

# 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](mailto: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 also available on our website.



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@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.





# 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.







# 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.

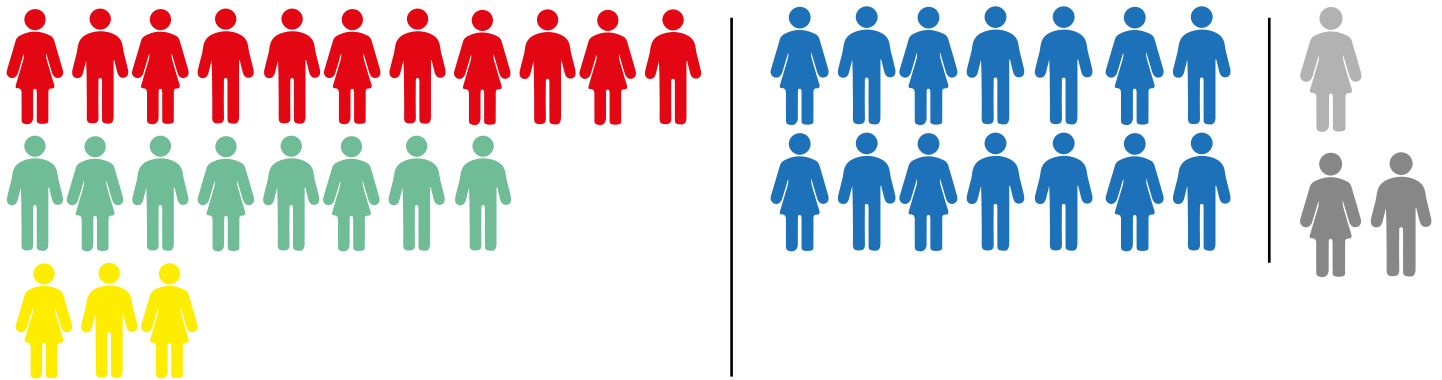




# PART THREE

## 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.

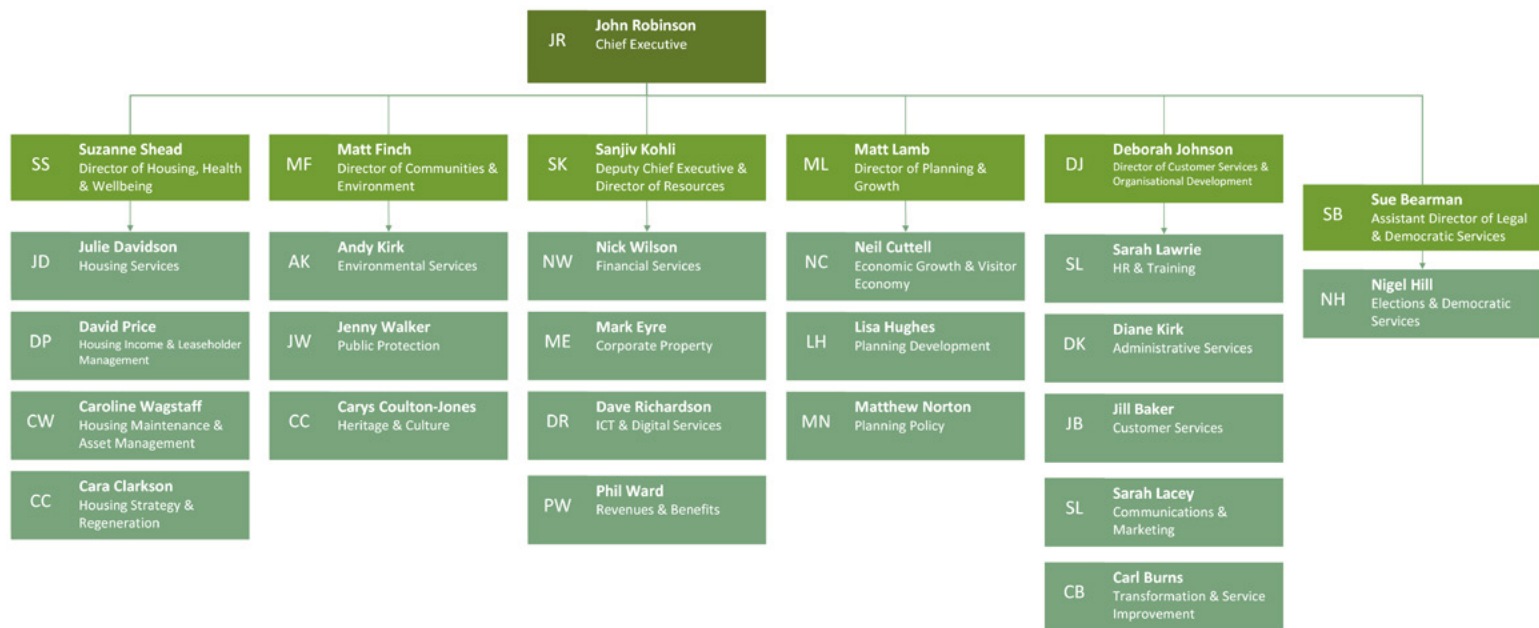
Newark and Sherwood's Cabinet Portfolios include:

- 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, AI 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.**

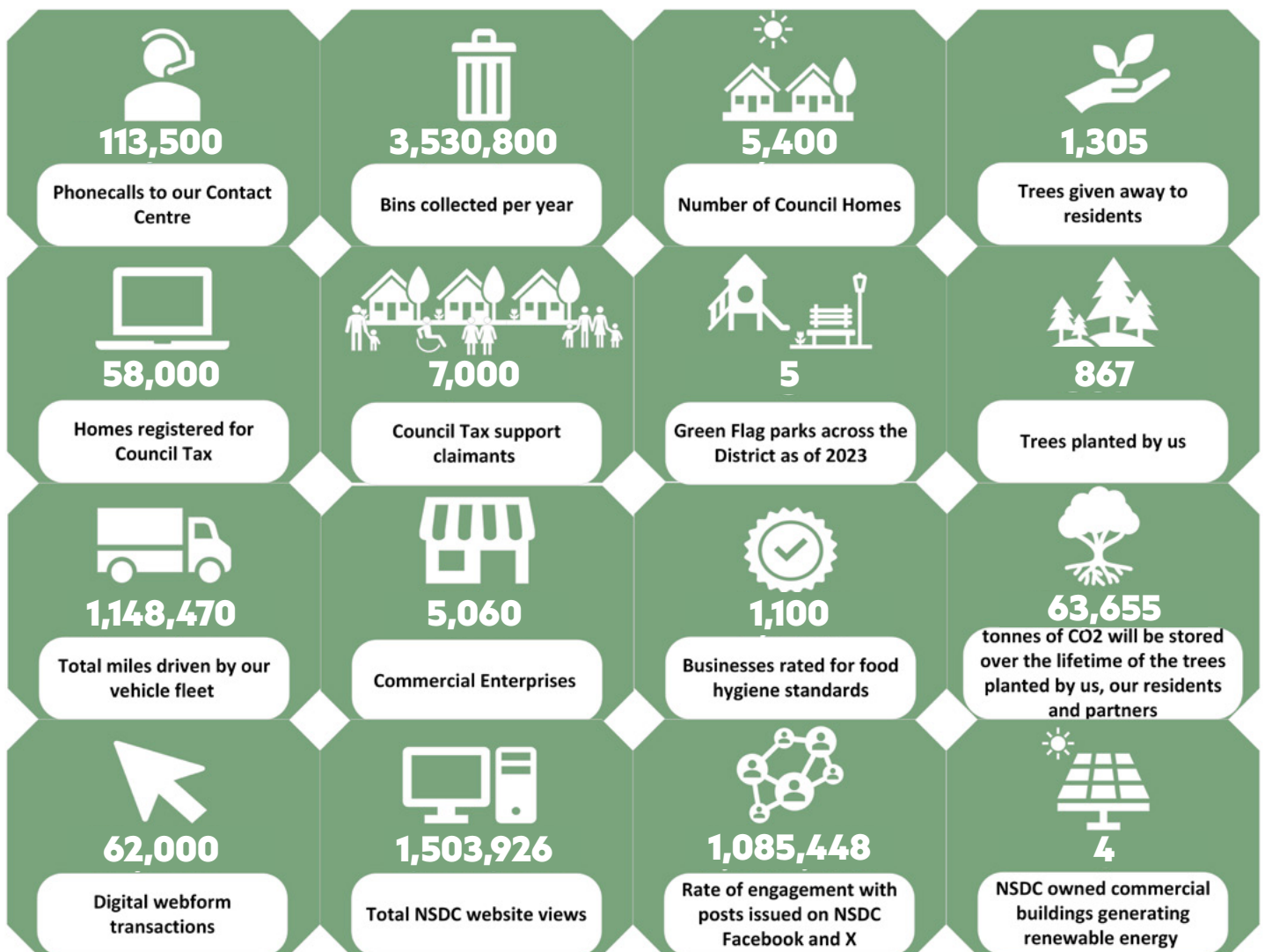
- The introduction of Kerbside Glass recycling provision for our residents has progressed this year. Some significant milestones achieved included writing to every household, ordering the vehicles, submitted a planning application, and initiated the procurement of the bins. The service began in April 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
<b>General Fund total</b>	<b>£32.320m</b>	<b>£0.329m</b>	<b>£32.649m</b>
HRA working balance	£2.000m	£0.000m	£2.000m
HRA earmarked reserves	£5.115m	(£0.888m)	£4.227m
<b>HRA total</b>	<b>£7.115m</b>	<b>(£0.888m)</b>	<b>£6.227m</b>

## 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)
<b>Favourable variance on services</b>	<b>(0.252)</b>
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)
<b>Favourable variance in cost of running Council</b>	<b>0.989</b>

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:

<b>Brought Forward Reserves balance</b>	<b>32.320</b>
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
<b>Reserves balance as at 31st March 2024</b>	<b>32.648</b>

### 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 £1.154m with an overall outturn position of £0.522m:

<b>HRA £0.099m</b>	<b>Value £'m</b>
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
<b>Net cost of HRA Services</b>	<b>(0.147)</b>
Additional interest costs due to bank rate increases	0.160
Increase in loss allowance provision due to revision of assumptions	0.086
<b>Total Transfer from HRA Balances</b>	<b>0.099</b>
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

<b>Brought Forward Reserves balance</b>	<b>7.115</b>
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 increased by £0.152m. £23.555m has been added through the capital programme whilst the economic use of assets has reduced the value by £8.105m. £0.103m worth of assets have been transferred back from assets held for sale. Other assets have had their values decreased by £15.401m.

### **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 £2.282m 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 IAS1 (£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
<b>Total Expenditure</b>	<b>19.879</b>	<b>22.097</b>	<b>22.968</b>	<b>23.626</b>
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)
<b>Contribution (to) or from Reserves</b>	<b>0.994</b>	<b>0.272</b>	<b>0.278</b>	<b>0.283</b>
<b>Funding Shortfall prior to Mitigations</b>	<b>0.200</b>	<b>1.551</b>	<b>4.277</b>	<b>4.642</b>

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





# 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"> <li>• Medium term financial planning</li> <li>• District Council approved capital programme</li> <li>• Financial implications added to Committee reports by Financial Services</li> <li>• Quarterly budget monitoring report tabled at Senior Leadership Team (SLT) and Policy and Finance Committee and (in the future) Cabinet.</li> <li>• Approved Investment Plan and Commercial strategy to support objectives set out in the MTFP</li> <li>• Annual review of budgets</li> <li>• Consultation and communication plan to manage political and public expectations</li> <li>• Key financial strategy documents in place such as the Treasury Management Strategy and Medium Term Financial Plan</li> <li>• Commercial group established to identify and review business opportunities</li> <li>• Financial regulations training</li> </ul>
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"> <li>• Quarterly budget monitoring report tabled at SLT and Policy and Finance Committee and (in the future) Cabinet</li> <li>• Quarterly capital monitoring meetings</li> <li>• Financial implications added to Committee reports by Financial Services</li> <li>• Financial strategies and budget reviewed through Policy and Finance Committee (in the future Cabinet) annually</li> <li>• Key financial strategy documents in place such as a Treasury Management Strategy and HRA business plan</li> <li>• Reserves in place</li> <li>• Council approved Capital programme</li> </ul>



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"> <li>Continued liaison with key funders to monitor progression of SLR and A1 overbridge</li> <li>A high performing planning service</li> <li>Active lobbying of central Government and engagement with developers, stakeholders and partners</li> <li>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</li> <li>Governance arrangements - Planning Committee, Planning policy board, Cabinet and Full Council</li> <li>Economic Growth Strategy - Newark Town</li> <li>Investment plan &amp; Visitor economy strategy</li> </ul>
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"> <li>Procurement advice provided through Welland Procurement</li> <li>Contract register maintained on Pro-Contract and contract managers named for every contract</li> <li>Regular contract management meetings in place</li> <li>Wholly owned companies- Management agreements for wholly owned companies regularly reviewed. SLA register devised and actively managed by service areas and reviewed annually</li> <li>Comprehensive audit undertaken of contracts</li> </ul>
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"> <li>Business planning embedded throughout the District Council with clear links to community planning and performance framework</li> <li>Partnership approach with recognised trade unions to support staff and organisational change</li> <li>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)</li> <li>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</li> <li>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</li> <li>Targeted training interventions to support individual employee development and the facilitation of succession management.</li> </ul>



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"> <li>• Annual internal review of the fraud risk register to carry out proactive work, check on internal controls. This is reported to members</li> <li>• Corporate governance self-assessment against the Code of Corporate Governance undertaken periodically</li> <li>• Annual review of the District Council’s Constitution which ensures it is fit for purpose and up to date</li> <li>• Periodic review of governance by three statutory officers</li> <li>• Code of corporate governance created, maintained and monitored in accordance with CIPFA guidance</li> <li>• Officer training on governance issues including anti-fraud and financial regulations and member inductions for new members</li> <li>• 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.</li> <li>• Annual governance statement</li> <li>• Annual combined assurance</li> <li>• Internal Audit work including risk-based Audit Plan. Effective use of External Auditor.</li> </ul>
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"> <li>• IG and Cyber security strategy</li> <li>• 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</li> <li>• Guidance and training for elected members. GDPR sessions provided for new members</li> <li>• External Audit on ICT security annually</li> <li>• Use of data processing and agreements with contractors and partners</li> <li>• CIGG group</li> <li>• Public Sector Network and Cyber Essentials compliant</li> <li>• Information security and governance is monitored and reviewed by the corporate information governance group on a monthly basis</li> <li>• ISMS - Key information management documents in place including Security Policy, Retention Policy, Data Protection Policy etc.</li> </ul>
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"> <li>• Annual report to members on progress against the action plan and carbon footprint target</li> <li>• Climate Emergency was declared in July 2019</li> <li>• 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</li> <li>• Appointed a dedicated officer to drive carbon reduction projects forward</li> <li>• Costed action plan to support net neutral date</li> <li>• Climate emergency project working group</li> <li>• Financial planning - MTFP</li> <li>• Community plan</li> </ul>

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





# 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** 19 February 2025

**Signed:**

**Councillor Peter Harris**  
**Chair - Audit and Governance Committee**

**Date** 19 February 2025

## 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 Environmental 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
2,363	-317	2,046	Health, Wellbeing and Leisure	4,200	-362	3,838
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
32,211	-23,421	8,790	Strategy, Performance & Finance	34,225	-23,911	10,314
13,109	-5,562	7,547	Sustainable Economic Development	34,127	-29,513	4,614
<b>86,359</b>	<b>-61,703</b>	<b>24,656</b>	<b>Cost of Services</b>	<b>119,897</b>	<b>-88,706</b>	<b>31,191</b>
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	4,541	-3,111	1,430
14,463	-45,373	-30,910	Taxation and Non Specific Grant Income Note 16	14,850	-43,364	-28,514
<b>115,127</b>	<b>-112,459</b>	<b>2,668</b>	<b>Surplus (-) or Deficit on Provision of Services</b>	<b>144,979</b>	<b>-136,186</b>	<b>8,793</b>
		-25,798	Surplus(-) or Deficit on Revaluation of Non Current Assets			-1,481
		-71,824	Remeasurements of the Net Defined Benefit Liability (Asset)			-8,192
		<b>-97,622</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>-9,673</b>
		<b>-94,954</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>-880</b>

### MOVEMENT IN RESERVES STATEMENT

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

	Earmarked			Earmarked			Capital Grants Unapplied	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	General Fund Balance	General Fund Reserves	Housing Revenue Account	Housing Revenue Account	Major Repairs Reserve						
<b>Movement in reserves 2022/23 RESTATED</b>	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2022 carried forward</b>	<b>1,500</b>	<b>34,843</b>	<b>2,000</b>	<b>5,294</b>	<b>17,450</b>	<b>13,052</b>	<b>2,910</b>	<b>77,049</b>	<b>203,052</b>	<b>280,101</b>	
Total Comprehensive Income and Expenditure	-2,301	0	-367	0	0	0	0	-2,668	97,622	94,954	
Adjustment between accounting basis & funding basis under regulations (Note 12)	-1,722	0	188	0	-4,206	995	-1,536	-6,281	6,281	0	
<b>Net Increase/Decrease(-) before Transfers to Earmarked Reserves</b>	<b>-4,023</b>	<b>0</b>	<b>-179</b>	<b>0</b>	<b>-4,206</b>	<b>995</b>	<b>-1,536</b>	<b>-8,949</b>	<b>103,903</b>	<b>94,954</b>	
Transfers to/from(-) Earmarked Reserves(Note 13)	4,023	-4,023	179	-179	0	0	0	0	0	0	
<b>Increase/Decrease(-) in 2022/23</b>	<b>0</b>	<b>-4,023</b>	<b>0</b>	<b>-179</b>	<b>-4,206</b>	<b>995</b>	<b>-1,536</b>	<b>-8,949</b>	<b>103,903</b>	<b>94,954</b>	
<b>Balance at 31 March 2023 carried forward</b>	<b>1,500</b>	<b>30,820</b>	<b>2,000</b>	<b>5,115</b>	<b>13,244</b>	<b>14,047</b>	<b>1,374</b>	<b>68,100</b>	<b>306,955</b>	<b>375,055</b>	



## BALANCE SHEET

RESTATED 31 March 2022 £'000	RESTATED 31 March 2023 £'000		Notes	31 March 2024 £'000
417,803	448,663	Property, Plant & Equipment	21	448,815
2,020	3,560	Heritage Assets	25	3,560
337	376	Intangible Assets	27	651
16,653	15,384	Long Term Investments - Fair Value through Profit and Loss	40	15,024
3,143	2,377	Long Term Debtors	29	2,373
4,455	4,342	Long Term Finance Lease Debtor	23	4,225
<b>444,411</b>	<b>474,702</b>	<b>TOTAL LONG TERM ASSETS</b>		<b>474,648</b>
23,121	27,435	Short Term Investments	40	7,240
412	407	Inventories		409
17,269	12,925	Short Term Debtors	29	10,671
4,418	4,054	Assets Held For Sale	26	3,194
27,658	23,234	Cash and Cash Equivalents	24	15,956
<b>72,878</b>	<b>68,055</b>	<b>TOTAL CURRENT ASSETS</b>		<b>37,470</b>
-10,900	-10,081	Short Term Borrowings	40	-7,863
-27,534	-17,379	Short Term Creditors	30	-17,905
-8	-354	Provisions Short Term	31	-203
-12,197	-25,472	Grants Receipts in Advance	19	-6,461
<b>-50,639</b>	<b>-53,286</b>	<b>TOTAL CURRENT LIABILITIES</b>		<b>-32,432</b>
0	0	Long Term Creditors	30	0
-1,464	-1,117	Provisions Long Term	31	-377
-5,233	-4,863	Long Term Finance Lease Liability	22	-4,714
-86,972	-81,435	Long Term Borrowing	40	-78,403
-84,899	-19,798	Pensions Liability	38	-11,898
-7,981	-7,203	Grants Receipts in Advance	19	-8,359
<b>-186,549</b>	<b>-114,416</b>	<b>TOTAL LONG TERM LIABILITIES</b>		<b>-103,751</b>
<b>280,101</b>	<b>375,055</b>	<b>TOTAL NET ASSETS</b>		<b>375,935</b>
77,049	68,100	Usable Reserves	32	58,217
203,052	306,955	Unusable Reserves	33	317,718
<b>280,101</b>	<b>375,055</b>	<b>TOTAL RESERVES</b>		<b>375,935</b>

<b>CASH FLOW STATEMENT</b>
----------------------------

RESTATED			
2022/23		Notes	2023/24
£'000			£'000
<b>-2,668</b>	<b>Net Surplus/Deficit(-) on the Provision of Services</b>		<b>-8,793</b>
14,320	Adjustment to Surplus or Deficit on the Provision of Services for Non-Cash Movements	35A	26,959
-16,023	Adjust for Item Included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	35A	-33,462
	<b>-4,371 Net Cash Flows from Operating Activities</b>		<b>-15,296</b>
8,408	Investing Activities	35C	15,271
-8,461	Financing Activities	35D	-7,253
	<b>-4,424 Net Increase or Decrease(-) in Cash and Cash Equivalents</b>		<b>-7,278</b>
27,658	Cash and Cash Equivalents at the Beginning of the Reporting Period		23,234
<b>23,234</b>	<b>Cash and Cash Equivalents at the End of the Reporting Period</b>	24	<b>15,956</b>

## 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.

#### 1.3 Cash and Cash Equivalents

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

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



#### 1.4 Prior period adjustments, changes in accounting policies and estimates and errors

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless not material or stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

#### 1.5 Charges to Revenue for Non-Current Assets

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, by way of an adjusting transaction with the capital adjustment account in the Movement in Reserves Statement for the difference between the two.

#### 1.6 Council Tax and Non-Domestic Rates

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

##### 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 Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

## 1.7 Employee Benefits

### Benefits Payable During Employment

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

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

Discretionary Benefits

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



## 1.8 Financial Instruments

### Financial Liabilities

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 financing and investment income and expenditure line in 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 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.

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. The Council holds financial assets measured at:

- amortised cost, and
- fair value through profit or loss (FVPL).

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 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 Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

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 Comprehensive Income and Expenditure Statement.

### Expected Credit Loss Model

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

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

#### Financial assets measured at fair value through profit or loss

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

#### Fair value measurements of financial assets

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

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

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

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

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

## 1.9 Government Grants and Contributions

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

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

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

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

Grant Income and Expenditure (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

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

#### Community Infrastructure Levy

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

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

### 1.10 Heritage Assets

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

- Ceramics, Jewellery, Regalia, Statues, Art Collection and Samplers together with Machinery, Equipment and Furniture – these are measured at insurance valuation, based on market value, at five yearly intervals. 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 1.14 in this summary of significant accounting policies. The trustees of the Council's 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 1.14 in this summary of significant accounting policies).



### 1.11 Joint Operations

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

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

### 1.12 Interests in companies and other entities

The Council has material interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures and require it to prepare group accounts. In the Council's own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses.

### 1.13 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.

## 1.14 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.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (ie it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

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 depreciated historical cost
- Other Land and Buildings – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.



Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

#### Valuation

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

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. Council Dwellings are valued using the beacon methodology in order to provide an accurate assessment of the vacant possession value of the Council's entire stock, with a full revaluation of each beacon property is undertaken on a five yearly basis. In the intervening periods a revaluation of a representative sample of the beacon properties is undertaken with the identified average percentage change in value (subject to the removal of outliers) being applied across the remaining beacons. 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 allocation over the estimated residual life of the asset	10-50
Community Assets	Straight line allocation over the estimated residual life of the asset	100
Surplus Assets	Straight line allocation over the life of the property as estimated by the Valuer	10-100

Where an item of property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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.

### 1.15 Provisions, Contingent Liabilities and Contingent Assets

#### Provisions

Provisions are made where an event has taken place on or before the Balance Sheet date 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.

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.

### 1.16 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.

### 1.17 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.

### 1.18 Value Added Tax

VAT payable is included as an expense only to the extent that it is not recoverable from HMRC. VAT receivable is excluded from income.

### 1.19 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 at fair value at each reporting date. Fair value 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 measurement assumes that the transaction to sell the asset takes place either:

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

The Council measures the fair value of an asset using the assumptions that market participants would use when pricing the asset, 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 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 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, either directly or indirectly
- Level 3 – unobservable inputs for the asset.

## 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:

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

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

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

The items in the Council's Balance Sheet at 31 March 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>	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.</p> <p>If the value of the Council's operational properties were to reduce by 10%, this would result in a charge to the Comprehensive Income and Expenditure Statement (CIES) of approximately £43m.</p>
Fair Value Measurements	<p>When the fair values of financial assets and financial liabilities cannot be measured, based on quoted prices in active markets (i.e. domestic Level 1 inputs), their fair value is measured using valuation techniques (eg quoted prices for similar assets or liabilities in active markets or the discounted cash flow (DCF) model). Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible, judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Council's assets and liabilities.</p> <p>Where Level 1 inputs are not available, the Council employs relevant experts to identify the most appropriate valuation techniques to determine fair value.</p>	<p>The Council uses a combination of indexation techniques, beacon valuations and discounted cash flow (DCF) models to measure the fair value of its Surplus Assets and Assets Held for Sale under IFRS13 depending on which technique it considers most appropriate.</p> <p>The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, occupancy levels, floor area repairs backlogs, beacon classifications and others.</p> <p>Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for these assets.</p> <p>If property value were to reduce by 10%, this would lead to a £0.3m reduction. This would impact the Council's CIES Surplus/Deficit.</p>
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured; however, the assumptions interact in complex ways.</p> <p>During 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>

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.
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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 37.

## 7 TRUST FUNDS

The Council acts as sole trustee for two Trusts:

### The W.E. Knight Trust

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

### The Gilstrap Endowment

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

## 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.

RESTATED* 2022/23			2023/24		
Net Expenditure Chargeable to the General Fund & HRA Balances	Adjustment between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income & Expenditure Statement	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustment between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000	£'000	£'000	£'000
1,260	920	2,180	1,391	148	1,539
1,936	801	2,737	2,140	489	2,629
1,946	1,002	2,948	2,412	69	2,481
570	1,476	2,046	837	3,001	3,838
549	249	798	645	70	715
-13,039	10,649	-2,390	-12,949	18,010	5,061
6,640	2,150	8,790	7,541	2,773	10,314
1,260	6,287	7,547	1,435	3,179	4,614
<b>1,122</b>	<b>23,534</b>	<b>24,656</b>	<b>3,452</b>	<b>27,739</b>	<b>31,191</b>
3,080	-25,068	-21,988	-2,893	-19,505	-22,398
<b>4,202</b>	<b>-1,534</b>	<b>2,668</b>	<b>559</b>	<b>8,234</b>	<b>8,793</b>
General Fund & Earmarked Reserve	HRA & Earmarked Reserve	Total	General Fund & Earmarked Reserve	HRA & Earmarked Reserve	Total
£'000	£'000	£'000	£'000	£'000	£'000
-36,343	-7,294	-43,637	-32,320	-7,115	-39,435
4,023	179	4,202	-329	888	559
<b>-32,320</b>	<b>-7,115</b>	<b>-39,435</b>	<b>-32,649</b>	<b>-6,227</b>	<b>-38,876</b>
Closing Balances Split by Reserve:					
-1,500	-2,000	-3,500	-1,500	-2,000	-3,500
-30,820	-5,115	-35,935	-31,149	-4,227	-35,376
<b>-32,320</b>	<b>-7,115</b>	<b>-39,435</b>	<b>-32,649</b>	<b>-6,227</b>	<b>-38,876</b>

\* See Prior Period Adjustment note 43



## 9 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	3,003	-2	0	3,001
Heritage, Culture & the Arts	93	-23	0	70
Housing	18,169	-159	0	18,010
Strategy, Performance & Finance	2,988	-215	0	2,773
Sustainable Economic Development	3,238	-59	0	3,179
<b>Net Cost of Services</b>	<b>28,363</b>	<b>-624</b>	<b>0</b>	<b>27,739</b>
Other income and expenditure from the Expenditure and Funding Analysis	-20,428	915	8	-19,505
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>7,935</b>	<b>291</b>	<b>8</b>	<b>8,234</b>

## 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	1,465	15	-4	1,476
Heritage, Culture & the Arts	99	145	5	249
Housing	9,684	945	20	10,649
Strategy, Performance & Finance	712	1,287	151	2,150
Sustainable Economic Development	5,890	365	32	6,287
<b>Net Cost of Services</b>	<b>19,473</b>	<b>3,753</b>	<b>308</b>	<b>23,534</b>
Other income and expenditure from the Expenditure and Funding Analysis	-23,165	2,225	-4,128	-25,068
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>-3,692</b>	<b>5,978</b>	<b>-3,820</b>	<b>-1,534</b>

\* See Prior Period Adjustment note 43

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

### **Note 1 Adjustments for Capital Purposes**

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

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

### **Note 2 Net Change for the Pensions Adjustments**

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

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

### **Note 3 Other Differences**

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

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

## 10 EXPENDITURE AND INCOME ANALYSED BY NATURE

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

Expenditure/Income 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	<b>-39,074</b>
Income on Joint Associates	0	0	0	0	0	0	0	0	-139	<b>-139</b>
Interest and Investment Income	0	0	0	0	0	0	0	0	-3,103	<b>-3,103</b>
Income from Council Tax	0	0	0	0	0	0	0	0	-11,363	<b>-11,363</b>
Income from Non Domestic Rates	0	0	0	0	0	0	0	0	-20,277	<b>-20,277</b>
Housing Benefit Subsidy Rent Allowance	0	0	0	0	0	0	-9,810	0	0	<b>-9,810</b>
Housing Benefit Subsidy Rent Rebates	0	0	0	0	0	0	-8,541	0	0	<b>-8,541</b>
Grants and Contributions	-34	0	-713	-263	-402	-1,115	-554	-28,200	-11,723	<b>-43,004</b>
Disposal of Assets	0	0	0	0	0	0	0	0	-875	<b>-875</b>
<b>Total Income</b>	<b>-443</b>	<b>-2,053</b>	<b>-1,356</b>	<b>-362</b>	<b>-1,824</b>	<b>-29,244</b>	<b>-23,911</b>	<b>-29,513</b>	<b>-47,480</b>	<b>-136,186</b>
Employee Expenses	1,810	2,507	1,936	75	1,060	6,176	8,198	2,379	0	<b>24,141</b>
Other Service Expenses	-26	1,619	1,795	1,125	1,386	10,064	4,574	31,727	244	<b>52,508</b>
Housing Benefit Rent Allowance	0	0	0	0	0	0	9,900	0	0	<b>9,900</b>
Housing Benefit Rent Rebates	0	0	0	0	0	0	8,566	0	0	<b>8,566</b>
Expenditure on Joint Associates	0	0	0	0	0	0	0	0	156	<b>156</b>
Developers Contribution Payment	0	0	0	0	0	0	0	0	387	<b>387</b>
Depreciation, Amortisation and Impairment	198	556	106	3,000	93	18,059	2,987	21	0	<b>25,020</b>
Changes in Fair Value	0	0	0	0	0	0	0	0	360	<b>360</b>
Interest Payments	0	0	0	0	0	6	0	0	4,179	<b>4,185</b>
Non Domestic Rates Tariff & Deficit	0	0	0	0	0	0	0	0	14,462	<b>14,462</b>
Precepts and Levies	0	0	0	0	0	0	0	0	4,519	<b>4,519</b>
Payments to Housing Capital Receipts Pool	0	0	0	0	0	0	0	0	0	<b>0</b>
Disposal of Assets	0	0	0	0	0	0	0	0	775	<b>775</b>
<b>Total Operating Expenses</b>	<b>1,982</b>	<b>4,682</b>	<b>3,837</b>	<b>4,200</b>	<b>2,539</b>	<b>34,305</b>	<b>34,225</b>	<b>34,127</b>	<b>25,082</b>	<b>144,979</b>
<b>Surplus(-)/Deficit on Provision of Services</b>	<b>1,539</b>	<b>2,629</b>	<b>2,481</b>	<b>3,838</b>	<b>715</b>	<b>5,061</b>	<b>10,314</b>	<b>4,614</b>	<b>-22,398</b>	<b>8,793</b>



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	<b>-37,323</b>
Income on Joint Associates	0	0	0	0	0	0	0	0	-148	<b>-148</b>
Interest and Investment Income	0	0	0	0	0	0	0	0	-2,981	<b>-2,981</b>
Income from Council Tax	0	0	0	0	0	0	0	0	-11,004	<b>-11,004</b>
Income from Non Domestic Rates	0	0	0	0	0	0	0	0	-21,594	<b>-21,594</b>
Housing Benefit Subsidy Rent Allowance	0	0	0	0	0	0	-9,356	0	0	<b>-9,356</b>
Housing Benefit Subsidy Rent Rebates	0	0	0	0	0	0	-8,451	0	0	<b>-8,451</b>
Government Grants and Contributions	-13	-1	-49	-179	-103	-1,123	-959	-4,146	-12,774	<b>-19,347</b>
Disposal of Assets	0	0	0	0	0	0	0	0	-2,255	<b>-2,255</b>
<b>Total Income</b>	<b>-384</b>	<b>-1,916</b>	<b>-679</b>	<b>-317</b>	<b>-1,401</b>	<b>-28,023</b>	<b>-23,421</b>	<b>-5,562</b>	<b>-50,756</b>	<b>-112,459</b>
Employee Expenses	2,028	2,857	2,109	97	1,030	6,483	9,086	2,460	0	<b>26,150</b>
Other Service Expenses	-60	1,434	1,380	1,168	1,070	10,239	4,525	10,646	-293	<b>30,109</b>
Housing Benefit Rent Allowance	0	0	0	0	0	0	9,414	0	0	<b>9,414</b>
Housing Benefit Rent Rebates	0	0	0	0	0	0	8,497	0	0	<b>8,497</b>
Expenditure on Joint Associates	0	0	0	0	0	0	0	0	151	<b>151</b>
Developers Contribution Payment	0	0	0	0	0	0	0	0	1,262	<b>1,262</b>
Depreciation, Amortisation and Impairment	596	362	138	1,098	99	8,898	689	3	0	<b>11,883</b>
Changes in Fair Value	0	0	0	0	0	0	0	0	1,269	<b>1,269</b>
Interest Payments	0	0	0	0	0	13	0	0	7,158	<b>7,171</b>
Non Domestic Rates Tariff & Deficit	0	0	0	0	0	0	0	0	13,202	<b>13,202</b>
Precepts and Levies	0	0	0	0	0	0	0	0	4,103	<b>4,103</b>
Payments to Housing Capital Receipts Pool	0	0	0	0	0	0	0	0	0	<b>0</b>
Disposal of Assets	0	0	0	0	0	0	0	0	1,916	<b>1,916</b>
<b>Total Operating Expenses</b>	<b>2,564</b>	<b>4,653</b>	<b>3,627</b>	<b>2,363</b>	<b>2,199</b>	<b>25,633</b>	<b>32,211</b>	<b>13,109</b>	<b>28,768</b>	<b>115,127</b>
<b>Surplus(-)/Deficit on Provision of Services</b>	<b>2,180</b>	<b>2,737</b>	<b>2,948</b>	<b>2,046</b>	<b>798</b>	<b>-2,390</b>	<b>8,790</b>	<b>7,547</b>	<b>-21,988</b>	<b>2,668</b>

\* See Prior Period Adjustment note 43

## 11 ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

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

### General Fund Balance

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

### Housing Revenue Account Balance

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

### Major Repairs Reserve

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

### Capital Grants Unapplied

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

### Capital Receipts Reserve

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

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



2022/23 Usable Reserves	General Fund Balance	Housing Revenue Account	Major Repairs Reserve	Capital Grants Unapplied	Capital Receipts Reserve	Movement in Unusable Reserves
RESTATED*	£'000	£'000	£'000	£'000	£'000	£'000
<b>Adjustments to the Revenue Resources</b>						
<b>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:</b>						
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
Holiday pay (transferred to the Accumulated Absences Reserve)	-309	0	0	0	0	309
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to CAA):	-1,397	-10,224	0	-1,007	0	12,628
<b>Total Adjustments to Revenue Resources</b>	<b>-2,697</b>	<b>-11,487</b>	<b>0</b>	<b>-1,007</b>	<b>0</b>	<b>15,191</b>
<b>Adjustments between Revenue and Capital Resources</b>						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	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
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>4,419</b>	<b>11,299</b>	<b>-2,926</b>	<b>0</b>	<b>-2,986</b>	<b>-9,806</b>
<b>Adjustments to Capital Resources</b>						
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
<b>Total Adjustments to Capital Resources</b>	<b>0</b>	<b>0</b>	<b>7,132</b>	<b>12</b>	<b>4,522</b>	<b>-11,666</b>
<b>Total Adjustments</b>	<b>1,722</b>	<b>-188</b>	<b>4,206</b>	<b>-995</b>	<b>1,536</b>	<b>-6,281</b>

\* See Prior Period Adjustment note 43

## 12 TRANSFERS TO/FROM(-) EARMARKED RESERVES

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

	Balance as at 31st March 2022 £'000	Movement in Year £'000	Balance as at 31st March 2023 £'000	Movement in Year £'000	Balance as at 31st March 2024 £'000
<b>General Fund for known pressures Reserves</b>					
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
Mangement 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

<b>Total for known pressures</b>	<b>20,671</b>	<b>-4,538</b>	<b>16,133</b>	<b>1,762</b>	<b>17,895</b>
<b>Reserves</b>					
Change Management	13,097	1,074	14,171	-2,185	11,986
<b>Total General Fund Revenue</b>	<b>33,768</b>	<b>-3,464</b>	<b>30,304</b>	<b>-423</b>	<b>29,881</b>
<u>Capital Revenue Reserves</u>					
Capital Revenue Financing	1,075	-559	516	752	1,268
<b>Total General Fund Capital</b>	<b>1,075</b>	<b>-559</b>	<b>516</b>	<b>752</b>	<b>1,268</b>
<b>Total General Fund Earmarked Reserves</b>	<b>34,843</b>	<b>-4,023</b>	<b>30,820</b>	<b>329</b>	<b>31,149</b>
<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
<b>Total HRA Revenue</b>	<b>5,294</b>	<b>-179</b>	<b>5,115</b>	<b>-888</b>	<b>4,227</b>
<b>Total General Fund and HRA Earmarked Reserves</b>	<b>40,137</b>	<b>-4,202</b>	<b>35,935</b>	<b>-559</b>	<b>35,376</b>

**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.

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

### 13 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
<b>3,475 Total</b>	<b>4,686</b>

### 14 FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2022/23 £'000	2023/24 £'000
4,942 Interest payable and similar charges	3,266
2,217 Net interest on the net defined benefit liability (asset)	914
-2,981 Interest receivable and similar income	-3,102
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
<b>5,447 Total</b>	<b>1,430</b>

### 15 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	-4,732
<b>-30,910 Total</b>	<b>-28,514</b>



## 16 OFFICIALS' EMOLUMENTS

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

	2022/23 £	2023/24 £
<b><u>Chief Executive</u></b>		
Salary, Fees & Allowances	132,142	136,754
Expenses Allowances	398	499
Employer's Contribution to Pension	23,123	25,128
% Employee's Contribution to Pension	11.4%	11.4%
<b><u>Deputy Chief Executive &amp; Director of Resources</u></b>		
Salary, Fees & Allowances	108,888	112,761
Expenses Allowances	160	70
Employer's Contribution to Pension	19,066	20,974
% Employee's Contribution to Pension	10.5%	10.5%
<b><u>Director of Customer Services &amp; Organisational Development</u></b>		
Salary, Fees & Allowances	80,956	83,980
Expenses Allowances	59	99
Employer's Contribution to Pension	14,167	15,620
% Employee's Contribution to Pension	9.9%	9.9%
<b><u>Director of Communities &amp; Environment</u></b>		
Salary, Fees & Allowances	89,159	92,344
Expenses Allowances	88	87
Employer's Contribution to Pension	15,599	17,176
% Employee's Contribution to Pension	9.9%	9.9%
<b><u>Director of Planning &amp; Growth</u></b>		
Salary, Fees & Allowances	89,137	93,154
Expenses Allowances	71	100
Employer's Contribution to Pension	15,599	17,327
% Employee's Contribution to Pension	9.9%	9.9%
<b><u>Director of Housing, Health &amp; Welbeing</u></b>		
Salary, Fees & Allowances	89,137	92,687
Expenses Allowances	66	94
Employer's Contribution to Pension	15,599	17,240
% Employee's Contribution to Pension	9.9%	9.9%
<b><u>Assistant Director Law &amp; Democratic Services</u></b>		
Salary, Fees & Allowances	76,210	78,877
Expenses Allowances	0	0
Employer's Contribution to Pension	13,337	14,671
% 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
£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
<b>Total</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>8</b>	<b>25</b>

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
<b>Total</b>	<b>30</b>	<b>0</b>	<b>29</b>

Bandings are removed where each financial year has no value.

## 17 RELATED PARTY TRANSACTIONS

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

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

Party	Disclosure
<ul style="list-style-type: none"> <li>• 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.</li> </ul>	Comprehensive Income and Expenditure Statement Cash Flow Statement
<ul style="list-style-type: none"> <li>•Members of the council have direct control over the council's financial and operating policies.</li> </ul>	Note 19 Members Allowances
<ul style="list-style-type: none"> <li>•Precepts from other Local Authorities.</li> </ul>	Collection Fund Accounts
<ul style="list-style-type: none"> <li>•Arkwood Developments Ltd is a wholly owned subsidiary of the Council.</li> </ul>	Group Accounts
<ul style="list-style-type: none"> <li>•Active4Today Ltd is a wholly owned subsidiary of the Council.</li> </ul>	Group Accounts
<ul style="list-style-type: none"> <li>•RHH Newark Ltd is a 50% owned joint venture of the Council.</li> </ul>	Group Accounts
<ul style="list-style-type: none"> <li>•The Council has joint control of Mansfield Crematorium.</li> </ul>	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	5	0

## 18 MEMBERS ALLOWANCES

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

## 19 GRANT INCOME

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

2022/23 £'000	2023/24 £'000
<b><u>Credited to Taxation and Non Specific Grant</u></b>	
-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
<b><u>Capital Related:</u></b>	
0 Recycled Capital Housing Grant	-610
-140 Supported Housing	0
-1,654 Developers Contributions (Net of Payments)	413
-7,239 Other Grants and Contributions	-508
-304 Towns Fund - Stodman Street Regeneration	-1,574
0 DLHUC - Housing Fund	-1,222
0 Decarbonisation	-818
<b>-15,446 Total</b>	<b>-11,336</b>
<b><u>Credited to Services</u></b>	
-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
<b><u>Capital Related:</u></b>	
-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
<b>-24,381 Total</b>	<b>-49,632</b>

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

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
	<i>Capital Related:</i>	
0	Government	0
-6,893	Section 106	-8,039
-48	Other Third Parties	0
	<i>Revenue Related:</i>	
-126	Government	-166
-82	Section 106	-99
-54	Other Third Parties	-55
<b>-7,203</b>		<b>-8,359</b>

**20 AUDIT FEE**

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

2022/23 £'000	Fees Payable to Mazars LLP in respect of:	2023/24 £'000
50	External Audit Services	148
3	Other Services	5
<b>53</b>	<b>Total</b>	<b>153</b>

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

## 21 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	
<b>Cost or Valuation</b>									
<b>At April 2023</b>	<b>343,441</b>	<b>87,775</b>	<b>13,151</b>	<b>448</b>	<b>179</b>	<b>0</b>	<b>10,509</b>	<b>455,503</b>	
Additions	11,018	4,049	2,147	0	0	0	6,216	23,430	
Donations	0	125	0	0	0	0	0	125	
Revaluation increases/decreases(-)to Revaluation Reserve	-4,130	-658	0	0	0	0	0	-4,788	
Revaluation increases/decreases(-) to Surplus/Deficit on the Provision of Services	-8,020	-9,487	0	0	0	0	0	-17,507	
Derecognition - Disposals	0	0	-651	0	0	0	0	-651	
Derecognition - Other						0		0	
Assets reclassified to(-)/from Held for Sale	103	0	0	0	0	0	0	103	
Reclassifications - Other	4,106	2,849	187	0	0	0	-7,142	0	
<b>At 31 March 2024</b>	<b>346,518</b>	<b>84,653</b>	<b>14,834</b>	<b>448</b>	<b>179</b>	<b>0</b>	<b>9,583</b>	<b>456,215</b>	
<b>Accumulated Depreciation &amp; Impairment</b>									
<b>At April 2023</b>	<b>0</b>	<b>821</b>	<b>5,867</b>	<b>152</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,840</b>	
Depreciation charge	5,481	1,363	1,226	35	0	0	0	8,105	
Depreciation written out to the Revaluation Reserve	-5,124	-1,145	0	0	0	0	0	-6,269	
Depreciation written out to the Surplus/Deficit on the Provision of Services	-358	-267	0	0	0	0	0	-625	
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	-69	0	0	0	0	68	0	
<b>At 31 March 2024</b>	<b>0</b>	<b>703</b>	<b>6,442</b>	<b>187</b>	<b>0</b>	<b>0</b>	<b>68</b>	<b>7,400</b>	
<b>Net Book Value</b>									
<b>at 31 March 2024</b>	<b>346,518</b>	<b>83,950</b>	<b>8,392</b>	<b>261</b>	<b>179</b>	<b>0</b>	<b>9,515</b>	<b>448,815</b>	
<b>at 31 March 2023</b>	<b>343,441</b>	<b>86,954</b>	<b>7,284</b>	<b>296</b>	<b>179</b>	<b>0</b>	<b>10,509</b>	<b>448,663</b>	

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
<b>RESTATED*</b>								
<b>Cost or Valuation</b>								
<b>At April 2022</b>	<b>323,686</b>	<b>80,290</b>	<b>12,697</b>	<b>448</b>	<b>120</b>	<b>0</b>	<b>7,993</b>	<b>425,234</b>
Additions	7,704	4,179	2,068	0	59	0	5,996	<b>20,006</b>
Donations	0	0	0	0	0	0	0	<b>0</b>
Revaluation increases/decreases(-)to Revaluation Reserve	12,504	5,621	0	0	0	0	0	<b>18,125</b>
Revaluation increases/decreases(-) to Surplus/Deficit on the Provision of Services	-2,884	-1,807	0	0	0	0	0	<b>-4,691</b>
Derecognition - Disposals	0	-40	-1,614	0	0	0	0	<b>-1,654</b>
Derecognition - Other	0	0	0	0	0	0	0	<b>0</b>
Assets reclassified to(-)/from Held for Sale	-1,453	0	0	0	0	0	0	<b>-1,453</b>
Reclassifications - Other	3,884	-468	0	0	0	0	-3,480	<b>-64</b>
<b>At 31 March 2023</b>	<b>343,441</b>	<b>87,775</b>	<b>13,151</b>	<b>448</b>	<b>179</b>	<b>0</b>	<b>10,509</b>	<b>455,503</b>
<b>Accumulated Depreciation &amp; Impairment</b>								
<b>At April 2022</b>	<b>0</b>	<b>854</b>	<b>6,460</b>	<b>117</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,431</b>
Depreciation charge	5,154	1,374	1,008	35	0	0	0	<b>7,571</b>
Depreciation written out to the Revaluation Reserve	-4,898	-1,235	0	0	0	0	0	<b>-6,133</b>
Depreciation written out to the Surplus/Deficit on the Provision of Services	-259	-167	0	0	0	0	0	<b>-426</b>
Impairment losses/reversals(-) to Revaluation Reserve	0	0	0	0	0	0	0	<b>0</b>
Impairment losses/reversals(-) to Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0	<b>0</b>
Derecognition - Disposals	-1	-1	-1,601	0	0	0	0	<b>-1,603</b>
Reclassifications	4	-4	0	0	0	0	0	<b>0</b>
<b>At 31 March 2023</b>	<b>0</b>	<b>821</b>	<b>5,867</b>	<b>152</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,840</b>
<b>Net Book Value</b>								
<b>at 31 March 2023</b>	<b>343,441</b>	<b>86,954</b>	<b>7,284</b>	<b>296</b>	<b>179</b>	<b>0</b>	<b>10,509</b>	<b>448,663</b>
<b>at 31 March 2022</b>	<b>323,686</b>	<b>79,436</b>	<b>6,237</b>	<b>331</b>	<b>120</b>	<b>0</b>	<b>7,993</b>	<b>417,803</b>

\* See Prior Period Adjustment note 43



## 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 £0.277m. Similar commitments at 31 March 2023 were £27.557m.

## 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 Surplus £'000	Total £'000
Valued at Historical Cost	0	0	14,834	448	179	9,583	25,044
Valued at Current Value in:							
31 March 24	346,518	63,024	0	0	0	0	409,542
31 March 23	0	4,495	0	0	0	0	4,495
31 March 22	0	10,391	0	0	0	0	10,391
31 March 21	0	5,425	0	0	0	0	5,425
31 March 20	0	360	0	0	0	0	360
	<b>346,518</b>	<b>83,695</b>	<b>14,834</b>	<b>448</b>	<b>179</b>	<b>9,583</b>	<b>455,257</b>
Non Revaluation adjustments	0	958	0	0	0	0	958
<b>Gross Book Value</b>	<b>346,518</b>	<b>84,653</b>	<b>14,834</b>	<b>448</b>	<b>179</b>	<b>9,583</b>	<b>456,215</b>

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

## 22 LEASES - DISCLOSURE AS LESSEE

### Finance Leases

The Council has two finance leases, a 25 year lease on the Beaumont Cross site, for the hotel and retail units on commercial terms, and a 25 year lease on Southwell Leisure Centre at nil consideration. 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
<b>2,202 Balance at 1 April</b>	<b>2,152</b>
185 Additions	150
0 Revaluations	-474
-86 Depreciation	-94
0 Disposals	0
-149 Early Termination of Lease due to purchase	0
<b>2,152 Net Book Value at 31 March</b>	<b>1,734</b>

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
<b>7,128 Minimum Lease Repayments</b>	<b>6,820</b>

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

2022/23			2023/24	
Minimum Lease Payments	Finance Lease Liabilities (NPV)		Minimum Lease Payments	Finance Lease Liabilities (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
<b>7,130</b>	<b>5,009</b>	<b>Total</b>	<b>6,820</b>	<b>4,864</b>

The Council sub-lets the hotel asset on the Beaumont 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	29
126	Later than one year and not later than five years	119
2,131	Later than five years	1,297
<b>2,288</b>	<b>Total Operating Lease Costs</b>	<b>1,445</b>

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	29
<b>46</b>	<b>Total Operating Lease Costs</b>	<b>29</b>

## 23 LEASES - DISCLOSURE AS LESSOR

### Finance Leases

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

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

The Council Sub lets the hotel asset on the Beaumont Cross site, on a finance lease with a remaining term of 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
<b>7,021 Minimum Lease Repayments</b>	<b>6,716</b>

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 Investment in the Lease £'000	Minimum Lease Payments £'000	Gross Investment in the Lease £'000
305	112	305	118
1,221	504	1,221	527
5,495	3,838	5,189	3,697
<b>7,021</b>	<b>4,454 Total</b>	<b>6,715</b>	<b>4,342</b>



## 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	3,609
<b>10,005 Total Operating Lease Costs</b>	<b>7,048</b>

## 24 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
<b>23,234 Total Cash and Cash Equivalents</b>	<b>15,956</b>

## 25 HERITAGE ASSETS

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

	Museum Collection £'000	Other Assets £'000	Total Assets £'000
<b>Cost or Valuation</b>			
<b>At 1 April 2023</b>	<b>3,450</b>	<b>110</b>	<b>3,560</b>
Additions	0	0	0
Revaluations	0	0	0
<b>At 31 March 2024</b>	<b>3,450</b>	<b>110</b>	<b>3,560</b>
<b>Cost or Valuation</b>			
<b>At 1 April 2022</b>	<b>1,930</b>	<b>90</b>	<b>2,020</b>
Additions	0	0	0
Revaluations	1,520	20	1,540
<b>At 31 March 2023</b>	<b>3,450</b>	<b>110</b>	<b>3,560</b>

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

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

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

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

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

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

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

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

## 26 ASSETS HELD FOR SALE

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

2022/23 £'000	2023/24 £'000
<b>4,418</b>	<b>4,054</b>
Assets newly classified as held for sale:	
1,576	3,610
Assets declassified as held for sale:	
-1,817	-757
-123	-3,713
<b>4,054</b>	<b>3,194</b>

## 27 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
<b>Balance at start of year:</b>	
1,722	1,675
-1,385	-1,299
<b>337</b>	<b>376</b>
Movements:	
49	334
-14	0
-60	-59
64	0
<b>376</b>	<b>651</b>
Comprising:	
1,675	1,970
-1,299	-1,319
<b>376</b>	<b>651</b>



**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
<b>1,334 Total Debtors for Local Taxation</b>	<b>950</b>

**30 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
<b>17,379 Short Term Creditors</b>	<b>17,905</b>
0 Other Payables	0
<b>0 Long Term Creditors</b>	<b>0</b>
<b>17,379 Total</b>	<b>17,905</b>

**31 PROVISIONS**

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

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

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



## 32 USABLE RESERVES

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

## 33 UNUSABLE RESERVES

RESTATED	
2022/23	2023/24
£'000	£'000
153,332 Revaluation Reserve	152,027
168,648 Capital Adjustment Account	172,574
-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
<b>306,954 Total Unusable Reserves</b>	<b>317,718</b>

### 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.

RESTATED*	
2022/23	2023/24
£'000	£'000
<b>130,726 Balance at 1 April</b>	<b>153,332</b>
38,834 Upward revaluations of assets	13,049
-13,037 Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	-11,568
<b>25,797 Surplus or deficit(-) on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services</b>	<b>1,481</b>
-2,230 Difference between fair value depreciation and historical cost depreciation	-2,546
-961 Accumulated gains on assets sold or scrapped	-240
<b>-3,191 Amount written off to the Capital Adjustment Account</b>	<b>-2,786</b>
<b>153,332 Balance at 31 March</b>	<b>152,027</b>

\* See Prior Period Adjustment note 43

**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.

<b>RESTATED*</b>		
<b>2022/23</b>		<b>2023/24</b>
<b>£'000</b>		<b>£'000</b>
<b>156,505</b>	<b>Balance as at 1st April</b>	<b>168,648</b>
	<b>Reversal of items relating to capital expenditure debited or credited to the CIES:</b>	
-7,570	Charges for depreciation and impairment of non-current assets	-8,105
-4,263	Revaluation losses on Property, Plant and Equipment	-16,879
-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
<b>-25,194</b>		<b>-57,795</b>
961	Adjusting amounts written out of the Revaluation Reserve	240
<b>-24,233</b>	<b>Net written out amount of the cost of non-current assets consumed in the year</b>	<b>-57,555</b>
	<b>Capital financing applied in the year:</b>	
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	33,139
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
<b>34,146</b>		<b>58,935</b>
2,230	Adjustment between Capital Adjustment Account and Revaluation Reserve for depreciation that relates to the revaluation balance rather than historic cost	2,546
<b>168,648</b>	<b>Balance at 31 March</b>	<b>172,574</b>

\* See Prior Period Adjustment note 43

## 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
<b>-110 Balance at 1 April</b>	<b>-106</b>
4 Differences between statutory debits/credits and amounts recognised as income and expenditure in relation to financial instruments	3
<b>-106 Balance at 31 March</b>	<b>-103</b>

## 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
<b>-85,489 Balance at 1 April</b>	<b>-19,731</b>
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
<b>-19,731 Balance at 31 March</b>	<b>-11,842</b>

**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
<b>-1,562 Balance at 1 April</b>	<b>-268</b>
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
<b>-268 Balance at 31 March</b>	<b>-107</b>
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
<b>-268 Balance at 31 March</b>	<b>-107</b>

**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
<b>6,912 Balance at 1 April</b>	<b>6,805</b>
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
<b>6,805 Balance at 31 March</b>	<b>6,692</b>

**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
<b>156 Balance at 1 April</b>	<b>-1,521</b>
0 Upward revaluation of investments	242
-1,677 Downward revaluation of investments	-237
<b>-1,521 Balance at 31 March</b>	<b>-1,516</b>

### 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
<b>-5,402 Balance at 1 April</b>	<b>-7</b>
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
<b>-7 Balance at 31 March</b>	<b>342</b>

### 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
<b>-91 Balance at 1 April</b>	<b>-400</b>
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
<b>-400 Balance at 31 March</b>	<b>-400</b>

## 34 CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities to disclose.



## 35 CASH FLOW STATEMENTS

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

RESTATED	
2022/23	2023/24
£'000	£'000
<b>-2,668</b>	<b>-8,793</b>
<b>Net Surplus or Deficit(-) on the Provision of Services</b>	
<b>Adjust net surplus or deficit on the provision of services for non-cash movements</b>	
7,570	8,105
4,262	16,880
60	59
-407	365
Depreciation of Property, Plant and Equipment	
Impairment and downward valuations	
Amortisation of Intangible Assets	
Material impairment losses on Investments debited to surplus or deficit on the provision of services in year	
1,676	-4
Adjustment for movements in fair value of investments classified as Fair Value through Profit & Loss a/c	
-56	56
Increase/Decrease(-) in interest Creditors	
-6,833	-292
Increase/Decrease(-) in Creditors	
-210	-677
Increase(-)/Decrease in interest and dividend Debtors	
392	2,310
Increase(-)/Decrease in Debtors	
6	-2
Increase(-)/Decrease in Inventories	
5,978	292
Pension Liability	
-3	-891
Increase/Decrease(-) in Provisions	
1,885	758
Carrying amount of non-current assets and non-current Assets Held For Sale, sold or derecognised	
<b>14,320</b>	<b>26,959</b>
<b>Total</b>	
<b>Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities</b>	
0	0
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	
-13,576	-32,605
Capital Grants credited to surplus or deficit on the Provision of Services	
538	0
Premiums or Discounts on the repayment of financial liabilities	
-2,985	-857
Proceeds from the sale of Property Plant and Equipment, Investment Property and Intangible Assets	
<b>-16,023</b>	<b>-33,462</b>
<b>Total</b>	
<b>-4,371</b>	<b>-15,296</b>
<b>Net Cash Flows from Operating Activities</b>	

\* See Prior Period Adjustment note 43

### B Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2022/23	2023/24
£'000	£'000
2,765	2,426
Interest received	
-3,621	-3,208
Interest paid	
<b>-856</b>	<b>-782</b>
<b>Total</b>	

**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	-20,693
-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	15,095
<b>8,408</b>	<b>Net cash flows from investing activities</b>	<b>15,271</b>

**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
<b>-8,461</b>	<b>Net cash flows from financing activities</b>	<b>-7,253</b>

**36 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

	2023/24		Non-cash changes		2023/24
	1 April	Financing Cash Flows	Acquisit- ion	Other non-cash changes	
	£'000	£'000	£'000	£'000	£'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
<b>Total Liabilities from financing activities</b>	<b>95,818</b>	<b>-5,492</b>	<b>0</b>	<b>0</b>	<b>90,326</b>

### 37 JOINT CREMATORIUM COMMITTEE

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

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

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

2022/23			2023/24	
Total £'000	NSDC Share £'000	Balance Sheet	Total £'000	NSDC Share £'000
1,784	224	Property, Plant and Equipment	2,300	257
<b>1,784</b>	<b>224</b>	<b>Long Term Assets</b>	<b>2,300</b>	<b>257</b>
280	26	Short Term Debtors	292	27
2,079	220	Cash and Cash Equivalents	2,123	223
<b>2,359</b>	<b>246</b>	<b>Current Assets</b>	<b>2,415</b>	<b>250</b>
-992	-87	Short Term Creditors	-1,064	-92
<b>-992</b>	<b>-87</b>	<b>Current Liabilities</b>	<b>-1,064</b>	<b>-92</b>
-268	-66	Pensions	-107	-56
<b>-268</b>	<b>-66</b>	<b>Long Term Liabilities</b>	<b>-107</b>	<b>-56</b>
<b>2,883</b>	<b>317</b>	<b>Net Assets</b>	<b>3,544</b>	<b>359</b>
<b>Financed By:</b>				
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
<b>2,883</b>	<b>317</b>	<b>Total Reserves</b>	<b>3,544</b>	<b>359</b>

## 38 POST EMPLOYMENT BENEFITS

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

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

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

These transactions are as follows:-

2022/23 £'000	2023/24 £'000
<b>Comprehensive Income and Expenditure Statement</b>	
<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
<b>9,670 Total charged to Surplus/Deficit on Provision of Services</b>	<b>4,307</b>
<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
<b>71,824 Total charged to Other Comprehensive Income and Expenditure</b>	<b>8,191</b>
<b>81,494 Total charged to Comprehensive Income and Expenditure Statement</b>	<b>12,498</b>
<b>Movement in Reserves Statement</b>	
-5,723 Reversal of net charges made for retirement benefits	-292
<b>Actual amount charged against the General Fund Balance</b>	
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
<b>213,553 1st April</b>	<b>144,926</b>
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
<b>144,926 31st March</b>	<b>147,460</b>



Reconciliation of fair value of the scheme assets:

2022/23 £'000	2023/24 £'000
<b>128,654 1st April</b>	<b>125,128</b>
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
<b>125,128 31st March</b>	<b>135,562</b>

### 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
<b>Net liability</b>	<b>-11,898</b>	<b>-19,798</b>	<b>-84,899</b>	<b>-95,246</b>	<b>-71,489</b>

### 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
<b>77,571</b>				<b>86,307</b>
	Gilts			
2,586	UK fixed interest	3,246	0	3,246
<b>2,586</b>				<b>3,246</b>
	Other Bonds			
1,235	UK corporates	0	0	0
6,175	Overseas corporates	6,724	0	6,724
<b>7,410</b>				<b>6,724</b>
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
<b>125,110</b>		<b>91,937</b>	<b>43,602</b>	<b>135,539</b>

**Projected Pension Expense for the Year to 31 March 2025**

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

## 39 FINANCIAL INSTRUMENTS – RISK AND RISK MANAGEMENT

### Disclosure of nature and extent of Risk arising from Financial Instruments

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

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

### Overall Procedures for Managing Risk

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

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

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

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

### Credit Risk: Treasury Investment

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

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

A summary of the credit quality of the Council's investments at 31 March 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	0	
0	0	BBB+	0	2,000	
15,384	0	N/A	15,024	0	
<b>15,384</b>	<b>49,575</b>	<b>Total</b>	<b>15,024</b>	<b>21,910</b>	

### 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
Santander UK Plc - 180 day notice a/c	5,000	0.022%	1,090
Close Brothers	2,000	0.033%	652
<b>Total</b>	<b>21,910</b>		<b>1,748</b>

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
	<b>1,258</b>			<b>60</b>	<b>89</b>

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
<b>Debtor Analysis</b>	
638 Up to 30 days	260
44 31 to 60 days	33
6 61 to 90 days	1
775 Greater than 90 days	792
<b>1,463 Total</b>	<b>1,086</b>

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	Time to Maturity (years)	£'000	£'000	£'000
5,834	50,099	44,265	Not over 1	3,565	21,910	18,345
3,000	0	-3,000	Over 1 but not over 2	5,041	0	-5,041
14,009	15,384	1,375	Over 2 but not over 5	18,136	10,985	-7,151
15,994	0	-15,994	Over 5 but not over 10	7,856	0	-7,856
48,432	0	-48,432	Over 10	47,365	4,039	-43,326
3,500	0	-3,500	Uncertain date*	3,500	0	-3,500
<b>90,769</b>	<b>65,483</b>	<b>-25,286</b>	<b>Total</b>	<b>85,463</b>	<b>36,934</b>	<b>-48,529</b>

\* The Council has £3.5m (2022/23: £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	-581
<b>Impact on Surplus or Deficit on the Provision of Services</b>	<b>-581</b>
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.

## 40 FINANCIAL INSTRUMENTS – BALANCES

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

	Long Term		Current	
	2023/24	2022/23	2023/24	2022/23
	£'000	£'000	£'000	£'000
<b>Financial Assets</b>				
Investments				
Principal at amortised cost	0	0	7,000	27,000
Accrued Interest	0	0	249	435
Fair Value through Profit and Loss	15,024	15,384	0	0
<b>Total Financial Assets</b>	<b>15,024</b>	<b>15,384</b>	<b>7,249</b>	<b>27,435</b>
Cash and Cash Equivalents				
Cash (including bank accounts)	0	0	974	573
Cash equivalents at amortised cost	0	0	14,910	22,575
Accrued interest	0	0	87	89
<b>Total Cash and Cash Equivalents</b>	<b>0</b>	<b>0</b>	<b>15,971</b>	<b>23,237</b>
Loans and Receivables				
Trade Debtors	0	0	1,258	1,851
Other Debtors	6,598	6,719	1,001	1,503
Loans	0	0	0	0
<b>Total Loans and Receivables</b>	<b>6,598</b>	<b>6,719</b>	<b>2,259</b>	<b>3,354</b>
<b>Total</b>	<b>21,622</b>	<b>22,103</b>	<b>25,479</b>	<b>54,026</b>

	Long Term		Current	
	2023/24	2022/23	2023/24	2022/23
	£'000	£'000	£'000	£'000
<b>Financial Liabilities</b>				
Principal sum borrowed at Amortised cost	78,401	81,435	7,062	9,334
Accrued Interest	0	0	803	747
Fair Value through Profit and Loss	0	0	0	0
<b>Total Financial Liabilities</b>	<b>78,401</b>	<b>81,435</b>	<b>7,865</b>	<b>10,081</b>
Trade Creditors	0	0	9,206	5,658
Other Creditors	221	0	277	1,242
Finance Lease Liability	4,714	4,864	150	145
Provisions	0	0	0	0
<b>Total Non-Financial Liabilities</b>	<b>4,935</b>	<b>4,864</b>	<b>9,633</b>	<b>7,045</b>
<b>Total</b>	<b>83,336</b>	<b>86,299</b>	<b>17,498</b>	<b>17,126</b>

Note – Fair value has been measured by:

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

## 41 FINANCIAL INSTRUMENTS – GAINS/LOSSES

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

	Financial Liabilities		Financial Assets	
	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
<b>Total Net (Gains) / Losses</b>	<b>0</b>	<b>0</b>	<b>360</b>	<b>1,269</b>
Interest expense	3,239	4,189	0	0
<b>Interest Payable and Similar Charges</b>	<b>3,239</b>	<b>4,189</b>	<b>0</b>	<b>0</b>
Interest income	0	0	-3,052	-2,930
<b>Interest and Investment Income</b>	<b>0</b>	<b>0</b>	<b>-3,052</b>	<b>-2,930</b>

## 42 FINANCIAL INSTRUMENTS – FAIR VALUES

Basis for recurring fair value measurements:

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

### Fair Value of Financial Assets

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

Financial assets measured at fair value	Input Level in Fair Value Hierarchy	Valuation technique used to measure fair value	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
<b>Total</b>			<b>15,023</b>	<b>15,384</b>

\*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
<b>Total</b>	<b>16,500</b>	<b>0</b>	<b>16,500</b>	<b>-1,116</b>	<b>-361</b>	<b>-1,477</b>	<b>15,023</b>

### 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
<b>Opening balance</b>	<b>4,404</b>	<b>3,997</b>
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
<b>Closing Balance</b>	<b>4,039</b>	<b>4,404</b>

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		
	Fair Value Level	£'000 Balance Sheet	£'000 Fair value	£'000 Balance Sheet	£'000 Fair value
<i>Financial Liabilities held at amortised cost:</i>					
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
<b>Total</b>		<b>86,266</b>	<b>70,321</b>	<b>91,516</b>	<b>79,404</b>
<i>Liabilities for which fair value is not disclosed:</i>					
Short-term creditors		9,483	9,483	6,900	6,900
Long term Creditors		221	221	0	0
Finance Lease Liabilities		4,864	4,864	5,009	5,009
<b>Total</b>		<b>14,568</b>	<b>14,568</b>	<b>11,909</b>	<b>11,909</b>
<b>Total Liabilities</b>		<b>100,834</b>	<b>84,889</b>	<b>103,425</b>	<b>91,313</b>

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		
	Fair Value Level	£'000 Balance Sheet £'000	£'000 Fair value £'000	£'000 Balance Sheet £'000	£'000 Fair value £'000
<i>Financial assets held at amortised cost:</i>					
Long term investments	2	0	0	0	0
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Assets for which fair value is not disclosed:</i>					
Short term Debtors		2,259	2,259	3,354	3,354
Long term Debtors		6,598	6,598	6,719	6,719
Short term investments		7,249	7,249	27,435	27,435
Cash and Cash Equivalents		15,971	15,971	23,237	23,237
<b>Total</b>		<b>32,077</b>	<b>32,077</b>	<b>60,745</b>	<b>60,745</b>
<b>Total Assets</b>		<b>32,077</b>	<b>32,077</b>	<b>60,745</b>	<b>60,745</b>

## 43 PRIOR PERIOD ADJUSTMENT

A review of the Council's gross internal and land area measurements used in a number of high valued assets has identified an error. Additionally, another error was found in a land valuation due to the incorrect basis of valuation being used as well as the incorrect land area measurement.

An adjustment was made to reflect the corrected valuations of the assets identified in the 2021/22 PPE, CAA and Revaluation Reserve closing balances. Further to this, the depreciation and relevant revaluation charges to the income and expenditure charges in 2022/23 have been corrected.

	Balance Sheet Adjustment		
	Property, Plant and Equipment £'000	Revaluation Reserve £'000	Capital Adjustment Account £'000
<b>Closing Balance 2021/22</b>	<b>425,254</b>	<b>138,233</b>	<b>156,449</b>
Adjustment of movement in valuations	-7,451	-7,507	56
<b>Adjusted Closing Balance 2021/22</b>	<b>417,803</b>	<b>130,726</b>	<b>156,505</b>
<b>Opening Balance 2022/23</b>	<b>417,803</b>	<b>130,726</b>	<b>156,505</b>

	Balance Sheet Adjustment		
	Property, Plant and Equipment £'000	Revaluation Reserve £'000	Capital Adjustment Account £'000
<b>Closing Balance 2022/23</b>	<b>453,071</b>	<b>157,773</b>	<b>168,616</b>
Adjustment of movement in valuations in 21/22	-7,451	-7,507	56
Adjustment for Depreciation	109	0	109
Adjustment for Revaluation Charges	2,934	2,957	-23
Adjustment for HCA-CCA Adj	0	109	-110
<b>Adjusted Closing Balance 2022/23</b>	<b>448,663</b>	<b>153,332</b>	<b>168,648</b>
<b>Opening Balance 2023/24</b>	<b>448,663</b>	<b>153,332</b>	<b>168,648</b>

The following line adjustments will affect various tables within the document, including the core tables of the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement and the Cash Flow. Additionally, numerous notes will also be impacted by the Prior Period Adjustment. These notes will feature an asterisk on the 'Restated' section of the 2022/23 table, referring back to this note.

	£'000
<b>Health, Wellbeing and Leisure - 2022/23 Gross Expenditure</b>	<b>2,450</b>
Adjustment for Depreciation	-110
Adjustment for Revaluation Charges to the I&E	23
<b>Health, Wellbeing and Leisure - 2022/23 Adjusted Gross Expenditure</b>	<b>2,363</b>
<b>Strategy, Performance &amp; Finance - 2022/23 Gross Expenditure</b>	<b>32,210</b>
Adjustment for Depreciation	1
<b>Strategy, Performance &amp; Finance - 2022/23 Adjusted Gross Expenditure</b>	<b>32,211</b>
	£'000
<b>Surplus(-) or Deficit on Revaluation of Non Current Assets - 2022/23 Net Expenditure</b>	<b>-22,841</b>
Adjustment for Revaluation Charges to the Revaluation Reserve	-2,957
<b>Surplus(-) or Deficit on Revaluation of Non Current Assets - 2022/23 Adjusted Net Expenditure</b>	<b>-25,798</b>



## 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
<b><u>Income</u></b>		
-23,739 Dwelling Rent		-24,967
-121 Garages		-119
-30 Shops		-32
<b>-23,890 Gross Rental Income</b>		<b>-25,118</b>
-1,061 Charges for Services and Facilities		-1,137
-1,255 Contributions towards Expenditure		-1,550
0 Other Income		0
<b>-26,206 Total Income</b>		<b>-27,805</b>
<b><u>Expenditure</u></b>		
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
5,155 On dwellings		5,481
325 On other assets		303
0 Impairment of non current assets		0
2,625 On dwellings		7,660
778 On other assets		130
13 Debt Management Expenses		6
<b>22,518 Total Expenditure</b>		<b>27,535</b>
-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
<b>-3,472 Net Cost of HRA Services as included in the whole authority</b>		<b>-85</b>
<b>Comprehensive Income and Expenditure Statement</b>		
14 (Gain)/Loss on sale of HRA non current assets		-34
468 Net Interest on the Net Defined Benefit Liability		190
4,123 Interest Payable and Similar Charges		3,879
-43 HRA Interest and Investment Income		-99
-264 Loss Allowance		86
-459 Capital grants and contributions		-1,642
<b>367 Surplus(-)/Deficit for the year on HRA Services</b>		<b>2,295</b>

## MOVEMENT ON THE HOUSING REVENUE ACCOUNT STATEMENT

2022/23 £'000		2023/24 £'000
<b>-7,294</b>	<b>HRA Balance brought forward including HRA Earmarked Reserves</b>	<b>-7,115</b>
367	Surplus(-)/Deficit on the HRA Income and Expenditure Statement	2,295
<i>Adjustments between Accounting Basis and Funding Basis under Regulations:</i>		
<i>Adjustments to the Revenue Resources</i>		
-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
<i>Adjustments between Revenue and Capital Resources</i>		
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
<b>-188</b>	<b>Total Adjustments between Accounting Basis and Funding Basis under the legislative framework</b>	<b>-1,407</b>
179	Increase(-)/Decrease in year in the HRA	888
<b>-7,115</b>	<b>HRA Balance carried forward, including HRA Earmarked Reserves</b>	<b>-6,227</b>

## 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	<b>2,082</b>
1,908	3+ Bedrooms	375	1,086	260	176	<b>1,897</b>
<u>Flats</u>						
1,527	Low Rise (1-2 storeys)	18	692	434	401	<b>1,545</b>
29	Medium Rise (3-5)	0	4	9	16	<b>29</b>
<b>5,531</b>	<b>Total</b>	<b>463</b>	<b>2,572</b>	<b>1,199</b>	<b>1,319</b>	<b>5,553</b>

## 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
<b>361,335 Total HRA Property, Plant and Equipment</b>	<b>362,171</b>
0 Intangible Assets	217
612 Assets Held for Sale	107
<b>361,947 Total HRA Assets on Balance Sheet</b>	<b>362,495</b>

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
<b>817,715 Total</b>	<b>825,043</b>

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
<b>17,450 Balance Brought Forward 1st April</b>	<b>13,244</b>
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
<b>13,244 Balance Carried Forward 31st March</b>	<b>8,025</b>

## 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
<b>11,879 Total</b>	<b>14,035</b>
<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
<b>11,879 Total</b>	<b>14,035</b>

## 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
<b>1,840 Total</b>	<b>792</b>
0 Reallocation of Receipts	0
0 Less amount paid to Government Pool	0
<b>1,840 Total</b>	<b>792</b>

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
<b>5,480 Total</b>	<b>5,784</b>

## 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.

## 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
<u>Contributions towards previous year's estimated collection fund deficit:</u>				
-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
<b>-148,197</b>	<b>Total Income</b>	<b>-43,662</b>	<b>-99,846</b>	<b>-143,508</b>
<u>Amounts required by statute to be debited to the collection fund</u>				
<u>Council Tax Precepts and Demands:</u>				
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
<u>Non Domestic Rates:</u>				
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
<u>Contributions towards previous year's estimated collection fund surplus:</u>				
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
<b>136,542</b>	<b>Total Expenditure</b>	<b>41,798</b>	<b>99,661</b>	<b>141,459</b>
<b>-11,655</b>	<b>Net Surplus(-)/Deficit for year</b>	<b>-1,864</b>	<b>-185</b>	<b>-2,049</b>
13,031	Fund Balance as at 1st April - Surplus(-)/Deficit	-133	1,509	1,376
<b>1,376</b>	<b>Fund Balance as at 31st March - Surplus(-)/Deficit</b>	<b>-1,997</b>	<b>1,324</b>	<b>-673</b>

## C1 ACCOUNTING POLICIES

- 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.
- 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.
- 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.
- 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 authorities.

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			Band D Equivalents	2022/23 Band D Equivalents
	Total Dwellings	Relief and Exemptions	Ratio		
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
<b>Total</b>	<b>57,196</b>	<b>46,791.74</b>		<b>41,661.36</b>	<b>41,007.02</b>
Estimate of Additional Properties to be added during the year				339.61	198.00
Collection Adjustment				- 210.01	-
<b>Council Tax Base</b>				<b>41,790.96</b>	<b>41,205.02</b>

## 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 Beumond 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 Environmental 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
1,630	-317	1,313	Health, Wellbeing and Leisure	3,700	-362	3,338
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
32,194	-23,085	9,109	Strategy, Performance & Finance	34,222	-23,489	10,733
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
<b>97,563</b>	<b>-73,186</b>	<b>24,377</b>	<b>Cost of Services</b>	<b>128,882</b>	<b>-97,317</b>	<b>31,565</b>
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	4,127	-3,106	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	-43,364	-28,514
<b>126,897</b>	<b>-123,928</b>	<b>2,969</b>	<b>Surplus (-) or Deficit on Provision of Services</b>	<b>153,570</b>	<b>-144,812</b>	<b>8,758</b>
3	0	3	Corporation Tax - A4T	9	0	9
95	0	95	Corporation Tax - Arkwood	-121	0	-121
0	0	0	Corporation Tax - RHH	0	0	0
<b>126,995</b>	<b>-123,928</b>	<b>3,067</b>	<b>Group Surplus(-)/Deficit</b>	<b>153,458</b>	<b>-144,812</b>	<b>8,646</b>
		-25,819	Surplus(-) or Deficit on Revaluation of Non Current Assets			-1,835
		-71,825	Remeasurements of the Net Defined Benefit Liability (Asset)			-8,192
		-6,720	Remeasurements of the Net Defined Benefit Liability (Asset) - Active4today			-531
		<b>-104,364</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>-10,558</b>
		<b>-101,297</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>-1,912</b>



## GROUP MOVEMENT IN RESERVES

### Movement in reserves during 2023/24

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

## Movement in reserves during 2022/23

RESTATED	A4T Arkwood RHH Council					A4T Arkwood Council					Total Reserves £'000				
	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
<b>Balance at 31 March 2022</b>	<b>1,500</b>	<b>331</b>	<b>-3</b>	<b>8</b>	<b>34,843</b>	<b>2,000</b>	<b>5,294</b>	<b>17,449</b>	<b>13,053</b>	<b>2,910</b>	<b>77,385</b>	<b>-6,771</b>	<b>0</b>	<b>200,703</b>	<b>271,317</b>
Total Comprehensive Income and Expenditure	-2,707	0	0	0	0	-367	0	0	0	0	-3,074	6,718	21	97,621	101,286
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	-1,316	518	0	0	0	188	0	-4,205	994	-1,536	-5,357	-518	0	5,875	0
<b>Net Increase/Decrease(-) before Transfers to</b>	<b>-4,023</b>	<b>120</b>	<b>407</b>	<b>2</b>	<b>0</b>	<b>-179</b>	<b>0</b>	<b>-4,205</b>	<b>994</b>	<b>-1,536</b>	<b>-8,420</b>	<b>6,200</b>	<b>21</b>	<b>103,496</b>	<b>101,297</b>
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
<b>Increase/Decrease(-) in 2022/23</b>	<b>0</b>	<b>120</b>	<b>407</b>	<b>2</b>	<b>-4,023</b>	<b>0</b>	<b>-179</b>	<b>-4,205</b>	<b>994</b>	<b>-1,536</b>	<b>-8,420</b>	<b>6,200</b>	<b>21</b>	<b>103,496</b>	<b>101,297</b>
<b>Balance at 31 March 2023</b>	<b>1,500</b>	<b>451</b>	<b>404</b>	<b>10</b>	<b>30,820</b>	<b>2,000</b>	<b>5,115</b>	<b>13,244</b>	<b>14,047</b>	<b>1,374</b>	<b>68,965</b>	<b>-571</b>	<b>21</b>	<b>304,199</b>	<b>372,614</b>

## GROUP BALANCE SHEET

RESTATED 31 March 2022 £'000	RESTATED 31 March 2023 £'000		2023/24						Inter 31 March Comp Adj £'000	31 March 2024 £'000
			NSDC £'000	Active4 today £'000	Arkwood £'000	RHH £'000				
421,035	454,834	Property, Plant & Equipment	448,815	0	0	0		3,917	452,732	
2,020	3,560	Heritage Assets	3,560	0	0	0		0	3,560	
0	0	Investment Properties	0	0	0	0		0	0	
337	376	Intangible Assets	651	0	0	0		0	651	
12,656	10,980	Long Term Investments	15,024	0	0	0		-4,039	10,985	
30	25	Long Term Debtors	2,373	0	0	0		-2,352	21	
4,455	4,342	Long Term Finance Lease Debtor	4,225	0	0	0		0	4,225	
<b>440,533</b>	<b>474,117</b>	<b>TOTAL LONG TERM ASSETS</b>	<b>474,648</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>-2,474</b>	<b>472,174</b>	
23,121	27,435	Short Term Investments	7,249	0	0	0		0	7,249	
5,880	412	Inventories	409	4	3,365	0		-3,365	413	
17,250	14,126	Short Term Debtors	10,671	1,122	128	0		-1,202	10,719	
1,186	1,298	Assets Held For Sale	3,194	0	1,977	0		-2,904	2,267	
27,917	24,086	Cash and Cash Equivalents	15,956	15	1,537	19		0	17,527	
<b>75,354</b>	<b>67,357</b>	<b>TOTAL CURRENT ASSETS</b>	<b>37,479</b>	<b>1,141</b>	<b>7,007</b>	<b>19</b>		<b>-7,471</b>	<b>38,175</b>	
-10,790	-9,971	Short Term Borrowings	-7,865	0	0	0		528	-7,337	
-28,255	-18,076	Short Term Creditors	-17,905	-551	-2,593	-9		3,026	-18,032	
-8	-354	Provisions Short Term	-203	0	0	0		0	-203	
-12,197	-25,782	Grants Receipts in Advance	-6,461	0	0	0		0	-6,461	
<b>-51,250</b>	<b>-54,183</b>	<b>TOTAL CURRENT LIABILITIES</b>	<b>-32,434</b>	<b>-551</b>	<b>-2,593</b>	<b>-9</b>		<b>3,554</b>	<b>-32,033</b>	
0	0	Long Term Creditors	0	0	0	0		0	0	
-1,464	-1,117	Provisions Long Term	-377	0	0	0		0	-377	
-5,233	-4,863	Long Term Finance Lease	-4,714	0	0	0		0	-4,714	
-86,972	-81,435	Long Term Borrowing	-78,401	0	0	0		0	-78,401	
-91,670	-20,369	Pensions Liability	-11,898	-32	0	0		0	-11,930	
-7,981	-6,893	Grants Receipts in Advance	-8,359	0	0	0		0	-8,359	
<b>-193,320</b>	<b>-114,677</b>	<b>TOTAL LONG TERM LIABILITIES</b>	<b>-103,749</b>	<b>-32</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>-103,781</b>	
<b>271,317</b>	<b>372,614</b>	<b>TOTAL NET ASSETS</b>	<b>375,944</b>	<b>558</b>	<b>4,414</b>	<b>10</b>		<b>-6,391</b>	<b>374,535</b>	
77,385	68,965	Usable Reserves	58,217	590	4,038	10		-4,000	58,855	
193,932	303,649	Unusable Reserves	317,718	-32	376	0		-2,391	315,671	
<b>271,317</b>	<b>372,614</b>	<b>TOTAL RESERVES</b>	<b>375,935</b>	<b>558</b>	<b>4,414</b>	<b>10</b>		<b>-6,391</b>	<b>374,526</b>	

## GROUP CASH FLOW STATEMENT

RESTATE		NSDC	Active4	Arkwood	RHH	Inter 31	March
2022/23			today			Comp Adj	2024
£'000		£'000	£'000	£'000	£'000	£'000	£'000
<b>-3,067</b>	<b>Net Surplus/Deficit(-) on the Provision of Services</b>	<b>-8,792</b>	<b>147</b>	<b>-366</b>	<b>0</b>	<b>365</b>	<b>-8,646</b>
14,655	Adjustment to Surplus or Deficit on the Provision of Services for Non-Cash Movements	26,959	-187	1,154	-29	188	28,085
-15,615	Adjust for Item Included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	-33,462	0	0	0	-365	-33,827
<b>-4,027</b>	<b>Net Cash Flows from Operating Activities</b>	<b>-15,295</b>	<b>-40</b>	<b>788</b>	<b>-29</b>	<b>188</b>	<b>-14,388</b>
8,408	Investing Activities	15,270	0	0	0	0	15,270
-8,212	Financing Activities	-7,253	0	0	0	-188	-7,441
<b>-3,831</b>	<b>Net Increase or Decrease(-) in Cash and Cash Equivalents</b>	<b>-7,278</b>	<b>-40</b>	<b>788</b>	<b>-29</b>	<b>0</b>	<b>-6,559</b>
27,917	Cash and Cash Equivalents at the Beginning of the Reporting Period	23,235	55	748	48	0	24,086
<b>24,086</b>	<b>Cash and Cash Equivalents at the End of the Reporting Period</b>	<b>15,957</b>	<b>15</b>	<b>1,536</b>	<b>19</b>	<b>0</b>	<b>17,527</b>

## 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	NSDC £'000	Active4 Arkwood 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	3,838	0	0	0	-500	3,338
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	10,314	0	0	0	419	10,733
Sustainable Economic Development	4,615	0	0	0	-1	4,614
Sustainable Economic Development - RHH	0	0	0	0	0	0
<b>Cost of Services</b>	<b>31,192</b>	<b>-177</b>	<b>507</b>	<b>0</b>	<b>43</b>	<b>31,565</b>
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	-28,514	0	0	0	0	-28,514
Corporation Tax - A4T	0	9	0	0	0	9
Corporation Tax - Arkwood	0	0	-121	0	0	-121
<b>Group Surplus(-)/Deficit</b>	<b>8,428</b>	<b>-148</b>	<b>366</b>	<b>0</b>	<b>0</b>	<b>8,646</b>



## 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 Environmental 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	1,476	1,313	Health, Wellbeing and Leisure	337	3,001	3,338
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	2,150	9,109	Strategy, Performance & Finance	7,960	2,773	10,733
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
<b>490</b>	<b>23,887</b>	<b>24,377</b>	<b>Net Cost of Services</b>	<b>3,852</b>	<b>27,713</b>	<b>31,565</b>
3,080	-24,661	-21,581	Other Income and Expenditure (OIES)	-2,935	-19,872	-22,807
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	-121	0	-121
<b>3,674</b>	<b>-607</b>	<b>3,067</b>	<b>Surplus(-)/Deficit</b>	<b>785</b>	<b>7,861</b>	<b>8,646</b>
General Fund & Earmarked Reserve £'000	HRA & Earmarked Reserve £'000	Total £'000		General Fund & Earmarked Reserve £'000	HRA & Earmarked Reserve £'000	Total £'000
<b>-36,679</b>	<b>-7,294</b>	<b>-43,973</b>	<b>Opening Balance</b>	<b>-33,185</b>	<b>-7,115</b>	<b>-40,300</b>
3,494	179	3,673	Surplus(-) or Deficit on Balances in Year	-103	888	785
0	0	0	Dividend Issued	0	0	0
<b>-33,185</b>	<b>-7,115</b>	<b>-40,300</b>	<b>Closing Balance at 31 March</b>	<b>-33,288</b>	<b>-6,227</b>	<b>-39,515</b>
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	-31,787	-4,227	-36,014
<b>-33,185</b>	<b>-7,115</b>	<b>-40,300</b>	<b>Closing Balance at 31 March</b>	<b>-33,287</b>	<b>-6,227</b>	<b>-39,514</b>

### 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 Development	119	-50	0	69
Health, Wellbeing and Leisure	3,003	-2	0	3,001
Health, Wellbeing and Leisure - Active4tor	0	-28	0	-28
Heritage, Culture & the Arts	93	-23	0	70
Housing	18,170	-159	0	18,011
Strategy, Performance & Finance	2,988	-215	0	2,773
Sustainable Economic Development	3,239	-59	0	3,180
<b>Net Cost of Services</b>	<b>28,365</b>	<b>-652</b>	<b>0</b>	<b>27,713</b>
Other income and expenditure from the Expenditure and Funding Analysis	-20,428	915	-359	-19,872
Other Income and Expenditure	0	20	0	20
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>7,937</b>	<b>283</b>	<b>-359</b>	<b>7,861</b>

#### Adjustments between Funding and Accounting Basis 2022/23

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts <b>RESTATED</b>	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	596	294	30	920
Climate Change	362	402	37	801
Community Safety & Community Development	665	300	37	1,002
Health, Wellbeing and Leisure	1,465	15	-4	1,476
Health, Wellbeing and Leisure - Active4tor	0	352	0	352
Heritage, Culture & the Arts	99	145	5	249
Housing	9,685	945	20	10,650
Strategy, Performance & Finance	712	1,287	151	2,150
Sustainable Economic Development	5,890	365	32	6,287
<b>Net Cost of Services</b>	<b>19,474</b>	<b>4,105</b>	<b>308</b>	<b>23,887</b>
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
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>-3,691</b>	<b>6,497</b>	<b>-3,413</b>	<b>-607</b>

### 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 ANALYSIED 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	<b>-48,694</b>
Income on Joint Associates	0	0	0	0	0	0	0	0	-139	<b>-139</b>
Interest and Investment Income	0	0	0	0	0	0	0	0	-3,123	<b>-3,123</b>
Income from Council Tax	0	0	0	0	0	0	0	0	-11,363	<b>-11,363</b>
Income from Non Domestic Rates	0	0	0	0	0	0	0	0	-20,277	<b>-20,277</b>
Housing Benefit Subsidy Rent Allowance	0	0	0	0	0	0	-9,810	0	0	<b>-9,810</b>
Housing Benefit Subsidy Rent Rebates	0	0	0	0	0	0	-8,541	0	0	<b>-8,541</b>
Government Grants and Contributions	-34	0	-713	-263	-402	-1,115	-554	-28,200	-11,723	<b>-43,004</b>
Disposal of Assets	0	0	0	0	0	0	0	0	-875	<b>-875</b>
Adjustment for Group Transactions	5	0	25	557	0	0	423	-1	5	<b>1,014</b>
<b>Total Income</b>	<b>-438</b>	<b>-2,053</b>	<b>-1,331</b>	<b>-4,749</b>	<b>-1,824</b>	<b>-33,920</b>	<b>-23,489</b>	<b>-29,513</b>	<b>-47,495</b>	<b>-144,812</b>
Employee Expenses	1,810	2,507	1,936	75	1,060	6,176	8,198	2,379	0	<b>24,141</b>
Other Service Expenses	-26	1,619	1,795	5,894	1,386	15,247	4,575	31,727	243	<b>62,460</b>
Housing Benefit Rent Allowance	0	0	0	0	0	0	9,900	0	0	<b>9,900</b>
Housing Benefit Rent Rebates	0	0	0	0	0	0	8,566	0	0	<b>8,566</b>
Expenditure on Joint Associates	0	0	0	0	0	0	0	0	156	<b>156</b>
Support Service Recharges	0	0	0	0	0	0	0	0	387	<b>387</b>
Depreciation, Amortisation and Impairment	198	556	106	3,000	93	18,059	2,987	21	0	<b>25,020</b>
Changes in Fair Value	0	0	0	0	0	0	0	0	-5	<b>-5</b>
Interest Payments	0	0	0	0	0	6	0	0	4,197	<b>4,203</b>
Non Domestic Rates Tariff & Deficit	0	0	0	0	0	0	0	0	14,462	<b>14,462</b>
Precepts and Levies	0	0	0	0	0	0	0	0	4,519	<b>4,519</b>
Payments to Housing Capital Receipts Pool	0	0	0	0	0	0	0	0	0	<b>0</b>
Disposal of Assets	0	0	0	0	0	0	0	0	775	<b>775</b>
Corporation Tax	0	0	0	0	0	0	0	0	-112	<b>-112</b>
Adjustment for Group Transactions	0	0	-5	-886	0	-73	-4	0	-46	<b>-1,014</b>
<b>Total Operating Expenses</b>	<b>1,982</b>	<b>4,682</b>	<b>3,832</b>	<b>8,083</b>	<b>2,539</b>	<b>39,415</b>	<b>34,222</b>	<b>34,127</b>	<b>24,576</b>	<b>153,458</b>
<b>Surplus(-)/Deficit on Provision of Services</b>	<b>1,544</b>	<b>2,629</b>	<b>2,501</b>	<b>3,334</b>	<b>715</b>	<b>5,495</b>	<b>10,733</b>	<b>4,614</b>	<b>-22,919</b>	<b>8,646</b>

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
<b>Total Income</b>	<b>-379</b>	<b>-1,916</b>	<b>-656</b>	<b>-4,091</b>	<b>-1,401</b>	<b>-36,095</b>	<b>-23,085</b>	<b>-5,563</b>	<b>-50,742</b>	<b>-123,928</b>
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	1,098	99	8,898	689	3	0	11,883
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
<b>Total Operating Expenses</b>	<b>2,564</b>	<b>4,653</b>	<b>3,627</b>	<b>6,081</b>	<b>2,199</b>	<b>33,136</b>	<b>32,194</b>	<b>13,109</b>	<b>29,432</b>	<b>126,995</b>
<b>Surplus(-)/Deficit on Provision of Services</b>	<b>2,185</b>	<b>2,737</b>	<b>2,971</b>	<b>1,990</b>	<b>798</b>	<b>-2,959</b>	<b>9,109</b>	<b>7,546</b>	<b>-21,310</b>	<b>3,067</b>

## 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	Active4				2023/24 £'000
	NSDC £'000	today £'000	Arkwood £'000	RHH £'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
<b>412 Total</b>	<b>409</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>413</b>

## G6 SHORT TERM DEBTORS

The amounts due to the Group were:-

2022/23 £'000	Active4				2023/24 £'000
	NSDC £'000	today £'000	Arkwood £'000	RHH £'000	
Amounts falling due within one year:-					
1,873 Trade Receivables	1,259	0	0	0	<b>1,259</b>
490 Prepayments	625	0	0	0	<b>625</b>
-835 Inter Company Transactions	-126	-1,076	0	0	<b>-1,202</b>
14,908 Other Receivable Amounts	11,050	1,122	128	0	<b>12,300</b>
<b>16,436 Total</b>	<b>12,808</b>	<b>46</b>	<b>128</b>	<b>0</b>	<b>12,982</b>
-2,310 Less Loss Allowance	-2,263	0	0	0	<b>-2,263</b>
<b>14,126 Total Short Term Debtors</b>	<b>10,545</b>	<b>46</b>	<b>128</b>	<b>0</b>	<b>10,719</b>

## G7 SHORT TERM CREDITORS

The amounts owed by the Group were:-

2022/23 £'000	Active4				2023/24 £'000
	NSDC £'000	today £'000	Arkwood £'000	RHH £'000	
Amounts falling due within one year:-					
7,483 Trade Payables	10,729	0	0	0	<b>10,729</b>
13,647 Other Payables	7,176	551	2,593	9	<b>10,329</b>
-3,054 Inter Company Transactions	-548	-35	-2,443	0	<b>-3,026</b>
<b>18,076 Total Short Term Creditors</b>	<b>17,357</b>	<b>516</b>	<b>150</b>	<b>9</b>	<b>18,032</b>



## G8 CASH AND CASH EQUIVALENTS

2022/23 £'000	Active4				2023/24 £'000
	NSDC £'000	today £'000	Arkwood £'000	RHH £'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	18	2,521
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
<b>24,086 Current Assets</b>	<b>15,956</b>	<b>16</b>	<b>1,537</b>	<b>18</b>	<b>17,527</b>
0 Cash in transit	0	0	0	0	0
0 Bank current accounts (overdraft)	0	0	0	0	0
<b>0 Current Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>24,086 Total Cash and Cash Equivalents</b>	<b>15,956</b>	<b>16</b>	<b>1,537</b>	<b>18</b>	<b>17,527</b>

## 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	Active4				2023/24 £'000
	NSDC £'000	today £'000	Arkwood £'000	RHH £'000	
<b>91,671 Deficit at 1 April</b>	<b>19,798</b>	<b>571</b>	<b>0</b>	<b>0</b>	<b>20,369</b>
<i>Cost of Service</i>					
8,227 Current Service Cost	3,389	285	0	0	3,674
<i>Financing and Investment Income and Expenditure</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	-531	0	0	-8,722
0 Gain/(loss) from settlements	0	0	0	0	0
-3,371 Employer Contributions	-4,015	-316	0	0	-4,331
<b>20,369 Deficit at 31 March</b>	<b>11,898</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>11,930</b>

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

RESTATED

2022/23 £'000	NSDC £'000	Active4 today £'000	Arkwood £'000	RHH £'000	2023/24 £'000
<b>-3,067</b>	<b>-8,427</b>	<b>147</b>	<b>-366</b>	<b>0</b>	<b>-8,646</b>
<b>Net Surplus or Deficit(-) on the Provision of Services</b>					
<b>Adjust net surplus or deficit on the provision of services for non-cash movements</b>					
7,570	8,105	0	0	0	8,105
Depreciation of Property, Plant and Equipment					
4,262	16,880	0	0	0	16,880
Impairment and downward valuations					
60	59	0	0	0	59
Amortisation of Intangible Assets					
-7,919	-235	32	-600	-30	-833
Increase/Decrease(-) in Creditors					
10	10	0	0	0	10
Increase(-)/Decrease in interest Debtors					
-1,471	1,623	-24	975	0	2,574
Increase(-)/Decrease in Debtors					
2,496	-2	1	780	0	779
Increase(-)/Decrease in Inventories					
6,496	292	-8	0	0	284
Pension Liability					
1,885	758	0	0	0	758
Carrying amount of non-current assets, sold or derecognised					
1,266	-531	0	0	0	-531
Other non-cash items charged to the net surplus or deficit on the provision of services					
<b>14,655</b>	<b>26,959</b>	<b>1</b>	<b>1,155</b>	<b>-30</b>	<b>28,085</b>
<b>Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities</b>					
407	-365	0	0	0	-365
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in joint ventures and subsidiaries)					
-13,037	-32,605	0	0	0	-32,605
Capital Grants credited to surplus or deficit on the Provision of Services					
-2,985	-857	0	0	0	-857
Proceeds from the sale of non-current assets					
<b>-15,615</b>	<b>-33,827</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-33,827</b>
<b>-4,027</b>	<b>-15,295</b>	<b>148</b>	<b>789</b>	<b>-30</b>	<b>-14,388</b>
<b>Net Cash Flows from Operating Activities</b>					

2022/23 £'000		Active4				2023/24 £'000
		NSDC £'000	today £'000	Arkwood £'000	RHH £'000	
-18,113	Purchase of Property, Plant and Equipment and Intangible Assets	-20,693	0	0	0	-20,693
-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	15,094	0	0	0	15,094
<b>8,408</b>	<b>Net cash flows from investing activities</b>	<b>15,270</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,270</b>

## GLOSSARY OF TERMS

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

### ACCOUNTING POLICIES

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

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

Accounting policies do not include estimation techniques.

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

### ACCRUALS

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

### ADMINISTRATIVE BUILDINGS

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

### AMORTISATION

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

### ARMS LENGTH MANAGEMENT COMPANY

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

## **BALANCES**

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

## **BALANCE SHEET**

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

## **BILLING AUTHORITIES**

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

## **CAPITAL ADJUSTMENT ACCOUNT**

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

## **CAPITAL CHARGES**

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

## **CAPITAL EXPENDITURE**

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

## **CAPITAL PROGRAMME**

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

## **CAPITAL RECEIPTS**

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

## **CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)**

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

## COLLECTION FUND

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

## COMMUNITY ASSETS

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

## CONTINGENT LIABILITIES

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

## COUNCIL TAX

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

## COUNCIL TAX BASE

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

## CURRENT EXPENDITURE

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

## DEFERRED CAPITAL RECEIPTS

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

## DEFERRED CREDITORS

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



## DEPRECIATION

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

## EARMARKED RESERVES

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

## EMOLUMENTS

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

## EXTERNAL AUDIT

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

## FEES AND CHARGES

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

## FINANCE LEASE

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

## FINANCIAL INSTRUMENT

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

## FINANCIAL INSTRUMENT ADJUSTMENT ACCOUNT

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

## FINANCIAL REPORTING STANDARD (FRS)

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

## FINANCIAL YEAR

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

## GAAP

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

## GENERAL FUND

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

## GROSS EXPENDITURE

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

## HERITAGE ASSETS

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

## HOUSING BENEFIT

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

## HOUSING REVENUE ACCOUNT

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

## IMPAIRMENT

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

## INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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

## INFRASTRUCTURE ASSETS

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

## INTERNAL AUDIT

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

## INVESTMENTS

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

## LONG TERM DEBTORS

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

## MINIMUM REVENUE PROVISION (MRP)

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

## NON DOMESTIC RATE (NDR)

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

## NET EXPENDITURE

Gross expenditure less gross income.

## NON-OPERATIONAL ASSET

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

## OPERATIONAL ASSET

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

## OPERATIONAL LEASE

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

## PENSION FUND

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

## PRECEPT

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

## PRECEPTING AUTHORITIES

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

## PROVISIONS

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

## PUBLIC WORK LOANS BOARD (PWLB)

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

## RELATED PARTIES

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

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

Examples of related parties of an Council include:

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

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

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

## REVALUATION RESERVE

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

## REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

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

## REVENUE SUPPORT GRANT (RSG)

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

## SOFT LOANS

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

## STATEMENT OF ACCOUNTS

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

## STATEMENT OF RECOMMENDED PRACTICE (CODE)

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

## TOTAL COST

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

## **TRADING SERVICES**

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

## **USABLE CAPITAL RECEIPTS**

Amounts available to finance capital expenditure in future years.

## **USABLE RESERVES**

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

## **UNUSABLE RESERVES**

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



# **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 12<sup>th</sup> 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 1<sup>st</sup> 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 17<sup>th</sup> 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"> <li>•Members feeling involved and well-informed</li> <li>•Members are able to contribute</li> </ul>	<ul style="list-style-type: none"> <li>•The Executive operates as a team, but</li> <li>•Individual members of the Executive take ownership and accountability for their portfolios</li> </ul>	<ul style="list-style-type: none"> <li>•Agile, clear and appropriate decision-making</li> <li>•Swift where it needs to be</li> <li>•Transparent</li> <li>•The ‘right’ decisions being made at the ‘right’ level by the ‘right’ portfolio</li> </ul>	<ul style="list-style-type: none"> <li>•Purposeful, constructive and challenging performance review</li> <li>•Open to external outlook and input</li> </ul>	<ul style="list-style-type: none"> <li>•Modern</li> <li>•Bureaucracy light</li> <li>•Accessible and easy to understand</li> </ul>	<ul style="list-style-type: none"> <li>•Linked up to locality</li> <li>•Connected Cabinet and Performance Review</li> </ul>

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 sectors.



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

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

messages on bus stops. A representative survey was also carried out to allow us to recognise any bias in the open survey. A specialist company asked 780 residents to fill out the survey which represented the district in terms of age, gender, ethnicity, geography and council tenancy. We also consulted with specific groups through workshops and events/visits.

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

*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><b>Long Term Financial Sustainability of the Council</b></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>	<p>Deputy Chief Executive/Director of Resources and S151 Officer &amp; Business Manager – Financial Services</p>	<p>Ongoing</p>

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

19 February 2025

P. Peacock

Leader of the Council

19 February 2025

# **Independent auditor’s report to the members of Newark & Sherwood District Council**

## **Report on the audit of the financial statements**

### **Opinion on the financial statements**

We have audited the financial statements of Newark & Sherwood District Council (‘the [Council]’) and its subsidiaries (‘the Group’) for the year ended 31 March 2024, which comprise the Council and Group Comprehensive Income and Expenditure Statement(s), the Council and Group Movement in Reserves Statement(s), the Council and Group Balance Sheet(s), the Council and Group Cash Flow Statement(s), Housing Revenue Account and The Collection Fund and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Council and the Group as at 31st March 2024 and of the Council’s and the Group’s expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities section of our report. We are independent of the Council and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Director of Resources use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Council’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director of Resources with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the Annual Governance Statement information included in the Statement of Accounts, other than the financial statements and our auditor’s report thereon. The Director of Resources is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of the Director of Resource's for the financial statements**

As explained more fully in the Statement of the Director of Resource's Responsibilities, the Director of Resources is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, and for being satisfied that they give a true and fair view. The Director of Resources is also responsible for such internal control as the Director of Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Director of Resources is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and prepare the financial statements on a going concern basis, on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. The Director of Resources is responsible for assessing each year whether or not it is appropriate for the Council and Group to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Council, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992, the Accounts and Audit Regulations 2015, and the Local Government and Housing Act 1989 and we considered the extent to which non-compliance might have a material effect on the financial statements.

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



- inquiring with management and the Audit and Governance Committee, as to whether the Council is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Council and the Group which were contrary to applicable laws and regulations, including fraud.

We evaluated the Director of Resource's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance.

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

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

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit and Governance Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on the Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources**

Matter on which we are required to report by exception.

We are required to report to you if, in our view, we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have nothing to report in this respect.

### **Responsibilities of the Council**

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

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

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources are operating effectively.

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

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

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

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

We have nothing to report in these respects.

### **Use of the audit report**

This report is made solely to the members of Newark & Sherwood District Council, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Delay in certification of completion of the audit**

We cannot formally conclude the audit and issue an audit certificate received further instruction from the NAO in respect of Whole of Government Accounts.

**Mark Surridge, Key Audit Partner**

**For and on behalf of Forvis Mazars LLP**

**19 February 2025**