-34	0	-713	-263	-402	-1,115	-554	-28,200	-11,600	-42,881
Disposal of Assets	0	0	0	0	0	0	0	0	-875	-875
Total Income	-443	-2,053	-1,356	-362	-1,824	-29,244	-23,911	-29,513	-48,262	-136,968
Employee Expenses	1,810	2,507	1,936	75	1,060	6,176	8,198	2,379	0	24,141
Other Service Expenses	-26	1,619	1,795	1,125	1,386	10,064	4,574	31,727	244	52,508
Housing Benefit Rent Allowance	0	0	0	0	0	0	9,900	0	0	9,900
Housing Benefit Rent Rebates	0	0	0	0	0	0	8,566	0	0	8,566
Expenditure on Joint Associates	0	0	0	0	0	0	0	0	156	156
Developers Contribution Payment	0	0	0	0	0	0	0	0	387	387
Depreciation, Amortisation and Impairment	198	556	106	3,016	93	18,059	3,981	22	0	26,031
Changes in Fair Value	0	0	0	0	0	0	0	0	360	360
Interest Payments	0	0	0	0	0	6	0	0	5,084	5,090
Non Domestic Rates Tariff & Deficit	0	0	0	0	0	0	0	0	14,462	14,462
Precepts and Levies	0	0	0	0	0	0	0	0	4,519	4,519
Payments to Housing Capital Receipts Pool	0	0	0	0	0	0	0	0	0	0
Disposal of Assets	0	0	0	0	0	0	0	0	775	775
Total Operating Expenses	1,982	4,682	3,837	4,216	2,539	34,305	35,219	34,128	25,987	146,895
Surplus(-)/Deficit on Provision of Services	1,539	2,629	2,481	3,854	715	5,061	11,308	4,615	-22,275	9,927

Expenditure/Income 2022/23	Biodiversity and Environmental	Climate Change	Community Safety & Community	Health, Wellbeing and Leisure	Heritage, Culture & the Arts	Housing	Strategy, Performance & Finance	Sustainable Economic Developme	Corporate Amounts	Total
RESTATED	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees, Charges and Other Service Income	-371	-1,915	-630	-138	-1,298	-26,900	-4,655	-1,416	0	-37,323
Income on Joint Associates	0	0	0	0	0	0	0	0	-148	-148
Interest and Investment Income	0	0	0	0	0	0	0	0	-2,981	-2,981
Income from Council Tax	0	0	0	0	0	0	0	0	-11,004	-11,004
Income from Non Domestic Rates	0	0	0	0	0	0	0	0	-21,594	-21,594
Housing Benefit Subsidy Rent Allowance	0	0	0	0	0	0	-9,356	0	0	-9,356
Housing Benefit Subsidy Rent Rebates	0	0	0	0	0	0	-8,451	0	0	-8,451
Government Grants and Contributions	-13	-1	-49	-179	-103	-1,123	-959	-4,146	-12,774	-19,347
Disposal of Assets	0	0	0	0	0	0	0	0	-2,255	-2,255
Total Income	-384	-1,916	-679	-317	-1,401	-28,023	-23,421	-5,562	-50,756	-112,459
Employee Expenses	2,028	2,857	2,109	97	1,030	6,483	9,086	2,460	0	26,150
Other Service Expenses	-60	1,434	1,380	1,168	1,070	10,239	4,525	10,646	-293	30,109
Housing Benefit Rent Allowance	0	0	0	0	0	0	9,414	0	0	9,414
Housing Benefit Rent Rebates	0	0	0	0	0	0	8,497	0	0	8,497
Expenditure on Joint Associates	0	0	0	0	0	0	0	0	151	151
Developers Contribution Payment	0	0	0	0	0	0	0	0	1,262	1,262
Depreciation, Amortisation and Impairment	596	362	138	1,185	99	8,898	688	3	0	11,969
Changes in Fair Value	0	0	0	0	0	0	0	0	1,269	1,269
Interest Payments	0	0	0	0	0	13	0	0	7,158	7,171
Non Domestic Rates Tariff & Deficit	0	0	0	0	0	0	0	0	13,202	13,202
Precepts and Levies	0	0	0	0	0	0	0	0	4,103	4,103
Payments to Housing Capital Receipts Pool	0	0	0	0	0	0	0	0	0	0
Disposal of Assets	0	0	0	0	0	0	0	0	1,916	1,916
Total Operating Expenses	2,564	4,653	3,627	2,450	2,199	25,633	32,210	13,109	28,768	115,213
Surplus(-)/Deficit on Provision of Services	2,180	2,737	2,948	2,133	798	-2,390	8,789	7,547	-21,988	2,754

12 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.

2023/24 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)	-231	-61	0	0	0	292
Financial instruments (transferred to the Financial Instrument Adjustment Account)	4	0	0	0	0	-4
Pooled Investment (transferred to the Pooled Investment Adjustment Account)	5					-5
Council tax and NDR (transfers to (or from) Collection Fund)	349	0	0	0	0	-349
Holiday pay (transferred to the Accumulated Absences Reserve)	0	0	0	0	0	0
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to Capital Adjustment Account - CAA):	-13,767	-12,800	0	775	0	25,792
Total Adjustments to Revenue Resources	-13,640	-12,861	0	775	0	25,726
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts	65	809	0	0	-874	0
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	0	-17	0	0	17	0
Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	0	0	0	0	0	0
Posting of HRA resources from revenue to the Major Repairs Reserve	0	10,363	-10,363	0	0	0
Statutory and voluntary provision for the repayment of debt (transfer from the CAA)	1,139	0	5,535	0	0	-6,674
Capital expenditure financed from revenue balances (transfer to the CAA)	4,475	299	0	0	0	-4,774
Total Adjustments between Revenue and Capital Resources	5,679	11,454	-4,828	0	-857	-11,448
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	0	0	2,184	-2,184
Use of the Major Repairs Reserve to finance capital expenditure	0	0	10,047	0	0	-10,047
Application of capital grants to finance capital expenditure	0	0	0	2,115	0	-2,115
Cash payments in relation to deferred capital receipts	0	0	0	0	-112	112
Total Adjustments to Capital Resources	0	0	10,047	2,115	2,072	-14,234
Total Adjustments	-7,961	-1,407	5,219	2,890	1,215	44

	General Fund Balance £'000	Housing Revenue Account £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Capital Receipts in Reserve £'000	Movement Unusable Reserves £'000
2022/23 Usable Reserves						
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)	-4,714	-1,263	0	0	0	5,977
Financial instruments (transferred to the Financial Instrument Adjustment Account)	4	0	0	0	0	-4
Pooled Investment (transferred to the Pooled Investment Adjustment Account)	-1,676					1,676
Council tax and NDR (transfers to (or from) Collection Fund)	5,395	0	0	0	0	-5,395
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):	-1,483	-10,224	0	-1,007	0	12,714
Total Adjustments to Revenue Resources	-2,783	-11,487	0	-1,007	0	15,277
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts	1,145	1,867	0	0	-3,012	0
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	0	-26	0	0	26	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	9,458	-9,458	0	0	0
Statutory and voluntary provision for the repayment of debt (transfer from the CAA)	1,863	0	6,532	0	0	-8,395
Capital expenditure financed from revenue balances (transfer to the CAA)	1,411	0	0	0	0	-1,411
Total Adjustments between Revenue and Capital Resources	4,419	11,299	-2,926	0	-2,986	-9,806
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	0	0	4,522	-4,522
Use of Capital Receipts to offset debt on associated Finance Lease Liability	0	0	0	0	106	-106
Use of the Major Repairs Reserve to finance capital expenditure	0	0	7,132	0	0	-7,132
Application of capital grants to finance capital expenditure	0	0	0	12	0	-12
Cash payments in relation to deferred capital receipts	0	0	0	0	-106	106
Total Adjustments to Capital Resources	0	0	7,132	12	4,522	-11,666
Total Adjustments	1,636	-188	4,206	-995	1,536	-6,195

13 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 2022 £'000	Movement in Year £'000	Balance as at 31st March 2023 £'000	Movement in Year £'000	Balance as at 31st March 2024 £'000
General Fund for known pressures Reserves					
Financial Instruments Revaluation	91	-91	0	0	0
Election Expenses	77	-31	46	69	115
Insurance	261	-171	90	17	107
ICT & Digital Services	0	95	95	15	110
Renewal and Repairs	2,400	13	2,413	50	2,463
Building Control	75	8	83	-22	61
Domestic Homicide Review	0	10	10	0	10
Museum Purchases	40	6	46	13	59
Training Provision	191	91	282	0	282
Community Safety Fund	142	-19	123	13	136
Restructuring & Pay	141	-141	0	0	0
Court Costs	58	-58	0	0	0
Planning Costs	201	0	201	0	201
Homelessness Fund	306	174	480	-370	110
Fuel and Energy Reserve	62	-62	0	0	0
Refuse Bin Purchase	15	-15	0	0	0
Energy and Home Support	103	0	103	0	103
Growth and Prosperity	127	0	127	-127	0
Emergency Planning Reserve	43	-43	0	60	60
Other Earmarked Reserves	25	-25	0	0	0
Management Carry Forward	993	215	1,208	-437	771
Mansfield Crematorium	145	15	160	-1	159
CSG/Enforcement Reserve	47	-16	31	64	95
Flood Defence Reserve	250	0	250	0	250
NNDR Volatility Reserve	793	-293	500	0	500
Community Initiative Fund	154	-53	101	10	111
MTFP Reserve	5,588	604	6,192	2,270	8,462
Asset Management Fund	500	0	500	-149	351
Capital Projects Feasibility Fund	347	-26	321	-99	222
Community Engagement Fund	220	-141	79	-38	41
COVID Pressures	186	-186	0	0	0
Collection Fund Budget	6,250	-5,175	1,075	303	1,378
COVID Compliance	198	-198	0	0	0
Theatre Centenary	15	0	15	3	18
Commercial Plan Invest to Save	0	200	200	0	200
Workforce Development Reserve	0	200	200	-30	170
Community Lottery	7	5	12	6	18
Homes for Ukraine Fund	0	320	320	34	354
Unapplied Revenue Grants and Contributions	620	250	870	108	978

Total for known pressures	20,671	-4,538	16,133	1,762	17,895
Reserves					
Change Management	13,097	1,074	14,171	-2,185	11,986
Total General Fund Revenue	33,768	-3,464	30,304	-423	29,881
<u>Capital Revenue Reserves</u>					
Capital Revenue Financing	1,075	-559	516	752	1,268
Total General Fund Capital	1,075	-559	516	752	1,268
Total General Fund Earmarked Reserves	34,843	-4,023	30,820	329	31,149
<u>Housing Revenue Reserves</u>					
Newark and Sherwood Homes Merger Transfer	3,967	-3,967	0	0	0
Insurance Fund	50	0	50	0	50
Development and ICT	116	-116	0	0	0
Restructuring & Pay	100	0	100	0	100
Other Earmarked Reserves	735	-735	0	0	0
HRA Mangement Carry Forward	0	305	305	-249	56
Future Rents Bad Debt	326	-326	0	0	0
Decent Homes Reserve	0	1,500	1,500	0	1,500
Unused Efficiency Savings	0	687	687	312	999
Service Improvements	0	1,856	1,856	-951	905
Regulatory Compliance/Modernisat	0	250	250	0	250
Health & Safety	0	367	367	0	367
Total HRA Revenue	5,294	-179	5,115	-888	4,227
Total General Fund and HRA Earmarked Reserves	40,137	-4,202	35,935	-559	35,376

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.

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

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.

Collection Fund Budget - a reserve to fund the Collection Fund deficit which has arisen because of General Fund grant being given to compensate councils for statutory NDR reliefs paid by councils in-year.

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

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.

14 OTHER OPERATING INCOME AND EXPENDITURE

2022/23 £'000	2023/24 £'000
3,425 Parish Council Precepts	3,572
678 Levies	947
0 Payments to the Government Housing Capital Receipts Pool	0
-339 Gains(-)/losses on the disposal of non-current assets	-99
-292 Loss Allowance	241
3 Mansfield Crematorium - Net Cost of Service	25
3,475 Total	4,686

15 FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2022/23 £'000	2023/24 £'000
4,942 Interest payable and similar charges	4,171
2,217 Net interest on the net defined benefit liability (asset)	914
-2,981 Interest receivable and similar income	-4,008
1,269 Net (gains)/losses on financial assets at fair value through profit and loss	360
0 Mansfield Crematorium - Financing and Investment Income and Expenditure	-8
5,447 Total	1,429

16 TAXATION AND NON-SPECIFIC GRANT INCOME AND EXPENDITURE

2022/23 £'000	2023/24 £'000
-11,004 Council tax income	-11,362
-4,460 Non-Domestic Rates income and expenditure	-5,816
-6,108 Non ring-fenced Government grants	-6,978
-1 Revenue Developers grants & contributions	-39
-1,655 Capital Developers grants & contributions	413
-7,682 Capital grants and contributions	-4,608
-30,910 Total	-28,390

17 OFFICIALS' EMOLUMENTS

Amounts payable to senior employees in 2023/24 are disclosed below.

	2022/23 £	2023/24 £
<u>Chief Executive</u>		
Salary, Fees & Allowances	132,143.81	136,754.04
Expenses Allowances	397.70	498.80
Employer's Contribution to Pension	23,122.74	25,127.89
% Employee's Contribution to Pension	11.4%	11.4%
<u>Deputy Chief Executive & Director of Resources</u>		
Salary, Fees & Allowances	108,888.00	112,761.00
Expenses Allowances	160.00	70.00
Employer's Contribution to Pension	19,065.91	20,973.59
% Employee's Contribution to Pension	10.5%	10.5%
<u>Director of Customer Services & Organisational Development</u>		
Salary, Fees & Allowances	80,956.05	83,980.39
Expenses Allowances	59.00	99.00
Employer's Contribution to Pension	14,166.62	15,620.39
% Employee's Contribution to Pension	9.9%	9.9%
<u>Director of Communities & Environment</u>		
Salary, Fees & Allowances	89,159.01	92,343.96
Expenses Allowances	88.35	87.00
Employer's Contribution to Pension	15,598.94	17,175.94
% Employee's Contribution to Pension	9.9%	9.9%
<u>Director of Planning & Growth</u>		
Salary, Fees & Allowances	89,136.96	93,153.57
Expenses Allowances	71.00	100.00
Employer's Contribution to Pension	15,598.94	17,326.53
% Employee's Contribution to Pension	9.9%	9.9%
<u>Director of Housing, Health & Welbeing</u>		
Salary, Fees & Allowances	89,136.96	92,687.33
Expenses Allowances	66.00	94.00
Employer's Contribution to Pension	15,598.94	17,239.81
% Employee's Contribution to Pension	9.9%	9.9%
<u>Assistant Director Law & Democratic Services</u>		
Salary, Fees & Allowances	76,209.96	78,876.96
Expenses Allowances	0.00	0.00
Employer's Contribution to Pension	13,336.74	14,671.08
% 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	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
							£'000	£'000
£0 to £20,000	0	1	3	2	3	3	8	25
£20,001 to £40,000	0	0	0	0	0	0	0	0
£40,001 to £60,000	0	0	0	0	0	0	0	0
£60,001 to £80,000	0	0	0	0	0	0	0	0
£80,001 plus	0	0	0	0	0	0	0	0
Total	0	1	3	2	3	3	8	25

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 2023/24	Employees Included in 2023/24 leaving in same year	Number of Employees 2022/23
£50,000 to £54,999	6	0	6
£55,000 to £59,999	4	0	5
£60,000 to £64,999	5	0	4
£65,000 to £69,999	3	0	4
£70,000 to £74,999	5	0	2
£75,000 to £79,999	1	0	2
£80,000 to £84,999	1	0	1
£85,000 to £89,999	0	0	3
£90,000 to £94,999	3	0	0
£105,000 to £109,999	0	0	1
£110,000 to £114,999	1	0	0
£130,000 to £134,999	0	0	1
£135,000 to £139,999	1	0	0
Total	30	0	29

Bandings are removed where each financial year has no value.

18 RELATED PARTY TRANSACTIONS

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

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

Party	Disclosure
• UK Central Government has effective control over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions the Council has with other parties.	Comprehensive Income and Expenditure Statement Cash Flow Statement
•Members of the council have direct control over the council's financial and operating policies.	Note 19 Members Allowances
•Precepts from other Local Authorities.	Collection Fund Accounts
•Arkwood Developments Ltd is a wholly owned subsidiary of the Council.	Group Accounts
•Active4Today Ltd is a wholly owned subsidiary of the Council.	Group Accounts
•RHH Newark Ltd is a 50% owned joint venture of the Council.	Group Accounts
•The Council has joint control of Mansfield Crematorium.	Note 38 Joint Crematorium Committee

During 2023/24 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	4	0
Newark on Trent Twinning Association	0	2

19 MEMBERS ALLOWANCES

2022/23 £'000	2023/24 £'000
84 Special Responsibility Payments	110
197 Basic Allowances	205
4 Travel and Subsistence	10
285 Total	325

20 GRANT INCOME

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

2022/23 £'000	2023/24 £'000
<u>Credited to Taxation and Non Specific Grant</u>	
-88 Revenue Support Grant	-228
-1,573 New Homes Bonus Grant	-888
-422 DCLG Grant	-157
-52 New Burdens Grant	-53
-3,933 S31 Grant Business Rates	-4,560
-40 Rural Services Delivery Grant	-45
0 Drainage Board Grant	-240
0 Funding Guarantee	-807
-1 Section 106	-39
<u>Capital Related:</u>	
0 Recycled Capital Housing Grant	-610
-140 Supported Housing	0
-1,654 Developers Contributions (Net of Payments)	413
-7,239 Other Grants and Contributions	-384
-304 Towns Fund - Stodman Street Regeneration	-1,574
0 DLHUC - Housing Fund	-1,222
0 Decarbonisation	-818
-15,446 Total	-11,212
<u>Credited to Services</u>	
-9,356 Housing Benefits Subsidy - Rent Allowances	-9,810
-8,451 Housing Benefits Subsidy - Rent Rebates	-8,541
-266 Housing Benefits Administration Grant	-258
-111 Council Tax Support Grant	0
-21 Council Tax Hardship Grant	-149
-196 Council Tax Rebate Discretionary Grant	0
0 Cultural Health and Wellbeing Alliance	-8
-42 NHS Test & Trace Support	0
0 Social Housing Decarbonisation Grant	-34
-323 Shared Prosperity Grant	-692
-30 Discretionary Housing Payment	-70
-125 Levelling Up Fund	-86
-200 Towns Fund - Cultural Heart	-173

-138 Towns Fund - Feasibility	-163
0 Sport England Support Grant	-180
-43 Safer Streets	-85
-128 High Street Heritage Action Zone	-18
-288 Homelessness Grant	-419
25 Rough Sleepers	0
-19 New Apprentice Grants	-3
-5 LGA's Cyber Security Programme	-11
0 National Portfolio Organisation	-250
-280 New Burdens Grant	-77
0 Locality Funding Police and Crime Commissioner	-39
0 Keep Britain Tidy	-24
-7 Apprentice Levy	-8
-56 Domestic Abuse Support	-43
0 NCC Flooding Grant	-3
0 Biodiversity Net Gain	-1
0 Local Nature Reserve	-7
-16 West Midlands History	0
-24 DEFRA Environmental Schemes	-42
-45 Heritage Lottery Fund - Gateway	-152
-3 Newark Castle	0
<u>Capital Related:</u>	
-834 Private Sector Disabled Facilities	-644
-101 Other Capital Grants and contributions	-808
0 SLR - Sherwood LEP	-6,000
0 SLR - Newark LUF 1	-14,032
-3,298 Town Fund - Contribution to IASI	-6,802
-24,381 Total	-49,632

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

2022/23 £'000	2023/24 £'000
<u>Capital Related:</u>	
-23,399 Government	-4,076
-149 Other Third Parties	-230
-1,341 Section 106	-1,495
<u>Revenue Related:</u>	
-548 Government	-635
-29 Other Third Parties	-17
-6 Section 106	-8
-25,472	-6,461

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

2022/23 £'000	2023/24 £'000
<u><i>Capital Related:</i></u>	
0 Government	0
-6,893 Section 106	-8,039
-48 Other Third Parties	0
<u><i>Revenue Related:</i></u>	
-126 Government	-166
-82 Section 106	-99
-54 Other Third Parties	-55
-7,203	-8,359

21 AUDIT FEE

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

2022/23 £'000	2023/24 £'000
Fees Payable to Mazars LLP in respect of:	
50 External Audit Services	145
3 Other Services	4
53 Total	149

In addition, audit fees of £31,039 (£21,930 2022/23) were paid which related to work undertaken in prior financial years.

22 PROPERTY PLANT AND EQUIPMENT

Movements in 2023/24								
	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 April 2023	343,441	92,204	13,151	448	179	0	10,509	459,932
Additions	11,018	5,624	2,147	0	0	0	4,641	23,430
Donations	0	0	0	0	0	0	0	0
Revaluation increases/decreases(-) to Revaluation Reserve	-4,130	-962	0	0	0	0	0	-5,092
Revaluation increases/decreases(-) to Surplus/Deficit on the Provision of Services	-8,019	-10,517	0	0	0	0	0	-18,536
Derecognition - Disposals	0	0	-651	0	0	0	0	-651
Derecognition - Other						0		0
Assets reclassified to(-)/from Held for Sale	103	0	0	0	0	0	0	103
Reclassifications - Other	4,106	4,955	187	0	0	0	-9,248	0
At 31 March 2024	346,519	91,304	14,834	448	179	0	5,902	459,186
Accumulated Depreciation & Impairment								
At April 2023	0	842	5,867	152	0	0	0	6,861
Depreciation charge	5,481	1,403	1,226	35	0	0	0	8,145
Depreciation written out to the Revaluation Reserve	-5,124	-1,145	0	0	0	0	0	-6,269
Depreciation written out to the Surplus/Deficit on the Provision of Services	-358	-327	0	0	0	0	0	-685
Impairment losses/reversals(-) to Revaluation Reserve	0	0	0	0	0	0	0	0
Impairment losses/reversals(-) to Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0	0
Derecognition - Disposals	0	0	-651	0	0	0	0	-651
Reclassifications	1	-1	0	0	0	0	0	0
At 31 March 2024	0	772	6,442	187	0	0	0	7,401
Net Book Value								
at 31 March 2024	346,519	90,532	8,392	261	179	0	5,902	451,785
at 31 March 2023	343,441	91,362	7,284	296	179	0	10,509	453,071

Comparative Movements in 2022/23								
	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 April 2022	323,686	87,782	12,697	448	120	0	7,993	432,726
Additions	7,704	4,179	2,068	0	59	0	5,996	20,006
Donations	0	0	0	0	0	0	0	0
Revaluation increases/decreases(-) to Revaluation Reserve	12,504	2,581	0	0	0	0	0	15,085
Revaluation increases/decreases(-) to Surplus/Deficit on the Provision of Services	-2,884	-1,830	0	0	0	0	0	-4,714
Derecognition - Disposals	0	-40	-1,614	0	0	0	0	-1,654
Derecognition - Other	0	0	0	0	0	0	0	0
Assets reclassified to(-)/from Held for Sale	-1,453	0	0	0	0	0	0	-1,453
Reclassifications - Other	3,884	-468	0	0	0	0	-3,480	-64
At 31 March 2023	343,441	92,204	13,151	448	179	0	10,509	459,932
Accumulated Depreciation & Impairment								
At April 2022	0	895	6,460	117	0	0	0	7,472
Depreciation charge	5,154	1,483	1,008	35	0	0	0	7,680
Depreciation written out to the Revaluation Reserve	-4,898	-1,317	0	0	0	0	0	-6,215
Depreciation written out to the Surplus/Deficit on the Provision of Services	-259	-214	0	0	0	0	0	-473
Impairment losses/reversals(-) to Revaluation Reserve	0	0	0	0	0	0	0	0
Impairment losses/reversals(-) to Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0	0
Derecognition - Disposals	-1	-1	-1,601	0	0	0	0	-1,603
Reclassifications	4	-4	0	0	0	0	0	0
At 31 March 2023	0	842	5,867	152	0	0	0	6,861
Net Book Value								
at 31 March 2023	343,441	91,362	7,284	296	179	0	10,509	453,071
at 31 March 2022	323,686	86,887	6,237	331	120	0	7,993	425,254

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 2024, the Council has entered into a number of contracts for the construction or enhancement of property, plant and equipment in 2023/24 and future years budgeted to cost £23.439m. Similar commitments at 31 March 2023 were £27.557m. The major commitments are:

- New Council House Build - £5.913m
- Clipstone Holding Centre Purchase & Works - £7.783m
- Towns Fund - 32 Stodman Street Regeneration £8.652m

REVALUATIONS

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. All 31 March 2024 valuations were carried out by the Council's appointed surveyors, Wilks Head and Eve, who are suitably qualified and experienced for this purpose. Valuations were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Plant and machinery is included implicitly in the valuation of the buildings. Properties regarded by the Council as operational were valued on the basis of open market value for the existing use or, where this could not be assessed because there was no market for the asset, the depreciated replacement cost. Properties regarded by the Council as non-operational have been valued on the basis of open market value.

The significant assumptions applied in estimating the fair values are:

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

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

	Council Dwellings £'000	Other Land & Buildings £'000	Vehicles Plant & Equipment £'000	Infra- Structure £'000	Community Assets Construction £'000	Assets Under £'000	Surplus £'000	Total £'000
Valued at Historical Cost	0	0	14,834	448	179	5,902	0	21,363
Valued at Current Value in:								
31 March 24	346,519	65,994	0	0	0	0	0	412,513
31 March 23	0	4,495	0	0	0	0	0	4,495
31 March 22	0	10,391	0	0	0	0	0	10,391
31 March 21	0	9,038	0	0	0	0	0	9,038
31 March 20	0	360	0	0	0	0	0	360
	346,519	90,278	14,834	448	179	5,902	0	458,160
Non Revaluation adjustments	0	1,026	0	0	0	0	0	1,026
Gross Book Value	346,519	91,304	14,834	448	179	5,902	0	459,186

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

23 LEASES - DISCLOSURE AS LESSEE

Finance Leases

The Council has two finance leases a 25 year lease on the Beaumont Cross site, for the hotel and retail units and a 25 year lease on Southwell Leisure Centre. The assets are included on the Balance Sheet under Property, Plant and Equipment.

The following amounts are included within Other Land and Building assets Note 22 for the Property, Plant and Equipment held under finance leases:

2022/23 £'000	2023/24 £'000
2,202 Balance at 1 April	2,152
185 Additions	101
0 Revaluations	-599
-86 Depreciation	31
0 Disposals	0
-149 Early Termination of Lease due to purchase	0
2,152 Net Book Value at 31 March	1,685

The Council is committed to making minimum payments under the leases comprising settlement of the long term liability for the interest in the property acquired by the authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

2022/23 £'000	2023/24 £'000
Finance Lease Liabilities (net present value of minimum lease payments)	
145 • Current	150
4,863 • Non Current	4,714
2,120 Finance costs payable in future years minimum lease payments	1,956
7,128 Minimum Lease Repayments	6,820

The minimum lease payments will be payable over the following periods:

2022/23			2023/24		
Minimum	Finance		Minimum	Finance	
Lease	Lease		Lease	Lease	
Payments	Liabilities		Payments	Liabilities	
(NPV)	(NPV)		(NPV)	(NPV)	
£'000	£'000		£'000	£'000	
310	145	Not later than one year	310	150	
1,240	634	Later than one year and not later than five years	1,240	656	
5,580	4,230	Later than five years	5,270	4,058	
7,130	5,009	Total	6,820	4,864	

The Council sub-lets the hotel asset on the Beaumond Cross site held under the finance lease. The annual minimum payments are detailed in note 24 as the sub lease is classified as a finance lease.

Operating Leases

The authority has no leases for Vehicles, Plant, Furniture and Equipment

Land and Buildings - the Council leases several items of land. The leasing arrangements for each being accounted for as operating leases.

Future minimum lease payments due in future years are:

2022/23	2023/24
£'000	£'000
31 Not later than one year	31
126 Later than one year and not later than five years	126
2,131 Later than five years	2,100
2,288 Total Operating Lease Costs	2,257

The expenditure charged to services in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

2022/23	2023/24
£'000	£'000
46 Minimum lease payments	43
46 Total Operating Lease Costs	43

24 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 Beaumond Cross site, on a finance lease with a remaining term of 22 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:

2022/23 £'000	2023/24 £'000
Finance Lease Debtor (net present value of minimum lease payments)	
112 • Current	118
4,342 • Non Current	4,225
2,567 Unearned Finance Income	2,373
7,021 Minimum Lease Repayments	6,716

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

2022/23		2023/24	
Minimum Lease Payments £'000	Gross Invest- ment in the Lease £'000	Minimum Lease Payments £'000	Gross Invest- ment in the Lease £'000
305	112	305	118
1,221	504	1,221	527
5,495	3,838	5,189	3,697
7,021	4,454 Total	6,715	4,342

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 2023/24 was £1,370k (£1,617k 2022/23).

The total future lease commitments are:

2022/23 £'000	2023/24 £'000
1,384 Not later than one year	946
4,250 Later than one year and not later than five years	2,493
4,371 Later than five years	3,837
10,005 Total Operating Lease Costs	7,276

25 CASH AND CASH EQUIVALENTS

2022/23 £'000	2023/24 £'000
4 Cash held by the Council	4
-7 Cash in transit	5
573 Bank current accounts	950
22,664 Short-term deposits with Money Market Funds	14,997
23,234 Total Cash and Cash Equivalents	15,956

26 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 2023	3,450	110	3,560
Additions	0	0	0
Revaluations	0	0	0
At 31 March 2024	3,450	110	3,560
Cost or Valuation			
At 1 April 2022	1,930	90	2,020
Additions	0	0	0
Revaluations	1,520	20	1,540
At 31 March 2023	3,450	110	3,560

Items held on the balance sheet for Heritage assets for both the museum collections and other heritage assets are measured on an insurance basis valuation, based on market value, supplemented with a specialist valuation at a minimum of every five years. These values are increased annually for inflation with the date of the last formal valuation being 17/03/23. This valuation was undertaken by Golding, Young and Mawer an external firm of Chartered Auctioneer and Valuers.

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 annual basis for insurance purposes 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.

27 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.

2022/23 £'000	2023/24 £'000
4,418 Balance outstanding at start of year	4,054
Assets newly classified as held for sale:	
1,576 Transfer from Property, Plant and Equipment	3,610
Assets declassified as held for sale:	
-1,817 Assets Sold	-757
-123 Transfer back to Property, Plant and Equipment	-3,713
4,054 Balance outstanding at year-end	3,194

28 INTANGIBLE ASSETS

During 2023/2024 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.

2022/23 £'000	2023/24 £'000
Balance at start of year:	
1,722 Gross carrying amounts	1,675
-1,385 Accumulated amortisation	-1,299
337 Net carrying amount at start of year	376
Movements:	
49 Purchases	334
-14 Other disposals	0
-60 Amortisation for the period	-59
64 Reclassifications	0
376 Net carrying amount at end of year	651
Comprising:	
1,675 Gross carrying amounts	1,970
-1,299 Accumulated amortisation	-1,319
376 Net carrying amount at end of year	651

29 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.

2022/23 £'000	2023/24 £'000
137,540 Opening Capital Financing Requirement	134,618
Opening Balance adjustment for Finance Lease Correction	4,454
Revised Opening Capital Financing Requirement (CFR)	139,072
<u>Capital Investment:</u>	
20,006 Property, Plant and Equipment	23,430
-761 Capital Loans and Shares	0
49 Intangible Assets	334
11,824 Revenue Expenditure Funded from Capital Under Statute	31,629
<u>Sources of Finance</u>	
-4,522 Capital Receipts	-2,184
-12,581 Government Grants and Contributions	-35,129
-16,937 Sums set aside from Revenue (inc MRP and finance leases)	-21,495
134,618 Closing Capital Financing Requirements	135,657
<i>Explanation of Movements in Year</i>	
5,472 Increase in underlying need to borrow (unsupported by Government financial assistance)	3,257
-8,394 Other Movements (MRP including finance leases)	-6,672
-2,922 Increase in Capital Financing Requirement	-3,415
<i>Split on Capital Financing Requirement between General Fund and Housing Revenue Account</i>	
28,018 General Fund	34,591
106,600 Housing Revenue Account	101,066
134,618	135,657

30 ANALYSIS OF DEBTORS

The amounts due to the Council were:-

2022/23 £'000	2023/24 £'000
Amounts falling due within one year:-	
1,850 Trade Receivables	1,259
490 Prepayments	625
12,895 Other Receivable Amounts	11,050
-2,310 Less Loss Allowance	-2,263
12,925 Total Short Term Debtors	10,671
2,377 Other Entities and Individuals	2,373
2,377 Total Long Term Debtors	2,373
15,302 Total Debtors	13,044

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;

2022/23 £'000	2023/24 £'000
631 Council Tax	523
703 Non-Domestic Rates	427
1,334 Total Debtors for Local Taxation	950

31 ANALYSIS OF CREDITORS

The amounts owed by the Council were:-

2022/23 £'000	2023/24 £'000
Amounts falling due within one year:-	
7,483 Trade Payables	10,729
9,896 Other Payables	7,176
17,379 Short Term Creditors	17,905
0 Other Payables	0
0 Long Term Creditors	0
17,379 Total	17,905

32 PROVISIONS

2022/23 £'000	Non Domestic Rate Appeals £'000	2023/24 Total £'000
8 Short Term Balance at 1 April	354	354
-622 Amounts used in year	-388	-388
968 Transfer from Long Term	237	237
354 Short Term Balance at 31 March	203	203
1,464 Long Term Balance at 1 April	1,117	1,117
619 Increase/Decrease (-) in provisions made in year	-503	-503
-966 Transfer to Short Term	-237	-237
1,117 Long Term Balance at 31 March	377	377

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

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

33 USABLE RESERVES

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

34 UNUSABLE RESERVES

2022/23 £'000	2023/24 £'000
157,773 Revaluation Reserve	156,123
168,616 Capital Adjustment Account	171,448
-106 Financial Instruments Adjustment Account	-103
-19,731 Pensions Reserve	-11,842
-66 Crematorium Pension Reserve	-56
6,805 Deferred Capital Receipts Reserve	6,692
-1,521 Pooled Investment Adjustment Account	-1,516
-7 Collection Fund Adjustment Account	342
-400 Accumulated Absences Account	-400
311,363 Total Unusable Reserves	320,688

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.

2022/23 £'000	2023/24 £'000
138,233 Balance at 1 April	157,773
38,086 Upward revaluations of assets	13,049
-15,245 Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	-11,872
22,841 Surplus or deficit(-) on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	1,177
-2,340 Difference between fair value depreciation and historical cost depreciation	-2,587
-961 Accumulated gains on assets sold or scrapped	-240
-3,301 Amount written off to the Capital Adjustment Account	-2,827
157,773 Balance at 31 March	156,123

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.

2022/23 £'000		2023/24 £'000
156,449	Balance as at 1st April	168,616
	Reversal of items relating to capital expenditure debited or credited to the CIES:	
-7,679	Charges for depreciation and impairment of non-current assets	-8,145
-4,240	Revaluation losses on Property, Plant and Equipment	-17,849
-60	Amortisation of intangible assets	-59
407	Revaluation on Financial Instrument classed as capital	-365
-11,824	Revenue expenditure funded from capital under statute	-31,629
-1,884	Amounts of non-current assets written off on disposal or sale as part of the gain(-)/loss on disposal to the CIES	-758
-25,280		-58,805
961	Adjusting amounts written out of the Revaluation Reserve	240
-24,319	Net written out amount of the cost of non-current assets consumed in the year	-58,565
	Capital financing applied in the year:	
4,522	Use of Capital Receipts Reserve to finance new capital expenditure	2,184
7,132	Use of Major Repairs Reserve to finance new capital expenditure	10,047
12,568	Capital grants and contributions credited to the CIES that have been applied to capital financing	33,014
12	Applications of grants to capital financing from the Capital Grant Unapplied Account	2,115
106	Use of Capital Receipts to offset debt on associated Finance Lease Liability	0
1,863	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	769
6,532	Voluntary provision against General Fund and repayment of HRA debt	5,906
1,411	Capital expenditure charged against the General Fund and HRA balances	4,775
34,146		58,810
2,340	Adjustment between Capital Adjustment Account and Revaluation Reserve for depreciation that relates to the revaluation balance rather than historic cost	2,587
168,616	Balance at 31 March	171,448

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.

2022/23 £'000	2023/24 £'000
-110 Balance at 1 April	-106
4 Differences between statutory debits/credits and amounts recognised as income and expenditure in relation to financial instruments	3
-106 Balance at 31 March	-103

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.

2022/23 £'000	2023/24 £'000
-85,489 Balance at 1 April	-19,731
71,727 Remeasurements of the net defined benefit liability/(asset)	8,181
-9,655 Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	-4,300
3,686 Employers pensions contributions and direct payments to pensioners payable in the year	4,008
-19,731 Balance at 31 March	-11,842

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.

2022/23 £'000	2023/24 £'000
-1,562 Balance at 1 April	-268
1,415 Remeasurements of the net defined benefit liability/(asset)	165
-206 Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	-109
85 Employers pensions contributions and direct payments to pensioners payable in the year	105
-268 Balance at 31 March	-107
Balance split by Authority:	
-66 Newark and Sherwood District Council's proportion	-56
-127 Ashfield District Council's Proportion	-50
-75 Mansfield District Council's Proportion	-1
-268 Balance at 31 March	-107

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.

2022/23 £'000	2023/24 £'000
6,912 Balance at 1 April	6,805
0 Transfer of deferred capital receipt repayable credited as part of the gain(-)/loss on disposal to the CIES	0
-107 Transfer to Capital Receipts Reserve	-113
6,805 Balance at 31 March	6,692

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 of SI2023/241 the fair value movement can continue to be reversed until the period ending 31 March 2025. After that period the value of the movement will then be charged against the general fund balance.

2022/23 £'000	2023/24 £'000
156 Balance at 1 April	-1,521
0 Upward revaluation of investments	242
-1,677 Downward revaluation of investments	-237
-1,521 Balance at 31 March	-1,516

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.

2022/23 £'000	2023/24 £'000
-5,402 Balance at 1 April	-7
5,395 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	349
-7 Balance at 31 March	342

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.

2022/23 £'000	2023/24 £'000
-91 Balance at 1 April	-400
91 Settlement or cancellation of accrual made at the end of the preceding year	400
-400 Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-400
-400 Balance at 31 March	-400

35 CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities to disclose.

36 CASH FLOW STATEMENTS

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

2022/23 £'000	2023/24 £'000
-2,754 Net Surplus or Deficit(-) on the Provision of Services	-9,927
Adjust net surplus or deficit on the provision of services for non-cash movements	
7,679 Depreciation of Property, Plant and Equipment	8,145
4,239 Impairment and downward valuations	17,850
60 Amortisation of Intangible Assets	59
-407 Material impairment losses on Investments debited to surplus or deficit on the provision of services in year	365
1,676 Adjustment for movements in fair value of investments classified as Fair Value through Profit & Loss a/c	-4
-56 Increase/Decrease(-) in interest Creditors	56
-6,833 Increase/Decrease(-) in Creditors	-292
-210 Increase(-)/Decrease in interest and dividend Debtors	-677
392 Increase(-)/Decrease in Debtors	2,310
6 Increase(-)/Decrease in Inventories	-2
5,978 Pension Liability	292
-3 Increase/Decrease(-) in Provisions	-891
1,885 Carrying amount of non-current assets and non-current Assets Held For Sale, sold or derecognised	758
0 Amounts posted from the Donated Assets Account (or direct donated assets in year)	0
14,406 Total	27,969
Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities	
0 Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	0
-13,576 Capital Grants credited to surplus or deficit on the Provision of Services	-32,481
538 Premiums or Discounts on the repayment of financial liabilities	0
-2,985 Proceeds from the sale of Property Plant and Equipment, Investment Property and Intangible Assets	-857
-16,023 Total	-33,338
-4,371 Net Cash Flows from Operating Activities	-15,296

B Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2022/23 £'000	2023/24 £'000
2,765 Interest received	3,297
-3,621 Interest paid	-2,430
-856 Total	867

C Cash Flow Statement - Investing Activities

2022/23 £'000	2023/24 £'000
-18,114 Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	-20,569
-11,000 Purchase of short-term and long-term Investments	0
0 Other payments for investing activities	-100
3,093 Proceeds from the sale of Property, Plant and Equipment, Intangible Assets and Finance Lease Receivables	969
7,000 Proceeds from short-term and long-term Investments	20,000
27,429 Other receipts from investing activities	14,971
8,408 Net cash flows from investing activities	15,271

D Financing Activities

2022/23 £'000	2023/24 £'000
3,701 Cash receipts for short and long-term Borrowing	4,140
0 Other receipts from financing activities	0
-364 Cash payments for the reduction of the outstanding liabilities relating to Finance Leases	-145
-10,003 Repayments of short and long-term Borrowing	-9,446
-1,795 Other payments for financing activities	-1,802
-8,461 Net cash flows from financing activities	-7,253

37 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2023/24 1 April £'000	Financing Cash Flows £'000	Non-cash changes Acquisit- ion £'000	Other non- cash changes £'000	2023/24 31 March £'000
Long-term borrowings	81,434	-5,535	0	2,503	78,402
Short-term borrowings	9,374	188	0	-2,503	7,059
Lease Liabilities	5,010	-145	0	0	4,865
Total Liabilities from financing activities	95,818	-5,492	0	0	90,326

38 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;

2022/23			2023/24	
Total	NSDC	Comprehensive Income and Expenditure Statement	Total	NSDC
£'000	Share £'000		£'000	Share £'000
-2,110	-146	Gross Income	-2,039	-130
1,275	88	Gross Expenditure (includes surplus distribution)	1,550	99
-835	-58	Charged to Other Operating Income and Expenditure before Surplus Distribution	-489	-31
875	60	Surplus Distribution	875	56
40	2	Total Charged to Other Operating Income and Expenditure	386	25
1	0	Financing and Investment Income and Expenditure	-119	-8
41	2	Surplus (-) or Deficit on Provision of Services	267	17
-1,416	-98	Remeasurements of the Net Defined Benefit Liability (Asset)	-166	-11
-1,375	-96	Total Comprehensive Income and Expenditure	101	6

2022/23			2023/24	
Total	NSDC	Balance Sheet	Total	NSDC
£'000	Share £'000		£'000	Share £'000
1,784	224	Property, Plant and Equipment	2,300	257
1,784	224	Long Term Assets	2,300	257
280	26	Short Term Debtors	292	27
2,079	220	Cash and Cash Equivalents	2,123	223
2,359	246	Current Assets	2,415	250
-992	-87	Short Term Creditors	-1,064	-92
-992	-87	Current Liabilities	-1,064	-92
-268	-66	Pensions	-107	-56
-268	-66	Long Term Liabilities	-107	-56
2,883	317	Net Assets	3,544	359
Financed By:				
1,367	159	General and Capital Reserve	1,352	158
-268	-66	Pension Reserve	-107	-56
1,397	192	Capital Adjustment Account	1,230	181
387	32	Revaluation Reserve	1,069	76
2,883	317	Total Reserves	3,544	359

39 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:-

2022/23 £'000	2023/24 £'000
Comprehensive Income and Expenditure Statement	
<u>Cost of Services</u>	
7,450 Current service cost	3,389
0 Past service costs	3
0 (Gain)/loss from settlements	0
<u>Financing and Investment Income and Expenditure</u>	
2,168 Net interest expense	854
52 Administration costs	61
9,670 Total charged to Surplus/Deficit on Provision of Services	4,307
<u>Remeasurement of the net defined benefit liability</u>	
-6,004 Return on plan assets	4,579
567 Other actuarial gains/(losses)	0
85,009 Changes in financial assumptions	2,371
11,890 Changes in demographic assumptions	2,035
-19,638 Experience gains/(losses)	-794
71,824 Total charged to Other Comprehensive Income and Expenditure	8,191
81,494 Total charged to Comprehensive Income and Expenditure Statement	12,498
Movement in Reserves Statement	
-5,723 Reversal of net charges made for retirement benefits	-292
Actual amount charged against the General Fund Balance	
Employers' contributions payable to scheme (including release of prepaid contributions)	4,015

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

Funding Arrangements

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

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

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

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

Assets and liabilities in relation to retirement benefits

Reconciliation of present value of the scheme liabilities:

2022/23 £'000	2023/24 £'000
213,553 1st April	144,926
7,450 Current service cost	3,389
5,497 Interest cost	6,861
1,049 Contributions by scheme participants	1,199
<i>Remeasurement (gains)/losses</i>	
-11,890 Changes in demographic assumptions	-2,035
-85,009 Changes in financial assumptions	-2,371
19,638 Other	794
0 Past service cost	3
0 Losses (gains) on curtailment	0
-5,362 Benefits paid	-5,306
144,926 31st March	147,460

Reconciliation of fair value of the scheme assets:

2022/23 £'000	2023/24 £'000
128,654 1st April	125,128
3,329 Interest income	6,008
<i>Remeasurement gain/(loss)</i>	
-6,004 Return on plan assets	4,579
568 Other	0
2,946 Contributions from employer	4,015
1,049 Contributions from scheme participants	1,199
-5,362 Benefits paid	-5,306
-52 Administration costs	-61
0 Settlement Paid	0
125,128 31st March	135,562

Pension Assets and Liabilities Recognised in Balance Sheet

Assets	2023/24 £'000	2022/23 £'000	2021/22 £'000	2020/21 £'000	2019/20 £'000
Present value of liabilities	-147,460	-144,926	-213,553	-216,468	-171,331
Fair value of assets	135,562	125,128	128,654	121,222	99,842
Net liability	-11,898	-19,798	-84,899	-95,246	-71,489

Basis for estimating assets and liabilities

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

The principal assumptions used by the actuary have been:

2022/23 £'000	2023/24 £'000
<u>Mortality Assumptions</u>	
Longevity at 65 for current pensioners	
20.7 Men	20.4
23.5 Women	23.3
Longevity at 65 for future pensioners	
22.0 Men	21.7
25 Women	24.7
3.30% Rate of inflation – Retail Price Index	3.25%
3.90% Rate of increase in salaries	3.90%
2.90% Rate of increase in pensions (CPI)	2.90%
4.80% Rate for discounting scheme liabilities	4.90%
Take up of option to convert annual pension into retirement	
50% Lump Sum	50%
10% Take up of option to pay 50% contributions for 50% benefits	10%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The estimations in the sensitivity analysis have followed the accounting policies for the scheme.

Impact on the defined benefit obligation	Adjustment	Increase in assumption £'000	Decrease in assumption £'000
Discount Rate	+/- 0.1%	-2,220	2,276
Salary Increase	+/- 0.1%	149	-147
Pension Increase	+/- 0.1%	2,170	-2,117
Mortality Age	+/- 1 year	5,776	-5,532

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

2022/23 £'000		Quoted	Unquoted	2023/24 £'000
	Equity Investment			
21,269	UK investment	23,289	0	23,289
51,653	Overseas investment	58,678	0	58,678
4,649	Private equity investment	0	4,340	4,340
77,571				86,307
	Gilts			
2,586	UK fixed interest	3,246	0	3,246
2,586				3,246
	Other Bonds			
1,235	UK corporates	0	0	0
6,175	Overseas corporates	6,724	0	6,724
7,410				6,724
14,849	Property	0	14,409	14,409
6,546	Cash/Credit/Unit Trust	0	8,160	8,160
6,315	Inflation-linked pooled fund	0	6,894	6,894
9,833	Infrastructure	0	9,799	9,799
125,110		91,937	43,602	135,539

Projected Pension Expense for the Year to 31 March 2025

	Year to 31-Mar-25 £'000
Projection for Year to 31 March 2025	
Service cost	3,333
Net Interest on the defined liability (asset)	480
Administration expenses	61
Total	3,874
Employer contributions	3,996

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2024. These projections are based on the assumptions as at 31 March 2024.

40 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 2024 is shown below:

2022/23			2023/24	
Fair Value through Profit & Loss £'000	Investments (Amortised Cost) £'000	Credit Rating	Fair Value through Profit & Loss £'000	Investments (Amortised Cost) £'000
0	17,575	AAA	0	9,910
0	0	AA+	0	0
0	0	AA	0	0
0	0	AA-	0	0
0	25,000	A+	0	5,000
0	5,000	A	0	5,000
0	2,000	A-	0	2,000
15,384	0	N/A	15,024	0
15,384	49,575	Total	15,024	21,910

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	50	0.000%	0
Invesco	4,710	0.000%	0
CCLA	2,240	0.000%	0
Northern Trust	2,600	0.000%	0
Goldmans Sachs	310	0.000%	0
<u>Other Investments</u>			
Lloyds Call Account	5,000	0.000%	6
Standard Chartered	0	0.000%	0
Goldman Sachs	0	0.000%	0
Lloyds 95 day notice	0	0.000%	0
Santander UK Plc - 180 day notice a/c	5,000	0.022%	1,090
Standard Chartered - ESG	0	0.000%	0
Close Brothers	2,000	0.033%	652
Handelsbanken	0	0.000%	0
Total	21,910		1,748

Please note that we are currently using Historic Default Rates from 1990-2023 for Fitch, 1983-2023 for Moody's and 1981-2023 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 2024 £'000	Historical Experience of Default %	Adjustment for Market 31st March 2024 %	Estimated Maximum Exposure to Default 31st March 2024 £'000	Estimated Maximum Exposure to Default 31st March 2023 £'000
Trade Receivables	1,258	4.8	4.8	60	89
	1,258			60	89

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 £1.086m of the £1.258m balance is past its due date for payment. The past due amount can be analysed by age as follows:

2022/23 £'000	2023/24 £'000
Debtor Analysis	
638 Up to 30 days	260
44 31 to 60 days	33
6 61 to 90 days	1
775 Greater than 90 days	792
1,463 Total	1,086

Community Infrastructure Levy and section 106 receivables have payment terms of 90 days before recovery action is taken. £0.747m of the £0.792m 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:

2022/23			2023/24		
Liabilities	Assets	Net	Liabilities	Assets	Net
£'000	£'000	£'000	£'000	£'000	£'000
		Time to Maturity (years)			
5,834	50,099	44,265 Not over 1	3,562	22,237	18,675
3,000	0	-3,000 Over 1 but not over 2	1,000	0	-1,000
14,009	15,384	1,375 Over 2 but not over 5	22,031	15,024	-7,007
15,994	0	-15,994 Over 5 but not over 10	8,005	0	-8,005
48,432	0	-48,432 Over 10	47,365	0	-47,365
3,500	0	-3,500 Uncertain date*	3,500	0	-3,500
90,769	65,483	-25,286 Total	85,463	37,261	-48,202

* The Council has £3.5m (2022: £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	-431
Impact on Surplus or Deficit on the Provision of Services	-431
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)	6,577

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 2024 is £4.039m.

The Council also holds £12.5m in the CCLA property fund and diversified income fund that has a carrying value as at 31 March 2024 of £10.984m. 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.

41 FINANCIAL INSTRUMENTS – BALANCES

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

	Long Term		Current	
	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000
Financial Assets				
Investments				
Principal at amortised cost	0	0	7,000	27,000
Accrued Interest	0	0	240	435
Fair Value through Profit and Loss	15,024	15,384	0	0
Total Financial Assets	15,024	15,384	7,240	27,435
Cash and Cash Equivalents				
Cash (including bank accounts)	0	0	949	573
Cash equivalents at amortised cost	0	0	14,910	22,575
Accrued interest	0	0	87	89
Total Cash and Cash Equivalents	0	0	15,946	23,237
Loans and Receivables				
Trade Debtors	0	0	1,258	1,851
Other Debtors	6,598	6,719	1,455	1,503
Loans	0	0	0	0
Total Loans and Receivables	6,598	6,719	2,713	3,354
Total	21,622	22,103	25,899	54,026

	Long Term		Current	
	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000
Financial Liabilities				
Principal sum borrowed at Amortised cost	78,403	81,435	7,060	9,334
Accrued Interest	0	0	803	747
Fair Value through Profit and Loss	0	0	0	0
Total Financial Liabilities	78,403	81,435	7,863	10,081
Trade Creditors	0	0	9,206	5,658
Other Creditors	0	0	670	1,242
Finance Lease Liability	4,714	4,864	150	145
Provisions	0	0	0	0
Total Non-Financial Liabilities	4,714	4,864	10,026	7,045
Total	83,117	86,299	17,889	17,126

Note – Fair value has been measured by:

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

42 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	
	2023/24	2022/23	2023/24	2022/23
	£'000	£'000	£'000	£'000
Net gains/losses on:				
• Financial assets measured at fair value through profit and loss via Surplus or Deficit on Provision of Services	0	0	360	1,269
Total Net (Gains) / Losses	0	0	360	1,269
Interest expense	3,979	4,189	0	0
Interest Payable and Similar Charges	3,979	4,189	0	0
Interest income	0	0	-3,929	-2,930
Interest and Investment Income	0	0	-3,929	-2,930

43 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	2023/24 £'000	2022/23 £'000
<i>Fair Value through Profit and Loss</i>				
Equity shareholdings in Arkwood Developments Ltd	Level 3	Net Assets valuation (see * below)	4,039	4,404
CCLA Property Fund	Level 1	Unadjusted quoted prices in active markets for identical shares	5,829	6,066
CCLA Diversified Income Fund (DIF)	Level 1	Unadjusted quoted prices in active markets for identical shares	5,155	4,914
Total			15,023	15,384

***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 £4.039m 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 1.4.23 £'000	In Year Principal Movement £'000	Closing Principal 31.3.24 £'000	Opening Fair Value Adj 1.4.23 £'000	In year Movement £'000	Closing Fair Value Adj 31.3.24 £'000	Carrying Value 31.3.24 £'000
Equity in Arkwood Developments Ltd	4,000	0	4,000	404	-365	39	4,039
CCLA Property Fund	7,000	0	7,000	-934	-237	-1,171	5,829
CCLA Diversified Income	5,500	0	5,500	-586	241	-345	5,155
Total	16,500	0	16,500	-1,116	-361	-1,477	15,023

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

	2023/24 £'000	2022/23 £'000
Opening balance	4,404	3,997
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	-365	407
• Included in Other Comprehensive Income and Expenditure	0	0
Additions	0	0
Disposals	0	0
Closing Balance	4,039	4,404

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:		2023/24		2022/23	
		£'000	£'000	£'000	£'000
	Fair	Balance	Fair	Balance	Fair
	Value	Sheet	value	Sheet	value
	Level	£'000	£'000	£'000	£'000
Financial Liabilities held at amortised cost:					
Public Works Loans Board	2	68,992	55,782	74,465	63,589
Non PWLB debt	2	17,274	14,539	17,051	15,815
Total		86,266	70,321	91,516	79,404
Liabilities for which fair value is not disclosed:					
Short-term creditors		9,876	9,876	6,900	6,900
Long term Creditors		0	0	0	0
Other Long Term Liabilities - Finance Lease		4,714	4,714	4,864	4,864
Total		14,590	14,590	11,764	11,764
Total Liabilities		100,856	84,911	103,280	91,168

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 2024) 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:		2023/24		2022/23	
		£'000	£'000	£'000	£'000
	Fair Value Level	Balance Sheet	Fair value	Balance Sheet	Fair value
		£'000	£'000	£'000	£'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		2,713	2,713	3,354	3,354
Long term Debtors		6,598	6,598	6,719	6,719
Short term investments		7,240	7,240	27,435	27,435
Cash and Cash Equivalents		15,946	15,946	23,237	23,237
Total		32,497	32,497	60,745	60,745
Total Assets		32,497	32,497	60,745	60,745

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.

2022/23 £'000	Note	2023/24 £'000
<u>Income</u>		
-23,739 Dwelling Rent		-24,967
-121 Garages		-119
-30 Shops		-32
-23,890 Gross Rental Income		-25,118
-1,061 Charges for Services and Facilities		-1,137
-1,255 Contributions towards Expenditure		-1,550
0 Other Income		0
-26,206 Total Income		-27,805
<u>Expenditure</u>		
6,498 Supervision and Management		6,804
6,105 Repairs and Maintenance		5,860
956 Rents, Rates, Taxes and Other Charges		1,180
63 Revenue Expenditure Funded by Capital		111
Depreciation of non current assets		
5,155 On dwellings		5,481
325 On other assets		303
0 Impairment of non current assets		0
Revaluation of non current assets		
2,625 On dwellings		7,660
778 On other assets		130
13 Debt Management Expenses		6
22,518 Total Expenditure		27,535
-1 HRA share of other amounts included in the whole authority net expenditure of continuing operations but not allocated to specific services		0
217 HRA Share of Corporate and Democratic Core		185
-3,472 Net Cost of HRA Services as included in the whole authority		-85
<u>Comprehensive Income and Expenditure Statement</u>		
14 (Gain)/Loss on sale of HRA non current assets		-34
468 Net Interest on the Net Defined Benefit Liability		3,879
4,123 Interest Payable and Similar Charges		190
-43 HRA Interest and Investment Income		-99
-264 Loss Allowance		86
-459 Capital grants and contributions		-1,642
367 Surplus(-)/Deficit for the year on HRA Services		2,295

MOVEMENT ON THE HOUSING REVENUE ACCOUNT STATEMENT

2022/23 £'000	2023/24 £'000
-7,294 HRA Balance brought forward including HRA Earmarked Reserves	-7,115
367 Surplus(-)/Deficit on the HRA Income and Expenditure Statement	2,295
<u>Adjustments between Accounting Basis and Funding Basis under Regulations: Adjustments to the Revenue Resources</u>	
-1,263 Pensions costs (transferred to (or from) the Pensions Reserve)	-61
-10,224 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):	-12,800
<u>Adjustments between Revenue and Capital Resources</u>	
1,867 Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	809
-26 Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	-17
0 Capital expenditure funded by the Housing Revenue Account	299
9,458 Posting of HRA resources from revenue to the Major Repairs Reserve	10,363
-188 Total Adjustments between Accounting Basis and Funding Basis under the legislative framework	-1,407
179 Increase(-)/Decrease in year in the HRA	888
-7,115 HRA Balance carried forward, including HRA Earmarked Reserves	-6,227

H1 HOUSING STOCK

The Council was responsible for managing an average of 5,553 dwellings during 2023/24 (5,531 2022/23). The stock was made up as follows:

Total 2022/23 No	Pre 1945 No	1945- 1964 No	1965- 1974 No	1975- 2013 No	Total 2023/24 No
<u>Traditional/Non Traditional Houses and Bungalows</u>					
2,067 1 - 2 Bedrooms	70	790	496	726	2,082
1,908 3+ Bedrooms	375	1,086	260	176	1,897
<u>Flats</u>					
1,527 Low Rise (1-2 storeys)	18	692	434	401	1,545
29 Medium Rise (3-5)	0	4	9	16	29
5,531 Total	463	2,572	1,199	1,319	5,553

H2 HOUSING REVENUE ACCOUNT ASSETS

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

2022/23 £'000	2023/24 £'000
343,440 Dwellings	346,519
8,512 Other Land and Buildings	8,279
0 Investment Properties	0
7,066 Assets Under Construction	5,223
0 Surplus Assets	0
87 Community Assets	87
261 Infrastructure Assets	229
1,969 Vehicle, Plant and Equipment	1,834
361,335 Total HRA Property, Plant and Equipment	362,171
0 Intangible Assets	217
612 Assets Held for Sale	107
361,947 Total HRA Assets on Balance Sheet	362,495

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.

2022/23 £'000	2023/24 £'000
817,715 Dwellings	825,043
817,715 Total	825,043

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 2024. 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

2022/23 £'000	2023/24 £'000
17,450 Balance Brought Forward 1st April	13,244
Transfers to Reserve re Depreciation	
5,155 Dwellings	5,481
325 Non Dwellings	303
Transfers to the HRA:	
3,978 HRA Revenue Contribution	4,468
0 Additional transfer to Reserve	111
-6,532 Repayment of Debt	-5,535
-7,132 Amounts used to finance Capital Expenditure	-10,047
13,244 Balance Carried Forward 31st March	8,025

H4 CAPITAL EXPENDITURE AND FINANCING

2022/23 £'000	2023/24 £'000
121 Structural Maintenance	74
665 Roofing Works	1,240
537 Asbestos and Fire Safety	170
1,759 Kitchens and Bathrooms	1,728
121 Garage Forecourts	108
425 External Works	249
481 Electrical Works	631
806 Disabled Facilities Provision	998
830 Heating Systems	767
191 Energy Efficiency Works	1,489
370 Environmental Works	131
0 Building Safety	382
5,024 Affordable Housing	4,460
549 Other works	1,608
11,879 Total	14,035
<u>Financing</u>	
2,000 Borrowing	0
7,132 Major Repairs Reserve	10,047
265 Government Grants	893
12 Contributions	750
0 Capital Revenue Financing	299
2,470 Capital Receipts	2,046
11,879 Total	14,035

H5 CAPITAL RECEIPTS

2022/23 £'000	2023/24 £'000
10 Land and Other Property	0
1,856 Sold Council Houses through Right to Buy	809
-26 Less administration costs on sale of Council Houses	-17
1,840 Total	792
0 Reallocation of Receipts	0
0 Less amount paid to Government Pool	0
1,840 Total	792

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:

2022/23 £'000	2023/24 £'000
5,155 Council Houses	5,481
325 Other Assets	303
5,480 Total	5,784

H7 REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

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

The total amount of Revenue Expenditure Funded from Capital under Statute totals £0.111m for 2022/23 (£0.063m in 2022/23).

H8 IMPAIRMENT CHARGES

During the financial year 2023/24 there were no material impairment charges (2022/23 £0).

H9 RENT ARREARS

The total amount of rent arrears as at 31st March 2024 was £691,045 (2022/23 £627,611). Included in the loss allowance is the amount of £347,909 (2022/23 £335,916) relating to rent arrears.

H10 CONTRIBUTIONS TOWARDS EXPENDITURE

The income of £1,550,250 (£1,254,746 in 2022/23) 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.

2022/23 £'000	Domestic Rates £'000	2023/24 Council Tax £'000	Total £'000
<u>Amounts required by statute to be credited to the collection fund</u>			
-41,060 Income from Business Ratepayers	-40,527	0	-40,527
-92,796 Council Tax	0	-98,164	-98,164
0 Transitional Protection Payment	-3,135	0	-3,135
-21 Transfers from General Fund - council tax	0	-510	-510
Contributions towards previous year's estimated collection fund deficit:			
-5,728 Newark and Sherwood District Council	0	-141	-141
-1,289 Nottinghamshire County Council	0	-856	-856
0 Nottinghamshire Police & Crime Commissioner	0	-131	-131
-143 Nottinghamshire Fire and Rescue	0	-44	-44
-7,160 Central Government - non-domestic rates	0	0	0
-148,197 Total Income	-43,662	-99,846	-143,508
<u>Amounts required by statute to be debited to the collection fund</u>			
Council Tax Precepts and Demands:			
67,745 Nottinghamshire County Council	0	72,034	72,034
10,476 Nottinghamshire Police & Crime Commissioner	0	11,250	11,250
3,485 Nottinghamshire Fire and Rescue	0	3,743	3,743
7,646 Newark and Sherwood District Council	0	7,905	7,905
3,425 Parishes	0	3,573	3,573
Non Domestic Rates:			
19,370 Payable to Government	21,178	0	21,178
15,496 Newark and Sherwood District Council	16,942	0	16,942
3,487 Nottinghamshire County Council	3,812	0	3,812
387 Nottinghamshire Fire and Rescue	424	0	424
Contributions towards previous year's estimated collection fund surplus:			
0 Payable to Government	219	0	219
286 Newark and Sherwood District Council	175	0	175
1,720 Nottinghamshire County Council	39	0	39
90 Nottinghamshire Fire and Rescue	0	0	0
267 Nottinghamshire Police & Crime Commissioner	4	0	4
413 Transitional Payment Protection	0	0	0
165 Costs of Collection	169	0	169
0 Interest Payments on Refunds	15	0	15
1,112 Provision for Uncollectable Debts	41	1,156	1,197
-8 Provision for Appeals	-2,228	0	-2,228
980 Renewable Energy Retention	1,008	0	1,008
136,542 Total Expenditure	41,798	99,661	141,459
-11,655 Net Surplus(-)/Deficit for year	-1,864	-185	-2,049
13,031 Fund Balance as at 1st April - Surplus(-)/Deficit	-133	1,509	1,376
1,376 Fund Balance as at 31st March - Surplus(-)/Deficit	-1,997	1,324	-673

C1 ACCOUNTING POLICIES

- (a) Revenue Support Grant is paid directly to all billing and precepting authorities and will be included within Taxation and Non Specific Grant Income on the Comprehensive Income and Expenditure Statement.
- (b) Parish precepts are paid from the General Fund of billing authorities and will be included within Other Operating Expenditure on the Comprehensive Income and Expenditure Statement.
- (c) The year-end deficit of £1.324m on the Council Tax collection fund is distributed between billing and precepting authorities on the basis of estimates, made on 15 January, of the year-end balance.
- (d) The year end surplus of £1.997m 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 2023/24 this was set at 51.2p (2022/23: 51.2p). In 2023/24 the small business rating multiplier was set at 49.9p, where it applies. The system for funding Local Authority expenditure changed in 2013/14 with a share of the proceeds of Non-Domestic Rate income being retained by billing and precepting

The non-domestic rateable value at the 31st March 2024 was £114,882,214 (31st March 2023: £106,980,043).

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 2023/2024 is as follows:

Band	Adjusted for Discounts, Disabled			2022/23	
	Total Dwellings	Relief and Exemptions	Ratio	Band D Equivalents	Band D Equivalents
A-	-	53.26	6/8	29.59	29.02
A	23,908	17,260.07	6/9	11,506.71	11,428.15
B	8,680	7,091.61	7/9	5,515.70	5,438.13
C	9,380	8,244.87	8/9	7,328.77	7,222.36
D	6,387	5,868.98	9/9	5,868.98	5,736.84
E	4,426	4,111.91	11/9	5,025.67	4,903.47
F	2,777	2,629.34	13/9	3,797.94	3,740.61
G	1,508	1,426.20	15/9	2,377.00	2,307.44
H	130	105.50	18/9	211.00	201.00
Total	57,196	46,791.74		41,661.36	41,007.02
Estimate of Additional Properties to be added during the year				339.61	198.00
Collection Adjustment				- 210.01	-
Council Tax Base				41,790.96	41,205.02

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 2023/24 based on International Financial Reporting Standards (referred to within these accounts as “the Code”). The Code has been developed to bring Council accounts in line with the International Financial Reporting Standards (IFRS) which other reporting bodies have to comply with and to assist users of the accounts to understand better the Council’s overall financial position.

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

Active4Today Ltd is a wholly owned subsidiary of the authority. Active4Today Ltd manages and operates the Council’s leisure services including leisure centres and sports development activities. The General Fund includes a £0.500m 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 2023/24, 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 2023/24 are Streets Audit LLP, Tower House, Lucy Tower Street, Lincoln, LN1 1XW. Consolidation adjustments have been made to align these accounts with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24. 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 2023/24, which have been consolidated here, have been audited by Arkwood’s auditors and have been given an unqualified audit opinion. Arkwood’s auditors for 2023/24 are Wright Vigar Ltd, 15 Newland, Lincoln, Lincolnshire, LN1 1XG. Arkwood Development Ltd publish an Annual Report which may be viewed at their offices at Castle House, Great North Road, Newark, Notts, NG24 1BY. The company does have share capital, all of which is owned by the Council.

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

RHH Newark Ltd produce a set of company accounts with a year end of 31 March. The accounts for 2023/24, which only the Council’s 50% share have been consolidated here, have been audited by RHH Newark Ltd auditors and have been given an unqualified audit opinion. RHH Newark’s auditors for 2023/24 are Wright Vigar Ltd, 15 Newland, Lincoln, Lincolnshire, LN1 1XG. The company does have share capital, of which 50% is owned by the Council.

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 2023/24 have been prepared on this basis accordingly.

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

RESTATED 2022/23				2023/24		
Gross Expend- iture	Gross Income	Net Expend- iture		Gross Expend- iture	Gross Income	Net Expend- iture
2,564	-379	2,185	Biodiversity and Enviornmental Service	1,982	-438	1,544
4,653	-1,916	2,737	Climate Change	4,682	-2,053	2,629
3,627	-656	2,971	Community Safety & Community Deve	3,832	-1,331	2,501
1,717	-317	1,400	Health, Wellbeing and Leisure	3,716	-362	3,354
4,451	-3,774	677	Health, Wellbeing and Leisure - Active4today	4,383	-4,387	-4
2,199	-1,401	798	Heritage, Culture & the Arts	2,539	-1,824	715
25,633	-28,024	-2,391	Housing	34,305	-29,244	5,061
7,503	-8,071	-568	Housing - Arkwood	5,110	-4,676	434
32,193	-23,085	9,108	Strategy, Performance & Finance	35,216	-23,489	11,727
13,109	-5,563	7,546	Sustainable Economic Development	34,127	-29,513	4,614
0	0	0	Sustainable Economic Development - RHH Newark	0	0	0
97,649	-73,186	24,463	Cost of Services	129,892	-97,317	32,575
5,876	-2,400	3,476	Other Operating Income and Expenditure Note G1	5,691	-1,005	4,686
8,818	-2,965	5,853	Financing and Investment Income and Expenditure Note G1	5,032	-4,011	1,021
10	-4	6	Financing and Investment Income and Expenditure Note G1 - Arkwood	0	-20	-20
167	0	167	Financing and Investment Income and Expenditure Note G1 - A4T	20	0	20
0	0	0	Financing and Investment Income and Expenditure Note G1 - RHH	0	0	0
14,463	-45,373	-30,910	Taxation and Non Specific Grant Income Note G1	14,850	-43,240	-28,390
126,983	-123,928	3,055	Surplus (-) or Deficit on Provision of Services	155,485	-145,593	9,892
3	0	3	Corporation Tax - A4T	9	0	9
95	0	95	Corporation Tax - Arkwood	-122	0	-122
0	0	0	Corporation Tax - RHH	0	0	0
127,081	-123,928	3,153	Group Surplus(-)/Deficit	155,372	-145,593	9,779
		-22,862	Surplus(-) or Deficit on Revaluation of Non Current Assets			-1,531
		-71,825	Remeasurements of the Net Defined Benefit Liability (Asset)			-8,192
		-6,720	Remeasurements of the Net Defined Benefit Liability (Asset) - Active4today			-675
		-101,407	Other Comprehensive Income and Expenditure			-10,398
		-98,254	Total Comprehensive Income and Expenditure			-619

GROUP MOVEMENT IN RESERVES

Movement in reserves during 2023/24

	A4T Arkwood RHH Council				A4T Arkwood Council										
	General Fund Balance £'000	Earmarked Reserves £'000	Earmarked Reserves £'000	Earmarked Reserves £'000	Earmarked General Fund Reserves £'000	Housing Revenue Account Reserves £'000	Housing Revenue Account Earmarked £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Unusable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2023	1,500	451	404	10	30,820	2,000	5,115	13,244	14,047	1,374	68,965	-571	21	308,607	377,022
Total Comprehensive Income and Expenditure	-7,267	0	0	0	0	-2,295	0	0	0	0	-9,562	675	355	9,369	837
Adjustment between Group Accounts and Authority accounts	0	147	-365	0	0	0	0	0		0	-218	0	0	0	-218
Adjustment between accounting basis & funding basis under regulations	7,596	-8	0	0	0	1,407	0	-5,219	-2,890	-1,215	-329	8	0	321	0
Net Increase/Decrease(-) before Transfers to	329	139	-365	0	0	-888	0	-5,219	-2,890	-1,215	-10,109	683	355	9,690	619
Transfers to/from(-)															
Earmarked Reserves	-329	0	0	0	329	888	-888	0	0	0	0	0	0	0	0
Dividends Issued	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase/Decrease(-) in 2023/24	0	139	-365	0	329	0	-888	-5,219	-2,890	-1,215	-10,109	683	355	9,690	619
Balance at 31 March 2024	1,500	590	39	10	31,149	2,000	4,227	8,025	11,157	159	58,856	112	376	318,297	377,641

Movement in reserves during 2022/23

	A4T Arkwood RHH Council					A4T Arkwood Council									
	General Fund Balance £'000	Earmarked Reserves £'000	Earmarked Reserves £'000	Earmarked Reserves £'000	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	Unusable Reserves £'000	Unusable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2022	1,500	331	-3	8	34,843	2,000	5,294	17,449	13,053	2,910	77,385	-6,771	0	208,154	278,768
Total Comprehensive Income and Expenditure	-2,793	0	0	0	0	-367	0	0	0	0	-3,160	6,718	21	94,664	98,243
Adjustment between Group Accounts and Authority accounts	0	-398	407	2	0	0	0	0	0	0	11	0	0	0	11
Adjustment between accounting basis & funding basis under regulations	-1,230	518	0	0	0	188	0	-4,205	994	-1,536	-5,271	-518	0	5,789	0
Net Increase/Decrease(-) before Transfers to	-4,023	120	407	2	0	-179	0	-4,205	994	-1,536	-8,420	6,200	21	100,453	98,254
Transfers to/from(-) Earmarked Reserves	4,023	0	0	0	-4,023	179	-179	0	0	0	0	0	0	0	0
Transfer to Unusable Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Increase/Decrease(-) in 2022/23	0	120	407	2	-4,023	0	-179	-4,205	994	-1,536	-8,420	6,200	21	100,453	98,254
Balance at 31 March 2023	1,500	451	404	10	30,820	2,000	5,115	13,244	14,047	1,374	68,965	-571	21	308,607	377,022

GROUP BALANCE SHEET

	2023/24					
31 March 2023 £'000	NSDC £'000	Active4 today £'000	Arkwood £'000	RHH £'000	Inter 31 March Comp Adj £'000	31 March 2024 £'000
459,242 Property, Plant & Equipment	451,785	0	0	0	3,917	455,702
3,560 Heritage Assets	3,560	0	0	0	0	3,560
0 Investment Properties	0	0	0	0	0	0
376 Intangible Assets	651	0	0	0	0	651
10,980 Long Term Investments	15,024	0	0	0	-4,039	10,985
25 Long Term Debtors	2,373	0	0	0	-2,352	21
4,342 Long Term Finance Lease Debtor	4,225	0	0	0	0	4,225
478,525 TOTAL LONG TERM ASSETS	477,618	0	0	0	-2,474	475,144
27,435 Short Term Investments	7,240	0	0	0	0	7,240
412 Inventories	409	4	3,365	0	-3,365	413
14,126 Short Term Debtors	10,671	1,122	129	0	-1,202	10,720
1,298 Assets Held For Sale	3,194	0	1,977	0	-2,904	2,267
24,086 Cash and Cash Equivalents	15,956	15	1,537	49	0	17,557
67,357 TOTAL CURRENT ASSETS	37,470	1,141	7,008	49	-7,471	38,197
-9,971 Short Term Borrowings	-7,863	0	0	0	528	-7,335
-18,076 Short Term Creditors	-17,905	-551	-2,593	-39	3,026	-18,062
-354 Provisions Short Term	-203	0	0	0	0	-203
-25,782 Grants Receipts in Advance	-6,461	0	0	0	0	-6,461
-54,183 TOTAL CURRENT LIABILITIES	-32,432	-551	-2,593	-39	3,554	-32,061
0 Long Term Creditors	0	0	0	0	0	0
-1,117 Provisions Long Term	-377	0	0	0	0	-377
-4,863 Long Term Finance Lease	-4,714	0	0	0	0	-4,714
-81,435 Long Term Borrowing	-78,403	0	0	0	0	-78,403
-20,369 Pensions Liability	-11,898	112	0	0	0	-11,786
-6,893 Grants Receipts in Advance	-8,359	0	0	0	0	-8,359
-114,677 TOTAL LONG TERM LIABILITIES	-103,751	112	0	0	0	-103,639
377,022 TOTAL NET ASSETS	378,905	702	4,415	10	-6,391	377,641
68,965 Usable Reserves	58,217	590	4,039	10	-4,000	58,856
308,057 Unusable Reserves	320,688	112	376	0	-2,391	318,785
377,022 TOTAL RESERVES	378,905	702	4,415	10	-6,391	377,641

GROUP CASH FLOW STATEMENT

2022/23 £'000	NSDC	Active4 today	Arkwood	RHH	Inter 31 Comp Adj	March 2024
	£'000	£'000	£'000	£'000	£'000	£'000
-3,153 Net Surplus/Deficit(-) on the Provision of Services	-9,926	147	-365	0	365	-9,779
14,741 Adjustment to Surplus or Deficit on the Provision of Services for Non-Cash Movements	27,969	-187	1,154	0	188	29,124
-15,615 Adjust for Item Included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	-33,338	0	0	0	-365	-33,703
-4,027 Net Cash Flows from Operating Activities	-15,295	-40	789	0	188	-14,358
8,408 Investing Activities	15,270	0	0	0	0	15,270
-8,212 Financing Activities	-7,253	0	0	0	-188	-7,441
-3,831 Net Increase or Decrease(-) in Cash and Cash Equivalents	-7,278	-40	789	0	0	-6,529
27,917 Cash and Cash Equivalents at the Beginning of the Reporting Period	23,235	55	748	48	0	24,086
24,086 Cash and Cash Equivalents at the End of the Reporting Period	15,957	15	1,537	48	0	17,557

GROUP ACCOUNT NOTES

The following notes have been prepared on an exception basis, with only those items which have changed from the District Council's Statement of Accounts being included. For all other items, reference should be made to the Council's Comprehensive Income and Expenditure Statement and Balance Sheet and the appropriate note.

G1 INTER COMPANY TRANSACTIONS

The Group Accounts exclude transactions between the two organisations; this ensures that expenditure and income is only reflected once within the accounts. The elements of the accounts adjusted for inter company transactions are detailed below.

Group Comprehensive Income and Expenditure RESTATED	NSDC £'000	Active4 today £'000	Arkwood £'000	RHH £'000	Inter Comp Adj £'000	2023/24 Group £'000
Biodiversity and Environmental Services	1,539	0	0	0	5	1,544
Climate Change	2,629	0	0	0	0	2,629
Community Safety & Community Development	2,481	0	0	0	20	2,501
Health, Wellbeing and Leisure	3,854	0	0	0	-500	3,354
Health, Wellbeing and Leisure - Active4today	0	-177	0	0	173	-4
Heritage, Culture & the Arts	715	0	0	0	0	715
Housing	5,061	0	0	0	0	5,061
Housing - Arkwood	0	0	507	0	-73	434
Strategy, Performance & Finance	11,308	0	0	0	419	11,727
Sustainable Economic Development	4,615	0	0	0	-1	4,614
Sustainable Economic Development - RHH	0	0	0	0	0	0
Cost of Services	32,202	-177	507	0	43	32,575
Other Operating Income and Expenditure	4,686	0	0	0	0	4,686
Financing and Investment Income and Expenditure	1,064	0	0	0	-43	1,021
Financing and Investment Income and Expenditure - Arkwood	0	0	-20	0	0	-20
Interest payable and similar charges - A4T	0	20	0	0	0	20
Interest payable and similar charges - RHH	0	0	0	0	0	0
Taxation and Non Specific Grant Income	-28,390	0	0	0	0	-28,390
Corporation Tax - A4T	0	9	0	0	0	9
Corporation Tax - Arkwood	0	0	-122	0	0	-122
Group Surplus(-)/Deficit	9,562	-148	365	0	0	9,779

G2 GROUP EXPENDITURE AND FUNDING ANALYSIS

	RESTATED 2022/23				2023/24			
	Net Expenditure Chargeable to the General Fund & HRA Balances £'000	Adjustment between the Funding & Accounting Basis £'000			Net Expenditure in the Comprehensive Income & Expenditure Statement £'000	Net Expenditure Chargeable to the General Fund & HRA Balances £'000	Adjustment between the Funding & Accounting Basis £'000	Net Expenditure in the Comprehensive Income & Expenditure Statement £'000
1,265	920	2,185	Biodiversity and Enviornmental Services	1,396	148	1,544		
1,936	801	2,737	Climate Change	2,140	489	2,629		
1,969	1,002	2,971	Community Safety & Community Development	2,432	69	2,501		
-163	1,563	1,400	Health, Wellbeing and Leisure	337	3,017	3,354		
325	352	677	Health, Wellbeing and Leisure - Active4today	24	-28	-4		
549	249	798	Heritage, Culture & the Arts	645	70	715		
-13,041	10,650	-2,391	Housing	-12,950	18,011	5,061		
-568	0	-568	Housing - Arkwood	434	0	434		
6,959	2,149	9,108	Strategy, Performance & Finance	7,960	3,767	11,727		
1,259	6,287	7,546	Sustainable Economic Development	1,434	3,180	4,614		
0	0	0	Sustainable Economic Development - RHH Newark	0	0	0		
490	23,973	24,463	Net Cost of Services	3,852	28,723	32,575		
3,080	-24,661	-21,581	Other Income and Expenditure (OIES)	-2,934	-19,749	-22,683		
6	0	6	OIES - Arkwood	-20	0	-20		
0	167	167	OIES - A4T	0	20	20		
3	0	3	Corporation Tax - A4T	9	0	9		
95	0	95	Corporation Tax - Arkwood	-122	0	-122		
3,674	-521	3,153	Surplus(-)/Deficit	785	8,994	9,779		
General Fund & Earmarked Reserve £'000	HRA & Earmarked Reserve £'000	Total £'000		General Fund & Earmarked Reserve £'000	HRA & Earmarked Reserve £'000	Total £'000		
-36,679	-7,294	-43,973	Opening Balance	-33,185	-7,115	-40,300		
3,494	179	3,673	Surplus(-) or Deficit on Balances in Year	-103	888	785		
0	0	0	Dividend Issued	0	0	0		
-33,185	-7,115	-40,300	Closing Balance at 31 March	-33,288	-6,227	-39,515		
Closing Balances Split by Reserve:								
-1,500	-2,000	-3,500	Working Reserve	-1,500	-2,000	-3,500		
-31,685	-5,115	-36,800	Earmarked Reserve	-31,788	-4,227	-36,015		
-33,185	-7,115	-40,300	Closing Balance at 31 March	-33,288	-6,227	-39,515		

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G3 NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

Adjustments between Funding and Accounting Basis 2023/24

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
Biodiversity and Environmental Services	197	-49	0	148
Climate Change	556	-67	0	489
Community Safety & Community Developn	119	-50	0	69
Health, Wellbeing and Leisure	3,019	-2	0	3,017
Health, Wellbeing and Leisure - Active4toc	0	-28	0	-28
Heritage, Culture & the Arts	93	-23	0	70
Housing	18,170	-159	0	18,011
Strategy, Performance & Finance	3,982	-215	0	3,767
Sustainable Economic Development	3,239	-59	0	3,180
Net Cost of Services	29,375	-652	0	28,723
Other income and expenditure from the Expenditure and Funding Analysis	-20,305	915	-359	-19,749
Other Income and Expenditure	0	20	0	20
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	9,070	283	-359	8,994

Adjustments between Funding and Accounting Basis 2022/23

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
RESTATED	£'000	£'000	£'000	£'000
Biodiversity and Environmental Services	596	294	30	920
Climate Change	362	402	37	801
Community Safety & Community Developn	665	300	37	1,002
Health, Wellbeing and Leisure	1,552	15	-4	1,563
Health, Wellbeing and Leisure - Active4toc	0	352	0	352
Heritage, Culture & the Arts	99	145	5	249
Housing	9,685	945	20	10,650
Strategy, Performance & Finance	711	1,287	151	2,149
Sustainable Economic Development	5,890	365	32	6,287
Net Cost of Services	19,560	4,105	308	23,973
Other income and expenditure from the Expenditure and Funding Analysis	-23,165	2,225	-3,721	-24,661
Other Income and Expenditure	0	167	0	167
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	-3,605	6,497	-3,413	-521

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.

G4 EXPENDITURE AND INCOME ANALYSED BY NATURE

Expenditure/Income 2023/24	Biodiversity and Environmental Services	Climate Change	Community Safety & Community Development	Health, Wellbeing and Leisure	Heritage, Culture & the Arts	Housing	Strategy, Performance & Finance	Sustainable Economic Development	Corporate Amounts	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees, Charges and Other Service Income	-409	-2,053	-643	-5,043	-1,422	-32,805	-5,007	-1,312	0	-48,694
Income on Joint Associates	0	0	0	0	0	0	0	0	-139	-139
Interest and Investment Income	0	0	0	0	0	0	0	0	-4,028	-4,028
Income from Council Tax	0	0	0	0	0	0	0	0	-11,363	-11,363
Income from Non Domestic Rates	0	0	0	0	0	0	0	0	-20,277	-20,277
Housing Benefit Subsidy Rent Allowance	0	0	0	0	0	0	-9,810	0	0	-9,810
Housing Benefit Subsidy Rent Rebates	0	0	0	0	0	0	-8,541	0	0	-8,541
Government Grants and Contributions	-34	0	-713	-263	-402	-1,115	-554	-28,200	-11,599	-42,880
Disposal of Assets	0	0	0	0	0	0	0	0	-875	-875
Adjustment for Group Transactions	5	0	25	557	0	0	423	-1	5	1,014
Total Income	-438	-2,053	-1,331	-4,749	-1,824	-33,920	-23,489	-29,513	-48,276	-145,593
Employee Expenses	1,810	2,507	1,936	75	1,060	6,176	8,198	2,379	0	24,141
Other Service Expenses	-26	1,619	1,795	5,894	1,386	15,247	4,575	31,726	243	62,459
Housing Benefit Rent Allowance	0	0	0	0	0	0	9,900	0	0	9,900
Housing Benefit Rent Rebates	0	0	0	0	0	0	8,566	0	0	8,566
Expenditure on Joint Associates	0	0	0	0	0	0	0	0	156	156
Support Service Recharges	0	0	0	0	0	0	0	0	387	387
Depreciation, Amortisation and Impairment	198	556	106	3,016	93	18,059	3,981	22	0	26,031
Changes in Fair Value	0	0	0	0	0	0	0	0	-5	-5
Interest Payments	0	0	0	0	0	6	0	0	5,102	5,108
Non Domestic Rates Tariff & Deficit	0	0	0	0	0	0	0	0	14,462	14,462
Precepts and Levies	0	0	0	0	0	0	0	0	4,519	4,519
Payments to Housing Capital Receipts Pool	0	0	0	0	0	0	0	0	0	0
Disposal of Assets	0	0	0	0	0	0	0	0	775	775
Corporation Tax	0	0	0	0	0	0	0	0	-113	-113
Adjustment for Group Transactions	0	0	-5	-886	0	-73	-4	0	-46	-1,014
Total Operating Expenses	1,982	4,682	3,832	8,099	2,539	39,415	35,216	34,127	25,480	155,372
Surplus(-)/Deficit on Provision of Services	1,544	2,629	2,501	3,350	715	5,495	11,727	4,614	-22,796	9,779

Expenditure/Income 2022/23	Biodiversity and Environmental Services	Climate Change	Community Safety & Community Development	Health, Wellbeing and Leisure	Heritage, Culture & the Arts	Housing	Strategy, Performance & Finance	Sustainable Economic Development	Corporate Amounts	Total
RESTATED	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees, Charges and Other Service Income	-371	-1,915	-630	-4,661	-1,298	-34,991	-4,655	-1,416	0	-49,937
Income on Joint Associates	0	0	0	0	0	0	0	0	-148	-148
Interest and Investment Income	0	0	0	0	0	0	0	0	-2,985	-2,985
Income from Council Tax	0	0	0	0	0	0	0	0	-11,004	-11,004
Income from Non Domestic Rates	0	0	0	0	0	0	0	0	-21,594	-21,594
Housing Benefit Subsidy Rent Allowance	0	0	0	0	0	0	-9,356	0	0	-9,356
Housing Benefit Subsidy Rent Rebates	0	0	0	0	0	0	-8,451	0	0	-8,451
Government Grants and Contributions	-13	-1	-49	-179	-103	-1,125	-959	-4,145	-12,774	-19,348
Disposal of Assets	0	0	0	0	0	0	0	0	-2,256	-2,256
Adjustment for Group Transactions	5	0	23	749	0	21	336	-2	19	1,151
Total Income	-379	-1,916	-656	-4,091	-1,401	-36,095	-23,085	-5,563	-50,742	-123,928
Employee Expenses	2,028	2,857	2,109	97	1,030	6,483	9,086	2,460	0	26,150
Other Service Expenses	-60	1,434	1,380	5,921	1,070	17,823	4,525	10,646	-293	42,446
Housing Benefit Rent Allowance	0	0	0	0	0	0	9,414	0	0	9,414
Housing Benefit Rent Rebates	0	0	0	0	0	0	8,497	0	0	8,497
Expenditure on Joint Associates	0	0	0	0	0	0	0	0	151	151
Developers Contribution Payment	0	0	0	0	0	0	0	0	1,262	1,262
Depreciation, Amortisation and Impairment	596	362	138	1,185	99	8,898	688	3	0	11,969
Changes in Fair Value	0	0	0	0	0	0	0	0	1,676	1,676
Interest Payments	0	0	0	0	0	13	0	0	7,335	7,348
Non Domestic Rates Tariff & Deficit	0	0	0	0	0	0	0	0	13,202	13,202
Precepts and Levies	0	0	0	0	0	0	0	0	4,103	4,103
Payments to Housing Capital Receipts Pool	0	0	0	0	0	0	0	0	0	0
Disposal of Assets	0	0	0	0	0	0	0	0	1,916	1,916
Corporation Tax	0	0	0	0	0	0	0	0	98	98
Adjustment for Group Transactions	0	0	0	-1,035	0	-81	-17	0	-18	-1,151
Total Operating Expenses	2,564	4,653	3,627	6,168	2,199	33,136	32,193	13,109	29,432	127,081
Surplus(-)/Deficit on Provision of Services	2,185	2,737	2,971	2,077	798	-2,959	9,108	7,546	-21,310	3,153

G5 INVENTORIES

The stocks held by the Group valued using the First in First out method of valuation can be analysed as follows:-

2022/23 £'000	NSDC £'000	Active4 today £'000	Arkwood £'000	RHH £'000	2023/24 £'000
24 Heritage and Visitor Centres	24	0	0	0	24
66 Administrative Stores	66	0	0	0	66
61 Transport Stores	61	0	0	0	61
69 Stock (Van and Leisure Centre)	64	4	0	0	68
192 Raw Materials and Consumables	194	0	0	0	194
0 Works in Progress - Project 1	0	0	0	0	0
412 Total	409	4	0	0	413

G6 SHORT TERM DEBTORS

The amounts due to the Group were:-

2022/23 £'000	NSDC £'000	Active4 today £'000	Arkwood £'000	RHH £'000	2023/24 £'000
Amounts falling due within one year:-					
1,873 Trade Receivables	1,259	0	0	0	1,259
490 Prepayments	625	0	0	0	625
-835 Inter Company Transactions	-126	-1,076	0	0	-1,202
14,908 Other Receivable Amounts	11,050	1,122	129	0	12,301
16,436 Total	12,808	46	129	0	12,983
-2,310 Less Loss Allowance	-2,263	0	0	0	-2,263
14,126 Total Short Term Debtors	10,545	46	129	0	10,720

G7 SHORT TERM CREDITORS

The amounts owed by the Group were:-

2022/23 £'000	NSDC £'000	Active4 today £'000	Arkwood £'000	RHH £'000	2023/24 £'000
Amounts falling due within one year:-					
7,483 Trade Payables	10,729	0	0	0	10,729
13,647 Other Payables	7,176	551	2,593	39	10,359
-3,054 Inter Company Transactions	-548	-35	-2,443	0	-3,026
18,076 Total Short Term Creditors	17,357	516	150	39	18,062

G8 CASH AND CASH EQUIVALENTS

2022/23 £'000	NSDC £'000	Active4 today £'000	Arkwood £'000	RHH £'000	2023/24 £'000
4 Cash held by the Council	4	0	0	0	4
-7 Cash in transit	5	0	0	0	5
1,425 Bank current accounts	950	16	1,537	48	2,551
22,664 Short-term deposits with Money Market Funds	14,997	0	0	0	14,997
0 Inter Company Adjustments	0	0	0	0	0
24,086 Current Assets	15,956	16	1,537	48	17,557
0 Cash in transit	0	0	0	0	0
0 Bank current accounts (overdraft)	0	0	0	0	0
0 Current Liabilities	0	0	0	0	0
24,086 Total Cash and Cash Equivalents	15,956	16	1,537	48	17,557

G9 PENSIONS

A pension deficit of £6.850m for Active4Today Ltd has been consolidated into the group accounts. Arkwood only operates a contribution pension plan so don't accumulate a pension liability.

2022/23 £'000	NSDC £'000	Active4 today £'000	Arkwood £'000	RHH £'000	2023/24 £'000
91,671 Deficit at 1 April	19,798	571	0	0	20,369
<i><u>Cost of Service</u></i>					
8,227 Current Service Cost	3,389	285	0	0	3,674
<i><u>Financing and Investment Income and Expenditure</u></i>					
2,334 Net Interest Expense	853	20	0	0	873
55 Admin Expense	61	3	0	0	64
0 Past Service Cost	3	0	0	0	3
-78,547 Remeasurement of net defined benefit liability	-8,191	-675	0	0	-8,866
0 Gain/(loss) from settlements	0	0	0	0	0
-3,371 Employer Contributions	-4,015	-316	0	0	-4,331
20,369 Deficit at 31 March	11,898	-112	0	0	11,786

G10 RECONCILIATION OF (SURPLUS)/DEFICIT ON PROVISION OF SERVICES TO OPERATING ACTIVITIES NET CASH FLOW

2022/23 £'000		NSDC £'000	Active4 today £'000	Arkwood £'000	RHH £'000	2023/24 £'000
-3,153	Net Surplus or Deficit(-) on the Provision of Services	-9,561	147	-365	0	-9,779
	Adjust net surplus or deficit on the provision of services for non-cash movements					
7,679	Depreciation of Property, Plant and Equipment	8,145	0	0	0	8,145
4,239	Impairment and downward valuations	17,850	0	0	0	17,850
60	Amortisation of Intangible Assets	59	0	0	0	59
-7,919	Increase/Decrease(-) in Creditors	-235	32	-600	0	-803
10	Increase(-)/Decrease in interest Debtors	10	0	0	0	10
-1,471	Increase(-)/Decrease in Debtors	1,623	-24	974	0	2,573
2,496	Increase(-)/Decrease in Inventories	-2	1	780	0	779
6,496	Pension Liability	292	-8	0	0	284
1,885	Carrying amount of non-current assets, sold or derecognised	758	0	0	0	758
1,266	Other non-cash items charged to the net surplus or deficit on the provision of services	-531	0	0	0	-531
14,741	Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities	27,969	1	1,154	0	29,124
407	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in joint ventures and subsidiaries)	-365	0	0	0	-365
-13,037	Capital Grants credited to surplus or deficit on the Provision of Services	-32,481	0	0	0	-32,481
-2,985	Proceeds from the sale of non-current assets	-857	0	0	0	-857
-15,615		-33,703	0	0	0	-33,703
-4,027	Net Cash Flows from Operating Activities	-15,295	148	789	0	-14,358

2022/23 £'000		NSDC £'000	Active4 today £'000	Arkwood £'000	RHH £'000	2023/24 £'000
-18,113	Purchase of Property, Plant and Equipment and Intangible Assets	-20,570	0	0	0	-20,570
-11,000	Purchase of short-term and long-term Investments	0	0	0	0	0
0	Other payments for investing activities	-100	0	0	0	-100
3,093	Proceeds from the sale of Property, Plant and Equipment and Intangible Assets	969	0	0	0	969
7,000	Proceeds from short-term and long-term Investments	20,000	0	0	0	20,000
27,428	Other receipts from investing activities	14,971	0	0	0	14,971
8,408	Net cash flows from investing activities	15,270	0	0	0	15,270

GLOSSARY OF TERMS

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

ACCOUNTING POLICIES

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

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

Accounting policies do not include estimation techniques.

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

ACCRUALS

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

ADMINISTRATIVE BUILDINGS

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

AMORTISATION

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

ARMS LENGTH MANAGEMENT COMPANY

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

BALANCES

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

BALANCE SHEET

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

BILLING AUTHORITIES

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

CAPITAL ADJUSTMENT ACCOUNT

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

CAPITAL CHARGES

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

CAPITAL EXPENDITURE

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

CAPITAL PROGRAMME

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

CAPITAL RECEIPTS

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

CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)

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

COLLECTION FUND

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

COMMUNITY ASSETS

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

CONTINGENT LIABILITIES

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

COUNCIL TAX

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

COUNCIL TAX BASE

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

CURRENT EXPENDITURE

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

DEFERRED CAPITAL RECEIPTS

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

DEFERRED CREDITORS

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

DEPRECIATION

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

EARMARKED RESERVES

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

EMOLUMENTS

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

EXTERNAL AUDIT

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

FEES AND CHARGES

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

FINANCE LEASE

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

FINANCIAL INSTRUMENT

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

FINANCIAL INSTRUMENT ADJUSTMENT ACCOUNT

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

FINANCIAL REPORTING STANDARD (FRS)

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

FINANCIAL YEAR

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

GAAP

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

GENERAL FUND

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

GROSS EXPENDITURE

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

HERITAGE ASSETS

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

HOUSING BENEFIT

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

HOUSING REVENUE ACCOUNT

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

IMPAIRMENT

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

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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

INFRASTRUCTURE ASSETS

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

INTERNAL AUDIT

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

INVESTMENTS

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

LONG TERM DEBTORS

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

MINIMUM REVENUE PROVISION (MRP)

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

NON DOMESTIC RATE (NDR)

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

NET EXPENDITURE

Gross expenditure less gross income.

NON-OPERATIONAL ASSET

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

OPERATIONAL ASSET

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

OPERATIONAL LEASE

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

PENSION FUND

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

PRECEPT

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

PRECEPTING AUTHORITIES

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

PROVISIONS

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

PUBLIC WORK LOANS BOARD (PWLB)

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

RELATED PARTIES

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

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

Examples of related parties of an Council include:

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

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

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

REVALUATION RESERVE

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

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

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

REVENUE SUPPORT GRANT (RSG)

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

SOFT LOANS

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

STATEMENT OF ACCOUNTS

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

STATEMENT OF RECOMMENDED PRACTICE (CODE)

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

TOTAL COST

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

TRADING SERVICES

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

USABLE CAPITAL RECEIPTS

Amounts available to finance capital expenditure in future years.

USABLE RESERVES

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

UNUSABLE RESERVES

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

NEWARK AND SHERWOOD DISTRICT COUNCIL

ANNUAL GOVERNANCE STATEMENT

1 Scope of responsibility

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

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

2 The purpose of the governance framework

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

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

3 The governance framework

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

Within the Constitution (Part H), the Council has approved and adopted a Code of Corporate Governance (the Code), which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*, which was revised in 2016. The Code was also reviewed during 2016 to ensure it complied with the requirements of the revised Framework. The Code is due to be reviewed and updated by the Council's Audit & Governance Committee during 2024/25.

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.

Council approved a new Community Plan at its meeting on 12th December 2023. This sets out the ambitions of the Council over the next four year term to 2027. The performance monitoring framework for the new Community Plan commenced on 1st April 2024.

During 2023/24 the Council facilitated policy and decision-making through a Cabinet system. Cabinet meetings are open to the public except where exempt or confidential matters are being considered. Cabinet Members with Portfolio responsibility have authority to take delegated decisions outside Cabinet meetings; these are published on the Council's Decision Register. In addition, the Council's Constitution gives delegated authority for senior officers of the Council to make decisions in certain specified circumstances. Significant or 'Key' proposals are published on the Council's Forward Plan for 28 days before the decision is taken.

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

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

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

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

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

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

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

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

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

A review of the new governance arrangements, using these principles as a benchmark, was undertaken six months after implementation, and consultation was undertaken with Members

and Officers. The Audit & Governance Committee considered the outcome of the review and reported on to Full Council. No significant issues were identified, however it was agreed that a further report should be undertaken at an appropriate point following the elections in May 2023, when arrangements are more embedded. The review identified the importance of Member training, and Audit & Governance Committee resolved to have oversight of the Member Induction Programme following the May 2023 elections. There was a significant change in the Council's elected membership in May 2023 and a high number of new Councillors were elected; this was reflected in appointments to Audit & Governance Committee. As a result, while a comprehensive induction Member Induction Programme was delivered after the elections with oversight by Audit & Governance Committee, the review of governance arrangements was considered premature in 2023/24 and instead remained on the Committee's work programme for future.

The District Council has a cross-service Risk Management Group that meets regularly to identify and evaluate all significant risks. Strategic, Corporate and Operational Risk Registers are in place and appropriate staff have been trained in the assessment, management and monitoring of risks. In addition to this, a Fraud Risk Register is in place and a refresh was presented to the Audit and Governance Committee at its meeting in July 2024.

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

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

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

The statutory role of Monitoring Officer was undertaken by the Assistant Director Legal and Democratic Services for 2023/24 financial year. It is the function of the Monitoring Officer to ensure compliance with established policies, procedures, laws and regulations. After consulting with the Head of Paid Service and the s151 Officer, the Monitoring Officer will report to the Full Council if they consider that any proposal, decision or omission would give rise to unlawfulness or maladministration. The standards of behaviour for members and employees are defined through Codes of Conduct and the Code of Corporate Governance. The Council also has an Anti-Fraud and Corruption Strategy and a Whistleblowing Policy that enables concerns to be raised confidentially by employees or persons doing business with the Council. A complaints system is also operated by the Council to enable comments on services to be received and investigated and this is assessed against the relevant Ombudsman Effective Complaints Handling Code.

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

Monitoring Officer) if they feel that there is likely to be any item of unlawful expenditure or an unbalanced budget.

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

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

A similar arrangement to the above is in place regarding £20m of Levelling up funding that was awarded to the Council in respect of the Southern Link Road. A monitoring board has been established consisting of officers of the Council, together with representatives from the developer-Urban and Civic, National Highways and Nottinghamshire County Council. The Council is responsible for the proper administration of the funding, and has, through the project, employed an independent quantity surveyor in order to ensure claims of grant from the developer are accurate and proportionate and can be approved by the Council's s151 Officer. A further similar agreement is in place in respect of £7m of funding from the D2N2 Local Enterprise Partnership in relation to the development of the Southern Link Road. An agreement is in place which releases funds through to the developer once agreed project outputs and targets are met, and have been approved by the Council's s151 Officer.

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

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

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

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

The District Council communicates with its community and stakeholders through various means. The Council's website has been designed to ensure information is up to date, accurate, easy to find and adheres to new government accessibility legislation. In addition, a system in which the Council can email regular newsletters to particular demographic groups is in place. Upon implementation the system was used to improve internal communication, with staff newsletters going out every two weeks. Then a resident facing newsletter was introduced with newsletters going out containing important and key information once a month. We have continued to grow and use social media to communicate important messaging but still consider the importance of a positive press release system to be a high priority – the number of media releases issued grew during this year also. The processes and systems within the centralised communications team mean that work is becoming more proactive as opposed to reactive thus gaining better coverage for the District Council. Other channels are also regularly used include the local radio, local and national media outlets, digital communication channels and digital advertising, door to door to communication, television advertising and POS in strategic locations. For tenants specifically, there is a tenant involvement framework consisting of four Local Influence Networks for Sherwood, Newark Rural villages and for Building Safety. These are complemented by a menu of opportunities for engagement with our 5,500 tenants and an annual tenant report containing key activities and performance.

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

4 Review of effectiveness

Newark and Sherwood District Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Directors within the authority who have responsibility for the development and maintenance of the governance environment, the Internal Audit Manager's annual report, the External Auditor's annual audit and inspection report together with comments made by the External Auditors and other review agencies and inspectorates. Business managers are required to provide assurance to the S151 officer that service areas are compliant with the Council's governance arrangements.

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

The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The Council reviews the Constitution through Audit & Governance Committee which may meet in the form of a Working Party for in

depth reviews, and makes recommendations for amendment to Full Council. In 2023-4 the Audit & Governance Committee recommended one change to Full Council to give Planning Committee the ability to introduce public speaking at its meetings in order to enhance public participation in decision-making. An annual review is included in the Committee's Work Programme for 2024-5.

Overview and Scrutiny - During 2023/24 the overview & scrutiny function was undertaken through the Policy and Performance Improvement Committee. Any Member of the Council can ask for an item to be included on the agenda for the Committee, and all Cabinet and Portfolio Holder decisions, and the Forward Plan, are circulated to all Members for transparency and awareness. The Committee has the ability to set up working groups to undertake in depth scrutiny, performance review and policy development.

Internal Audit - is responsible for reviewing the quality and effectiveness of systems of internal control. The internal audit function was carried out by TIAA (UK) Ltd during 2023/24. Public Sector Internal Audit Standards (Standards) require an External Quality Assessment (EQA) at least every five years. The Standards aim to promote quality and effectiveness in the internal audit profession across both public and private sectors. They re-affirm how important having a robust, independent and objective internal audit is to the success of the Council and its governance framework. Our current Internal Auditors TIAA (UK) Ltd were last assessed in December 2022 with the outcome of their EQA stating that they 'generally conform' with all areas of the Public Sector Internal Audit Standards and IIA/IPPF. There were no recommended improvements.

An annual audit plan is approved by the s151 Officer together with the Business Manager for Financial Services and the Senior Leadership Team and reported to the Audit and Governance Committee. The reporting process for Internal Audit requires a report of each audit to be submitted to the relevant Chief Officer and Business Manager. The report includes recommendations for improvements that are included within an action plan and require agreement or rejection by Business Managers. The Audit and Governance Committee receives executive summaries of all internal audit reports and is advised of progress in implementing recommendations. Internal Audit reports are considered by the Council's Senior Leadership Team. The Head of Internal Audit issues an annual opinion on the overall adequacy and effectiveness of the Council's governance, risk and control framework. For the 2023/24 financial year, the opinion of the Head of Internal Audit is that the Council is that, for the areas reviewed during the year, Newark and Sherwood District Council has reasonable and effective risk management, control and governance processes in place.

There were no internal audit reports gave limited assurance (none during 2022/23).

Community Plan - It is part of our vision to be driven by what matters to our residents. Therefore, it is important for us to listen to the views of residents and consider these views in shaping the future of the district.

As such, our Community Plan, a key document that sets out our values, purpose and objectives over the next four years is shaped by the feedback of residents. Our current Community Plan (2023-22) was informed by the results of the 2022 Resident Survey. We once again went out to residents to gather their views in the form of the 2022 Resident Survey. The results of which will help shape the next Community Plan, which outlines the future of the district from 2023. 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 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.

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

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

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

All 17 of the standards have been reviewed by the S151 officer and the Senior Leadership Team during May 2024 and it was felt that all 16 standards are still at Green status. One standard was allocated amber status in relation to "The financial management style of the authority supports financial sustainability. The action identified to improve this standard relates to:

- Capital budget profiling will be reviewed by Directors and Budget holders within the November cycle of meetings to ensure that profiling of capital spend is reasonably spread across the four year capital spending period. This is to ensure that another review of likelihood of spend is conducted to mitigate against large slippage values in the capital programme.

During last year, one other action had been identified which was:

Whilst significant improvements have been made to the performance monitoring and management framework, it is felt that further improvements could be made to align more closely Community Plan performance and financial performance data. These are currently both reported to the same Directorate and Senior Leadership teams and Cabinet, however viewed as independent items. Whilst identifying areas for improvements in Community Plan performance, this needs to be viewed through the financial performance lens in order to realign budgets where appropriate and deliver against all Community Plan priorities.

It is felt this action has been completed and can be evidenced by the improvements in benefits processing time, through the work that the Transformation business unit have done with the team together with the changes made within the Antisocial Behaviour Team accommodated via a change in use of resources allowed via the prudent monitoring of budgets.

5 Governance Actions

Significant governance issue

Issue	Action	Responsible Officer	Completion Date
<p>Long Term Financial Sustainability of the Council</p> <p>The approval of the Medium Term Financial Plan in March 2024 identified that by 2027/28 there will be a shortfall in funding of £1.627m. The use of the MTFP mitigates the impact of the annual shortfalls over the MTFP period, which equates to annual shortfalls of circa £3m 2026/27.</p>	<p>Mitigations over the period were identified within the MTFP and are underway with delivery. It is paramount these targets are met and actions are already underway to ensure their delivery. Should any of the identified mitigations not be met, this would increase the shortfall currently identified and also increase the inherent annual shortfalls.</p> <p>Further to the delivery of the identified mitigations, work is currently underway with reviewing base budget variances over the past 3 years to understand whether inherent savings/additional income are prevalent in services which could contribute to reducing the annual shortfalls.</p>	Deputy Chief Executive/Director of Resources and S151 Officer & Business Manager – Financial Services	Ongoing

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

Conclusion

The Council has assessed the governance arrangements in place throughout 2023/24 and whilst it is considered that the current arrangements provide a satisfactory level of assurance, work is continuously underway to ensure that the arrangements remain fit for purpose in an ever changing external environment.

Signed

J. Robinson

Chief Executive

P. Peacock

Leader of the Council



Report to: Audit & Governance Committee Meeting 31 July 2024

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

Lead Officer: Andrew Snape, Assistant Business Manager Financial Services on ext 5331

Report Summary	
Report Title	Treasury Management Outturn Report 2023/24
Purpose of Report	To give Members the opportunity to review the Annual Treasury Outturn report, which will be presented to Council on 15 October 2024.
Recommendations	That the Treasury Outturn position for 2023/24 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 2023/24 was approved by Full Council on 9 March 2023, 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 2024

- 2.1 Below is a summary of the Councils borrowing position as at 31 March 2024. Further detail can be found in appendix A at section 4.

Balance on 01/04/2023 £m		Balance on 31/03/2024 £m
90.769	Total Borrowings	85.463
5.009	Total Other Long Term Liabilities	4.864
95.778	Total External Debt	90.327

- 2.2 Below is a summary of the Councils investment position as at 31 March 2024. Further detail can be found in appendix A at section 5.

Balance on 01/04/2023 £m		Balance on 31/03/2024 £m
44.575	Total Short Term Investments	21.910
12.500	Total Long Term Investments	12.500
57.075	Total Investments	34.410

- 2.3 There have been no breaches of the approved prudential indicators during 2023/24. Further information can be found at section 6 of appendix A.

Background Papers and Published Documents

Nil.

ANNUAL TREASURY REPORT 2023/24**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 2023/24. 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

- 2.1 **UK. Economy.** Against a backdrop of stubborn inflationary pressures, the Russian invasion of Ukraine, and war in the Middle East, UK interest rates have continued to be volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2023/24.
- 2.2 Markets have sought an end to central banks’ on-going phase of keeping restrictive monetary policy in place on at least one occasion during 2023/24 but to date only the Swiss National Bank has cut rates and that was at the end of March 2024. UK, EZ and US 10-year yields have all stayed stubbornly high throughout 2023/24. The table below provides a snapshot of the conundrum facing central banks: inflation is easing, albeit gradually, but labour markets remain very tight by historical comparisons, making it an issue of fine judgment as to when rates can be cut.

	UK	Eurozone	US
Bank Rate	5.25%	4%	5.25%-5.5%
GDP	-0.3%q/q Q4 (-0.2%y/y)	+0.0%q/q Q4 (0.1%y/y)	2.0% Q1 Annualised
Inflation	3.4%y/y (Feb)	2.4%y/y (Mar)	3.2%y/y (Feb)
Unemployment Rate	3.9% (Jan)	6.4% (Feb)	3.9% (Feb)

- 2.3 The Bank of England sprung no surprises in their March meeting, leaving interest rates at 5.25% for the fifth time in a row and, despite no MPC members no longer voting to raise interest rates, it retained its relatively hawkish guidance. The Bank’s communications suggest the MPC is gaining confidence that inflation will fall sustainably back to the 2.0% target. However, although the MPC noted that “the restrictive stance of monetary policy is weighing on activity in the real economy, is leading to a looser labour market and is bearing down on inflationary pressures”, conversely it noted that key indicators of inflation persistence remain

elevated and policy will be “restrictive for sufficiently long” and “restrictive for an extended period”.

- 2.4 Of course, the UK economy has started to perform a little better in Q1 2024 but is still recovering from a shallow recession through the second half of 2023. Indeed, Q4 2023 saw negative GDP growth of -0.3% while y/y growth was also negative at -0.2%.
- 2.5 But it was a strange recession. Unemployment is currently sub 4%, against a backdrop of still over 900k of job vacancies, and annual wage inflation is running at above 5%. With gas and electricity price caps falling in April 2024, the CPI measure of inflation - which peaked at 11.1% in October 2022 – is now due to slide below the 2% target rate in April and to remain below that Bank of England benchmark for the next couple of years, according to Capital Economics. The Bank of England still needs some convincing on that score, but upcoming inflation and employment releases will settle that argument shortly. It is noted that core CPI was still a heady 4.5% in February and, ideally, needs to fall further.
- 2.6 Shoppers largely shrugged off the unusually wet weather in February, whilst rising real household incomes should support retail activity throughout 2024. Furthermore, the impact of higher interest rates on household interest payments is getting close to its peak, even though fixed rate mortgage rates on new loans have shifted up a little since falling close to 4.5% in early 2024.
- 2.7 From a fiscal perspective, the further cuts to national insurance tax (from April) announced in the March Budget will boost real household disposable income by 0.5 - 1.0%. After real household disposable income rose by 1.9% in 2023, Capital Economics forecast it will rise by 1.7% in 2024 and by 2.4% in 2025. These rises in real household disposable income, combined with the earlier fading of the drag from previous rises in interest rates, means GDP growth of 0.5% is envisaged in 2024 and 1.5% in 2025. The Bank of England is less optimistic than that, seeing growth struggling to get near 1% over the next two to three years.
- 2.8 As for equity markets, the FTSE 100 has risen to nearly 8,000 and is now only 1% below the all-time high it reached in February 2023. The modest rise in UK equities in February was driven by strong performances in the cyclical industrials and consumer discretionary sectors, whilst communications and basic materials have fared poorly.
- 2.9 Despite its performance, the FTSE 100 is still lagging behind the S&P 500, which has been at an all-time high for several weeks.
- 2.10 **USA Economy.** Despite the markets willing the FOMC to cut rates as soon as June 2024, the continued resilience of the economy, married to sticky inflation, is providing a significant headwind to a change in monetary policy. Markets currently anticipate three rate cuts this calendar year, but two or less would not be out of the question. Currently, policy remains flexible but primarily data driven.
- 2.11 In addition, the Fed will want to shrink its swollen \$16 trillion balance sheet at some point. Just because the \$ is the world's foremost reserve currency (China owns over \$1 trillion) does not mean the US can continually run a budget deficit. The mix of stubborn inflation and significant treasury issuance is keeping treasury yields high. The 10 year stands at 4.4%.

- 2.12 As for inflation, it is currently a little above 3%. The market is not expecting a recession, but whether rates staying high for longer is conducive to a soft landing for the economy is uncertain, hence why the consensus is for rate cuts this year and into 2025...but how many and when?
- 2.13 **EZ Economy.** Although the Euro-zone inflation rate has fallen to 2.4%, the ECB will still be mindful that it has further work to do to dampen inflation expectations. However, with growth steadfastly in the slow lane (GDP flatlined in 2023), a June rate cut from the current 4% looks probable.

3.0 Local Context

- 3.1 During 2023/24, 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 2024 and 2025 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 this authority 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 2024 was £135.657m, while usable reserves and working capital which are the underlying resources available for investment were £55.409m.
- 3.5 The Council has an increasing CFR over the next 2 years of £54m, due to the borrowing requirement of £64.6m (GF £29.6m / HRA £35m) for financing the capital programme over the forecast period, if reserve levels permit internal borrowing will be considered. 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 £9.7m.

4.0 Borrowing Strategy

4.1 Borrowing Activity in 2023/24

	Balance 1/4/23 £m	New Borrowing £m	Debt Maturing £m	Balance 31/3/24 £m
CFR	139.074			135.658
Short Term Borrowing	9.334	4.140	-3.952	9.522
Long Term Borrowing	81.435	0.000	-5.494	75.941
Total Borrowing	90.769	4.140	-9.446	85.463
Other Liabilities – Finance Lease Liability	5.009	0.000	-0.145	4.864
Total External Debt	95.778	4.140	-9.591	90.327
Increase/(Decrease) in Borrowing £000				-5.451

- 4.2 The Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.
- 4.3 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.
- 4.4 **LOBOs:** The Council holds £3.5m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. All of the £3.5m of LOBOS had options during the year, none of which were exercised by the lender.
- 4.5 **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 9 March 2023. 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 2023/24 the Council's investment balances have ranged between £33.6 and £74.0 million.

	Balance 1/4/23 £m	New Investments £m	Investments Redeemed £m	Balance 31/3/24 £m
Short Term Investments	44.575	183.115	-205.780	21.910
Long Term Investments	12.500	0.000	0.000	12.500
Total Investments	57.075	183.115	-205.780	34.410
Increase/(Decrease) in Investments £000				-22.665

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 2023/24.

5.3 Counterparty credit quality is assessed and monitored by Link 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. Link 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 2023/24, which were set on 9 March 2023 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 2023/24 %	Maximum during 2023/24 £m
<u>Fixed Rate</u>		
Borrowing	100%	99.38%
Investments	75%	20.34%
<i>Compliance with Limit</i>		<i>Yes</i>
<u>Variable Rate</u>		
Borrowing	20%	0.62%
Investments	100%	79.66%
<i>Compliance with Limit</i>		<i>Yes</i>

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 31/03/24 £m	Fixed Rate Borrowing 31/3/24 %	Compliance?
Under 12 months	15%	3.562	4.17%	Yes
12 months to 2 years	15%	1.000	1.17%	Yes
2 years to 5 years	30%	22.031	25.78%	Yes
5 years to 10 years	100%	8.005	9.37%	Yes
10 years and above	100%	50.865	59.52%	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 2023/24	Actual 31/03/24	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 2023/24.

	Approved Operational Boundary 2023/24 £m	Authorised Limit 2023/24 £m	Actual External Debt 31/03/24 £m
Borrowing – incl Finance Leases	182.526	189.526	90.327
Other Long Term Liabilities	0.400	0.600	0.000
Total	182.926	190.126	90.327

- 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 2023/24. 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 2023/24 it complied with its Treasury Management Policy Statement and Treasury Management Practices.



Report to: Audit & Governance Committee Meeting
31 July 2024

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

Lead Officer: Nick Wilson, Business Manager – Financial Services

Report Summary	
Report Title	Assessment of the effectiveness of the Internal Audit Function and the Audit and Governance Committee
Purpose of Report	To inform members of the Committee of the requirement to assess the effectiveness of the Internal Audit function and the Audit and Governance Committee and for the Committee to recommend members to undertake these exercises.
Recommendations	That the Committee recommends appropriate members to undertake the assessments
Reason for Recommendation	In order to ensure that the Internal Audit Function and the Committee are working as efficiently and effectively as possible and fulfilling their respective duties

1.0 Background

- 1.1 In 2015, the Public Sector Internal Audit Standards (PSIAS) were updated. One of the requirements of the PSIAS is that a regular review of the effectiveness of the Internal Audit function is carried out.
- 1.2 A second requirement is that a self-assessment of the effectiveness of the Audit & Governance Committee is carried out.
- 1.3 At the meeting of the Audit and Accounts Committee held on 1st December 2021 , the Committee considered a report which reviewed the effectiveness of the Internal Audit function and the self-assessment of the Audit and Accounts Committee (as was named at that point).
- 1.4 The self-assessment of the Audit and Accounts Committee was undertaken using a questionnaire provided within CIPFA's Practical Guidance for Audit Committees. An

action plan was created in order to ensure that the Committee conforms to the best practice guidance.

- 1.5 The final recommendation from the report in December 2021, was that a further review into the effectiveness of the Internal Audit function and a self-assessment of the effectiveness of the Audit and Accounts Committee be undertaken during September 2023.
- 1.6 At the time of writing the report in December 2021, the changes in the Committee's structure and membership was not envisaged and hence due to the large scale changes, and also the change in Internal Auditor, it was felt that conducting the review in September 2023, would not have been effective. Hence this was deferred until September 2024.

2.0 Proposals

- 2.1 It is therefore suggested that the assessments of both Audit & Governance Committee and the Internal Audit Function are completed prior to the next Audit & Governance Committee meeting.
- 2.2 It is suggested that members recommend three members from the Committee to undertake the assessments and report back on their findings.

Background Papers and Published Documents

NIL



Report to: Audit & Governance Committee Meeting 31 July 2024

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

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 2023/24 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 2023/24 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 we cannot provide absolute assurance on the governance, risk, financial and internal control environments, 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.

2.0 Proposals

- 2.1 To receive and comment upon the Annual Internal Audit Report 2023/24 and note its content.

Background Papers and Published Documents

NIL

Newark and Sherwood District Council

Draft Internal Audit Annual Report

2023/24

Internal Audit Annual Report

Introduction

This is the 2023/24 Annual Report by TIAA on the internal control environment at Newark and Sherwood District Council. The annual internal audit report summaries the outcomes of the reviews we have carried out on the organisation’s framework of governance, risk management and control.

Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and incorporate the Public Sector Internal Audit Standards (PSIAS).

Ongoing quality assurance work was carried out throughout the year, and we continue to comply with ISO 9001:2015 standards. Our work also complies with the IIA-UK Professional Standards.

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.

Internal Audit Planned Coverage and Output

The 2023/24 Annual Audit Plan was 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 B.

Assurance

TIAA carried out eight reviews of which two were advisory reviews. The eight assurance reviews 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
Substantial Assurance	1
Reasonable Assurance	5
Limited Assurance	0
No Assurance	0
Advisory	2

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 2023/24.

Urgent	Important	Routine
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0	10	15
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Audit Summary

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

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

Risk Area	Urgent	Important	Routine
Directed			
Governance Framework	0	4	3
Risk Mitigation	0	0	4
Compliance	0	4	7
Delivery			
Performance Monitoring	0	2	1
Sustainability	0	0	0
Resilience	0	0	0

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
3

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%	92%
Audits Completed in Time Allocation	100%	100%
Final report issued within 10 working days of receipt of responses	100%	82%
Compliance with Public Sector Internal Audit Standards	100%	100%

Release of Report

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

Date Report issued:	July 2024
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Head of Internal Audit Opinion (HoIA) on the Effectiveness of the System of Internal Control for the Year Ended 31 March 2023

The purpose of my annual HoIA Opinion is to contribute to the assurances available to the Accountable Officer and the Board which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control. This Opinion will in turn assist the Board in the completion of its Annual Governance Statement (AGS).

My opinion is set out as follows:

1. Overall opinion;
 2. Basis for the opinion;
 3. Matters that have had an impact on the opinion; and
 4. Commentary.
-
1. My overall opinion is that **Reasonable** assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls, put the achievement of particular objectives at risk.
 2. The basis for forming my opinion is as follows:
 - i. An assessment of the design and operation of the underpinning Assurance Framework and supporting processes; and
 - ii. An assessment of the range of individual opinions arising from risk-based audit assignments, contained within internal audit risk-based plans that have been reported throughout the year. This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses.
 3. There are no matters to bring to your attention which have had an impact on the Head of Internal Audit Opinion
- Commentary – see Annex B for a summary of completed internal audit work.

Actual against planned Internal Audit Work 2023/24

System	Days	Report Status	Substantial Assurance	Reasonable Assurance	Limited Assurance	No Assurance	Advisory Review	Comment
Key Control Testing	18	Final		✓				
Payroll	9	Final		✓				
Financial resilience	9	Final		✓				
Grant Fund Spend and administration	13.5	Final		✓				
Contractual relationship with active 4 Today	13.5	Final		✓				
Gilstrap	4.5	Advisory	N/A					
ICT assurance cyber security/ incident management	13.5	Final	✓					
Mansfield Crematorium	4.5	Advisory	N/A					
Complaints Process	7	Draft report issued 30/05/2024 – Draft Reasonable assurance						
Workforce planning	9	Draft issued 18/04/2024 - - Draft Reasonable assurance						
Corporate and Commercial property Health and Safety compliance	11	Report Discussion Draft - Reasonable Assurance. Draft by 21 st July						
Housing Voids	9	Report is Discussion Draft – will be issued Draft by 21 st July.						
Housing Regulatory Compliance	13	Report is Discussion Draft – will be issued Draft by 21 st July.						
Delivery of corporate projects	15	Draft report issued 17/06/2024 – Draft Reasonable Assurance						



Report to: Audit & Governance Committee Meeting
31 July 2024

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

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

Report Summary	
Report Title	Internal Audit Progress Report 2024/25
Purpose of Report	To provide a summary of Internal Audit work undertaken during 2024/25 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 2023/24 financial year and how this impacts on the Council's overall Governance framework.

1.0 Background

- 1.1 The Audit Plan for 2024/25 was tabled at the Audit and Governance Committee in February 2024. A separate session, including members of the A&G Committee, Cabinet members and members of the Senior Leadership Team, met in March 2024 to holistically review and approve the Audit Plan. 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 2024/25.

2.0 Proposals

- 2.1 To receive and comment upon the Internal Audit Progress Report 2024/25 and note its content.

Background Papers and Published Documents

NIL



Newark and Sherwood District Council

Summary Internal Controls Assurance (SICA) Report

July 2024

Final

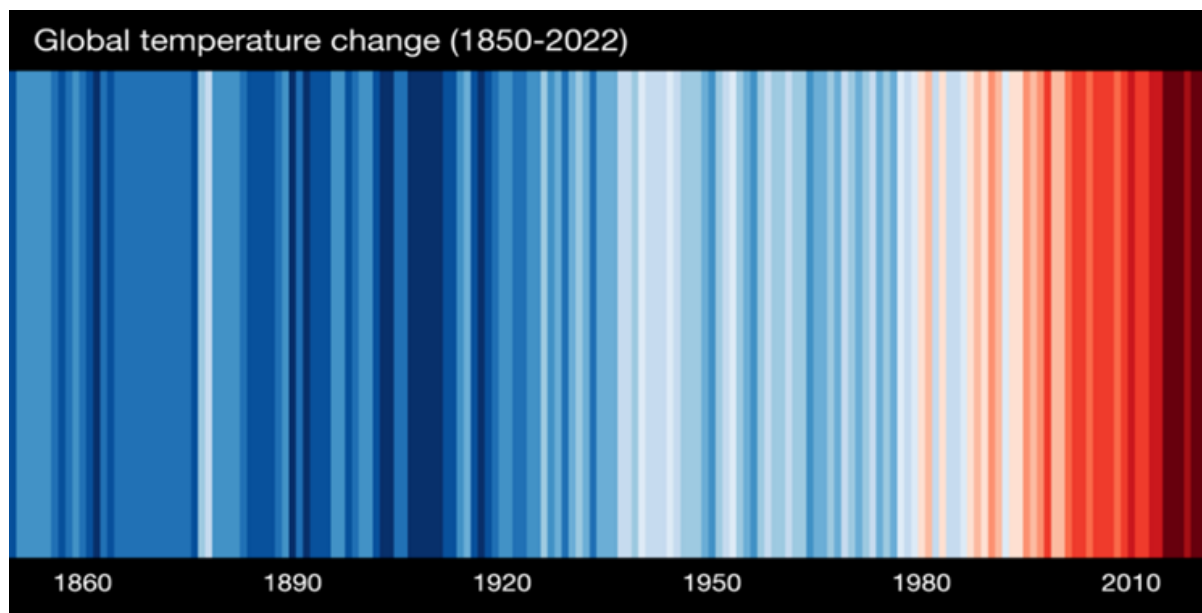
Summary Internal Controls Assurance

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 Newark and Sherwood District council as at 28th May 2024

Global Temperature Change

2. The scientific evidence is clear that the impacts of global warming are having an effect on our weather globally and locally and these impacts may result in a disruption to the services that we deliver. These climatic changes may also result in increased demand for our services and so we need to be prepared for these predicted changes. Extreme weather events are likely to be more frequent and more intense and we are all suffering the impacts of climate change in our daily lives, right here in the UK. 2023 was the warmest year on record globally, with average temperatures 1.48° C above pre-industrial levels. That is very nearly at the point (1.5°C) at which the United Nations believe that some regions and ecosystems will face an existential challenge. All the indicators suggest that the upward trend in temperatures is set to continue until at least the end of the century. Here in the UK, rising temperatures are leading to higher incidence of hypothermia, heart attack, respiratory failure and drownings as people struggle to escape the heat. Higher temperatures are accompanied by greater rainfall and flooding as warmer air holds more water than colder air.



We are advising our clients on their approach to making changes that address both mitigation and adaptation. Mitigation is about reducing the likelihood of climate change through cutting our Greenhouse Gas (GHG) emissions and living within very strict net-zero (or better) limits. Adaptation is about changing the way that we work and live; to accommodate the - already inevitable – effects of climate change. Adaptation involves revising public services to reflect an increase in demand for housing that keeps us cool in summer as well as warm in winter. Our clients face particular adaptation challenges as they work to keep people safe, through measures including improved housing (for both heating and cooling), information about climate risks, places of refuge, healthcare provision at all levels, public order safety, flood defences, fire fighting and public transport to name but a few.

At TIAA we are working with our clients to prepare and review climate risk assessments; prepare and review action plans for mitigation and adaptation in the face of identified risks; raise awareness of climate risks across all service areas; and begin to tackle wider implications, such as air pollution and biodiversity.

Poor air quality is the largest environmental risk to public health in the UK, and it is immediate and localised. Sources of air pollutants that affect our health are typically the same sources of greenhouse gases, including burning fossil fuels for transport and heating in the domestic properties.

Working together can help to tackle wider issues outside of the direct control of any individual organisation, working collaboratively to deliver climate change action and address the UK carbon reduction targets to achieve lasting change.

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
Treasury Management	Reasonable	25 th April 2024	13 th June 2024	26 th June 2024	-	-	4	-
Mansfield Crematorium	N/A	-	-	9 th May 2024	-	-	-	-

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 2024/2025 Annual Plan

5. Our progress against the Annual Plan for 2023/24 is set out in Appendix B.

Changes to the Annual Plan 2024/25

6. There have been no changes to the approved plan.

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.

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 C, 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
Treasury Management	<p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none">• The Treasury Management Manual specifies investment/borrowing reconciliation but lacks clarity on who oversees it.• The Daily bank balance sheet tracks estimated & actual balances, scrutinising variances exceeding 50k, but transactions and protocol do not outline consistent documentation for transparency.• The Council's practice of notifying relationship manager about staff changes lacks evidence.• The Structure chart needs update. <p>GOOD PRACTICE IDENTIFIED:</p> <ul style="list-style-type: none">• Monthly meetings with key personnel analyse Treasury Management Reconciliation, providing strategic insight for projects, cash flows, and investments.• Pre-meeting documents ('Investments Dec 23', 'Borrowing Dec 23') inform discussions. Treasury advisors offer market insights, aiding decision-making.

Appendix B (i): Progress against 2023/24 Annual Plan

System	Planned Quarter 2023/2024	Current Status	Comments
Key Control Testing	2	Final	Audit report issued
Payroll	3	Final	Audit report issued
Financial resilience	2	Final	Audit report issued
Grant Fund Spend and administration	2	Final	Audit report issued
Contractual relationship with active 4 Today	2	Final	Audit report issued
Gilstrap	4	Final	Audit report issued
ICT assurance cyber security/ incident management	4	Final	Audit report issued
Mansfield Crematorium	4	Final	Audit report issued
Assurance Framework	4	Final	Risk Presentation provided
Treasury Management	4	Final	Audit report issued
Workforce planning	4	Draft issued 18/04/2024	Draft report issued
Complaints Process	3	Draft report issued 30/05/2024	Draft report issued; management comments have been returned with amendments being made
Delivery of corporate projects	4	Draft report issued 17/06/2024	Draft report issued
Corporate and Commercial property Health and safety compliance	2	Testing Complete	Report being drafted

Housing Voids	3	Report being written – awaiting further evidence	Awaiting further evidence
Housing Regulatory Compliance	4	Report being written – awaiting further evidence	Awaiting further evidence

Appendix B (ii): Progress against 2024/25 Annual Plan

System	Planned Quarter 2024/2025	Current Status	Comments
Performance Management	3	To Be Commenced	Preliminary Meeting set up for the 15/11/24
Risk Management Framework	3	To Be Commenced	Preliminary Meeting set up for the 8/1/25
Business Continuity	1	To Be Commenced	Preliminary set up for the 6/7/24
Financial Resilience	2	To Be Commenced	Preliminary Meeting set up for the 3/7/24
Procurement	1	To Be Commenced	Preliminary Meeting set up for the 2/12/24
Budgetary Control	1	To Be Commenced	In progress
Gilstrap Financial	2	To Be Commenced	To Be Commenced
Mansfield Crematorium	1	To Be Commenced	To Be Commenced
Grounds Maintenance and Cleansing Service	4	To Be Commenced	To Be Commenced.
Apprenticeship and Talent Spotting	2	To Be Commenced	Opening Meeting 31 st July Testing scheduled 15 th August.
Agile Working	3	To Be Commenced	Preliminary meeting for 31 st of July and testing commencing 15 th of Aug testing.
Housing Regulatory Compliance and Building Safety	3	To Be Commenced	Preliminary meeting arranged for the 16/10/24

Equality Diversity and Inclusivity	4	To Be Commenced	Preliminary meeting arranged 13/11/24
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	To be commenced		Site work commenced		Draft report issued		Final report issued
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Priority 1 and 2 Recommendations

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
TPR-2223 ICT-Applications						
A timeline is established for the implementation of multi factor authentication for the Concerto application.	2	<i>The Council is working with the supplier, Concerto, and would expect implementation of either IP restriction or the introduction of Multi Factor Authentication by October 2023.</i>	31/10/2023	ICT & Digital Services Business Manager	Revised at the last audit committee to be due 30/06/2024 – work is being undertaken to set this up now and it is anticipated to go live by the end of July 2024.	
23/24 Contractual relationship with Active4Today						

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
It is recommended that all relevant documents be sufficiently signed and approved including the contract and SLAs.	2	<i>The contract between Active4Today and NSDC has been agreed but it is recognised that this does not have a formal signature. It is proposed that a review of the contract is undertaken to ensure there have been no changes and once complete the contract should be signed and sealed. A significant amount of work has gone in to delivering consistency across SLA's. All SLA's are to be signed by 1st April 2024 with an agreement and schedule of works in place. Responsibility will sit with the MD of Active for today with oversight by the BM Regeneration and Housing Strategy at quarterly compliance meeting.</i>	<i>1/4/2024 Revised 30/06/2024 Revised 31/12/2024</i>	<i>Assistant Director Legal & Demo Serv. Man Dir Active4 Today. BM Regeneration and Housing Strategy.</i>	<i>The SLAs for 2024/25 are now all signed by both Active4Today and the Council. Work continues regarding the completed contracts between the Council and Active4Today. It is requested that an extension to this date be approved to 31/12/2024</i>	
It is recommended that the council and Active 4 today maintain a close working partnership to enable open discussions regarding financial viability of the organisation and mitigating potential long-term impacts on the service provision delivered by Active4today.	2	<i>The compliance meeting and performance reporting arrangements between the council and Active4Today's management team on a quarterly basis provide for open and frank discussion on the financial viability of the company. A request from NSDC to Active to provide financial information in a revised format has now been actioned.</i>	<i>13/2/2024</i>	<i>BM Regeneration and Housing Strategy.MD Active4 Today.</i>	<i>Complete</i>	

1

URGENT

Fundamental control issue on which action should be taken immediately.

2

IMPORTANT

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

Risk Mitigation

CLEARED

Internal audit work confirms action taken addresses the risk exposure.

ON TARGET

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

EXPOSED

Target date not met & risk exposure still extant

Appendix C: 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 Newark and Sherwood district council is given below:

Summary of recent Client Briefings and Alerts

Date Issued	Sector	Briefing Type	Subject	Web Link	TIAA Comments
26 MARCH 2024	All	Client Briefing Note	Procurement Act 2023	Transforming Public Procurement - GOV.UK (www.gov.uk) Procurement Act 2023: short guides - GOV.UK (www.gov.uk)	The Procurement Bill, which will reform the existing Procurement Rules, received Royal Assent in October 2023. In early 2024 secondary legislation (regulations) will be laid to bring some elements of the Bill and the wider regime into effect. The Procurement Act is expected to be implemented in October 2024 following at least six months notice. We share the key points.
26 MARCH 2024	All	TIAA Article	As Featured In The Saturday Telegraph – What Gives Your Board Confidence In Your Internal Investigations Ability?	As featured in the Saturday Telegraph - what gives your Board confidence in your internal investigations ability? - TIAA	Does your business need help with HR Investigations? Our latest article in the Saturday Telegraph highlights the importance of having a specialist team handle these complex and sensitive matters.
15 MARCH 2024	All	Security Alert	Serious Organised Crime Theft Warning – Purses & Wallets	Serious organised crime theft warning – purses & wallets - TIAA	An organised group of thieves, specialising in the theft of purses, wallets and the subsequent fraudulent use of stolen credit cards have been operating in the southwest and elsewhere in the UK in recent months. The offenders dress smartly and often wear an NHS/Council style lanyard. We provide key advice.
13 MARCH 2024	All	Anti-Crime Alert	Action Fraud Launches Holiday Fraud Campaign	Action Fraud launches holiday fraud campaign - TIAA	Action Fraud has launched a crucial campaign to combat holiday fraud. As the holiday season approaches, scammers are on the prowl. Read our key advice.



Report to: Audit & Governance Committee Meeting 31 July 2024

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

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

Report Summary	
Report Title	Provisional Financial Outturn Report to 31 March 2024
Purpose of Report	<p>To update Members with the provisional 2023/24 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>To show performance against the approved estimates of revenue and capital expenditure and income.</p>
Recommendations	<p>That the final outturn of revenue and capital spending for 2023/24 be noted;</p> <p>That the variation to the capital programme, as set out in paragraph 1.5 be noted;</p> <p>That the capital financing proposals as set out in paragraph 1.6 be noted;</p> <p>That the movement in Provisions and Impaired Estimates on Debtors be noted;</p> <p>That the creations of the new reserves, as outlined in paragraph 1.13, 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 2023/24

- 1.1 The accounts show a favourable variance of £0.252m on service budgets, with a total favourable variance of £0.989m as follows:-

Table 1: General Fund Revenue Outturn for 2023/24 Financial Year as at 31 March 2024

	Budget £'m	Outturn £'m	Variance £'m
Net Cost of Services	32.538	32.286	(0.252)
Other Operating Expenditure	4.487	4.634	0.147
Finance & Investment Income & Expenditure	(2.547)	(2.540)	0.007
Taxation & Non Specific Grant Inc	(25.967)	(26.748)	(0.781)
Net Cost of Non-Service	(24.027)	(24.654)	(0.627)
Net Cost of Council Expenditure	8.511	7.632	(0.879)
Transfer to/(from) Unusable Reserves	(7.140)	(7.250)	(0.110)
Transfer to/(from) Usable Reserves	(1.371)	(0.382)	0.989
Transfer to/(from) General Balance	0.000	0.000	0.000

- 1.2 Based on the table above, usable reserves have increased by £0.989m. This increase has been applied to the Medium Term Financial Plan Reserve to assist with mitigating future funding pressures. 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 7 March 2024.

Overview of Provisional Housing Revenue Account (HRA) Outturn for 2023/24

- 1.3 The financial outturn position to 31 March 2024 for the HRA before appropriations to reserves is a deficit of £0.099m. *Table 2* summarises these variances.

Table 2: HRA Revenue Outturn for 2023/24 Financial Year as at 31 March 2024

	Budget £'m	Outturn £'m	Variance £'m
Net Cost of HRA Services	0.063	(0.084)	(0.147)
Other Operating Expenditure	(0.034)	0.052	0.086
Finance & Investment Income/Expenditure	3.809	3.969	0.160
Taxation & Non Specific Grant Income	(1.643)	(1.643)	0.000
(Surplus)/Deficit on HRA Services	2.195	2.294	0.099
Movements in Reserves			
Transfer to/(from) Usable Reserves	1.547	1.547	0.000
Transfer to/(from) Unusable Reserves	(14.204)	(14.204)	0.000
Transfer to Major Repairs Reserve - Depreciation	5.994	5.784	(0.210)
Transfer to Major Repairs Reserve – Revenue	4.468	4.579	0.111
Total	0.000	0.000	0.000

- 1.4 Based on the table above an additional £0.111m has been transferred into the Major Repairs Reserve.

Overview of Provisional Capital Outturn for 2023/24

- 1.5 The accounts show lower levels of expenditure of £14.464m or 20.7% of the revised capital programme budget. As with all financial programmes, there will always be an element of slippage on capital schemes at the end of the financial year. It is proposed that the Cabinet approve the re-profiling of capital schemes totalling £13.588m (£10.297m GF and £3.291m HRA). This is because the majority of the schemes are already committed. For clarity, where a scheme has been completed, any remaining budgets will not be carried forward.

Table 3: GF and HRA Capital Outturn for 2023/24 Financial Year as at 31 March 2024

Spend Type	Budget Approved as per Cabinet 5/3/24 £'m	Revised Post Cabinet £'m	Outturn £'m	Variance £'m
General Fund	52.259	52.523	41.350	(11.173)
Housing Revenue Account	17.326	17.326	14.035	(3.291)
Total	69.585	69.849	55.385	(14.464)

- 1.6 Capital spending in the year totalled £55.385m. This Capital expenditure has been funded 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 2023/24 GF and HRA Capital Outturn Financing

Source of Financing	GF Programme £'m	HRA Programme £'m	Total £'m
Borrowing	3.257	0	3.257
External Grants & Contributions	33.486	1.643	35.129
Capital Receipts	0.139	2.046	2.185
Revenue Contributions	4.468	10.346	14.814
Total Financing	41.350	14.035	55.385

Provisions for Future Liabilities

- 1.7 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 2023/24, £0.969m was charged against the provision in relation to RV adjustments in relation all 3 rating lists and £1.259m was released from the provision (£2.235m was released from the 2017 list provision and £0.976m was added for the 2023 list provision). 40% of all provisions are applicable to NSDC (£0.388m charge and £0.504m release therefore £0.891m as the NSDC share). The provisions provided for in *Table 5* are the Council's 40% share, as follows:

Table 5: 2023/24 Movements in GF Provision – NNDR

General Fund Provision (NNDR) – Period of Settlement for Appeals	Balance B/Fwd 01/04/2023 £'m	Movement in Year £'m	Actual Balance 31/03/2024 £'m
Provision for Appeals – NNDR settled within 12 months	(0.353)	0.151	(0.202)
Provision for Appeals – NNDR settled after 12 months	(1.117)	0.740	(0.377)
Provision for Appeals – NNDR Total	(1.470)	0.891	(0.579)

- 1.8 The Council receive external advice (from Analyse Local) relating to the level of provision that should be held. The Advisors suggest that there is a risk of £0.010m which relates to the Rateable Value list which began in 2010. From the revaluation of the 2010 ratings list which occurred in 2017, there has been limited information relating to the levels of appeals due to the Governments new “Check, Challenge, Appeal” process. Analyse Local have used their knowledge and understanding from a national perspective to estimate the total liability for the 2017 list which amounts to £0.506m and a total liability for the 2023 list amounting to £0.942m. This gives a total provision at Collection Fund level of £1.448m of which this Council recognises 40% (£0.579m) due to its share of the overall NNDR income.

Impaired Estimates on Debtors

- 1.9 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: 2023/24 Movements in GF and HRA Impaired Estimates on Debtors

Debtor Type	Balance B/Fwd 01/04/2023 £'m	Movement in Year £'m	Actual Balance 31/03/2024 £'m	Overall Provision incl. other preceptors 31/03/2024 £m
GF - Sundry Debts	(0.062)	(0.103)	(0.165)	(0.165)
GF - Housing Benefit	(0.946)	(0.055)	(1.001)	(1.001)
GF - Council Tax Debts	(0.464)	0.016	(0.448)	(3.861)
GF - Business Rates Debts	(0.481)	0.200	(0.281)	(0.704)
GF – Impaired Estimates on Debtors	(1.953)	0.058	(1.895)	(5.731)
HRA - Sundry and Other Debts	(0.022)	0.003	(0.019)	(0.019)
HRA - Former Tenants	(0.288)	(0.005)	(0.293)	(0.293)
HRA - Current Tenants	(0.048)	(0.007)	(0.055)	(0.055)
HRA – Impaired Estimates on Debtors	(0.358)	(0.009)	(0.367)	(0.367)

Usable Capital Reserves

1.10 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.

1.11 Capital reserves are used to fund spend incurred on the approved capital programme. Table 7 details the position as at 31 March 2024:

Table 7: Capital Reserves used to Fund GF and HRA Capital Programmes as at 31 March 2024

Capital – Type of Reserve Used to Fund Capital Programme	Balance B/Fwd 01/04/2023 £'m	Cont'n in Year £'m	Use in Year £'m	Actual Balance 31/03/2024 £'m	Anticipated balance at 31/03/2028 £'m
Capital - GF					
Usable Capital Receipts	0.000	0.065	0.026	0.039	1.790
Capital Grants Unapplied	14.047	(0.775)	2.115	11.157	5.834
Capital – HRA					
Usable Capital Receipts – HRA	1.373	0.332	1.586	0.119	0.684
Usable Capital Receipts - RTB's	0.000	0.459	0.459	0.000	0.000
Capital Grants Unapplied	0.000	0.000	0.000	0.000	0.000
Major Repairs Reserve (MRR)	13.243	10.363	15.582	8.024	8.333
Capital - Total	28.663	10.444	19.768	19.339	16.641

Usable Revenue Reserves

- 1.12 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	(7.265)	(9.838)	1.074	(8.764)
Earmarked for Known Pressure	(7.187)	(7.348)	3.044	(4.304)
Ringfenced	(2.197)	(1.977)	0.081	(1.896)
Un-ringfenced	(15.671)	(13.486)	11.033	(2.453)
Total	(32.320)	(32.649)	15.232	(17.417)

Service variances combined with non-service related income and expenditure variances has meant that overall the District Council has increased its General Fund reserves by £0.329m. This increase has been identified as being related to:

	£'m
Brought Forward Reserves balance	32.320
Budgeted increase in reserves	1.457
Business Rates Pool contribution to MTFP reserve	0.600
Contributions to Capital Expenditure	(3.209)
Contributions from additional interest receivable	1.165
Favourable variance in cost of running Council	0.989
Other movements	(0.673)
Reserves balance as at 31st March 2024	32.649

HRA	Opening Balance £'m	Closing Balance £'m	Commitments £'m	Forecast Balance £'m
Earmarked for Known Pressure	(5.115)	(4.227)	0.532	(3.695)
Un-ringfenced	(2.000)	(2.000)	0.000	(2.000)
Total	(7.115)	(6.227)	0.532	(5.695)

Service variances combined with non-service related income and expenditure variances has meant that overall the District Council has decreased its Housing Revenue Account reserves by £0.888m. This decrease has been identified as being related to:

	£'m
Brought Forward Reserves balance	7.115
Budgeted decrease in reserves	(0.500)
Contributions to Capital Expenditure	(0.350)
Favourable variance in cost of running HRA	0.111
Other movements	(0.149)
Reserves balance as at 31st March 2024	6.227

1.13 During the year one new General Fund reserve has been set up:

Reserve name	Balance as at 31 Mar 2024 £'m	Purpose
Emergency Planning/Flooding Reserve	(0.060)	Funds have been earmarked for addressing and managing potential emergency situations, including localised flooding.

The Collection Fund 2023/24

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 £0.185m, which reduced the overall deficit from £1.509m at 1 April 2023 to £1.324m at 31 March 2024.

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 deficit of £1.324m that relates to Newark & Sherwood District Council as at 31 March 2024 is £0.154m. £1.000m of the deficit was estimated during January 2024 and is therefore being recouped during 2024/25 from Council Tax preceptors. £0.117m of this related to Newark & Sherwood DC and has been budgeted for accordingly.

1.17 The in-year surplus on the Business Rates account was £1.864m, which increased the overall surplus from £0.133m at 1 April 2023 to £1.997m at 31 March 2024.

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 surplus that relates to Newark & Sherwood District Council as at 31 March 2024 is £0.799m. The Council declared an estimated surplus as at 31st March 2024 of £1.011m during January and hence £0.404m has been included within the 2024/25 budget.

Pensions

- 1.19 The details regarding the Council's share of the Nottinghamshire County Council Pension Fund are provided for Members consideration at **Appendix C**.
- 1.20 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 2023/24. The Audit & Governance Committee considered these at their meeting in April 2024.

2.0 Implications

- 2.1 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.

Background Papers and Published Documents

Statement of Accounts files & working papers 2023/24
Capital Finance Account's 2023/24 files
Housing Revenue Account's 2023/24 files

General Fund Reserves

Appendix G

Description	Balance as at 31st March	Budgeted Movement	Balance as at 1st April	Transfer from	Transfer to	Revised Balance	Commitments	Remaining Balance
MTFP Reserve	(6,191,527.67)	(1,280,460.00)	(7,471,987.67)	0.00	(989,380.35)	(8,461,368.02)	0.00	(8,461,368.02)
Collection Fund Budget	(1,074,309.98)	0.00	(1,074,309.98)	147,760.37	(450,685.37)	(1,377,234.98)	1,074,309.98	(302,925.00)
Budget funding reserve	(7,265,837.65)	(1,280,460.00)	(8,546,297.65)	147,760.37	(1,440,065.72)	(9,838,603.00)	1,074,309.98	(8,764,293.02)
Election Expenses Fund	(46,223.59)	0.00	(46,223.59)	321,240.39	(390,263.87)	(115,247.07)	0.00	(115,247.07)
Insurance & Risk Management Fund	(90,000.00)	0.00	(90,000.00)	0.00	(16,895.00)	(106,895.00)	16,895.00	(90,000.00)
ICT & Digital Services	(95,000.00)	0.00	(95,000.00)	0.00	(15,325.00)	(110,325.00)	0.00	(110,325.00)
Repairs And Renewals Fund	(2,413,827.85)	0.00	(2,413,827.85)	371,885.46	(421,848.50)	(2,463,790.89)	238,607.93	(2,225,182.96)
Domestic Homicide Review	(10,000.00)	0.00	(10,000.00)	300.00	(120.00)	(9,820.00)	0.00	(9,820.00)
Training Provision	(281,300.00)	0.00	(281,300.00)	10,000.00	(10,000.00)	(281,300.00)	0.00	(281,300.00)
Planning Costs Fund	(201,140.00)	0.00	(201,140.00)	0.00	0.00	(201,140.00)	81,200.00	(119,940.00)
Growth And Prosperity Fund	(127,366.29)	0.00	(127,366.29)	127,366.29	0.00	0.00	0.00	0.00
Emergency Planning/Flooding Reserve	0.00	0.00	0.00	0.00	(60,000.00)	(60,000.00)	0.00	(60,000.00)
CSG/Enforcement Reserve	(30,910.08)	(20,000.00)	(50,910.08)	0.00	(44,326.68)	(95,236.76)	0.00	(95,236.76)
Management Carry Forwards	(1,207,889.61)	0.00	(1,207,889.61)	1,131,758.96	(694,677.83)	(770,808.48)	770,808.48	0.00
Flood Defence Reserve	(250,000.00)	0.00	(250,000.00)	0.00	0.00	(250,000.00)	130,000.00	(120,000.00)
NNDR Volatility Reserve	(500,000.00)	0.00	(500,000.00)	0.00	0.00	(500,000.00)	0.00	(500,000.00)
Community Initiative Fund	(100,888.18)	0.00	(100,888.18)	0.00	(10,000.00)	(110,888.18)	0.00	(110,888.18)
Asset Maintenance Fund	(500,000.00)	0.00	(500,000.00)	149,450.00	0.00	(350,550.00)	333,510.00	(17,040.00)
Capital Project Feasibility Fund	(321,608.00)	0.00	(321,608.00)	98,597.00	0.00	(223,011.00)	166,801.00	(56,210.00)
Community Engagement	(79,441.45)	0.00	(79,441.45)	37,550.15	0.00	(41,891.30)	24,066.30	(17,825.00)
Theatre Centenary Legacy	(14,339.04)	0.00	(14,339.04)	0.00	(2,981.75)	(17,320.79)	0.00	(17,320.79)
Commercial Plan Invest to Save	(200,000.00)	0.00	(200,000.00)	0.00	0.00	(200,000.00)	0.00	(200,000.00)
Workforce Development Reserve	(200,000.00)	0.00	(200,000.00)	30,390.00	0.00	(169,610.00)	22,639.00	(146,971.00)
Capital Financing Provision	(517,749.66)	(579,500.00)	(1,097,249.66)	992,383.95	(1,165,377.00)	(1,270,242.71)	1,259,283.31	(10,959.40)
Earmarked for Known Pressure	(7,187,683.75)	(599,500.00)	(7,787,183.75)	3,270,922.20	(2,831,815.63)	(7,348,077.18)	3,043,811.02	(4,304,266.16)
Building Control Surplus	(83,912.17)	0.00	(83,912.17)	22,073.17	0.00	(61,839.00)	0.00	(61,839.00)
Museum Purchases Fund	(45,783.83)	0.00	(45,783.83)	0.00	(12,515.02)	(58,298.85)	0.00	(58,298.85)
Community Safety Fund	(123,219.39)	0.00	(123,219.39)	29,200.83	(42,489.43)	(136,507.99)	0.00	(136,507.99)
Homelessness Fund	(480,541.91)	(214,000.00)	(694,541.91)	677,976.00	(94,203.07)	(110,768.98)	17,033.00	(93,735.98)
Revenue Grants Unapplied	(869,636.17)	0.00	(869,636.17)	183,276.00	(290,470.24)	(976,830.41)	63,695.57	(913,134.84)
Energy & Home Support Reserve	(103,171.00)	0.00	(103,171.00)	0.00	0.00	(103,171.00)	0.00	(103,171.00)
Community Lottery Fund	(12,062.61)	0.00	(12,062.61)	12,015.64	(18,031.28)	(18,078.25)	0.00	(18,078.25)
Homes for Ukraine Fund	(319,537.84)	0.00	(319,537.84)	150,145.00	(183,863.00)	(353,255.84)	0.00	(353,255.84)
Mansfield Crematorium	(159,360.35)	0.00	(159,360.35)	974.72	0.00	(158,385.63)	0.00	(158,385.63)
Ringfenced	(2,197,225.27)	(214,000.00)	(2,411,225.27)	1,075,661.36	(641,572.04)	(1,977,135.95)	80,728.57	(1,896,407.38)
Change Management/Capital Fund	(14,171,531.21)	0.00	(14,171,531.21)	2,270,255.17	(85,421.17)	(11,986,697.21)	11,033,573.43	(953,123.78)
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)
Un-ringfenced	(15,671,531.21)	0.00	(15,671,531.21)	2,270,255.17	(85,421.17)	(13,486,697.21)	11,033,573.43	(2,453,123.78)
	(32,322,277.88)	(2,093,960.00)	(34,416,237.88)	6,764,599.10	(4,998,874.56)	(32,650,513.34)	15,232,423.00	(17,418,090.34)

HRA Reserves

Appendix H

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)		(1,500,000.00)			(1,500,000.00)		(1,500,000.00)
HRA Unused Efficiency Savings	(687,870.83)		(687,870.83)	56,000.00	(368,000.00)	(999,870.83)		(999,870.83)
HRA Service Improvement	(1,856,000.00)	500,000.00	(1,356,000.00)	583,904.49	(133,123.00)	(905,218.51)	532,332.75	(372,885.76)
HRA Regulatory Compliance / Modernisation	(250,000.00)		(250,000.00)			(250,000.00)		(250,000.00)
HRA Health And Safety	(364,299.03)		(364,299.03)			(364,299.03)		(364,299.03)
HRA Management Carry Forwards	(305,500.00)		(305,500.00)	305,500.00	(56,450.00)	(56,450.00)		(56,450.00)
HRA Insurance Fund	(50,000.00)		(50,000.00)			(50,000.00)		(50,000.00)
HRA Staffing & Pay Reserve	(100,000.00)		(100,000.00)			(100,000.00)		(100,000.00)
Earmarked for Known Pressure	(5,113,669.86)	500,000.00	(4,613,669.86)	945,404.49	(557,573.00)	(4,225,838.37)	532,332.75	(3,693,505.62)
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	(7,113,669.86)	500,000.00	(6,613,669.86)	945,404.49	(557,573.00)	(6,225,838.37)	532,332.75	(5,693,505.62)



BARNETT
WADDINGHAM
beyond the expected

Nottinghamshire Pension Fund

(3) Newark & Sherwood District Council

IAS19 Report as at 31 March 2024



Introduction

We have been instructed by Nottinghamshire County Council, the administering authority to the Nottinghamshire 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 2024. We have taken account of current LGPS Regulations, as amended, as at the date of this report.

This report is addressed to the Employer and its advisers; in particular, this report is likely to be of relevance to the Employer's auditor.

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 (www.lgpsregs.org/) and the Fund's membership booklet (www.lgpsmember.org/).

This report is prepared in accordance with our understanding of IAS19 and complies with Technical Actuarial Standard 100: General Actuarial Standards (TAS 100) as issued by the Financial Reporting Council (FRC). This report should be read in conjunction with the post accounting date briefing note for disclosures as at 31 March 2024.

The figures contained in this report are in respect of the Employer's pension obligations under the LGPS as at 31 March 2024.

Please note that we have not allowed for an asset ceiling to be incorporated into the balance sheet at the specific request of the Employer. We would be happy to speak to the Employer or their auditor if more information is required.

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.

This report supersedes previous versions of this report and has been updated to reflect the actual whole fund asset information at 31 March 2024, which wasn't available when the initial report was requested.

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



Barry McKay FFA
Partner

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 funding valuation as at	31 March 2022
Results of the previous IAS19 report as at	31 March 2023
Actual Fund returns to	n/a
Fund asset statement as at	31 March 2024
Fund income and expenditure items to	31 December 2023
Employer income and expenditure items to	31 March 2024
Details of any new unreduced early retirement payments to	31 March 2024
Details of any settlements to/from the Employer for the period to	31 March 2024

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 2022 from the latest funding valuation for members receiving funded benefits, and as at 31 March 2022 for any members receiving unfunded benefits.

Member data summary	Number	Salaries/Pensions £000s	Average age (salary/pension weighted)
Actives	552	14,192	46
Deferred pensioners	808	1,863	51
Pensioners	771	4,632	72
Unfunded pensioners	87	175	80

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 2024	£18,301,000
Projected payroll for the year to 31 March 2025	£18,922,000

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 2023	1 Apr 2024	1 Apr 2025	1 Apr 2023	1 Apr 2024	1 Apr 2025
Total percent of payroll	18.6%	0.0%	0.0%	0.0%	18.6%	18.6%	18.6%
plus monetary amount (£000s)		459	477	495	459	477	495

The table of scheduled contributions above relates to the entity and all associated employers. The primary rate shown is the appropriate weighted average.

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 2022 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 2025 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 2024 is calculated to be 8.46% based on the Fund asset statements and Fund cashflows as set out in the Data section preceding this section.

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

The estimated asset allocation for the Employer at 31 March 2024 and 31 March 2023 is as follows (noting that due to rounding they may not total 100%):

Asset breakdown	31 Mar 2024		31 Mar 2023	
	£000s	%	£000s	%
Public Equities	81,967	60%	72,922	58%
Gilts	3,246	2%	2,586	2%
Other bonds	6,724	5%	7,410	6%
Property	14,409	11%	14,849	12%
Cash/temporary investments	8,160	6%	6,546	5%
Inflation Plus	6,894	5%	6,315	5%
Infrastructure	9,799	7%	9,833	8%
Private Equities	4,340	3%	4,649	4%
Total	135,539	100%	125,110	100%

The table below sets out the percentages of the Fund's assets held in each asset class at 31 March 2024 (split by those that have a quoted market price in an active market, and those that do not).

Asset breakdown		31 March 2024	
		% Quoted	% Unquoted
Fixed Interest Government Securities	UK	2%	-
	Overseas	-	-
Index Linked Government Securities	UK	0%	-
	Overseas	-	-
Corporate Bonds	UK	0%	-
	Overseas	5%	-
Equities	UK	17%	0%
	Overseas	43%	-
Property		-	11%
Private Equity		-	3%
Infrastructure		-	7%
Unit Trust Infl Linked		-	5%
Credit		-	3%
Cash/Temporary Investments		-	2%
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.

Actuarial methods and assumptions

Details of the actuarial methods and derivation of the assumptions used can be found in the 31 March 2024 briefing note issued alongside this report unless noted otherwise below. The key assumptions used are set out below.

Financial assumptions	31 Mar 2024	31 Mar 2023	31 Mar 2022
	p.a.	p.a.	p.a.
Discount rate	4.90%	4.80%	2.60%
Pension increases (CPI)	2.90%	2.90%	3.20%
RPI inflation	3.25%	3.30%	3.55%
Salary increases	3.90%	3.90%	4.20%

Projected unit method is used in our calculations.

We have allowed for actual pension increases up to and including the 2024 Pension Increase Order. This is reflected in the Experience loss/(gain) on defined benefit obligation figure in the results. We have also allowed for actual CPI inflation experienced from September 2023 to February 2024.

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 2022, except for an update of the CMI projection model. Details of the post retirement mortality assumption are set out below; 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.

Post retirement mortality	31 Mar 2024	31 Mar 2023
Base table	S3PA	S3PA
Multiplier (M/F)	115% / 110%	115% / 110%
Future improvements model	CMI_2022	CMI_2021
Long-term rate of improvement	1.25% p.a.	1.25% p.a.
Smoothing parameter	7.0	7.0
Initial addition parameter	0.0% p.a.	0.0% p.a.
2020 weight parameter	0%	5%
2021 weight parameter	0%	5%
2022 weight parameter	25%	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 2024	31 Mar 2023
Retiring today	Males	20.4	20.7
	Females	23.3	23.5
Retiring in 20 years	Males	21.7	22.0
	Females	24.7	25.0

Employer duration

The estimated Macaulay duration of the Employer as at the accounting date, using the assumptions set out above is 16 years.

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 2024.

Curtailments

Over the year, we understand no employees were permitted by the Employer to take unreduced early retirement that they would not otherwise have been entitled to.

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 2024	31 Mar 2023	31 Mar 2022
	£000s	£000s	£000s
Present value of the defined benefit obligation	145,832	143,192	211,102
Fair value of Fund assets (bid value)	135,539	125,110	128,639
Deficit / (Surplus)	10,293	18,082	82,463
Present value of unfunded obligation	1,549	1,649	2,281
Unrecognised past service cost	-	-	-
Impact of asset ceiling	-	-	-
Net defined benefit liability / (asset)	11,842	19,731	84,744

The amounts recognised in the profit and loss statement	Year to	Year to
	31 Mar 2024	31 Mar 2023
	£000s	£000s
Service cost	3,386	7,438
Net interest on the defined liability / (asset)	853	2,165
Administration expenses	61	52
Total loss / (profit)	4,300	9,655

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 liability) in other comprehensive income	Year to	Year to
	31 Mar 2024	31 Mar 2023
	£000s	£000s
Return on Fund assets in excess of interest	4,573	(5,999)
Other actuarial gains / (losses) on assets	-	563
Change in financial assumptions	2,367	84,917
Change in demographic assumptions	2,034	11,874
Experience gain / (loss) on defined benefit obligation	(793)	(19,628)
Changes in effect of asset ceiling	-	-
Remeasurement of the net assets / (defined liability)	8,181	71,727

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 2024 £000s	Year to 31 Mar 2023 £000s
Opening defined benefit obligation	144,841	213,383
Current service cost	3,386	7,438
Interest cost	6,856	5,492
Change in financial assumptions	(2,367)	(84,917)
Change in demographic assumptions	(2,034)	(11,874)
Experience loss/(gain) on defined benefit obligation	793	19,628
Liabilities assumed / (extinguished) on settlements	-	-
Estimated benefits paid net of transfers in	(5,147)	(5,212)
Past service costs, including curtailments	-	-
Contributions by Scheme participants and other employers	1,198	1,048
Unfunded pension payments	(145)	(145)
Closing defined benefit obligation	147,381	144,841

The experience loss/(gain) on the defined benefit obligation includes £793,000 in respect of the allowance for actual pensions increases and CPI inflation over the accounting period.

Reconciliation of opening & closing balances of the fair value of Fund assets	Year to 31 Mar 2024 £000s	Year to 31 Mar 2023 £000s
Opening fair value of Fund assets	125,110	128,639
Interest on assets	6,003	3,327
Return on assets less interest	4,573	(5,999)
Other actuarial gains/(losses)	-	563
Administration expenses	(61)	(52)
Contributions by employer including unfunded	4,008	2,941
Contributions by Scheme participants and other employers	1,198	1,048
Estimated benefits paid net of transfers in	(5,292)	(5,357)
Settlement prices received / (paid)	-	-
Closing Fair value of Fund assets	135,539	125,110

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

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	136,806	145,161	147,381	149,657	159,360
Projected service cost	2,803	3,220	3,333	3,450	3,960
Adjustment to long term salary increase	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	148,135	147,530	147,381	147,234	146,655
Projected service cost	3,344	3,335	3,333	3,331	3,322
Adjustment to pension increases and deferred revaluation	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	158,791	149,551	147,381	145,264	137,289
Projected service cost	3,978	3,452	3,333	3,218	2,787
Adjustment to life expectancy assumptions	+1 Year		None		- 1 Year
Present value of total obligation	153,157		147,381		141,849
Projected service cost	3,455		3,333		3,214

Projected pension expense	Year to 31 Mar 2025 £000s
Service cost	3,333
Net interest on the defined liability / (asset)	480
Administration expenses	61
Total loss / (profit)	3,874
Employer contributions	3,996

These projections are based on the assumptions as at 31 March 2024. The figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2024.

Appendix - Auditor Data Pack

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.

The purpose of this Appendix is to provide, at the outset, 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.

This additional data is ultimately based on the results of the funding valuation as at 31 March 2022 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.

Past and future service liability duration information

Duration, including definition (years)	As at 31 Mar 2024	As at 31 Mar 2023	Change over the period
Overall Macauley duration ⁽¹⁾	16.0	16.1	(0.1)
Overall modified duration ⁽²⁾	15.7	15.8	(0.2)
Active (Final Salary) modified duration	19.7	19.9	(0.1)
Active (CARE) modified duration	24.2	24.4	(0.2)
Active (PUM) modified duration	26.1	26.4	(0.2)
Deferred modified duration	20.4	20.6	(0.2)
Pensioner modified duration	10.3	10.3	(0.1)
Unfunded modified duration	7.2	7.3	(0.0)
CPI-linked modified duration	15.0	15.2	(0.2)
FS-linked modified duration	19.7	19.9	(0.1)

⁽¹⁾ The Macauley 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

All 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 total past service liability in each main category	As at 31 Mar 2024	As at 31 Mar 2023
Active (Final Salary) liability	14%	14%
Active (CARE) liability	13%	13%
Deferred liability	23%	23%
Pensioner liability	49%	49%
Unfunded liability	1%	1%
CPI-linked liability	86%	86%
FS-linked liability	14%	14%

Please note that these splits of liability are based on actual cashflow projections as at the last funding date. We have not made any allowance for member movements or liabilities being extinguished in these estimated splits. We have allowed for the change in financial assumptions which applied at the relevant dates shown in the table above.

Approximate proportion of total liability split by gender	Proportion of liability female
Active (Final Salary) members	48%
Active (CARE) members	53%
Deferred members	51%
Pensioner members	43%
Overall membership	48%

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

Average age information	Weighted by salary	Weighted by pension	Weighted by liability
Active members	46.4	51.2	50.7
Active (Final Salary) members		53.7	53.2
Active (CARE) members		49.4	48.4
Deferred members		51.0	51.0
Pensioner members		71.9	67.5

Tranche average retirement age	Weighted by pension	Weighted by liability
Active members	65.0	65.1
Active (Final Salary) members	64.0	64.0
Active (CARE) members	65.9	66.0
Deferred members	63.2	63.0

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

Allowance for actual inflation

Detailed information on CPI statistics for known inflation allowance	Statistic date	Statistic value	Annualised rate
Latest known CPI (start)	February, 2023	127.9	
Latest known CPI (end)	February, 2024	132.3	3.44%
Inflation assumption at start of period			2.90%
Allowance for actual inflation vs assumed			0.54%

The experience gain (loss) from actual inflation is shown as an annual effective rate which can be interpolated if required.

Asset information

Value of assets (£000s) and asset share	As at 31 Mar 2024	As at 31 Mar 2023
Total fund assets	7,018,789	6,463,924
Employer assets	135,539	125,110
Employer asset share	1.931%	1.936%



Report to: Audit and Governance Committee – 31 July 2024

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

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

Report Summary	
Report Title	Fraud Risk Assessment
Purpose of Report	To inform Members of the update of the Fraud Risk Register undertaken during April 2024.
Recommendations	Members note the content of the report.
Reason for Recommendation	To promote a strong counter-fraud culture, it is important that Members are aware of the Council's fraud risks and the controls in place to mitigate them.

1.0 Background

- 1.1 A fraud risk assessment was first undertaken in June 2014 and a fraud risk register produced and presented to the Audit and Accounts Committee.
- 1.2 The fraud risks are assessed annually and the register updated. The amended Fraud Risk Register as at April 2024 is attached at Appendix A.

2.0 Work Undertaken

- 2.1 All of the existing risks have had a review by the Business Manager – Financial Services, and the risk owner. These were all considered as to whether there are new fraud types within the risk and whether the controls reflected the current environment.
- 2.2 The risk scores were then reviewed to determine whether the impact or likelihood of any of the frauds occurring has changed since the last review.

- 2.3 The final part of the exercise was to consider whether any further actions were appropriate which would lead to further controls being in place. Where actions were identified, these are measurable and were given a timeframe for completion, which would therefore seek to reduce either the likelihood or impact of the potential fraud. This review was set in the context of proportionality to ensure that proportionate resources are deployed to ensure the prevention and detection of any fraud.

3.0 Results

- 3.1 There are 22 areas of the Council that are deemed to have a fraud risk. The type of risk is dependent on the service. Based on the existing controls, of those risks, six are currently considered to be medium risk (amber) and sixteen are low risk (green).
- 3.2 During the assessment process, it was felt that none of the risk scores needed to change from the assessment carried out during April 2023.
- 3.3 Further actions have been identified, some which are specific to the risk itself, whereas there are some actions which are holistic and overarch a number of the fraud risks. The details of all of the actions together with completion by dates are included within the appendix.
- 3.4 nineteen of the risks have achieved their target score. For the three that are still above the target score, there are actions in place to mitigate further.
- 3.5 The Fraud Risk Register will be updated and reported to the Committee annually. The risks, controls, current risk scores and target scores, and further actions, will be added to the Pentana system to ensure regular monitoring is undertaken. Progress on implementing further actions will be reported in the bi-annual Counter-Fraud activity report to the Committee.

4.0 Equalities Implications

None.

Background Papers and Published Documents

None.

NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

LIKELIHOOD	4 Almost certain					Occurs several times per year – it will happen
	3 Probable	Employment Fraud : Payment	Housing Benefit Council Tax Support Council Tax Procurement Fraud : Contracts & Payments			It has happened before – and could happen again
	2 Possible	Insurance Fraud Employment Fraud : Recruitment Council Assets (fraudulent use)	Assets : Land and Property Economic & Third Sector fraud Assets : Equipment Development Management NNDR Housing Fraud	Cyber Fraud		It may happen but it would be unusual
	1 Hardly ever	Money Laundering Electoral Fraud–Registration Bank Fraud	Electoral Fraud– Elections Credit Income & Refunds	Investment Fraud		Never heard of it occurring – we cannot imagine it occurring
		1 Negligible	2 Minor	3 Major	4 Critical	
	IMPACT					

NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

FRAUD RISK	HOUSING BENEFIT FRAUD			
Risk Owner	Business Manager – Revenues and Benefits			
FRAUD TYPES	<ul style="list-style-type: none"> False applications False documents Failing to notify change 			
CONTROLS	<ul style="list-style-type: none"> Annual participation in National Fraud Initiative alongside real time information reviews that are prioritised daily with information received from DWP and HMRC Fraud referral process in place with DWP Fraud and Error Service Ad hoc communication to social landlords on housing benefit matters Payment of benefit procedures completed as per the Financial Regulations Experienced benefits staff in place Combined database with revenues Annual subscription to National Anti-Fraud Network allows intelligence gathering DWP led review individual cases to ensure accuracy of award Counter-fraud page on website detailing how public can report fraud Council Tax and Housing teams sharing intelligence to identify potential fraud Audit of the Subsidy claim whereby individual cases are reviewed - completed by External Audit Verification of National Insurance number, proof of employment, residence, financial standing and dependents within the household prior to award Training on Housing Benefits processes to the Housing Management Business Unit Review website for communications and publicity Whistleblowing policy updated Housing Benefit Matching Service Accuracy Initiative implemented with DWP DWP caseload review processing for selected cases 			
AGREED ACTIONS	n/a			
CURRENT RISK SCORE	AMBER			
TARGET RISK SCORE	AMBER			
TARGET RISK		CURRENT RISK		
	X			

NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

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FRAUD RISK	COUNCIL TAX SUPPORT SCHEME		
Risk Owner	Business Manager – Revenues and Benefits		
FRAUD TYPES	<ul style="list-style-type: none"> False applications Failure to notify change in circumstances 		
CONTROLS	<ul style="list-style-type: none"> Anti-Fraud & Corruption Strategy in place and updated February 2021 Annually approved Council Tax Support policy last updated January 2022 Counter-fraud page on website detailing how public can report fraud Annual participation in National Fraud Initiative alongside real time information reviews that are prioritised daily with information received from DWP and HMRC Council Tax and Housing share intelligence and identify potential fraud opportunities Verification of National Insurance number, proof of employment, residence, financial standing and dependents within the household Experienced benefits staff in place Annual subscription to National Anti-Fraud Network allows intelligence gathering Annual participation in National Fraud Initiative alongside real time information reviews daily with information received from DWP and HMRC Annual Single Person Discount review which will potentially identify fraud or error Whistleblowing policy updated Feb 23 Conduct bi yearly council tax single person discount reviews to supplement NFI review – consider external support for the review in consultation with other Notts LA's 		
AGREED ACTIONS	n/a		
CURRENT RISK SCORE	AMBER		
TARGET RISK SCORE	AMBER		
TARGET RISK		CURRENT RISK	
	X		

FRAUD RISK	COUNCIL TAX FRAUD
Risk Owner	Business Manager – Revenues and Benefits

NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

FRAUD TYPES	<ul style="list-style-type: none"> Avoidance of liability through any fraudulent claim for council tax discount or exemption New properties not on the list: <ul style="list-style-type: none"> built without planning permission No notification of properties built and occupied or built and substantially complete 																																		
CONTROLS	<ul style="list-style-type: none"> Anti-Fraud & Corruption Strategy updated February 2021 National Fraud Initiative – data matching. The expanded data matching review is completed every two years Liaising with the university – access to student lists & annual review of students continued attendance on course Due diligence completed on every application received Review planning data in respect of new developments Visual inspection in respect of new or altered properties Counter-fraud page on website detailing how public can report fraud Closer working – Council Tax and Housing to share intelligence and identify potential fraud opportunities All s13A exemptions and discounts for appropriateness and continued eligibility Whistleblowing policy updated Feb 23 Participate in corporate risk review meeting for GRT sites 																																		
AGREED ACTIONS	<ul style="list-style-type: none"> Review potential of using analyse local to look at Council tax liability by March 2025 																																		
CURRENT RISK SCORE	AMBER																																		
TARGET RISK SCORE	AMBER																																		
TARGET RISK		CURRENT RISK																																	
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NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

FRAUD RISK	NNDR FRAUD																																		
Risk Owner	Business Manager – Revenues and Benefits																																		
FRAUD TYPES	<ul style="list-style-type: none"> • Failure to declare occupation • Companies going into liquidation then setting up as new companies • Avoidance of liability through fraudulent claim for discount or exemption • Empty rate avoidance • New properties not on the list: <ul style="list-style-type: none"> ◦ built without planning permission ◦ No notification of properties built and occupied or built and substantially complete 																																		
CONTROLS	<ul style="list-style-type: none"> • Anti-Fraud & Corruption Strategy updated February 2021 • Ensure liable business identified for each assessment on the list • Information sharing with Asset Management and Sundry Debt teams • Inspections of occupied and unoccupied properties • Public complaints • Promptly report new premises to valuation office • Supporting evidence requested during changes in occupation • Counter-fraud page on website detailing how public can report fraud • Use of Analyse Local to review and identify potential undeclared alterations and new properties • Shared inspection resource – NDR along with other Notts Districts employ shared resource to check empty properties, quality assurance for existing properties and identify new and additional properties • Whistleblowing policy updated Feb 23 • Gifts and Hospitality policy updated Feb 23 <p>On-going review of Small Businesses to ensure any relief granted is valid</p>																																		
AGREED ACTIONS	n/a																																		
CURRENT RISK SCORE	GREEN																																		
TARGET RISK SCORE	GREEN																																		
TARGET RISK		CURRENT RISK																																	
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NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

FRAUD RISK	CREDIT INCOME AND REFUND FRAUD			
Risk Owner	Business Manager – Revenues and Benefits			
FRAUD TYPES	Council tax/NNDR <ul style="list-style-type: none"> • Suppression of notification of debt to be raised • Improper write-off • Failing to institute recovery proceedings • Switching or transferring arrears • Manipulation of credit balances • Payment using false / fraudulent instrument then re-claim of refund 			
CONTROLS	<ul style="list-style-type: none"> • Anti-Fraud & Corruption Strategy updated Feb 2021 • Refund to original card/bank account where appropriate • Where refunds are processed a two stage approval process is in place • Audit trail stamp on transactional information • Individual log ins to the Revenues system for officers • Reconciliations completed between the financial management system and the source documents • Write off policy in place • System restrictions only allow certain banded officers to complete certain tasks • Counter-fraud page on website detailing how public can report fraud • Counter Fraud details on intranet • No cash receipted at Council offices for Council Tax/NNDR • Review of where the credit balance has originated from, to ensure that the source is legitimate • Properties that are empty are monitored by a Senior Officer/Property Inspector • Recovery inhibits are monitored by Senior Officers • Large balances against debtors monitored • Regular recovery action being undertaken • NAFN alerts received and reviewed by the Senior Officers • Whistleblowing policy updated Feb 2023 			
AGREED ACTIONS	<ul style="list-style-type: none"> • Refresher training / awareness of potential fraud activities e.g. refund fraud at team meeting in May 2024 			
CURRENT RISK SCORE	GREEN			
TARGET RISK SCORE	GREEN			
TARGET RISK		CURRENT RISK		
	X			
		X		

NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

FRAUD RISK	PROCUREMENT & CONTRACT FRAUD (CONTRACTS)			
Risk Owner	Business Manager – Financial Services			
FRAUD TYPES	<ul style="list-style-type: none"> • Bid rigging & cartels – including cover pricing • Bribery of officers or Members involved in contract award • Collusion between officers and contractors involved in tendering • Violation of procedures • Manipulation of accounts • Failure to supply • Failure to supply to contractual standard • Inflating performance information to attract greater payments 			
CONTROLS	<ul style="list-style-type: none"> • External Procurement Team independent to the Council assists with procurements • Contract procedure rules updated May 2022 • Financial Regulations updated May 2022 • Contract management toolkit in place • Equifax check on proposed companies to be contracted with • Evaluation teams for award of contracts - individual scoring • Code of Conduct in place • Electronic tender system used for receipt of tenders • Anti-Fraud & Corruption Strategy updated February 2021 • Contract management training • Counter-fraud page on website detailing how public can report fraud • Counter Fraud section on intranet • Annual refresher training on procurement • Procurement guidance on Contract Management on intranet • Housing capital expenditure is now channelled through the Council's e-tendering platform • Spot checks on CPR compliance • All staff received fraud awareness e-learning during 2021, this is now included in the introduction pack and a cyclical requirement • Review of actual invoice payments through the budget monitoring process • Annual review of contract management performance of a selection of key contracts • Whistleblowing policy approved February 2023 • Gifts and Hospitality policy approved February 2023 			
AGREED ACTIONS	<ul style="list-style-type: none"> • Half yearly review of contracts register by December 2024 • Half yearly review of contracts by Directors by December 2024 			
CURRENT RISK SCORE	AMBER			
TARGET RISK SCORE	GREEN			
TARGET RISK		CURRENT RISK		
X			X	

NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

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FRAUD RISK	PROCUREMENT AND CONTRACT FRAUD (PAYMENTS)
Risk Owner	Business Manager – Financial Services
FRAUD TYPES	<ul style="list-style-type: none"> • Credit cards & procurement cards • False invoices & claims • Duplicate payments (false submission) • Senior executive fraud • BACS fraud - fraudulent change of bank details • Mandate fraud • Claiming petty cash for personal items • Records or methods of payment
CONTROLS	<ul style="list-style-type: none"> • Financial Regulations updated May 2022 • Anti-Fraud & Corruption Strategy updated February 2021 • Bi-annual review of Accounts Payable through the National Fraud Initiative • Authorisation of orders by authorised officer separate to that requesting the order to be raised • Check/approval on changes to creditor details (to prevent mandate fraud) • Review of actual invoice payments through the budget monitoring process • All procurement cards are owned by an individual officer and details of the card are kept private • All spend over £500 published on the Councils website as part of the Governments Transparency agenda • Counter-fraud page on website detailing how public can report fraud • Counter Fraud section on intranet • Annual Financial Regulations training for all appropriate staff • Whistleblowing policy updated February 2023
AGREED ACTIONS	n/a
CURRENT RISK SCORE	AMBER
TARGET RISK SCORE	GREEN
TARGET RISK	CURRENT RISK
X	X

**NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK
ASSESSMENT (APRIL 2024)**

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NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

FRAUD RISK	BANK FRAUD																																		
Risk Owner	Business Manager – Financial Services																																		
FRAUD TYPES	<ul style="list-style-type: none">• Misuse of cheques• Alteration of existing cheques• Bank Mandate fraud• Direct Debit, Standing Order fraud on Council’s bank account• Unauthorised payments																																		
CONTROLS	<ul style="list-style-type: none">• Financial Regulations updated May 2022• Anti-Fraud & Corruption Strategy updated February 2021• Monthly Bank reconciliations completed• Control accounts are balanced at each month end• Verify changes of bank account details using original contact information & audit trail• Counter-fraud page on website detailing how public can report fraud• Counter Fraud section on intranet• Review of actual invoice payments through the budget monitoring process• Cheques stored securely, with limited access and reconciled to the financial management system once appearing on the bank statement• Role profiles within the banking system set to ensure separation of duties between those creating the investment and those authorising the investment• Bank communications on fraud distributed to the treasury officers• All staff received fraud awareness e-learning during 2021, this is now included in the introduction pack and a cyclical requirement• Relevant Officers signed up through the National Anti Fraud Network (NAFN)• Review of actual invoice payments through the budget monitoring process• Whistleblowing policy approved February 2023																																		
AGREED ACTIONS	n/a																																		
CURRENT RISK SCORE	GREEN																																		
TARGET RISK SCORE	GREEN																																		
TARGET RISK		CURRENT RISK																																	
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NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

FRAUD RISK	INVESTMENT FRAUD																																
Risk Owner	Business Manager – Financial Services																																
FRAUD TYPES	<ul style="list-style-type: none">• Fraudulent misappropriation of assets• Loss through breach of procedures• False instruments																																
CONTROLS	<ul style="list-style-type: none">• Annually approved Treasury Management Strategy• Role profiles within the banking system set to ensure separation of duties between those creating the investment and those authorising the investment• Where transaction is greater than £50,000 two authorisers must release the payment• Treasury Management advisers review of current portfolio together with instant communication on counterparty rating changes and review of potential new investment counterparties• Financial Regulations updated May 2022• Anti-Fraud & Corruption Strategy updated February 2021• Monthly reconciliations of investment transactions to third party statements• All staff received fraud awareness e-learning during 2021, this is now included in the introduction pack and a cyclical requirement• Whistleblowing policy approved February 2023• Gifts and Hospitality policy approved February 2023																																
ACTIONS	n/a																																
CURRENT RISK SCORE	GREEN																																
TARGET RISK SCORE	GREEN																																
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NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

FRAUD RISK	ASSETS (LAND AND PROPERTY)																																																		
	<ul style="list-style-type: none">• Business Manager – Corporate Property• Director – Housing, Health and Wellbeing• Business Manager - Strategic Housing• Business Manager – Financial Services																																																		
FRAUD TYPES	<ul style="list-style-type: none">• Acquisition for more than market value• Selling asset for less than market value• Collusion between staff and purchaser – may include provision of insider knowledge (e.g. planning, leases & covenants)• Collusion between staff and tenant																																																		
CONTROLS	<ul style="list-style-type: none">• Up to date Asset register with valuations based on the Council’s 5 year rolling programme of valuations• Council procures Independent valuation where this is to be sold without auction• Sale and acquisition of land or property assets must be approved at Cabinet above £300,000, Section 151 Officer delegated below this (in accordance with the Acquisition and disposal policy)• Financial Regulations approved at Council May 2022• Anti-Fraud & Corruption Strategy approved at Council February 2021• Credit checks on potential purchasers• Counter-fraud page on website detailing how public can report fraud• Counter Fraud section on intranet• Monthly meetings across the portfolio with Corporate Debt Team• Identification and Credit checks on new tenants• New occupier form distributed to relevant departments within the Council (Legal, Business Rates)• Acquisition and Disposal policy adopted November 2021• Budget monitoring reviews to ensure income being raised• Corporate Asset Management Plan approved July 2022• Whistleblowing policy approved February 2023• Gifts and Hospitality policy approved February 2023																																																		
AGREED ACTIONS	<ul style="list-style-type: none">• Update Acquisition and Disposal policy by March 2025• Ensure all properties receive an annual inspection by August 2024																																																		
CURRENT RISK SCORE	GREEN																																																		
TARGET RISK SCORE	GREEN																																																		
TARGET RISK		CURRENT RISK																																																	
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FRAUD RISK	EMPLOYMENT (RECRUITMENT FRAUD)
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NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

Risk Owner	Business Manager – HR																																		
FRAUD TYPES	<ul style="list-style-type: none">False identityImmigration (no right to work or reside)False qualificationsFailing to disclose previous convictionsNon-disclosure of double jobHuman trafficking																																		
CONTROLS	<ul style="list-style-type: none">Declaration to comply with the Council’s Code of Conduct for all new starters at appointment stageAll managers trained in HR policies around recruitment and selection incorporating DBS Code of practice and safeguarding requirements where appropriatePre-employment checks by HR including identity verification, right to work in the UK and required qualificationsReferences sought on all external appointments from refereesRequest to see copies of new starters’ bank statements to satisfy ourselves that monies paid are receipted into their accountsDBS checks completed for appropriate postsNew ICT solution implemented and new recruitments completed via this methodOnboarding process includes check on other employment																																		
AGREED ACTIONS	<ul style="list-style-type: none">Refreshing recruitment manager training through updating recruitment process, enabled via new ICT solution by September 2024																																		
CURRENT RISK SCORE	GREEN																																		
TARGET RISK SCORE	GREEN																																		
TARGET RISK		CURRENT RISK																																	
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NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

FRAUD RISK	EMPLOYMENT (PAYMENT FRAUD)
Risk Owner	Business Manager – HR Business Manager – Financial Services
FRAUD TYPES	<ul style="list-style-type: none"> • Creation of non-existent employees (ghost) • Unauthorised changes to payroll • Redirection or manipulation of payments • False sickness claims • Not working required hours or undertaking required duties • False declarations of mileage or overtime • False supporting documentation • Breaches of authorisation and payment procedures • Abuse of time
CONTROLS	<ul style="list-style-type: none"> • Officer code of conduct in place and declared by all employees which details expected behaviours, corporate policies and potential penalties of wrongdoing. • Payments made in accordance with Financial Regulations • Anti-Fraud & Corruption Strategy updated February 2021 • Separation of duties between HR, Payroll & Business Managers • Contract and Job description detail post holder requirements in respect of their role • Access controls on HR/Payroll system • Management supervision & authorisation of claims • Budgetary control devolved to budget managers and monitored on a monthly basis • Exception reports produced and reviewed by payroll on a monthly basis • Audit trail/personal logs on all systems • Any employee changes authorised by relevant Director/Business Manager • Reconciliation of payroll to BACS payments • Probationary periods to ensure suitability in role • Medical certification for sickness and a robust policy to manage attendance • Training for managers on disciplinary, capability and attendance manager processes and refresher training provided when required • Counter-fraud page on website detailing how public can report fraud • Counter Fraud section on intranet • IR35 assessments in place and regular reminders/refreshers sent to all managers on the engagement of agency workers and consultants • All staff received fraud awareness e-learning during 2021, this is now included in the introduction pack and a cyclical requirement

NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

	<ul style="list-style-type: none">Whistleblowing policy approved February 2023
AGREED ACTIONS	<ul style="list-style-type: none">n/a
CURRENT RISK SCORE	GREEN
TARGET RISK SCORE	GREEN

FRAUD RISK	INSURANCE FRAUD
Risk Owner	Business Manager – Public Protection
FRAUD TYPES	<ul style="list-style-type: none"> • False insurance claims • Duplicate or serial claims • Fraudulent insurance payments
CONTROLS	<ul style="list-style-type: none"> • Small excess on policy, ensuring external claims handlers review each claim individually • External claim handlers have specialist software to identify fraudulent claims • Anti-Fraud & Corruption Strategy in place • monitor prior year information and match against new claims – highlighted onto external claims handlers • Notification of regional and national trend information passed from insurers and brokers through Risk Management Group meetings • Counter-fraud page on website detailing how public can report fraud • Letter included within insurance pack when sent through to claimant detailing their responsibilities regarding fraudulent claims • All staff received fraud awareness e-learning during 2021, this is now included in the introduction pack and a cyclical requirement • Risk Management fund funding schemes to mitigate fraudulent claims • Two level authorisation scheme for payments • Permanent insurance officer recruited July 2022 • Whistleblowing policy approved February 2023 • All insurance operations are now coordinated through one central team • FIT training successfully completed by Insurance officer
AGREED ACTIONS	<ul style="list-style-type: none"> • n/a
CURRENT RISK SCORE	GREEN
TARGET RISK SCORE	GREEN

NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

TARGET RISK				CURRENT RISK			
X				X			

FRAUD RISK	MONEY LAUNDERING
Risk Owner	Business Manager – Financial Services
FRAUD TYPES	<ul style="list-style-type: none">Using the Council to hide improper transactions – possible links to organized crime
CONTROLS	<ul style="list-style-type: none">Up to date Anti-Money Laundering policyUp to date Financial RegulationsCash receipts over £1,500 reported to MLROCashless officesLegal checks on Right to Buy purchasesChecks on source of credit balances prior to issuing refunds on NNDR and Council Tax and rentsAll staff received fraud awareness e-learning during 2021, this is now included in the introduction pack and a cyclical requirementWhistleblowing policy approved February 2023
AGREED ACTIONS	n/a
CURRENT RISK SCORE	GREEN
TARGET RISK SCORE	GREEN
TARGET RISK	
X	
CURRENT RISK	
X	

NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

FRAUD RISK	ELECTORAL FRAUD (ELECTIONS)				
Risk Owner	Business Manager – Democratic Services				
FRAUD TYPES	<ul style="list-style-type: none"> • Fraudulent voting (including postal votes) • Fraudulent acts by poll clerks & presiding officers at polling stations • Fraudulent acts by postal vote opening staff • Fraudulent acts by verification / count staff • Fraudulent acts by Political parties / candidates 				
CONTROLS	<ul style="list-style-type: none"> • Integrity Plan in place for electoral registrations • Anti-Fraud & Corruption Strategy updated February 2021 • Supervisory roles identified at counts and senior staff appointed to these • Postal votes opening sessions are supervised with controls in place to oversee process • Access controls at polling stations & counts • Ballot box controls around security of the box • Ballot paper accounts checked as part of verification process • Pre-employment checks on recruited staff • Counter-fraud page on website detailing how public can report fraud • Dedicated SPOC at Nottinghamshire Police who would be informed of possible issues with fraud • Full training of all staff in face to face roles in accordance with Electoral Commission guidance and statutory regulations • Issue all candidates guidance on their role in postal voting • Briefing to all candidates and agents ahead of elections • Whistleblowing policy approved February 2023 • Provision of voter ID checks now established • New regulations in place to restrict postal vote returns • Cyber security control measures in place 				
AGREED ACTIONS	<ul style="list-style-type: none"> • Review cyber security ahead of General Election 				
CURRENT RISK SCORE	GREEN				
TARGET RISK SCORE	GREEN				
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TARGET RISK	CURRENT RISK				

NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

	X				X		

FRAUD RISK	ELECTORAL FRAUD (ELECTORAL REGISTRATION)						
Risk Owner	Business Manager – Democratic Services						
FRAUD TYPES	<ul style="list-style-type: none"> Fraudulent applications for individual electoral registration (IER) Fraudulent application for absent voting (postal & proxy) Fraudulent acts by staff employed as canvassers 						
CONTROLS	<ul style="list-style-type: none"> Integrity Plan in place for electoral registration Anti-Fraud & Corruption Strategy updated February 2021 Verification process through the IER digital service Supervisory checks on verification failures Proof of identity is requested where required Application forms scrutinised before processing Controls within Electoral software in order to flag unusual registration activity Training for canvass staff prior to visiting properties Cyber security control measures in place 						
AGREED ACTIONS	n/a						
CURRENT RISK SCORE	GREEN						
TARGET RISK SCORE	GREEN						
TARGET RISK				CURRENT RISK			
X				X			

FRAUD RISK	DEVELOPMENT MANAGEMENT
Risk Owner	Business Manager – Development Management Business Manager – Planning Policy
FRAUD TYPES	Corruption and collusion including:

NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

	<ul style="list-style-type: none"> • Inducements • Conflict of interest/bribery • Planning - S106, affordability and other areas where officers are checking compliance & fines issued etc • Using Planning Process to increase land values • False representation
CONTROLS	<ul style="list-style-type: none"> • Senior officer determination of all planning applications (post case officer work) • Senior Officer one to one discussions with all case officers regarding cases • Open & visible process of all cases open to Team leaders & peers • Planning Committee is a public meeting and hence allows public scrutiny (inclusive of allowing public speaking from 9th May 2024) • Report for all applications and pre-application advice with explanation of grant or refusal determined by Senior Officers. All planning application reports are then published (not pre-applications) externally • Reconciliation of all planning related (including pre-application) fees & charges to the General Ledger • Reconciliation of Land charges fees to the General Ledger • Reconciliation of Street naming and numbering to the General Ledger • Regular meetings with accountant, to monitor and sense check income • Separation of duties in the fee procedure (receipting, banking, planning application) • System flag for duplicated applications • Audit trail on fee income • Enforcement action-reporting & sign off by Senior officer and different officer to the officer investigating • Section 106 – separation of duties, legal agreement, triggers for payment monitored, monitoring group, reconciliation and Officer recommendations based on “CIL regulation 123 tests” • Regular review and update of Constitution including Members conduct re planning • Anti-Fraud & Corruption Strategy updated February 2021 • Code of Conduct (officers & Members) • Counter-fraud page on website detailing how public can report fraud • Ombudsman review of approach to planning determinations • Judicial review challenges by interested parties on points of law • Counter Fraud section on intranet • All refunds where the application has been made through the Planning portal, to be refunded through that process, where all other refunds will require an image from the bank account to show originating bank details. These are all authorised by a Senior Officer. • Gifts and Hospitality policy approved February 2023 • Whistleblowing policy approved February 2023 • Counter fraud training recapped with all planning staff July 2022 • Spot checks of enforcement cases in place monthly from July 2022
ACTIONS	n/a

NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

CURRENT RISK SCORE	GREEN							
TARGET RISK SCORE	GREEN							
TARGET RISK				CURRENT RISK				
	X				X			

NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

FRAUD RISK	ECONOMIC & THIRD SECTOR FRAUD		
Risk Owner	Business Manager – Financial Services		
FRAUD TYPES	Any fraud that involves the false payment of grants, loans or any financial support to any private individual or company, charity, or non-governmental organization: <ul style="list-style-type: none">○ Fake applications○ Collusion		
CONTROLS	<ul style="list-style-type: none">• Substantiate authenticity of application via internal and external sources• Grant eligibility criteria considered before award• Anti-Fraud & Corruption Strategy updated in February 2021• Whistleblowing Policy• Counter-fraud page on website detailing how public can report fraud• Counter Fraud section on intranet• Application process for non Direct Debit Council Tax payers, which will check to Revenues system to agree the liable person.• Prepayment checks to spotlight to ensure that liable person at correct address agrees to the bank account details quoted on application• Bank statements to be reviewed in exception circumstances• Whistleblowing policy approved February 2023		
ACTIONS	n/a		
CURRENT RISK SCORE	GREEN		
TARGET RISK SCORE	GREEN		
TARGET RISK		CURRENT RISK	
<div><div></div><div></div><div>X</div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>

FRAUD RISK	HOUSING FRAUD
Risk Owner	<ul style="list-style-type: none"> • Director – Housing, Health and Wellbeing • Business Manager - Housing and Estates Management • Assistant Business Manager – Housing and Estate Management
FRAUD TYPES	<ul style="list-style-type: none"> • Fraudulent housing application - false or omitted information • False homelessness applications – false or omitted information • Fraudulent succession or assignment • Unlawful sub-letting • Not using property as main or principle home • Right to Buy - fraudulent application, valuation, etc.

NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

CONTROLS	<ul style="list-style-type: none"> • Participation in the National Fraud Initiative through supply and matching of application, tenancy and Right to Buy data • Robust consideration and investigation into Right to Buy applications; a joint approach is adopted between officers where fraud is suspected • Supporting information requirements at application and offer stage – such as proof of identification, proof of residency and medical evidence • Internal application verification and checking process to check for previous tenancies and former tenancy debt • Tenants are made aware at sign up of their obligations regarding their tenancy agreement and by signing the tenancy agreement show they understand the consequences of being in breach of this • Photographs are taken at sign-up and stored on the in-house management system and reviewed as part of the “Getting to know you visit” • “Getting to know you visit” programme provides an ongoing detection and prevention of tenancy fraud through, checking, verifying and updating records of tenants and occupants through risk based approach with a minimum of visits every two years • Adhoc usage of information held by other NSDC departments to investigate and detect tenancy fraud • A culture has been developed where all staff are empowered to report cases where they suspect tenancy fraud • Separation of duties in the allocation of homes with annual reports to audit this separation • If allocation of home to a Council officer, this is approved by the Business Manager – Housing and Estates Management • Counter-fraud page on website detailing how public can report fraud • Counter Fraud section on intranet • Experienced, well trained staff carrying out allocations and front line service delivery • Excellent working relationships with agencies who can support with the identification of actions to address tenancy fraud and/or unlawful occupation of properties • Relationship developed between Housing and Revenues and Benefits staff to assist in the detection of fraud • Annual number of sub-letting reports included within performance monitoring framework • Verification of tenants details on the Universal Credit landlord portal 			
ACTIONS	• N/A			
CURRENT RISK SCORE	GREEN			
TARGET RISK SCORE	GREEN			
TARGET RISK		CURRENT RISK		
	X			

NEWARK AND SHERWOOD DISTRICT COUNCIL – FRAUD RISK ASSESSMENT (APRIL 2024)

FRAUD RISK	FRAUDULENT USE OF COUNCIL ASSETS			
Risk Owner	All Directors and Business Managers			
FRAUD TYPES	<ul style="list-style-type: none"> • Theft of assets and equipment • Sale of assets and equipment 			
CONTROLS	<ul style="list-style-type: none"> • Financial Regulations updated May 2022 • Anti-Fraud & Corruption Strategy in place and updated February 2021 • Guidance for Dealing with Irregularities updated February 2021 • Management controls • Induction process • Security policy • User reports e.g. internet, telephone • Internet use policy • Access controls • Software audit facility • Code of conduct • Inventory checks • Complex passwords • Separation of duties • Staff counter-fraud training • Counter Fraud section on intranet • All staff received fraud awareness e-learning during 2021, this is now included in the introduction pack and a cyclical requirement • Whistleblowing policy approved February 2023 			
ACTIONS	n/a			
CURRENT RISK SCORE	GREEN			
TARGET RISK SCORE	GREEN			
TARGET RISK		CURRENT RISK		
X				



Report to: Audit & Governance Committee Meeting
31 July 2024

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

Lead Officer: Nick Wilson, Assistant Business Manager Financial
Services on ext 5331

Report Summary	
Report Title	Counter-Fraud Activities from 1 October 2023 to 30 April 2024
Purpose of Report	To inform Members of counter-fraud activity undertaken since the last update reported on 22 November 2023.
Recommendations	That Members note the report
Reason for Recommendation	To promote a strong counter-fraud culture, it is important that Members are aware of the Council's response to fraud and the results of any actions taken.

1.0 Background Information

- 1.1 An element of the role of the Audit & Governance 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.

2.0 Counter Fraud Detection

- 2.1 The Housing Benefit fraud team was transferred to the Fraud and Error Service at the Department for Works and Pensions on 1 December 2015.
- 2.2 Any housing benefit cases identified as potentially fraudulent are referred to the Fraud and Error Service at the DWP for investigation, likewise the Fraud and Error service when

investigating other national benefits will request information from us if there is a housing benefit indicator.

- 2.3 For 2023/24 1 referral has been received from the Fraud & Error Service, resulting in a Housing Benefit overpayment of £47,562.00.

The Fraud & Error Service also issued 23 requests for information from us regarding potential fraudulent claims.

- 2.4 In addition, the Department for Work and Pensions issue monthly data matches they have deemed as high risk for investigation.

- 2.5 HMRC also issue notifications of earning and pensions changes each month which are checked against existing housing benefit and council tax support claims to ensure that up to date figures have been used in any assessment. For the period 1st April 2023 to 31st March 2024 76 notifications were received from HMRC.

3.0 Other Counter-Fraud Work

Fraud Risk Register

- 3.1 Based on the Fraud Risk Register that was presented to the committee on the 14 June 2023 the table below shows progress against the identified actions:

Action	Due Date	Update	Revised date
Corporate fraud campaign developed	March 2024	Complete	
External Council Tax Single Person Discount review	March 2024	Complete	
Ensure Managers know the signs of human trafficking so they can raise concern as appropriate by providing annual refresher training	September 2023	Complete	
Advice regarding identity validation available on the intranet	September 2023	Complete	
Refreshing recruitment manager training through updating recruitment process, enabled via new ICT solution	September 2023	Work is ongoing with the ICT supplier to build the recruitment portal. Some managers have been trained, but only those that are frequent recruiters. It is anticipated that the solution will be complete and live by September 2024.	September 2024

Update onboarding process to include declaration form for new employee to confirm other employment is terminated	September 2023	Complete	
Relevant training programme completed by newly recruited officer	September 2024	Complete	
Investigate possibility of developing/purchasing a database to assist with Council wide management of claims	March 2024	Complete	
Investigate robustness of fraud messages through all correspondence	December 2023	Complete	
Report on the findings of "Getting to know you visits" to the Portfolio Holder for Housing	January 2024	Complete	
Review potential of using Analyse Local to look at Council Tax liability by March 2025	New action		
Refresher training/awareness of potential fraud activities e.g refund fraud in May 2024	New action	Complete	
Update Acquisition and Disposal policy by March 2025	New action		
Ensure all properties receive an annual inspection by August 2024	New action		
Review Cyber security ahead of General Election	New action	Complete	

4.0 The National Fraud Initiative (NFI)

- 4.1 The National Fraud Initiative (NFI) is a data-matching exercise where electronic data is collected from numerous agencies including police authorities, local probation boards, fire and rescue authorities as well as local councils and a number of private sector bodies. The data collection is carried out by the Cabinet Office and is reviewed for any matches that might reveal fraudulent activity. e.g. a record of a person's death exists, but that person is still claiming state pension. The potential matches are sent to individual bodies for investigation to check if there is another, innocent explanation. Most data sets are currently submitted every two years, apart from single person discount data which is submitted every year.
- 4.2 As an alternative approach to previous years, a County wide single person discount review was conducted during 2023/24 by a third party selected to conduct the exercise with the major preceptors agreeing to pay the costs pro rata according to the % share of the Council Tax bill.
- 4.3 In total, following a rigorous data matching exercise with Experian and a further in-depth filtering process where 15,771 single person discount cases were validated as correctly claiming the discount, initial canvass letters were issued to the remaining 3,840 households on 10th January 2024 requiring households to validate their single person discount status or provide updated details with regard to who is living at the property.
- 4.4 Reminder letters being issued to 1,697 households on 30th January 2024 due to no response. At the end of the SPD review process 664 households had failed to respond to both review letters and as such, were subject to their discount being removed with effect from 1st April 2024.

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.

Nil.



Report to: Audit & Governance Committee Meeting 31 July 2024

Director or Business Manager Lead: Sue Bearman, Assistant Director Legal & Democratic Services, Monitoring Officer
01636 655935, Sue.Bearman@nsdc.info

Lead Officer: Nigel Hill, Business Manager Elections & Democratic Services
01636 655243

Report Summary	
Report Title	Code of Conduct Annual Report for the Period 1 April 2023 – 30 April 2024
Purpose of Report	To consider that Code of Conduct Annual Report for the Period 1 April 2023 – 30 April 2024
Recommendations	That the annual report be noted. That a further session on the Code of Conduct is delivered in Autumn 2024.
Reason for Recommendation	To provide Members with details of Code of Conduct complaints received in 2023/24, and an update on related matters.

1.0 Background

The Audit & Governance Committee has responsibility for promoting and maintaining high standards of conduct by Members and Co-opted Members of the Council. It is also responsible for maintaining an overview of the Member Code of Conduct and arrangements for dealing with complaints.

2.0 Code of Conduct Complaints

- 2.1 It was reported to Committee in June 2023 that the Monitoring Officer recorded 13 formal complaints within the period 1 April 2022 to 31 March 2023; of these 1 related to a District Councillor and 12 related to Town or Parish Councillors.
- 2.2 The Monitoring Officer recorded 41 formal complaints within the period 1 April 2023 to 30 April 2024; of these 19 related to District Councillors and 22 related to Town or Parish Councillors.

- 2.3 In relation the 41 complaints received between 1 April 2023 and 30 April 2024, 37 complaints were closed without investigation. It was determined following appropriate consultation with the Independent Persons that either no further action was required, or that informal resolution by way of apology was appropriate. 4 complaints were referred for further investigation.
- 2.4 27 of the 41 complaints were received from members of the public (7 District, 20 Parish/Town), 10 from elected officials (9 District, 1 Parish/Town), and 4 from members of staff (3 District, 1 Parish/Town).
- 2.5 The nature of complaints received can be summarised as follows: -
- Disrespect
 - Bringing authority into disrepute
 - Conduct of meetings
 - Verbal abuse/outburst
 - Breach of confidentiality
 - Failure to register and declare interests
 - Conflict of interest
 - Bullying, harassment and discrimination
 - Failure to act with integrity and honesty
- 2.6 Members will note that there has been a significant increase in complaints during the past year. In relation to the District Council, complaints have been received regarding the conduct of 11 separate District Councillors across nearly all political groups. In relation to parish and town councils, the vast majority relate to underlying issues at two parish councils. Work is ongoing, in conjunction with other agencies, to seek to resolve these underlying issues.
- 2.7 Unfortunately, the volume of complaints led to a backlog which required the Monitoring Officer to outsource some assessment work. Due to limited resources, but also to demonstrate complete independence, the 4 investigations have also been outsourced. Financial implications are set out in paragraph 8 below.

3.0 Formal Investigation and Code of Conduct Hearings

- 3.1 The outcome is awaited in respect of the 4 complaints that were referred for investigation. No Code of Conduct Hearings have been held for the period 1 April 2023 to 30 April 2024.

4.0 Register of Members Interests

- 4.1 Register of Interests Forms for Newark & Sherwood District Council Members were issued to all Members following the District Council elections held on 4 May 2023. These were required to be completed and returned within 28 days of the election. These are published on the Council's website: <https://democracy.newark-sherwooddc.gov.uk/mgMemberIndex.aspx?bcr=1>

- 4.2 Town and Parish Councillors are also required to complete a Register of Interests Form within 28 days of the election. These are also published on the Council's website: <https://www.newark-sherwooddc.gov.uk/parishcouncils/register-of-interests-for-parish-councillors>

- 4.3 Regular communication is held with parish councils to ensure, as far as possible, that all their Register of Member Interest Forms are sent to us for publication. Where forms are outstanding, regular reminders are sent to those parishes. Also, when we become aware of new Members who have been appointed through co-option to fill vacancies, the parishes are reminded of the requirement to submit the completed returns to us as soon as practicable.

5.0 Code of Conduct Training

- 5.1 The Monitoring and Deputy Monitoring Officers delivered two training sessions for all District Councillors in relation to the Code of Conduct in January and March 2024. These sessions were well attended, but some Councillors were unable to come. At Audit & Governance Committee's suggestion, the 16 July meeting of Full Council has been asked to approve a training date of 19 November 2024 for the Council Diary. This session will be used to deliver the session again, possibly in conjunction with equalities training (in which case it will be a two-part session as not all Members will need to attend both).

6.0 The process for dealing with Code of Conduct Complaints

- 6.1 Members of Committee have been invited to a workshop on 18 July to review the current process. A report is due to be brought to the next meeting.

7.0 Independent Persons

- 7.1 Following the recommendation of this Committee, the Council's two Independent Persons were appointed for a further 4-year term at the 23 May 2023 meeting of Full Council.
- 7.2 As the role of the Independent Person is integral to the process for dealing with complaints, a review of the demands of the role has been incorporated into the terms of reference for the review of the process.

8.0 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.

Financial Implications (FIN24-25/6523)

- 8.1** The budget for code of conduct complaints was set to cover the additional cost of any complaints received that required further investigation by an external body. The table below shows the actual activity from 2022/23 to the current forecast in 2024/25:

Year	Budget	Actual	(Favourable)/Unfavourable Variance
2022/23 Actual	300	0	(300)
2023/24 Actual	300	1,362	1,062
2024/25 Forecast	320	24,565	24,245

- 8.2** The forecast is £24,565 for 24/25 due to the requirement to outsource some assessment work, and investigations. This is expected to result in an unfavourable variance of £24,245 which can be funded by the Corporate Contingency budget.
- 8.3** For the 2024/25 financial year there is a £3,300 budget available for the cost of 2 Independent Persons, to cover the annual rate of £1,500 per person per annum.

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 1972.2

- 14 June 2023 Annual Standards Report is published on the Council's [website](#).
- 6 April 2023 Appointment of Independent Persons is published on the Council's [website](#).
- 24 April 2024 Review of Arrangements for dealing with Code of Conduct Complaints regarding Councillors is published on the Council's [website](#).
- The [Code of Conduct](#) is published in the Council's Constitution
- The [Procedure for dealing with Code of Conduct Complaints](#) is published on the Council's website



Report to: Audit & Governance Committee Meeting
31 July 2024

Director or Business Manager Lead: Nick Wilson, Business Manager – Financial Services
Sue Bearman, Assistant Director - Legal & Democratic Services

Report Summary	
Report Title	Audit & Governance Committee Work Plan
Purpose of Report	Work Plan attached for consideration and approval
Recommendations	That the Audit & Governance Committee consider the Work Plan for approval.

AUDIT & GOVERNANCE COMMITTEE
MEETING DATE 31st JULY 2024

WORK PLAN

Meeting date at which action to be undertaken	Subject and Brief Description	Who will present the report	Intended Outcome
25 September 2024	Q1 Budget Performance Report 2024/25	Nick Wilson	To ensure the sustainability of the Council's General Fund, HRA and Capital Programme through the in-year monitoring of the budgets.
	Internal Audit Progress Report 2024/25	Phil Lazenby (TIAA Ltd)	Understand the level of assurance for audited activities and ensure management progress recommended actions to mitigate identified risks
	Complaints Performance Q1 Update Report	Carl Burns	
	Review of Arrangements for dealing with Code of Conduct Complaints regarding Councillors	Sue Bearman	
	Outcome of a Housing Ombudsman Investigation	Jill Baker	
	Audit & Governance Overview of Gas Safety Compliance	Caroline Wagstaff	
Move to September or December 2024, having already taken a report to April 2024 committee?	Risk Management report	Richard Bates	Gain assurance that appropriate risk management arrangements are in place, update presented to the Committee on a 6 monthly basis.
	LGA Newark and Sherwood District Council Cyber 360 Progress Report	Dave Richardson	To provide the RAG rating together with a progress report of the review of the Cyber 360 Action Plan to be presented to the Audit & Governance Committee if an update is available.
11 December 2024	Internal Audit Progress Report 2024/25	Phil Lazenby (TIAA Ltd)	Understand the level of assurance for audited activities and ensure management

			progress recommended actions to mitigate identified risks
	External Audit Annual Governance Report 2023/24	TBC (Mazars)	To gain assurance that the Council's Statement of Accounts are a true and fair representation of the Council's financial performance for the previous financial year and financial standing as at the Balance Sheet date, and that the Council has effective arrangements for achieving Value for Money
	Statement of Accounts 2023/24 & Annual Governance Statement	Nick Wilson	Gain assurance on the integrity of financial reporting By considering the assurance gained through its activities throughout the previous year, to give assurance that the Council's Annual Governance Statement accurately represents governance arrangements, that future risks are identified, and that arrangements in place support the achievement of the Council's objectives
	Q2 Budget Performance Report 2024/25	Nick Wilson	To ensure the sustainability of the Council's General Fund, HRA and Capital Programme through the in-year monitoring of the budgets.
	Financial Governance	Nick Wilson/Suzanne Shead	
	Review of the Council's Constitution	Sue Bearman	
	Local Government Association Peer Review including any governance arrangements implications	Sue Bearman	
	LGA Newark and Sherwood District Council Cyber 360 Progress Report	Dave Richardson	To provide the RAG rating together with a progress report of the review of the Cyber 360 Action Plan to be presented to the Audit & Governance Committee if an update is available.

19 February 2025	Internal Audit Progress Report 2024/25	Phil Lazenby (TIAA Ltd)	Understand the level of assurance for audited activities and ensure management progress recommended actions to mitigate identified risks
	Q2 Budget Performance Report 2024/25	Nick Wilson	To ensure the sustainability of the Council's General Fund, HRA and Capital Programme through the in-year monitoring of the budgets.
	Budget Reports 2025/26	Nick Wilson	To review the Councils General Fund revenue budget, Capital Programme and Medium Term Financial Plan.
	Draft Treasury Strategy 2025/26	Andrew Snape	Gain assurance that risks in relation to the Council's treasury management activities are to be managed in accordance with need and the Council's risk appetite
	Draft Capital Strategy 2025/26	Andrew Snape	Outlines the principles and framework that shape the Council's capital proposals
	Draft Investment Strategy 2025/26	Andrew Snape	The investment strategy meets the requirements of statutory guidance issued by the government relating to the Councils Treasury and Non-Treasury investments.
	Annual Review of the Gifts and Hospitality Protocol and Policy	Sue Bearman	An annual review of the operation of the Council's Gifts and Hospitality arrangements
	Regulation of Investigatory Powers Act 2000 (RIPA) Annual Report	Sue Bearman	For the Committee to be aware of the use of RIPA activities as the RIPA policy requires annual reporting to this Committee.
	Annual Review of the Council's Whistleblowing Policy	Sue Bearman	A summary of actions taken will be reported back to Committee as an annual report
	Review of Significant Issues in the Annual Governance Statement	Sue Bearman	To update members of the Audit & Governance Committee on the significant governance issues identified in the Annual Governance Statement.

	Housing Ombudsman Annual Review Update	Jill Baker	To inform Members of the Housing annual review updates
	Customer Feedback	Carl Burns/Deborah Johnson	Half Yearly Report – July/February
	LGA Newark and Sherwood District Council Cyber 360 Progress Report	Dave Richardson	To provide the RAG rating together with a progress report of the review of the Cyber 360 Action Plan to be presented to each meeting of the Audit & Governance Committee.
19 March 2025	LGA Newark and Sherwood District Council Cyber 360 Progress Report	Dave Richardson	To provide the RAG rating together with a progress report of the review of the Cyber 360 Action Plan to be presented to the Audit & Governance Committee if an update is available.
23 April 2025	Annual Review of the Council's Constitution	Sue Bearman	Review the Council's Constitution
	LGA Newark and Sherwood District Council Cyber 360 Progress Report	Dave Richardson	To provide the RAG rating together with a progress report of the review of the Cyber 360 Action Plan to be presented to the Audit & Governance Committee if an update is available.

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

Document is Restricted