

2025 / 2026



DRAFT STATEMENT OF ACCOUNTS AND NARRATIVE REPORT

CONTENTS

Narrative Report

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

Statement of Accounts

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

Annual Governance Statement


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 @Newark and Sherwood District Council

Welcome

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



John Robinson
Chief Executive,
Newark and Sherwood District Council

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

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

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

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

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



Councillor Paul Peacock
Leader of Newark and
Sherwood District Council



Councillor Keith Melton
Chair of Audit and
Accounts Committee

INTRODUCTION BY S151 OFFICER



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

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

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

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

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

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



PART ONE

Introduction to Newark and Sherwood

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

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

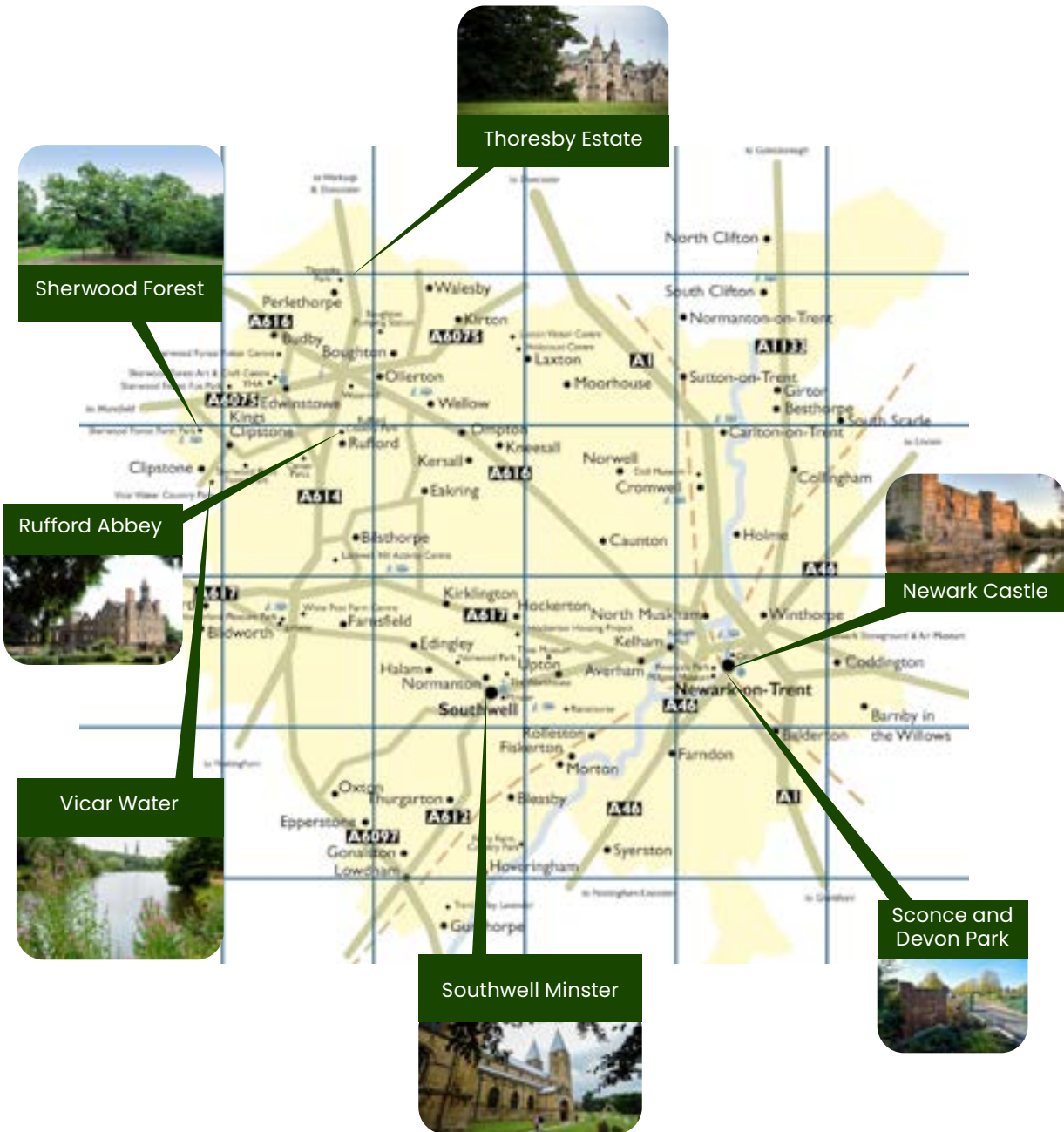
13.9% of households in the district are socially rented, which is 3.2% lower than the national average. However, there are 7,814 socially rented households within Newark and Sherwood, and of those, 5,534 (70.82%) properties are owned by Newark and Sherwood District Council.



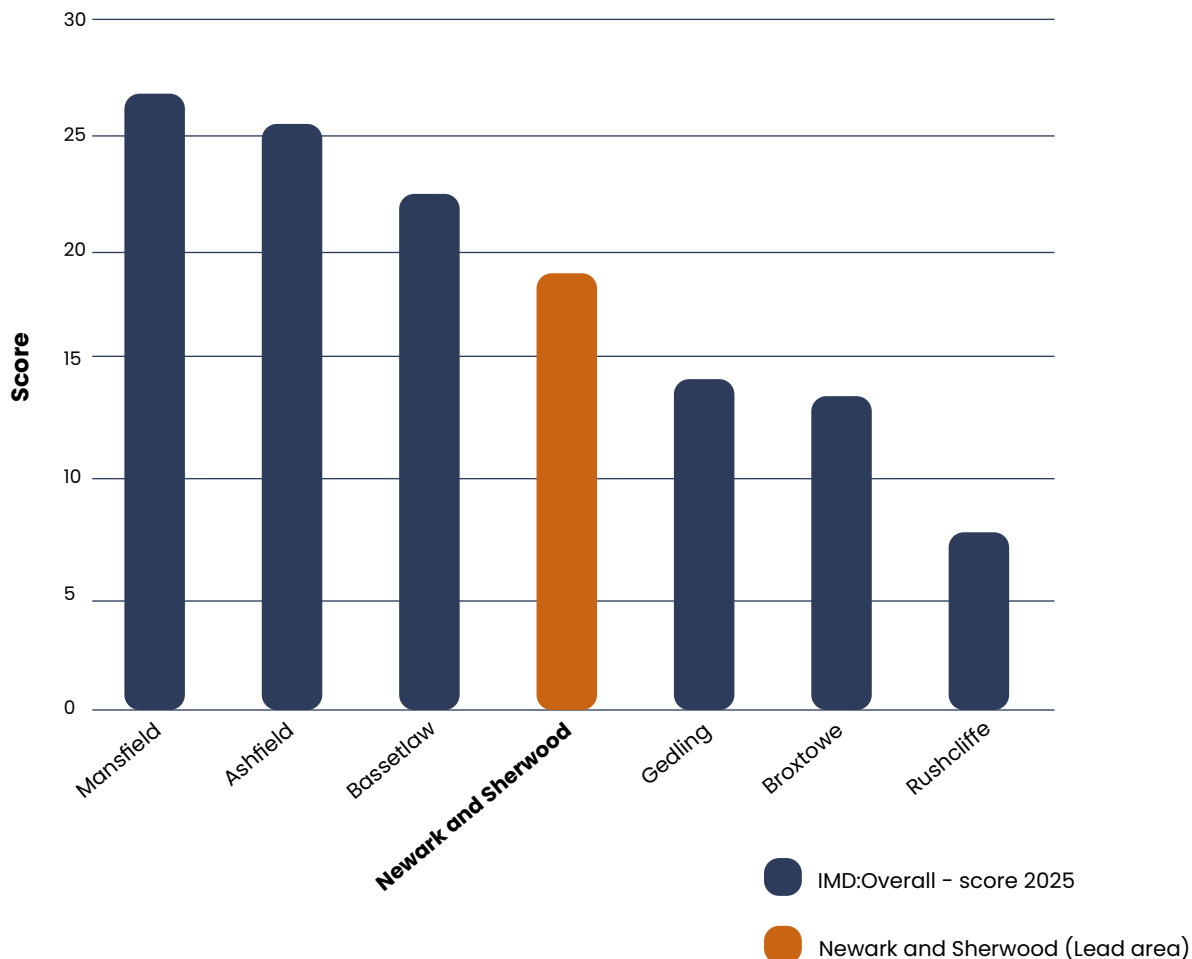
OUR AREA

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

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



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



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

PART TWO

Our purpose: why the District Council is here

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

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

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

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

OUR VALUES:

Ambitious and forward thinking:

Focused on achieving the very best and always looking to improve and innovate.

Caring and compassionate:

Sensitive to the different needs and circumstances of others; seeks to empower people to fulfil their potential.

Commercial and business-like:

Careful and creative with resources; securing value for money.

Professional and trustworthy:

Open, honest and transparent. Consistently delivering on promises; providing good quality and demonstrating integrity.

Welcoming and responsive:

Approachable, friendly and inclusive. Open to feedback and challenge and swift to act.

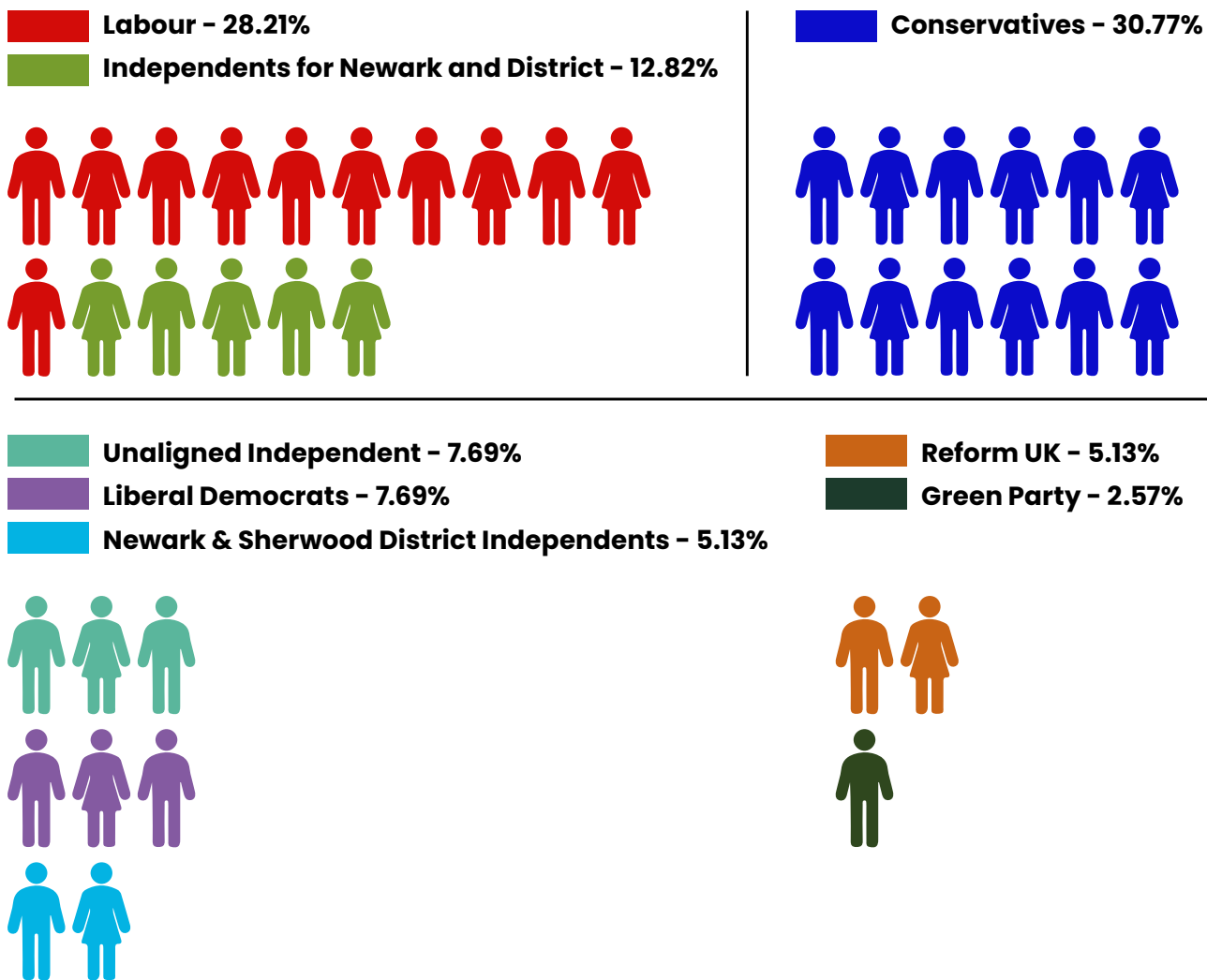


Click on the image to see our Community Plan.

PART THREE

How the District Council works

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



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

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

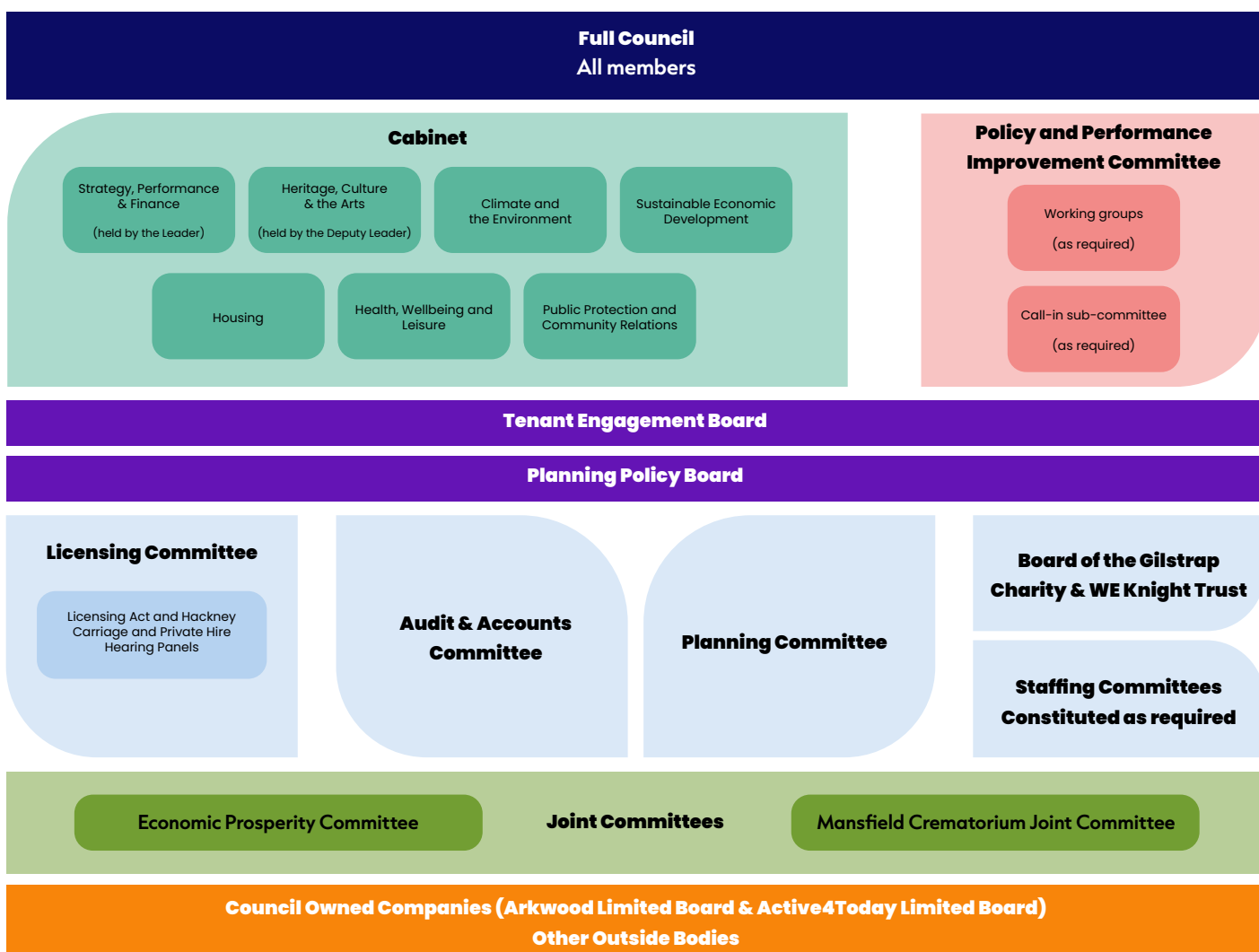
Surgeries provide an opportunity for any ward resident to go and talk to their Councillor face-to-face and these take place on a regular basis. Councillors appoint a Leader and Deputy Leader to provide political leadership and direction for the Council as a whole. Each year, Councillors also appoint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

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

How the District Council works: Governance Structure

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

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



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

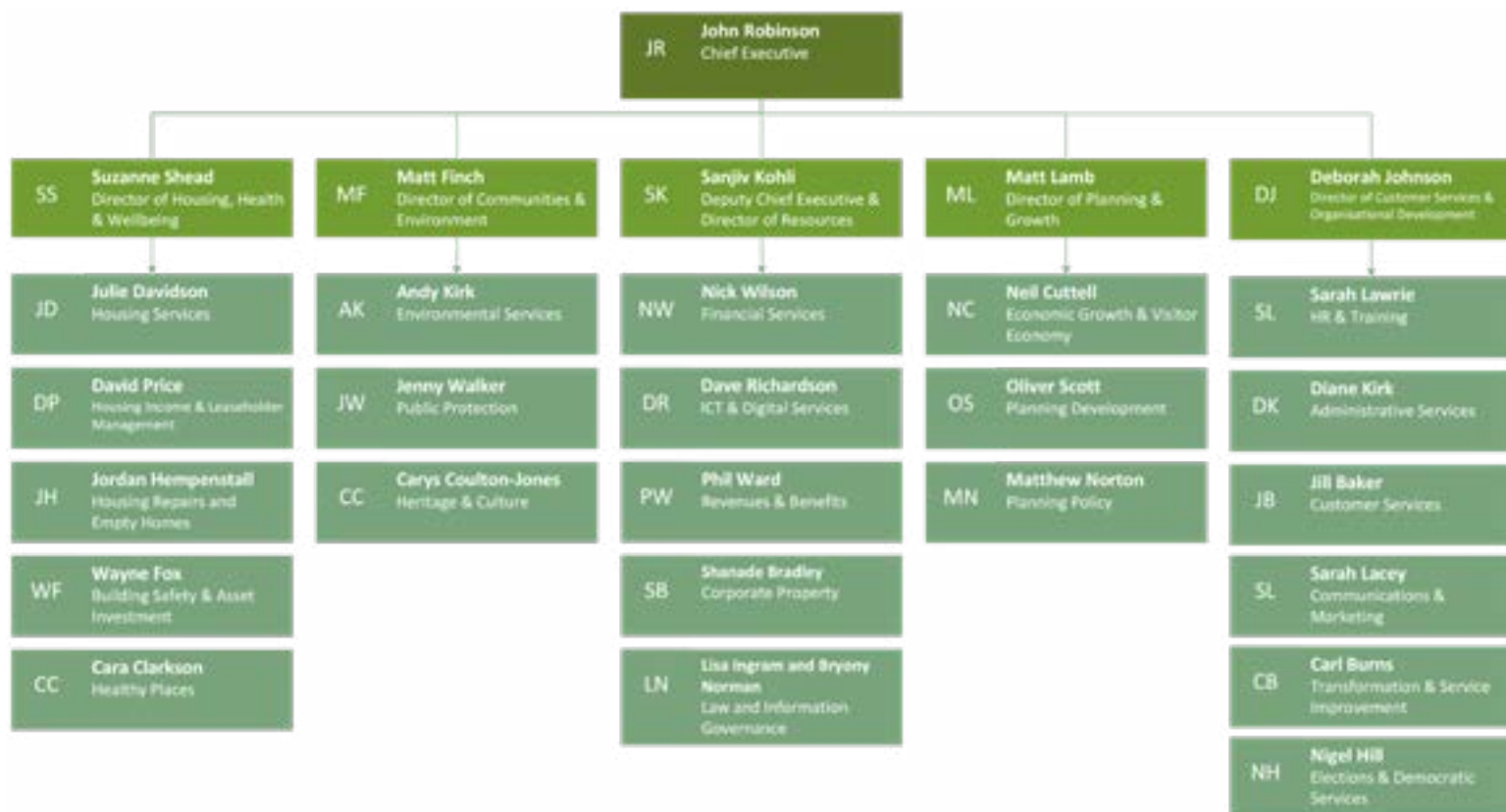
Newark and Sherwood's Cabinet Portfolios include:

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

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

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

How the Council works – internal staffing structure



PART FOUR

Community Plan Delivery

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

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



WHAT'S LEFT TO DELIVER



53 Community Plan Actions

Ambition 1

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

District Council launches new strategy to drive economic growth

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



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

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



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

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



Ollerton's future takes shape as planning permission is submitted

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



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

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

Ambition 2

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

New online service launched for the housing register

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



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

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



Yorke Drive Regeneration project secures East Midlands Combined County Authority funding



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



Ambition 3

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

New accessible changing facility opens at the Dukeries Leisure Centre

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



Community Lottery raises thousands for local groups



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

Teen cookery success

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

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



Community Grant Scheme returns to support local projects

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



Ambition 4

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

New CCTV control room for Newark and Sherwood

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



See behind the scenes here:



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

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

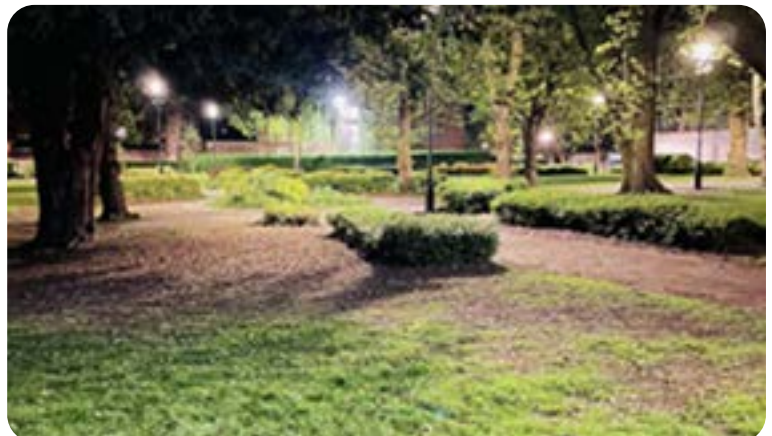
Newark Safer Streets

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



CCTV and lighting introduced to keep people safe

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



Ambition 5

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

Newark Castle Gatehouse project continues to make progress

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

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



Redevelopment of 32 Stodman Street close to completion

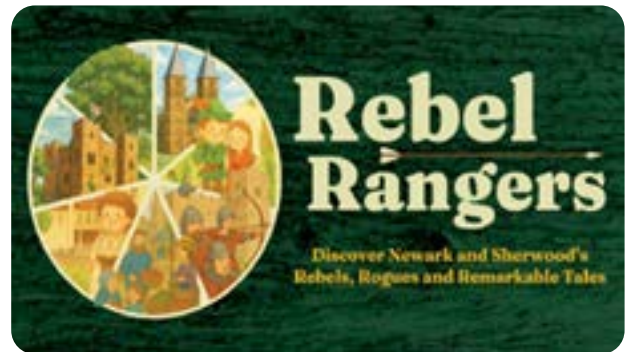
Work on transforming the former M&S building at 32 Stodman Street has made great progress with a completion date on the horizon in 2026. This is a flagship initiative led by Newark and Sherwood District Council and the Newark Town Board, the project is set to revitalise the town centre.

More here:



Local Summer Adventure for Families: Become a Rebel Ranger!

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



More here:



Newark Celebrates Local Heritage through New Trails

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

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



Ambition 6

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

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



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

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

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



District triumphs at East Midlands in Bloom Awards

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



Tree Strategy announced

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



Green Gateways pilot blooms into annual programme

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



Week of Action tackles fly-tipping at Eakring Road

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

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

Ambition 7

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

Plans for Local Government Reorganisation continue

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



Corporate Peer Challenge returns



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

Recruitment and retention

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



PART FIVE: 2025/26 FINANCIAL PERFORMANCE

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

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

General Fund Revenue

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

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

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

Housing Revenue Account (HRA)

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

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

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

Capital Spending

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

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

Major Movements on the Balance Sheet

Property, Plant and Equipment

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

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

Long Term Debtors

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

Short Term Debtors

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

Assets Held for Sale

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

Cash and Cash Equivalents

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

Short and Long Term borrowing

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

Short Term Creditors

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

PART SIX:

LOOKING FORWARD

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

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

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

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



Local Government Reorganisation (LGR)

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



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

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



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

Medium Term Financial Plan (MTFP)

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

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

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

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

	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)	2029/30 (£m)
Net Service Expenditure (less capital charges)	20.628	20.503	20.551	21.530
Total Other Expenditure	0.072	(0.146)	(0.982)	0.160
Total Expenditure	20.700	20.357	19.570	21.690
Business Rates: receivable annually	(5.313)	(5.407)	(5.487)	(5.487)
Business Rates: other adjustments	0.295	0	0	0
Council Tax: receivable annually	(8.594)	(8.673)	(8.922)	(9.178)
Council Tax: other adjustments	0	0	0	0
Other Grants	(7.827)	(5.984)	(5.382)	(4.458)
Contribution to or (from) Reserves	0.739	(0.293)	0.315	0.330
Funding Shortfall prior to Mitigations	0	0	0.093	2.897

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

PART SEVEN: CORPORATE RISKS

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

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



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

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



PART EIGHT:

EXPLANATION OF FINANCIAL STATEMENTS

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

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

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

The core statements are:

The Comprehensive Income and Expenditure Statement

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

The Movements in Reserves Statement

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

The Balance Sheet

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

The Cash Flow Statement

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

The Supplementary Financial Statements are:

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

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

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

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

1 The Authority's Responsibilities

The authority is required to:

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

2 Responsibilities of the Chief Financial Officer

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

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

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

The Chief Financial Officer has also:

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

Certificate of the Chief Financial Officer

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

Signed:

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

Date

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

Signed:

Councillor Keith Melton
Chair - Audit and Accounts Committee

Date

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

MOVEMENT IN RESERVES STATEMENT

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

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

BALANCE SHEET

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

CASH FLOW STATEMENT

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

NOTES TO THE CORE FINANCIAL STATEMENTS

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

1 ACCOUNTING POLICIES

1.1 General Principles

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

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

1.2 Accruals of Income and Expenditure

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

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

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

1.3 Cash and Cash Equivalents

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

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

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

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

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

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

1.5 Charges to Revenue for Non-Current Assets

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

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

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

1.6 Council Tax and Non-Domestic Rates

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

Accounting for Council Tax and NDR

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

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

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

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

1.7 Employee Benefits

Benefits Payable During Employment

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

Termination Benefits

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

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

Post-employment Benefits

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

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

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

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

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

Service Cost comprising

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

Re-measurements comprising

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

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

Discretionary Benefits

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

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

1.8 Financial Instruments

Financial Liabilities

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

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

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

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

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

Financial Assets

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

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

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

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

Financial Assets Measured at Amortised Cost

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

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

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

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

Expected Credit Loss Model

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

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

Financial assets measured at fair value through profit or loss

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

Fair value measurements of financial assets

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

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

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

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

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

1.9 Government Grants and Contributions

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

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

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

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

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

Community Infrastructure Levy

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

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

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

1.10 Heritage Assets

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

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

Heritage Assets – General

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

1.11 Joint Operations

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

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

1.12 Leases

The Council as Lessee

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

Initial measurement

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

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

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

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

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

Subsequent measurement

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

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

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

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

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

The liability is remeasured when:

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

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

Low value and short lease exemption

As permitted by the Code, the Council excludes leases:

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

Lease expenditure

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

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

The Council as lessor

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

Finance leases

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

Lease rentals receivable are apportioned between:

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

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

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

Operating leases

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

1.13 Property, Plant and Equipment

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

Recognition

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

Measurement

Assets are initially measured at cost, comprising:

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

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

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

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

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

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

Valuation

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

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

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

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

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

Impairment

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

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

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

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

Depreciation

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

Depreciation is calculated on the following bases:

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

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

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

Disposals and Non-current Assets Held for Sale

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

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

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

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

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

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

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

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

1.14 Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

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

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

Contingent Liabilities

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

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

Contingent Assets

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

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

1.15 Reserves

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

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

1.16 Revenue Expenditure Funded from Capital under Statute

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

1.17 Value Added Tax

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

1.18 Fair Value Measurement of non-financial assets

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

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

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

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

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

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

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

2 ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET ADOPTED

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

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

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

3 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

6 MATERIAL INTEREST IN JOINT BODIES

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

7 TRUST FUNDS

The Council acts as sole trustee for two Trusts:

The W.E. Knight Trust

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

The Gilstrap Endowment

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

8 EXPENDITURE AND FUNDING ANALYSIS

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

2024/25			2025/26		
Net Expenditure Chargeable to the General Fund & HRA Balances £'000	Adjustment between the Funding and Accounting Basis £'000	Net Expenditure in the Comprehensive Income & Expenditure Statement £'000	Net Expenditure Chargeable to the General Fund and HRA Balances £'000	Adjustment between the Funding and Accounting Basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
2,493	-293	2,200	1,563	995	2,558
458	-1,065	-607	689	431	1,120
625	397	1,022	712	167	879
-14,406	12,402	-2,004	-12,583	11,559	-1,024
2,839	111	2,950	3,376	77	3,453
7,976	1,175	9,151	9,752	769	10,521
2,099	-130	1,969	1,954	-135	1,819
2,084	12,597	14,681	5,463	13,863	19,326
-6,476	-18,442	-24,918	-6,883	-13,315	-20,198
-4,392	-5,845	-10,237	-1,420	548	-872
General Fund & Earmarked Reserve £'000	HRA & Earmarked Reserve £'000	Total £'000	General Fund & Earmarked Reserve £'000	HRA & Earmarked Reserve £'000	Total £'000
-32,649	-6,227	-38,876	-35,615	-7,653	-43,268
-2,966	-1,426	-4,392	-1,350	-70	-1,420
-35,615	-7,653	-43,268	-36,965	-7,723	-44,688
Closing Balances Split by Reserve:					
-1,500	-2,000	-3,500	-1,500	-2,000	-3,500
-34,115	-5,653	-39,768	-35,465	-5,723	-41,188
-35,615	-7,653	-43,268	-36,965	-7,723	-44,688

9 NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

Adjustments between Funding and Accounting Basis 2025/26

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

Adjustments between Funding and Accounting Basis 2024/25

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

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

Note 1 Adjustments for Capital Purposes

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

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

Note 2 Net Change for the Pensions Adjustments

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

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

Note 3 Other Differences

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

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

10 EXPENDITURE AND INCOME ANALYSED BY NATURE

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

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

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

11 ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

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

General Fund Balance

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

Housing Revenue Account Balance

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

Major Repairs Reserve

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

Capital Grants Unapplied

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

Capital Receipts Reserve

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

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

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

12 TRANSFERS TO/FROM(-) EARMARKED RESERVES

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

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

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

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

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

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

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

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

Capital Provision – to support future capital projects.

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

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

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

13 OTHER OPERATING INCOME AND EXPENDITURE

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

14 FINANCING AND INVESTMENT INCOME AND EXPENDITURE

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

15 TAXATION AND NON-SPECIFIC GRANT INCOME AND EXPENDITURE

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

16 OFFICIALS' EMOLUMENTS

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

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

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

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

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

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

Bandings are removed where each financial year has no value.

17 RELATED PARTY TRANSACTIONS

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

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

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

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

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

18 MEMBERS ALLOWANCES

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

19 GRANT INCOME

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

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

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

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

CURRENT LIABILITIES - GRANTS RECEIPTS IN ADVANCE

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

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

LONG TERM LIABILITIES - GRANTS RECEIPTS IN ADVANCE

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

20 AUDIT FEE

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

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

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

21 PROPERTY PLANT AND EQUIPMENT

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

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

DEPRECIATION

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

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

CAPITAL COMMITMENTS

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

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

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

The Council does not have material surplus assets.

REVALUATIONS

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

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

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

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

The significant assumptions applied in estimating the fair values are:

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

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

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

Category	Rate	Valuation Change
Residential	5.00%	224
Brownfield Land	4.65%	30
Industrial	2.67%	251
DRC Build	2.24%	571
Office	0.62%	110
Amenity Land	0.00%	0
Commercial Land	0.00%	0
Greenfield Land	-2.40%	-20
Agricultural land	-2.86%	-1
DRC Land	-2.95%	-90
Retail	-4.10%	-13
Grand Total		1,062

The following property types have been identified as having no suitable index available and therefore fall into the category for the three-year desktop valuation:

- Car Parks
- Non-specialised community assets incorporating; Community Centres, Day Centres, Youth Centres and Pavilions.

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

	Council Dwellings £'000	Other Land & Buildings £'000	Vehicles Plant & Equipment £'000	Infra- Structure £'000	Community Assets £'000	Assets Under Construction £'000	Surplus £'000	Total £'000
Valued at Historical Cost	0	0	16,651	448	180	19,157	0	36,436
Valued at Current Value in:								
31 March 26	358,433	10,952	0	0	0	0	608	369,993
31 March 25	0	58,136	0	0	0	0	148	58,284
31 March 24	0	6,456	0	0	0	0	0	6,456
31 March 23	0	3,389	0	0	0	0	0	3,389
31 March 22	0	8,532	0	0	0	0	0	8,532
Indexation applied to the Valuations	0	1,062	0	0	0	0	0	1,062
Total	358,433	88,527	16,651	448	180	19,157	756	484,152
Non Revaluation adjustments	0	338	0	0	0	0	0	338
Gross Book Value	358,433	88,865	16,651	448	180	19,157	756	484,490

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

22 LEASES - DISCLOSURE AS LESSEE

The Council's lease contracts comprise leases of operational land and buildings, plant and equipment and motor vehicles.

Right-of-use assets

This table shows the change in the value of right-of-use assets, which all are part of Land and Buildings within PPE, held under leases by the Council:

2024/25 £'000	2025/26 £'000
1,734 Balance at 1 April	2,740
910 Adjustment to Opening Balance for IFRS16	0
179 Additions	1,298
0 Revaluations	61
-83 Depreciation and amortisation	-42
0 Disposals	-2,002
2,740 Balance at 31 March	2,055

Transactions Under Leases

The Council incurred the following expenses and cash flows in relation to leases:

2024/25 £'000		2025/26 £'000
Comprehensive income and expenditure statement		
176	Interest expense on lease liabilities	185
0	Expense relating to short-term leases	0
44	Expenses relating to exempt leases of low-value items	46
0	Variable lease payments not included in the measure of lease liabilities	0
-175	Income from sub-letting right of use assets	-169
Cash Flow Statement		
339	Minimum lease payments	355

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

2024/25 £'000		2025/26 £'000
169	Not later than one year	209
736	Later than one year and not later than five years	909
4,264	Later than five years	5,179
5,169	Total	6,297

23 LEASES - DISCLOSURE AS LESSOR

Finance Leases

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

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

The Council Sub lets the hotel asset on the Beaumont Cross site, on a finance lease with a remaining term of 20 years.

The Council has a gross investment in the lease of minimum lease payments expected to be received over the remaining term. The minimum lease payments comprise settlement of the long-term debtor for the interest in the property acquired by the lessee and finance income that will be earned by the Council in future years while the debtor remains outstanding. The gross investment is made up of the following amounts:

2024/25 £'000	2025/26 £'000
Finance Lease Debtor (net present value of minimum lease payments)	
136 • Current	159
4,234 • Non Current	4,738
2,040 Unearned Finance Income	2,392
6,410 Minimum Lease Repayments	7,289

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

2024/25		2025/26	
Minimum Lease Payments £'000	Gross Investment in the Lease £'000	Minimum Lease Payments £'000	Gross Investment in the Lease £'000
305	136	364	159
1,221	601	1,458	709
4,884	3,633	5,467	4,030
6,410	4,370 Total	7,289	4,898

Operating Leases

The Council has granted leases in respect of a range of industrial units, lorry wash and other commercial land and buildings. A number of village halls are also included. All arrangements are accounted for as operating leases with the village halls being charged peppercorn rents. All the leases as lessor are land and buildings. The Council does not currently lease any vehicle, plant or equipment.

Aggregate rentals received by the Council in its capacity as lessor for 2025/26 was £2,009k (£1,390k 2024/25).

The total future lease commitments are:

2024/25 £'000	2025/26 £'000
1,136	1,938
2,950	4,084
3,369	3,935
7,455 Total Operating Lease Costs	9,957

24 CASH AND CASH EQUIVALENTS

2024/25 £'000	2025/26 £'000
3 Cash held by the Council	3
913 Bank current accounts	957
28,621 Short-term deposits with Money Market Funds	17,693
29,537 Total Cash and Cash Equivalents	18,653

25 HERITAGE ASSETS

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

	Museum Collection £'000	Other Assets £'000	Total Assets £'000
Cost or Valuation			
At 1 April 2025	3,504	125	3,629
Additions	0	217	217
Revaluation increases/decreases(-)to Revaluation Reserve	73	2	75
Revaluation increases/decreases(-) to Surplus/Deficit on the Provision of Services	0	-166	-166
At 31 March 2026	3,577	178	3,755
Cost or Valuation			
At 1 April 2024	3,450	110	3,560
Additions	0	399	399
Revaluations	54	-384	-330
At 31 March 2025	3,504	125	3,629

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

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

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

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

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

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

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

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

26 ASSETS HELD FOR SALE

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

2024/25		2025/26
£'000		£'000
3,194	Balance outstanding at start of year	5,110
	Assets newly classified as held for sale:	
3,613	Transfer from Property, Plant and Equipment	2,819
-874	Revaluation losses	0
	Assets declassified as held for sale:	
-52	Transfer back to Property, Plant and Equipment	-108
-771	Assets Sold	-7,028
5,110	Balance outstanding at year-end	793

27 INTANGIBLE ASSETS

During 2025/26 the Council's intangible assets consisted of computer software. These were considered to have significant long term value to justify inclusion within the Balance Sheet. They are amortised on a straight line basis over the estimated period of economic benefit to the Council which varies between 5 and 10 years depending on the particular system. The amortisation amount is charged to the relevant revenue service and is included within the (Surplus)/Deficit on Continuing Operations.

2024/25		2025/26
£'000		£'000
	Balance at start of year:	
1,970	Gross carrying amounts	2,240
-1,319	Accumulated amortisation	-1,422
651	Net carrying amount at start of year	818
	Movements:	
270	Purchases	593
0	Other disposals	-14
-103	Amortisation for the period	-116
0	Reclassifications	0
818	Net carrying amount at end of year	1,281
	Comprising:	
2,240	Gross carrying amounts	2,180
-1,422	Accumulated amortisation	-899
818	Net carrying amount at end of year	1,281

28 CAPITAL EXPENDITURE AND FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The movement on the CFR is analysed in the second part of this note.

2024/25 £'000	2025/26 £'000
135,657	147,045
<i>Opening Capital Financing Requirement</i>	
440	0
<i>Adjustments to Opening Balance for IFRS16 Leases</i>	
136,097	147,045
<i>Revised Opening Capital Financing Requirement (CFR)</i>	
<u>Capital Investment:</u>	
24,009	26,641
Property, Plant and Equipment	
4,683	12,235
Capital Loans and Shares	
0	217
Heritage Assets	
270	593
Intangible Assets	
5,443	2,915
Revenue Expenditure Funded from Capital Under Statute	
<u>Sources of Finance</u>	
-3,413	-5,445
Capital Receipts	
-9,732	-7,034
Government Grants and Contributions	
-10,312	-18,565
Sums set aside from Revenue (inc MRP and finance leases)	
147,045	158,602
<i>Closing Capital Financing Requirements</i>	
<i>Explanation of Movements in Year</i>	
14,823	17,441
Increase in underlying need to borrow (unsupported by Government financial assistance)	
-3,875	-5,884
Other Movements (MRP including finance leases)	
10,948	11,557
<i>Increase in Capital Financing Requirement</i>	
<i>Split on Capital Financing Requirement between General Fund and Housing Revenue Account</i>	
37,408	51,553
General Fund	
109,637	107,049
Housing Revenue Account	
147,045	158,602
Total	Total

29 ANALYSIS OF DEBTORS

The amounts due to the Council were:-

2024/25 £'000	2025/26 £'000
Amounts falling due within one year:-	
1,020	914
Trade Receivables	
823	1,079
Prepayments	
16,474	12,365
Other Receivable Amounts	
-2,214	-2,495
Less Loss Allowance	
16,103	11,863
Total Short Term Debtors	
3,232	15,271
Other Entities and Individuals	
3,232	15,271
Total Long Term Debtors	
19,335	27,134
Total Debtors	

DEBTORS FOR LOCAL TAXATION

The past due but not impaired amount for local taxation (council tax and non-domestic rates) within the total debtors figure is analysed below;

2024/25 £'000	2025/26 £'000
595 Council Tax	620
299 Non-Domestic Rates	477
894 Total Debtors for Local Taxation	1,097

30 ANALYSIS OF CREDITORS

The amounts owed by the Council were:-

2024/25 £'000	2025/26 £'000
Amounts falling due within one year:-	
5,438 Trade Payables	8,926
6,356 Other Payables	5,154
11,794 Short Term Creditors	14,080
0 Other Payables	120
0 Long Term Creditors	120
11,794 Total	14,200

31 PROVISIONS

2024/25 £'000	Non Domestic Rate Appeals £'000	2025/26 Total £'000
203 Short Term Balance at 1 April	305	305
-246 Amounts used in year	-231	-231
348 Transfer from Long Term	417	417
305 Short Term Balance at 31 March	491	491
377 Long Term Balance at 1 April	316	316
287 Increase/Decrease (-) in provisions made in year	101	101
-348 Transfer to Short Term	-417	-417
316 Long Term Balance at 31 March	0	0

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

32 USABLE RESERVES

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

33 UNUSABLE RESERVES

2024/25 £'000	2025/26 £'000
151,415 Revaluation Reserve	155,147
178,256 Capital Adjustment Account	183,617
-99 Financial Instruments Adjustment Account	-96
-8,245 Pensions Reserve	-8,067
-57 Crematorium Pension Reserve	-59
4,370 Deferred Capital Receipts Reserve	7,338
-1,682 Pooled Investment Adjustment Account	-2,052
113 Collection Fund Adjustment Account	-113
-400 Accumulated Absences Account	-479
323,671 Total Unusable Reserves	335,236

REVALUATION RESERVE

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost.
- Used in the provision of services and the gains are consumed through depreciation.
- Disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date the reserve was created. Accumulated gains arising before that date are consolidated into the balance in the Capital Adjustment Account.

2024/25 £'000	2025/26 £'000
152,027 Balance at 1 April	151,415
16,645 Upward revaluations of assets	16,247
-14,482 Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	-7,566
2,163 Surplus or deficit(-) on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	8,681
-2,528 Difference between fair value depreciation and historical cost depreciation	-2,490
-247 Accumulated gains on assets sold or scrapped	-2,459
-2,775 Amount written off to the Capital Adjustment Account	-4,949
151,415 Balance at 31 March	155,147

CAPITAL ADJUSTMENT ACCOUNT

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement. The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The account contains accumulated gains and losses on Investment Properties and revaluation gains on Property, Plant and Equipment before 1 April 2007, the date the Revaluation Reserve was created to hold such gains.

2024/25 £'000		2025/26 £'000
172,574	Balance as at 1st April	178,256
470	Adjustments to Opening Balance for IFRS16 Leases	0
173,044	Revised Balance as at 1 April	178,256
	Reversal of items relating to capital expenditure debited or credited to the CIES:	
-8,292	Charges for depreciation and impairment of non-current assets	-8,696
-4,749	Revaluation losses on Property, Plant and Equipment	-6,502
-103	Amortisation of intangible assets	-116
-78	Revaluation on Financial Instrument classed as capital	-711
-5,443	Revenue expenditure funded from capital under statute	-2,915
-884	Amounts of non-current assets written off on disposal or sale as part of the gain(-)/loss on disposal to the CIES	-9,057
-19,549	Total	-27,997
247	Adjusting amounts written out of the Revaluation Reserve	2,460
-19,302	Net written out amount of the cost of non-current assets consumed in the year	-25,537
	Capital financing applied in the year:	
3,413	Use of Capital Receipts Reserve to finance new capital expenditure	5,445
4,454	Use of Major Repairs Reserve to finance new capital expenditure	10,604
9,431	Capital grants and contributions credited to the CIES that have been applied to capital financing	7,034
302	Applications of grants to capital financing from the Capital Grant Unapplied Account	0
837	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	843
-1,470	Capital Long Term Debtor write down principal repayments	-2,633
3,037	Voluntary provision against General Fund and repayment of HRA debt	5,041
1,982	Capital expenditure charged against the General Fund and HRA balances	2,074
21,986	Total	28,408
2,528	Adjustment between Capital Adjustment Account and Revaluation Reserve for depreciation that relates to the revaluation balance rather than historic cost	2,490
178,256	Balance at 31 March	183,617

FINANCIAL INSTRUMENT ADJUSTMENT ACCOUNT

The Financial Instrument Adjustment Account absorbs the timing difference arising from the different arrangements for accounting for income and expenditure relating to certain financial instruments and for bearing losses or benefitting from gains per statutory provision. The Council uses the account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred but reversed out of the General Fund balance to this account in the Movement in Reserves Statement. Over time the expense is posted back to the General Fund balance in accordance with statutory arrangements for spreading the burden on the council tax payer.

2024/25 £'000	2025/26 £'000
-103 Balance at 1 April	-99
4 Differences between statutory debits/credits and amounts recognised as income and expenditure in relation to financial instruments	3
-99 Balance at 31 March	-96

PENSIONS RESERVE

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2024/25 £'000	2025/26 £'000
-11,842 Balance at 1 April	-8,245
18,677 Remeasurements of the net defined benefit liability/(asset)	4,443
-15,357 Impact of asset ceiling	-5,390
-4,047 Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	-3,437
4,324 Employers pensions contributions and direct payments to pensioners payable in the year	4,562
-8,245 Balance at 31 March	-8,067

CREMATORIUM PENSION RESERVE

The total assets and liabilities of the Mansfield and District Joint Crematorium Pension Account are apportioned between Newark and Sherwood District Council, Ashfield District Council and Mansfield District Council. The balance held in the Crematorium Pension Account represents Newark and Sherwood District Council's proportion of the assets and liabilities of the scheme.

2024/25 £'000	2025/26 £'000
-107 Balance at 1 April	-140
166 Remeasurements of the net defined benefit liability/(asset)	112
-219 Impact of asset ceiling	-188
-53 Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	-43
73 Employers pensions contributions and direct payments to pensioners payable in the year	77
-140 Balance at 31 March	-182
Balance split by Authority:	
-57 Newark and Sherwood District Council's proportion	-59
-65 Ashfield District Council's Proportion	-84
-18 Mansfield District Council's Proportion	-39
-140 Balance at 31 March	-182

DEFERRED CAPITAL RECEIPTS RESERVE

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

2024/25 £'000	2025/26 £'000
6,692 Balance at 1 April	4,370
0 Transfer of deferred capital receipt repayable credited as part of the gain(-)/loss on disposal to the CIES	3,104
-2,322 Transfer to Capital Receipts Reserve	-136
4,370 Balance at 31 March	7,338

POOLED INVESTMENT FUNDS ADJUSTMENT ACCOUNT

The pooled investment fund adjustment account represents the fair value movement in the value of its investments that are measured at fair value through profit and loss. Under regulation 30k the fair value movement can continue to be reversed for all investments taken prior to 1 April 2024 until the period ending 31 March 2029. After that period the value of the movement will then be charged against the general fund balance.

2024/25 £'000	2025/26 £'000
-1,516 Balance at 1 April	-1,682
112 Upward revaluation of investments	0
-278 Downward revaluation of investments	-370
-1,682 Balance at 31 March	-2,052

COLLECTION FUND ADJUSTMENT ACCOUNT

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2024/25 £'000	2025/26 £'000
342 Balance at 1 April	113
-229 Amount by which council tax and non-domestic rating income credited to the CIES is different from council tax and non-domestic rating income calculated for the year in accordance with statutory requirements	-226
113 Balance at 31 March	-113

ACCUMULATED ABSENCES ACCOUNT

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, eg annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2024/25 £'000	2025/26 £'000
-400 Balance at 1 April	-400
400 Settlement or cancellation of accrual made at the end of the preceding year	400
-400 Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-479
-400 Balance at 31 March	-479

34 CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities to disclose.

35 CASH FLOW STATEMENTS

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

2024/25 £'000	2025/26 £'000
10,237	872
Net Surplus or Deficit(-) on the Provision of Services	
Adjust net surplus or deficit on the provision of services for non-cash movements	
8,292	8,697
Depreciation of Property, Plant and Equipment	
4,749	6,504
Impairment and downward valuations	
103	116
Amortisation of Intangible Assets	
78	711
Material impairment losses on Investments debited to surplus or deficit on the provision of services in year	
166	371
Adjustment for movements in fair value of investments classified as Fair Value through Profit & Loss a/c	
196	-149
Increase/Decrease(-) in interest Creditors	
-345	-378
Increase/Decrease(-) in Creditors	
238	148
Increase(-)/Decrease in interest and dividend Debtors	
-2,102	3,488
Increase(-)/Decrease in Debtors	
19	76
Increase(-)/Decrease in Inventories	
-278	-1,127
Pension Liability	
42	-130
Increase/Decrease(-) in Provisions	
884	9,057
Carrying amount of non-current assets and non-current Assets Held For Sale, sold or derecognised	
12,042	27,384
Total	
Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities	
0	0
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	
-11,963	-7,600
Capital Grants credited to surplus or deficit on the Provision of Services	
0	0
Premiums or Discounts on the repayment of financial liabilities	
-756	-8,104
Proceeds from the sale of Property Plant and Equipment, Investment Property and Intangible Assets	
-12,719	-15,704
Total	
9,560	12,552
Net Cash Flows from Operating Activities	

B Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2024/25 £'000	2025/26 £'000
2,807	2,845
Interest received	
-3,427	-4,286
Interest paid	
-620	-1,441
Total	

C Cash Flow Statement - Investing Activities

2024/25 £'000		2025/26 £'000
-32,214	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	-22,717
-3,000	Purchase of short-term and long-term Investments	0
-3,213	Other payments for investing activities	-9,601
3,079	Proceeds from the sale of Property, Plant and Equipment, Intangible Assets and Finance Lease Receivables	5,136
2,000	Proceeds from short-term and long-term Investments	0
14,376	Other receipts from investing activities	9,559
-18,972	Net cash flows from investing activities	-17,623

D Cash Flow Statement - Financing Activities

2024/25 £'000		2025/26 £'000
31,220	Cash receipts for short and long-term Borrowing	34,918
0	Other receipts from financing activities	0
-135	Cash payments for the reduction of the outstanding liabilities relating to Finance Leases	-170
-6,884	Repayments of short and long-term Borrowing	-39,794
-1,208	Other payments for financing activities	-767
22,993	Net cash flows from financing activities	-5,813

36 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2025/26 1 April £'000	Financing Cash Flows £'000	Non-cash changes		2025/26 31 March £'000
			Acquisit- ion £'000	Other non- cash changes £'000	
Long-term borrowings	73,356	-5,041	0	22,496	90,811
Short-term borrowings	36,441	165	0	-22,496	14,110
Lease Liabilities	5,170	-170	1,298	0	6,298
Total Liabilities from financing activities	114,967	-5,046	1,298	0	111,219

37 JOINT CREMATORIUM COMMITTEE

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

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

2024/25		2025/26	
Total	NSDC	Total	NSDC
£'000	Share	£'000	Share
Comprehensive Income and Expenditure			
£'000	£'000	£'000	£'000
-1,993	-70	-2,036	-113
1,389	49	1,334	73
-604	-21	-702	-40
Charged to Other Operating Income and Expenditure before Surplus Distribution			
875	30	700	38
271	9	-2	-2
Total Charged to Other Operating Income and Expenditure			
-97	-3	-72	-3
174	6	-74	-5
Surplus (-) or Deficit on Provision of Services			
0	0	-59	-3
Surplus(-) or Deficit on Revaluation of Non Current Assets			
52	2	76	4
Remeasurements of the Net Defined Benefit Liability (Asset)			
226	8	-57	-4
Total Comprehensive Income and Expenditure			

2024/25		2025/26	
Total	NSDC	Total	NSDC
£'000	Share	£'000	Share
Balance Sheet			
£'000	£'000	£'000	£'000
2,136	251	2,025	244
2,136	251	2,025	244
Long Term Assets			
265	26	289	27
2,070	222	2,131	225
2,335	248	2,420	252
Current Assets			
-981	-89	-831	-81
-981	-89	-831	-81
Current Liabilities			
-140	-57	-182	-59
-140	-57	-182	-59
Long Term Liabilities			
3,350	353	3,432	356
Net Assets			
Financed By:			
1,355	159	1,589	171
-140	-57	-182	-59
1,146	178	1,061	173
989	73	964	71
3,350	353	3,432	356
Total Reserves			

38 POST EMPLOYMENT BENEFITS

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

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

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

These transactions are as follows:-

2024/25 £'000	2025/26 £'000
Comprehensive Income and Expenditure Statement	
<u>Cost of Services</u>	
3,491 Current service cost	3,010
14 Past service costs	0
0 (Gain)/loss from settlements	0
<u>Financing and Investment Income and Expenditure</u>	
476 Net interest expense	348
68 Administration costs	81
4,049 Total charged to Surplus/Deficit on Provision of Services	3,439
<u>Remeasurement of the net defined benefit liability</u>	
-1,515 Return on plan assets	8,744
0 Other actuarial gains/(losses)	1,242
19,880 Changes in financial assumptions	6,044
382 Changes in demographic assumptions	-4,763
-64 Experience gains/(losses)	-6,818
-15,365 Impact of asset ceiling	-5,400
3,318 Total charged to Other Comprehensive Income and Expenditure	-951
7,367 Total charged to Comprehensive Income and Expenditure Statement	2,488
Movement in Reserves Statement	
278 Reversal of net charges made for retirement benefits	1,127
Actual amount charged against the General Fund Balance	
4,327 Employers' contributions payable to scheme (including release of prepaid contributions)	4,566

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

Funding Arrangements

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

The latest full triennial valuation of the Fund was carried out by Barnet Waddingham, the Fund's actuary, as at 31 March 2025 in accordance with the Funding Strategy Statement of the Fund and Regulation 36 of the Local Government Pension Scheme (Administration) Regulations 2008. The purpose of the valuation is to review the financial position of the Fund and to set appropriate contribution rates for each employer in the Fund for the period from 1 April 2026 to 31 March 2029 as required under Regulation 62 of the Regulations.

The results were published in the triennial valuation report dated 13 March 2026, with the funding level decreased marginally from 100% at the 2022 valuation to 99%. This report details the fund assumptions and employer contribution rates for the three years from 2026/27.

The triennial valuation undertaken as at 31 March 2025 covers the three financial years to 2028/29. The actuary's market value of the scheme's assets at 31 March 2025 was £7.40bn and the Actuary assessed the smoothed value of the funded obligation at £7.50bn. This indicates a net deficit of £109m, which equates to a funding level of 99% (2022 surplus: £9m and 100%).

Assets and liabilities in relation to retirement benefits

Pension Assets and Liabilities Recognised in Balance Sheet

Assets	2025/26	2024/25	2025/24	2022/23	2021/22
	£'000	£'000	£'000	£'000	£'000
Present value of liabilities	-143,094	-132,421	-147,460	-144,926	-213,553
Fair value of assets	156,624	139,484	135,562	125,128	128,654
Net liability	13,530	7,063	-11,898	-19,798	-84,899
Impact of asset ceiling	-21,657	-15,365	0	0	0
Net Liability	-8,127	-8,302	-11,898	-19,798	-84,899

Reconciliation of present value of the scheme liabilities:

2024/25 £'000	2025/26 £'000
147,460 1st April	132,421
3,491 Current service cost	3,010
7,093 Interest cost	7,527
1,290 Contributions by scheme participants	1,382
<i>Remeasurement (gains)/losses</i>	
-382 Changes in demographic assumptions	4,763
-19,880 Changes in financial assumptions	-6,044
64 Other	6,818
14 Past service cost	0
-6,729 Benefits paid	-6,783
132,421 31st March	143,094

Reconciliation of fair value of the scheme assets:

2024/25 £'000	2025/26 £'000
135,562 1st April	139,484
6,617 Interest income	8,070
<i>Remeasurement gain/(loss)</i>	
-1,515 Return on plan assets	8,744
0 Other	1,242
4,327 Contributions from employer	4,566
1,290 Contributions from scheme participants	1,382
-6,729 Benefits paid	-6,783
-68 Administration costs	-81
0 Settlement Paid	0
139,484 31st March	156,624

Reconciliation of change in impact of asset ceiling

2024/25 £'000	2025/26 £'000
0 Opening Impact of asset ceiling	15,365
0 Interest on impact of asset ceiling	892
15365 Actuarial losses/(gains)	5,400
15,365 Closing impact of asset ceiling	21,657

Explanation of the Asset Ceiling

The accounting standards state that if an employer has an accounting surplus, it should only be recognised to the extent that it is able to recover the surplus either through reduced contributions in the future, or through refunds. The present value of such economic benefits is commonly referred to as the "asset ceiling".

Basis for estimating assets and liabilities

The following tables exclude the Councils portion of Mansfield Crematorium pension liability due to materiality. Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The scheme liabilities have been assessed by Barnett Waddingham LLP, an independent firm of actuaries, the estimates for the County Council Fund being based on the latest full valuation of the scheme as at 31st March 2025.

The principal assumptions used by the actuary have been:

2024/25 £'000		2025/26 £'000
<u>Mortality Assumptions</u>		
Longevity at 65 for current pensioners		
20.4	Men	21.2
23.3	Women	24.2
Longevity at 65 for future pensioners		
21.7	Men	22.8
24.7	Women	25.9
3.20%	Rate of inflation – Retail Price Index	3.30%
3.90%	Rate of increase in salaries	3.90%
2.90%	Rate of increase in pensions (CPI)	2.90%
5.80%	Rate for discounting scheme liabilities	6.10%
Take up of option to convert annual pension into retirement		
50%	Lump Sum	50%
10%	Take up of option to pay 50% contributions for 50% benefits	10%

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

<u>Impact on the defined benefit obligation</u>	<u>Adjustment</u>	<u>Increase in assumption</u> £'000	<u>Decrease in assumption</u> £'000
Discount Rate	+/- 0.1%	-1,920	1,964
Salary Increase	+/- 0.1%	0	-90
Pension Increase	+/- 0.1%	1,993	-1,545
Mortality Age	+/- 1 year	5,318	-5,102

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

2024/25 £'000		Quoted	Unquoted	2025/26 £'000
Equity Investment				
20,854	UK investment	24,813	0	24,813
51,440	Overseas investment	60,481	0	60,481
4,855	Private equity investment	0	5,359	5,359
77,149	Total			90,653
Gilts				
11,580	UK fixed interest	12,981	0	12,981
11,580	Total			12,981
Other Bonds				
2,563	UK corporates	1,549	0	1,549
6,408	Overseas corporates	6,198	0	6,198
8,971	Total			7,747
14,296	Property	0	12,790	12,790
7,595	Cash/Credit/Unit Trust	0	11,383	11,383
9,647	Inflation-linked pooled fund	0	10,406	10,406
10,219	Infrastructure	0	10,624	10,624
139,457	Total	106,022	50,562	156,584

Projected Pension Expense for the Year to 31 March 2027

	Year to 31-Mar-27 £'000
Projection for Year to 31 March 2027	
Service cost	2,914
Net Interest on the defined liability (asset)	367
Administration expenses	81
Total	3,362
Employer contributions	4,040

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

Virgin Media Legal Case

This issue relates to a case where missing actuarial certification resulted in historic benefit changes being void. The Department for Work and Pensions (DWP) published an announcement on 5 June 2025 noting the plan to introduce new legislation in response to the Virgin Media vs NTL Trustees ruling. The legislation will allow affected pension schemes to retrospectively obtain written actuarial confirmation that historic changes to scheme rules met the required standards.

The new legislation is hoped to provide clarity to affected schemes; we have therefore assumed that there will be no impact on the LGPS as a result of the ruling.

39 FINANCIAL INSTRUMENTS – RISK AND RISK MANAGEMENT

Disclosure of nature and extent of Risk arising from Financial Instruments

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

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

Overall Procedures for Managing Risk

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

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

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

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

Credit Risk: Treasury Investment

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

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

A summary of the credit quality of the Council's investments at 31 March 2026 is shown below:

2024/25			2025/26		
Fair Value through Profit & Loss £'000	Investments (Amortised Cost) £'000	Credit Rating	Fair Value through Profit & Loss £'000	Investments (Amortised Cost) £'000	
0	22,528	AAA	0	11,640	
0	0	AA+	0	0	
0	0	AA	0	0	
0	0	AA-	0	0	
0	9,000	A+	0	9,000	
0	5,000	A	0	5,000	
0	0	A-	0	0	
14,780	0	N/A	13,698	0	
14,780	36,528	Total	13,698	25,640	

Credit Risk: Amounts arising from Expected Credit Losses

The loss allowance for investments at amortised cost during the year are as follows:

Investment at Amortised Cost	Principal Amount £'000	Historic Risk of Default	Lifetime Expected Credit Losses – not credit impaired £
<u>Money Market Funds</u>			
Deutsche	20	0.000%	0
Invesco	9,175	0.000%	0
CCLA	2,240	0.000%	0
Northern Trust	20	0.000%	0
Goldmans Sachs	185	0.000%	0
<u>Other Investments</u>			
Lloyds Call Account	6,000	0.000%	7
Standard Chartered - ESG	3,000	0.020%	585
Santander UK Plc - 180 day notice a/c	5,000	0.000%	6
Total	25,640		598

Please note that we are currently using Historic Default Rates from 1990-2025 for Fitch, 1983-2025 for Moody's and 1981-2025 for S&P. Under IFRS 9 please be aware that the Code does not recognise a loss allowance where the counterparty is central government or a local authority since relevant statutory provisions prevent default. For these instruments, the Expected Credit Loss will be nil.

Due to the immaterial amount calculated on the lifetime expected credit losses the transaction has not been reflected within the accounts.

The loss allowance requirements do not apply to financial assets classified as 'fair value through profit or loss', as current market prices are considered to be an appropriate reflection of credit risk, with all movements in fair value (including those relating to credit risk) impacting on the carrying amount and being posted to the Surplus or Deficit on the Provision of Services as they arise.

Credit Risk: Trade Receivables

The following analysis summarises the Council's potential maximum exposure to credit risk on other financial assets based on experience of default.

	Amount at 31st March 2026 £'000	Historical Experience of Default %	Adjustment for Market 31st March 2026 %	Estimated Maximum Exposure to Default 31st March 2026 £'000	Estimated Maximum Exposure to Default 31st March 2025 £'000
Trade Receivables	913	4.8	4.8	44	49
	913			44	49

The following analysis summarises the Council's trade receivables, by due date. Only those receivables meeting the definition of a financial asset are included. The Council does not generally allow credit to its trade debtors, such that £0.477m of the £0.913m balance is past its due date for payment. The past due amount can be analysed by age as follows:

2024/25 £'000	2025/26 £'000
Debtor Analysis	
491 Up to 30 days	194
98 31 to 60 days	4
4 61 to 90 days	1
220 Greater than 90 days	278
813 Total	477

Community Infrastructure Levy and section 106 receivables have payment terms of 90 days before recovery action is taken. £0m of the £0.278m debt which is over 90 days old relates to these debtors.

Collateral – During the reporting period the Council held no collateral as security.

Liquidity Risk

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the Code of Practice. This seeks to ensure that cash is available when it is needed.

The Council has ready access to redeem funds invested from the money market to cover any day to day cash flow need, and the Public Works Loan Board provides access to longer term borrowing funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is, therefore, no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. This risk is managed by maintaining a spread of fixed rate loans and ensuring that no more than 15% of the Council's borrowing matures in any one financial year.

The maturity analysis of financial instruments is as follows:

2024/25			2025/26		
Liabilities	Assets	Net	Liabilities	Assets	Net
£'000	£'000	£'000	£'000	£'000	£'000
32,941	36,528	3,587	14,111	25,640	11,529
3,044	0	-3,044	23,046	0	-23,046
16,137	10,819	-5,318	20,401	10,449	-9,952
6,811	0	-6,811	0	0	0
47,364	3,961	-43,403	47,365	3,249	-44,116
3,500	0	-3,500	0	0	0
109,797	51,308	-58,489	104,923	39,338	-65,585

* The Council has £0m (2024/25: £3.5m) of “Lender’s option, borrower’s option” (LOBO) loans where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty. Due to current low interest rates, in the unlikely event that the lender exercises its option, the Council is likely to repay these loans. The maturity date is therefore uncertain.

Liquidity Risk: Refinancing and Maturity risk

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council's approved treasury and investment strategies to address the main risks and the central treasury team address the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council’s day to day cash flow needs, and the spread of longer-term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

Market Risk: Interest Rate Risk

Interest Rate Risk – The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise.
- Borrowings at fixed rates – the fair value of the borrowing will fall.
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise.
- Investments at fixed rates – the fair value of the assets will fall.

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

The Treasury Management Strategy aims to mitigate these risks by setting upper limits on its net exposures to fixed and variable interest rates.

If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	£'000
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable rate investments	-524
Impact on Surplus or Deficit on the Provision of Services	-524
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus(-) or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	4,958

The impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Market Risk: Price Risk

The Council, excluding the pension fund, does not generally invest in equity shares or marketable bonds.

However, it does have shareholdings to the value of £4m in Arkwood Developments Ltd (100% Council owned). Whilst these holding are generally illiquid, the Council is exposed to gains or losses arising from movements in the price of the shares.

The shares in this company are not traded in an active market and fair value has been based on valuation techniques that are not based on observable current market transactions or available market data. The valuation has been made based on the net assets in the company's latest audited accounts.

The £4m shares are all classified at fair value through profit or loss, however as the transaction is a classed as capital all pricing movements will be reversed to the Capital Adjustment Account to remove impact on the tax payer. The carrying value as at 31 March 2026 is £3.249m.

The Council also holds £12.5m in the CCLA property fund and diversified income fund that has a carrying value as at 31 March 2026 of £10.447m. However, any movements in price will not impact on the General Fund Balance as regulations are currently in force to remove the impact of the fair value movements on the tax payer.

40 FINANCIAL INSTRUMENTS – BALANCES

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

	Long Term		Current	
	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000
Financial Assets				
Investments				
Principal at amortised cost	0	0	8,000	8,000
Accrued Interest	0	0	181	191
Fair Value through Profit and Loss	13,698	14,780	0	0
Total Financial Assets	13,698	14,780	8,181	8,191
Cash and Cash Equivalents				
Cash (including bank accounts)	0	0	956	928
Cash equivalents at amortised cost	0	0	17,640	28,528
Accrued interest	0	0	53	93
Total Cash and Cash Equivalents	0	0	18,649	29,549
Loans and Receivables				
Trade Debtors	0	0	913	1,022
Other Debtors	20,009	7,466	499	2,444
Loans	0	0	0	0
Total Loans and Receivables	20,009	7,466	1,412	3,466
Total	33,707	22,246	28,242	41,206

	Long Term		Current	
	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000
Financial Liabilities				
Principal sum borrowed at Amortised cost	90,812	73,357	14,111	36,440
Accrued Interest	0	0	850	999
Fair Value through Profit and Loss	0	0	0	0
Total Financial Liabilities	90,812	73,357	14,961	37,439
Trade Creditors	0	0	7,227	3,915
Other Creditors	278	248	322	276
Finance Lease Liability	6,088	5,000	209	169
Provisions	0	0	0	0
Total Non-Financial Liabilities	6,366	5,248	7,758	4,360
Total	97,178	78,605	22,719	41,799

Note – Fair value has been measured by:

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

41 FINANCIAL INSTRUMENTS – GAINS/LOSSES

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

	Financial Liabilities		Financial Assets	
	2025/26	2024/25	2025/26	2024/25
	£'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	1,082	244
Total Net (Gains) / Losses	0	0	1,082	244
Interest expense	4,100	3,568	0	0
Interest Payable and Similar Charges	4,100	3,568	0	0
Interest income	0	0	-2,258	-2,543
Interest and Investment Income	0	0	-2,258	-2,543

42 FINANCIAL INSTRUMENTS – FAIR VALUES

Basis for recurring fair value measurements:

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

Fair Value of Financial Assets

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

Financial assets measured at fair value	Input Level in Fair Value Hierarchy	Valuation technique used to measure fair value	2025/26 £'000	2024/25 £'000
<i>Fair Value through Profit and Loss</i>				
Equity shareholdings in Arkwood Developments Ltd	Level 3	Net Assets valuation (see * below)	3,250	3,961
CCLA Property Fund	Level 1	Unadjusted quoted prices in active markets for identical shares	5,848	5,941
CCLA Diversified Income Fund (DIF)	Level 1	Unadjusted quoted prices in active markets for identical shares	4,599	4,877
Total			13,697	14,779

***Equity Shareholding in Arkwood Developments Ltd**

The Council's shareholding in Arkwood Developments Ltd – the shares in this company are not traded in an active market and fair value of £3.250m has been based on valuation techniques that are not based on observable current market transactions or available market data. The valuation has been made based on an analysis of the net assets in the company's latest audited accounts.

History of Fair Value Movements of Financial Assets

	Opening Principal 1.4.25 £'000	In Year Principal Movement £'000	Closing Principal 31.3.26 £'000	Opening Fair Value Adj 1.4.25 £'000	In year Movement £'000	Closing Fair Value Adj 31.3.26 £'000	Carrying Value 31.3.26 £'000
Equity in Arkwood Developments Ltd	4,000	0	4,000	-39	-711	-750	3,250
CCLA Property Fund	7,000	0	7,000	-1,059	-93	-1,152	5,848
CCLA Diversified Income	5,500	0	5,500	-623	-278	-901	4,599
Total	16,500	0	16,500	-1,721	-1,082	-2,803	13,697

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between input levels 1 and 2 during the year.

Changes in the Valuation Technique

There has been no change in the valuation technique used during the year for the financial instruments.

Reconciliation of Fair Value Measurements for Financial Assets Carried at Fair Value Categorised within Level 3 of the Fair Value Hierarchy for Financial Assets

	2025/26 £'000	2024/25 £'000
Opening balance	3,961	4,039
Transfers into Level 3	0	0
Transfers out of Level 3	0	0
<i>Total gains or loss (-) for the period:</i>		
• Included on line Financing and Investment Income and Expenditure within the Surplus or Deficit on the Provision of Services	-711	-78
• Included in Other Comprehensive Income and Expenditure	0	0
Additions	0	0
Disposals	0	0
Closing Balance	3,250	3,961

Gains and losses included in the Surplus or Deficit on the Provision of Services for the current and the previous year relate to the unquoted shares in Arkwood Developments Ltd.

The Fair Values of Financial Assets and Financial Liabilities that are not measured at Fair Value (but for which Fair Value Disclosures are required)

Except for the financial assets carried at fair value (described in the table above), all other financial liabilities and financial assets represented by amortised cost and long-term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the Public Works Loan Board (PWLB) and other loans payable, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures.
- For loans receivable prevailing the benchmark market rates have been used to provide the fair value.
- No early repayment or impairment is recognised.
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable, the fair value is taken to be the carrying amount or the billed amount.

The fair values calculated are as follows:

Fair values of financial liabilities:	2025/26		2024/25		
	Fair Value Level	£'000 Balance Sheet £'000	£'000 Fair value £'000	£'000 Balance Sheet £'000	£'000 Fair value £'000
<i>Financial Liabilities held at amortised cost:</i>					
Public Works Loans Board	2	91,515	75,278	83,000	67,673
Non PWLB debt	2	14,258	10,227	27,798	13,601
Total		105,773	85,505	110,798	81,274
<i>Liabilities for which fair value is not disclosed:</i>					
Short-term creditors		7,549	7,549	4,191	4,191
Long term Creditors		278	278	248	248
Finance Lease Liabilites		6,297	6,297	5,169	5,169
Total		14,124	14,124	9,608	9,608
Total Liabilities		119,897	99,629	120,406	90,882

The fair value of borrowings is lower than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the prevailing rates at the balance sheet date. This shows a notional future gain (based on economic conditions at 31 March 2026) arising from a commitment to pay interest to lenders below current market rates.

The fair value for financial liabilities and financial assets that are not measured at fair value included in Levels 2 and 3 in the table above have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate detailed above.

The fair value for financial liabilities and financial assets that are not measured at fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the assumptions detailed above, primarily for financial liabilities the fair value is arrived at by applying the discounted cash flow calculations based on the PWLB premium/discount calculations.

Fair values of financial assets:	2025/26		2024/25		
	Fair Value Level	£'000 Balance Sheet £'000	£'000 Fair value £'000	£'000 Balance Sheet £'000	£'000 Fair value £'000
<i>Financial assets held at amortised cost:</i>					
Long term investments	2	0	0	0	0
Total		0	0	0	0
<i>Assets for which fair value is not disclosed:</i>					
Short term Debtors		1,412	1,412	3,466	3,466
Long term Debtors		20,009	20,009	7,466	7,466
Short term investments		8,181	8,181	8,191	8,191
Cash and Cash Equivalents		18,649	18,649	29,549	29,549
Total		48,251	48,251	48,672	48,672
Total Assets		48,251	48,251	48,672	48,672

HOUSING REVENUE ACCOUNT

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

2024/25 £'000	Note	2025/26 £'000
<u>Income</u>		
-27,501	Dwelling Rent	-27,426
-122	Garages	-115
-30	Shops	-30
-27,653	Gross Rental Income	-27,571
-1,451	Charges for Services and Facilities	-1,552
-1,233	Contributions towards Expenditure	-1,695
-30,337	Total Income	-30,818
<u>Expenditure</u>		
6,824	Supervision and Management	8,314
6,748	Repairs and Maintenance	7,774
1,439	Rents, Rates, Taxes and Other Charges	1,417
98	Revenue Expenditure Funded by Capital	0
Depreciation of non current assets		
5,524	On dwellings	5,630
314	On other assets	374
20	Amortisation of non current assets	47
0	Impairment of non current assets	0
Revaluation of non current assets		
6,297	On dwellings	5,817
247	On other assets	-332
14	Debt Management Expenses	14
27,525	Total Expenditure	29,055
3	HRA share of other amounts included in the whole authority net expenditure of continuing operations but not allocated to specific services	0
176	HRA Share of Corporate and Democratic Core	258
-2,633	Net Cost of HRA Services as included in the whole authority	-1,505
Comprehensive Income and Expenditure Statement		
10	(Gain)/Loss on sale of HRA non current assets	-2
3,508	Net Interest on the Net Defined Benefit Liability	4,165
115	Interest Payable and Similar Charges	91
-97	HRA Interest and Investment Income	-81
171	Loss Allowance	262
-17	Revenue grants and contributions	0
-1,513	Capital grants and contributions	-192
-456	Surplus(-)/Deficit for the year on HRA Services	2,738

MOVEMENT ON THE HOUSING REVENUE ACCOUNT STATEMENT

2024/25 £'000		2025/26 £'000
-6,227	HRA Balance brought forward including HRA Earmarked Reserves	-7,653
-456	Surplus(-)/Deficit on the HRA Income and Expenditure Statement	2,738
	<u>Adjustments between Accounting Basis and Funding Basis under Regulations: Adjustments to the Revenue Resources</u>	
58	Pensions costs (transferred to (or from) the Pensions Reserve)	239
0	Holiday pay (transferred to the Accumulated Absences Reserve)	-81
-11,576	Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to Capital Adjustment Account):	-15,390
	<u>Adjustments between Revenue and Capital Resources</u>	
589	Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	4,097
-10	Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	-47
0	Capital expenditure funded by the Housing Revenue Account	0
9,969	Posting of HRA resources from revenue to the Major Repairs Reserve	8,374
-970	Total Adjustments between Accounting Basis and Funding Basis under the legislative framework	-2,808
-1,426	Increase(-)/Decrease in year in the HRA	-70
-7,653	HRA Balance carried forward, including HRA Earmarked Reserves	-7,723

H1 HOUSING STOCK

The Council was responsible for managing an average of 5,532 dwellings during 2025/26 (5,567 2024/25). The stock was made up as follows:

Total 2024/25 No		Pre 1945 No	1945- 1964 No	1965- 1974 No	Post 1975 No	Total 2025/26 No
<u>Traditional/Non Traditional Houses and Bungalows</u>						
2,104	1 - 2 Bedrooms	75	875	528	689	2,167
1,889	3+ Bedrooms	370	1,088	288	170	1,916
<u>Flats</u>						
1,545	Low Rise (1-2 storeys)	14	568	372	476	1,430
29	Medium Rise (3-5)	1	10	6	2	19
5,567	Total	460	2,541	1,194	1,337	5,532

H2 HOUSING REVENUE ACCOUNT ASSETS

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

2024/25 £'000	2025/26 £'000
352,794 Dwellings	358,433
7,963 Other Land and Buildings	10,343
0 Investment Properties	0
5,391 Assets Under Construction	3,277
0 Surplus Assets	0
87 Community Assets	88
197 Infrastructure Assets	165
1,934 Vehicle, Plant and Equipment	1,799
368,366 Total HRA Property, Plant and Equipment	374,105
428 Intangible Assets	560
3,080 Assets Held for Sale	643
371,874 Total HRA Assets on Balance Sheet	375,308

The vacant possession value of dwellings within the authority's HRA (values in accordance with the guidance) is shown below. The difference between the vacant possession value and the Balance Sheet value of dwellings within the HRA show the economic cost to the government of providing council housing at less than market rents.

2024/25 £'000	2025/26 £'000
839,986 Dwellings	853,414
839,986 Total	853,414

The council dwellings valuations have been arrived at using a valuation report prepared by the Council's appointed surveyors, Wilks Head and Eve. The valuation was carried out as at the 31 March 2026. The values have been applied to council houses on a beacon property base whereby similar properties in similar areas are all given the same value. Property valuations have moved in line with the current domestic property market.

H3 MOVEMENTS ON THE MAJOR REPAIRS RESERVE

2024/25 £'000	2025/26 £'000
8,025 Balance Brought Forward 1st April	10,502
Transfers to Reserve re Depreciation	
5,524 Dwellings	5,630
314 Non Dwellings	374
20 Amortisation of non current assets	47
Transfers to the HRA:	
4,111 HRA Revenue Contribution	2,249
0 Additional transfer to Reserve	74
-3,038 Repayment of Debt	-5,041
-4,454 Amounts used to finance Capital Expenditure	-10,604
10,502 Balance Carried Forward 31st March	3,231

H4 CAPITAL EXPENDITURE AND FINANCING

2024/25 £'000	2025/26 £'000
515 Structural Maintenance	165
1,013 Roofing Works	1,277
167 Asbestos and Fire Safety	933
2,188 Kitchens and Bathrooms	2,580
45 Garage Forecourts	0
387 External Works	400
622 Electrical Works	442
1,118 Disabled Facilities Provision	907
1,338 Heating Systems	1,241
1,843 Energy Efficiency Works	276
133 Environmental Works	0
105 Building Safety	17
6,491 Affordable Housing	1,545
1,910 Other works	4,446
17,875 Total	14,229
<u>Financing</u>	
11,609 Borrowing	2,226
4,454 Major Repairs Reserve	10,604
1,007 Government Grants	48
505 Contributions	145
0 Capital Revenue Financing	0
300 Capital Receipts	1,206
17,875 Total	14,229

H5 CAPITAL RECEIPTS

2024/25 £'000	2025/26 £'000
2,350 Land and Other Property	0
589 Sold Council Houses through Right to Buy	3,385
-10 Less administration costs on sale of Council Houses	-47
2,929 Total	3,338

Under the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended, the Council has to make a payment to the Secretary of State in respect of housing capital receipts. The amount payable is dependent on a number of factors:

- Sale price net of discount.
- Debt value assumed for the property under the self-financing settlement.
- Value of the authority's actual debt attributable to the property.
- The respective values of the authority's and Government's share capital.
- The number of properties sold in each quarter.

The Council has signed an agreement allowing it to retain additional Right to Buy receipts to fund new or acquired affordable housing.

H6 DEPRECIATION CHARGES

The total depreciation charge for land, houses and other property within the authority's HRA are as follows:

2024/25 £'000	2025/26 £'000
5,524 Council Houses	5,630
314 Other Assets	374
5,838 Total	6,004

H7 REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

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

The total amount of Revenue Expenditure Funded from Capital under Statute totals £0m for 2025/26 (£0.098m in 2024/25).

H8 IMPAIRMENT CHARGES

During the financial year 2025/26 there were no material impairment charges.

H9 RENT ARREARS

The total amount of rent arrears as at 31st March 2026 was £1,602,819 (31 March 2025 £1,008,091). Included in the loss allowance is the amount of £677,373 (2024/25 £476,363) relating to rent arrears.

H10 CONTRIBUTIONS TOWARDS EXPENDITURE

The income of £1,694,628 (£1,233,067 in 2024/25) primarily relates to contributions:

- to the Housing Revenue Account (HRA) capital programme for associated staff costs;
- for electricity generated by the photovoltaic (PV) panels on HRA properties; and
- to the HRA from the General Fund for the upkeep of communal amenities.

COLLECTION FUND

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates.

2024/25 £'000	Domestic Rates £'000	2025/26 Council Tax £'000	Total £'000	
<u>Amounts required by statute to be credited to the collection fund</u>				
-45,885	Income from Business Ratepayers	-48,339	0	-48,339
-104,414	Council Tax	0	-110,979	-110,979
-1,045	Transitional Protection Payment	-287	-1	-288
-324	Transfers from General Fund - council tax	0	-98	-98
<u>Contributions towards previous year's estimated collection fund deficit:</u>				
-117	Newark and Sherwood District Council	0	-174	-174
-731	Nottinghamshire County Council	0	-1,099	-1,099
-114	Nottinghamshire Police & Crime Commissioner	0	-171	-171
-38	Nottinghamshire Fire and Rescue	0	-56	-56
0	Central Government - non-domestic rates	0	0	0
-152,668	Total Income	-48,626	-112,578	-161,204
<u>Amounts required by statute to be debited to the collection fund</u>				
<u>Council Tax Precepts and Demands:</u>				
76,858	Nottinghamshire County Council	0	80,936	80,936
12,000	Nottinghamshire Police & Crime Commissioner	0	12,650	12,650
3,922	Nottinghamshire Fire and Rescue	0	4,153	4,153
8,286	Newark and Sherwood District Council	0	8,484	8,484
3,881	Parishes	0	4,091	4,091
<u>Non Domestic Rates:</u>				
22,674	Payable to Government	23,881	0	23,881
18,139	Newark and Sherwood District Council	19,105	0	19,105
4,081	Nottinghamshire County Council	4,299	0	4,299
453	Nottinghamshire Fire and Rescue	478	0	478
<u>Contributions towards previous year's estimated collection fund surplus:</u>				
505	Payable to Government	315	0	315
404	Newark and Sherwood District Council	252	0	252
91	Nottinghamshire County Council	57	0	57
10	Nottinghamshire Fire and Rescue	6	0	6
0	Nottinghamshire Police & Crime Commissioner	0	0	0
0	Transitional Payment Protection	0	0	0
170	Costs of Collection	172	0	172
23	Interest Payments on Refunds	46	0	46
1,121	Provision for Uncollectable Debts	106	1,069	1,175
105	Provision for Appeals	-324	0	-324
1,185	Renewable Energy Retention	1,397	0	1,397
153,908	Total Expenditure	49,790	111,383	161,173
1,240	Net Surplus(-)/Deficit for year	1,164	-1,195	-31
-673	Fund Balance as at 1st April - Surplus(-)/Deficit	-695	1,262	567
567	Fund Balance as at 31st March - Surplus(-)/Deficit	469	67	536

C1 ACCOUNTING POLICIES

- (a) Revenue Support Grant is paid directly to all billing and precepting authorities and will be included within Taxation and Non Specific Grant Income on the Comprehensive Income and Expenditure Statement.
- (b) Parish precepts are paid from the General Fund of billing authorities and will be included within Other Operating Expenditure on the Comprehensive Income and Expenditure Statement.
- (c) The year-end deficit of £0.067m on the Council Tax collection fund is distributed between billing and precepting authorities on the basis of estimates, made on 15 January, of the year-end balance.
- (d) The year end deficit of £0.469m on the Non Domestic Rate collection fund is distributed between billing and precepting authorities on the basis of prescribed shares between central government and precepting authorities.

C2 INCOME FROM BUSINESS RATES

Under the arrangements regarding Business Rates, the Council collects non-domestic rates for its area, which are based on rateable values multiplied by a standard multiplier, for 2025/26 this was set at 55.5p (2024/25: 54.6p). In 2025/26 the small business rating multiplier was set at 49.9p, (2024/25: 49.9p) where it applies. The system for funding Local Authority expenditure changed in 2013/14 with a share of the proceeds of Non-Domestic Rate income being retained by billing and precepting authorities.

The non-domestic rateable value at the 31st March 2026 was £115,772,294 (31st March 2025: £115,568,645).

C3 COUNCIL TAX

Council Tax is set by calculating the Council Tax base, and then dividing this into the precepts levied by the district, county, parish councils, Nottinghamshire Fire Authority and Nottinghamshire Police Authority. The tax base is the amount that setting a Council Tax of £1 for Band D properties (the standard band) would raise in revenue. The methodology and the factors taken into consideration are complex and are reported in detail when the tax base is set by the Council in December or January.

The Council Tax base for 2025/26 is as follows:

Band	Adjusted for Discounts, Disabled			Band D Equivalents	2024/25 Band D Equivalents
	Total Dwellings	Relief and Exemptions	Ratio		
A-	-	63.87	5/9	35.48	33.52
A	24,245	17,627.29	6/9	11,751.52	11,522.66
B	8,954	7,360.04	7/9	5,724.47	5,580.84
C	9,613	8,454.63	8/9	7,515.23	7,377.17
D	6,622	6,093.81	9/9	6,093.81	5,977.36
E	4,560	4,240.37	11/9	5,182.68	5,126.53
F	2,813	2,647.16	13/9	3,823.67	3,807.55
G	1,524	1,447.15	15/9	2,411.91	2,380.50
H	136	113.75	18/9	227.50	215.50
Total	58,467	48,048.07		42,766.27	42,021.63
Estimate of Additional Properties to be added during the year				255.53	723.85
Collection Adjustment				- 301.15	- 213.73
Council Tax Base				42,720.65	42,531.75

GROUP ACCOUNTS

The Council is required under the Local Government Act 2003 to produce a set of Group accounts where it has subsidiaries, joint ventures or associates. The criteria for deciding if the Council has such relationships is laid down by the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 based on International Financial Reporting Standards (referred to within these accounts as “the Code”). The Code has been developed to bring Council accounts in line with the International Financial Reporting Standards (IFRS) which other reporting bodies have to comply with and to assist users of the accounts to understand better the Council’s overall financial position.

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

Active4Today Ltd is a wholly owned subsidiary of the authority. Active4Today Ltd manages and operates the Council’s leisure services including leisure centres and sports development activities. The General Fund includes a £0m (2024/25 £0.080m) management fee paid to Active4Today Ltd. The management agreement came into effect on 1 June 2015.

Active4Today Ltd produces a set of accounts with a year end of 31 March. The accounts for 2025/26, which have been consolidated here, have been produced by Active4Today’s external accountant under the Financial Reporting Standard for Smaller Entities and have been audited by Active4Today’s auditors and have been given an unqualified audit opinion. Active4Today’s auditors for 2025/26 are Wright Vigar Ltd, 15 Newland, Lincoln, Lincolnshire, LN1 1XG. Consolidation adjustments have been made to align these accounts with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26. Active4Today Ltd publishes an Annual Report which may be viewed at their offices at Newark Sports and Fitness Centre, Bowbridge Road, Newark on Trent, Notts, NG24 4DH. The company is limited by guarantee and does not have any share capital.

Arkwood Development Ltd is a wholly owned subsidiary of the Council. The purpose of Arkwood is to build new housing developments in the district which can then be sold at market value.

Arkwood Development Ltd produce a set of company accounts with a year end of 31 March. The accounts for 2025/26, which have been consolidated here, have been audited by Arkwood’s auditors and have been given an unqualified audit opinion. Arkwood’s auditors for 2025/26 are Wright Vigar Ltd, 15 Newland, Lincoln, Lincolnshire, LN1 1XG. Arkwood Development Ltd publish an Annual Report which may be viewed at their offices at Castle House, Great North Road, Newark, Notts, NG24 1BY. The company does have share capital, all of which is owned by the Council.

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

RHH Newark Ltd prepares its financial statements with a year end of 31 March. The Council holds a 50% shareholding in the company, and accordingly, 50% of the company’s results for the financial year 2025/26 have been consolidated into the Council’s group accounts. The company has issued share capital, of which the Council owns half.

ACCOUNTING POLICIES

The following notes detail any variations from the accounting policies used by the Council and should be read in conjunction with the relevant notes within the Council's accounts. The consolidation has been done on a merger basis as Active4Today Ltd and Arkwood are 100% owned by NSDC and RHH Newark are 50% owned by NSDC.

TAXATION

Active4Today Ltd, Arkwood and RHH Newark are all subject to a charge for taxation which is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Except where otherwise required full provision is made without discounting in respect of all timing differences which have arisen but not reversed by the Balance Sheet date, except as otherwise required by IAS 12.

GOING CONCERN

The Council is satisfied that the consolidated entities are going concerns and the Group financial statements for 2025/26 have been prepared on this basis accordingly.

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2024/25				2025/26		
Gross Expend- iture	Gross Income	Net Expend- iture		Gross Expend- iture	Gross Income	Net Expend- iture
5,924	-3,715	2,209	Climate and the Environment	6,990	-4,425	2,565
3,943	-4,977	-1,034	Health, Wellbeing and Leisure	5,731	-5,094	637
3,241	-2,220	1,021	Heritage, Culture and the Arts	2,962	-2,083	879
32,721	-37,082	-4,361	Housing	36,124	-36,674	-550
3,919	-941	2,978	Public Protection and Community Relations	4,280	-799	3,481
35,357	-24,977	10,380	Strategy, Performance & Finance	33,407	-22,544	10,863
8,407	-6,437	1,970	Sustainable Economic Development	5,928	-4,108	1,820
93,512	-80,349	13,163	Cost of Services	95,422	-75,727	19,695
5,875	-843	5,032	Other Operating Income and Expenditure Note G1	12,518	-5,851	6,667
10,951	-9,210	1,741	Financing and Investment Income and Expenditure Note G1	13,416	-9,826	3,590
14,965	-47,628	-32,663	Taxation and Non Specific Grant Income Note G1	15,275	-45,689	-30,414
125,303	-138,030	-12,727	Surplus (-) or Deficit on Provision of Services	136,631	-137,093	-462
-17	0	-17	Corporation Tax	10	-237	-227
125,286	-138,030	-12,744	Group Surplus(-)/Deficit	136,641	-137,330	-689
		-1,788	Surplus(-) or Deficit on Revaluation of Non Current Assets			-9,436
		-3,295	Remeasurements of the Net Defined Benefit Liability (Asset)			1,666
		-5,083	Other Comprehensive Income and Expenditure			-7,770
		-17,827	Total Comprehensive Income and Expenditure			-8,459

GROUP MOVEMENT IN RESERVES

Movement in reserves during 2025/26

	General Fund Balance £'000	Group Earmarked General Fund Reserves £'000	Housing Revenue Account £'000	Housing Revenue Account Earmarked Reserves £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Group Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2025	1,500	34,776	2,000	5,653	10,502	13,387	1,295	69,113	323,710	392,823
Total Comprehensive Income and Expenditure	3,167	259	-2,738	0	0	0	0	688	7,771	8,459
Adjustment between accounting basis & funding basis under regulations	-2,562	-150	2,808	0	-7,271	565	2,324	-4,286	4,286	0
Net Increase/Decrease(-) before Transfers to Earmarked Reserves	605	109	70	0	-7,271	565	2,324	-3,598	12,057	8,459
Transfers to/from(-) Earmarked Reserves	-1,350	1,350	-70	70	0	0	0	0	0	0
Dividends Issued	0	0	0	0	0	0	0	0	0	0
Increase/Decrease(-) in 2025/26	-745	1,459	0	70	-7,271	565	2,324	-3,598	12,057	8,459
Balance at 31 March 2026	755	36,235	2,000	5,723	3,231	13,952	3,619	65,515	335,767	401,282

Movement in reserves 2024/25

	General Fund Balance £'000	Group Earmarked General Fund Reserves £'000	Housing Revenue Account £'000	Housing Revenue Account Earmarked Reserves £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Group Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2024	1,500	31,787	2,000	4,227	8,025	11,157	159	58,855	315,327	374,182
Adjustments to Opening Balance for Leases	0	0	0	0	0	0	0	0	470	470
Revised at 31 March 2024	1,500	31,787	2,000	4,227	8,025	11,157	159	58,855	315,797	374,652
Total Comprehensive Income and Expenditure	9,859	0	456	0	0	0	0	10,315	7,833	18,148
Adjustment between Group Accounts and Authority accounts	0	78	0	0	0	0	0	78	0	78
Adjustment between accounting basis & funding basis under regulations	-6,893	-55	970	0	2,477	2,230	1,136	-135	80	-55
Net Increase/Decrease(-) before Transfers to Earmarked Reserves	2,966	23	1,426	0	2,477	2,230	1,136	10,258	7,913	18,171
Transfers to/from(-) Earmarked Reserves	-2,966	2,966	-1,426	1,426	0	0	0	0	0	0
Dividends Issued	0	0	0	0	0	0	0	0	0	0
Increase/Decrease(-) in 2024/25	0	2,989	0	1,426	2,477	2,230	1,136	10,258	7,913	18,171
Balance at 31 March 2025	1,500	34,776	2,000	5,653	10,502	13,387	1,295	69,113	323,710	392,823

GROUP BALANCE SHEET

31 March 2025 £'000	31 March 2026 £'000
469,634 Property, Plant & Equipment	490,948
3,629 Heritage Assets	3,755
818 Intangible Assets	1,281
10,819 Long Term Investments	10,449
19 Long Term Debtors	17
4,234 Long Term Finance Lease Debtor	4,738
489,153 TOTAL LONG TERM ASSETS	511,188
8,182 Short Term Investments	8,181
394 Inventories	317
16,638 Short Term Debtors	12,398
3,080 Assets Held For Sale	5,558
29,701 Cash and Cash Equivalents	18,757
57,995 TOTAL CURRENT ASSETS	45,211
-36,540 Short Term Borrowings	-13,895
-13,141 Short Term Creditors	-16,236
-305 Provisions Short Term	-491
-8,864 Grants Receipts in Advance	-10,801
-58,850 TOTAL CURRENT LIABILITIES	-41,423
0 Long Term Creditors	-120
-316 Provisions Long Term	0
-5,000 Long Term Finance Lease	-6,254
-73,357 Long Term Borrowing	-90,812
-8,302 Pensions Liability	-8,692
-8,500 Grants Receipts in Advance	-7,816
-95,475 TOTAL LONG TERM LIABILITIES	-113,694
392,823 TOTAL NET ASSETS	401,282
69,113 Usable Reserves	65,515
323,710 Unusable Reserves	335,767
392,823 TOTAL RESERVES	401,282

GROUP CASH FLOW STATEMENT

2024/25 £'000	2025/26 £'000
12,744	689
17,244	27,914
-12,719	-13,263
17,269	15,340
-24,501	-20,471
19,406	-5,813
12,174	-10,944
17,527	29,701
29,701	18,757

GROUP ACCOUNT NOTES

G1 GROUP EXPENDITURE AND FUNDING ANALYSIS

2024/25			2025/26		
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
2,502	-293	2,209	1,570	995	2,565
80	-1,114	-1,034	356	281	637
624	397	1,021	712	167	879
-16,765	12,404	-4,361	-12,109	11,559	-550
2,867	111	2,978	3,404	77	3,481
9,205	1,175	10,380	10,094	769	10,863
2,100	-130	1,970	1,955	-135	1,820
613	12,550	13,163	5,982	13,713	19,695
-7,362	-18,528	-25,890	-6,540	-13,617	-20,157
-17	0	-17	-227	0	-227
-6,766	-5,978	-12,744	-785	96	-689
General Fund & Earmarked Reserve £'000	HRA & Earmarked Reserve £'000	Total £'000	General Fund & Earmarked Reserve £'000	HRA & Earmarked Reserve £'000	Total £'000
-33,287	-6,227	-39,514	-36,277	-7,653	-43,930
-5,340	-1,426	-6,766	-714	-70	-784
2,352	0	2,352	0	0	0
-36,275	-7,653	-43,928	-36,991	-7,723	-44,714
Closing Balances Split by Reserve:					
-1,500	-2,000	-3,500	-755	-2,000	-2,755
-34,777	-5,653	-40,430	-36,236	-5,723	-41,959
-36,277	-7,653	-43,930	-36,991	-7,723	-44,714

G2 NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

Adjustments between Funding and Accounting Basis 2025/26

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustment for Capital Purposes (Note 1) £'000	Net change for the Pensions Adjustment (Note 2) £'000	Other Differences (Note 3) £'000	Total Adjustments £'000
Climate and the Environment	1,249	-245	-9	995
Health, Wellbeing and Leisure	460	-177	-2	281
Heritage, Culture and the Arts	227	-56	-4	167
Housing	11,870	-388	77	11,559
Public Protection and Community Relation	236	-167	8	77
Strategy, Performance & Finance	1,292	-532	9	769
Sustainable Economic Development	3	-138	0	-135
Net Cost of Services	15,337	-1,703	79	13,713
Other income and expenditure from the Expenditure and Funding Analysis	-15,348	427	1,304	-13,617
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	-11	-1,276	1,383	96

Adjustments between Funding and Accounting Basis 2024/25

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustment for Capital Purposes (Note 1) £'000	Net change for the Pensions Adjustment (Note 2) £'000	Other Differences (Note 3) £'000	Total Adjustments £'000
Climate and the Environment	-162	-131	0	-293
Health, Wellbeing and Leisure	-1,051	-63	0	-1,114
Heritage, Culture and the Arts	429	-32	0	397
Housing	12,610	-206	0	12,404
Public Protection and Community Relation	201	-90	0	111
Strategy, Performance & Finance	1,447	-272	0	1,175
Sustainable Economic Development	-56	-74	0	-130
Net Cost of Services	13,418	-868	0	12,550
Other income and expenditure from the Expenditure and Funding Analysis	-19,455	538	389	-18,528
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	-6,037	-330	389	-5,978

Note 1 Adjustments for Capital Purposes

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

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

Note 2 Net Change for the Pensions Adjustments

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

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

Note 3 Other Differences

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

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

G3 EXPENDITURE AND INCOME ANALYSED BY NATURE

Expenditure/Income 2025/26	Climate and the Environment	Health, Wellbeing and Leisure	Heritage, Culture and the Arts	Housing	Public Protection & Community Relations	Strategy, Performance and Finance	Sustainable Economic Development	Corporate Amounts	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees, Charges and Other Service Income	-2,894	-5,055	-1,682	-7,194	-668	-5,680	-1,604	0	-24,777
Dwelling Rent Income	0	0	0	-27,415	0	0	0	0	-27,415
Income on Joint Associates	0	0	0	0	0	0	0	-116	-116
Interest and Investment Income	0	0	0	0	0	0	0	-2,289	-2,289
Pension Interest Asset	0	0	0	0	0	0	0	-7,534	-7,534
Income from Council Tax	0	0	0	0	0	0	0	-12,540	-12,540
Income from Non Domestic Rates	0	0	0	0	0	0	0	-21,573	-21,573
Housing Benefit Subsidy	0	0	0	0	0	-15,682	0	0	-15,682
Government Grants and Contributions	-1,531	-39	-401	-2,065	-131	-1,182	-2,504	-11,575	-19,428
Proceeds from Disposal of Assets	0	0	0	0	0	0	0	-5,739	-5,739
Corporation Tax	0	0	0	0	0	0	0	-237	-237
Total Income	-4,425	-5,094	-2,083	-36,674	-799	-22,544	-4,108	-61,603	-137,330
Employee Expenses	4,232	2,995	1,236	7,783	2,942	9,462	2,506	0	31,156
Other Service Expenses	1,509	2,263	1,499	15,217	1,102	6,099	2,521	0	30,210
Revenue Expenditure funded from Capital Under Statute	0	0	0	1,254	14	749	898	0	2,915
Loss Allowance	0	0	0	0	0	0	0	289	289
Housing Benefit Expenditure	0	0	0	0	0	15,823	0	0	15,823
Expenditure on Joint Associates	0	0	0	0	0	0	0	111	111
Developers Contribution Payment	0	0	0	0	0	0	0	232	232
Depreciation, Amortisation and Impairment	1,249	466	227	11,870	222	1,274	3	0	15,311
Revaluation on Financial instruments to fair value	0	0	0	0	0	0	0	370	370
Interest Payments	0	7	0	0	0	0	0	4,165	4,172
Pension Interest Cost	0	0	0	0	0	0	0	7,872	7,872
Non Domestic Rates Tariff & Deficit	0	0	0	0	0	0	0	15,043	15,043
Precepts and Levies	0	0	0	0	0	0	0	5,044	5,044
Early Termination of Lease	0	0	0	0	0	0	0	1,009	1,009
NBV of Disposal of Assets	0	0	0	0	0	0	0	7,074	7,074
Corporation Tax	0	0	0	0	0	0	0	10	10
Total Operating Expenses	6,990	5,731	2,962	36,124	4,280	33,407	5,928	41,219	136,641
Surplus(-)/Deficit on Provision of Services	2,565	637	879	-550	3,481	10,863	1,820	-20,384	-689

Expenditure/Income 2024/25	Climate and the Environment	Health, Wellbeing and Leisure	Heritage, Culture and the Arts	Housing	Public Protection and Community	Strategy, Performance and Finance	Sustainable Economic Development	Corporate Amounts	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees, Charges and Other Service Income	-2,834	-4,855	-1,859	-7,878	-778	-5,767	-1,288	0	-25,259
Dwelling Rent Income	0	0	0	-27,501	0	0	0	0	-27,501
Income on Joint Associates	0	0	0	0	0	0	0	-74	-74
Interest and Investment Income	0	-49	0	0	0	0	0	-2,592	-2,641
Pension Interest Asset	0	0	0	0	0	0	0	-6,614	-6,614
Income from Council Tax	0	0	0	0	0	0	0	-12,058	-12,058
Income from Non Domestic Rates	0	0	0	0	0	0	0	-21,352	-21,352
Housing Benefit Subsidy	0	0	0	0	0	-18,961	0	0	-18,961
Government Grants and Contributions	-890	-223	-361	-1,703	-191	-621	-5,149	-14,218	-23,356
Proceeds from Disposal of Assets	0	0	0	0	0	0	0	-773	-773
Adjustment for Group Transactions	9	150	0	0	28	372	0	0	559
Total Income	-3,715	-4,977	-2,220	-37,082	-941	-24,977	-6,437	-57,681	-138,030
Employee Expenses	3,936	2,878	1,183	7,131	2,704	8,808	2,384	0	29,024
Other Service Expenses	1,580	2,369	1,630	11,939	874	6,062	2,905	0	27,359
Revenue Expenditure funded from Capital Under Statute	0	1,016	0	1,210	122	0	3,095	0	5,443
Loss Allowance	0	0	0	0	0	0	0	71	71
Housing Benefit Expenditure	0	0	0	0	0	19,057	0	0	19,057
Expenditure on Joint Associates	0	0	0	0	0	0	0	79	79
Developers Contribution Payment	0	0	0	0	0	0	0	135	135
Depreciation, Amortisation and Impairment	408	-1,901	428	12,514	219	1,448	23	0	13,139
Revaluation on Financial instruments to fair value	0	0	0	0	0	0	0	166	166
Interest Payments	0	0	0	0	0	0	0	3,737	3,737
Pension Interest Cost	0	0	0	0	0	0	0	7,096	7,096
Non Domestic Rates Tariff & Deficit	0	0	0	0	0	0	0	14,830	14,830
Precepts and Levies	0	0	0	0	0	0	0	4,830	4,830
NBV of Disposal of Assets	0	0	0	0	0	0	0	896	896
Corporation Tax	0	0	0	0	0	0	0	-17	-17
Adjustment for Group Transactions	0	-419	0	-73	0	-18	0	-49	-559
Total Operating Expenses	5,924	3,943	3,241	32,721	3,919	35,357	8,407	31,774	125,286
Surplus(-)/Deficit on Provision of Services	2,209	-1,034	1,021	-4,361	2,978	10,380	1,970	-25,907	-12,744

G4 PROPERTY PLANT AND EQUIPMENT

Movements in 2025/26									
	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles Plant Equipment £'000	Infrastruct- ure Assets £'000	Commun- -ity Assets £'000	Surplus Assets £'000	Assets Under Construct- ion £'000	Total £'000	
Cost or Valuation									
At 1 April 2025	352,794	85,241	16,520	448	179	2,180	20,904	478,266	
Additions	12,525	3,022	939	0	0	689	21,922	39,097	
Revaluation increases/decreases(-)to Revaluation Reserve	-1,811	4,596	0	0	0	73	0	2,858	
Revaluation increases/decreases(-) to Surplus/Deficit on the Provision of Services	-6,424	-737	0	0	0	-157	0	-7,318	
Derecognition - Disposals	0	-2,156	-592	0	0	0	0	-2,748	
Assets reclassified to(-)/from Held for Sale	-9,085	-1,100	0	0	0	0	0	-10,185	
Reclassifications - Other	10,434	-1	0	0	1	0	-10,434	0	
At 31 March 2026	358,433	88,865	16,867	448	180	2,785	32,392	499,970	
Accumulated Depreciation & Impairment									
At 1 April 2025	0	1,118	7,212	222	0	0	80	8,632	
Depreciation charge	5,630	1,208	1,828	35	0	2	0	8,703	
Depreciation written out to the Revaluation Reserve	-5,025	-1,574	0	0	0	0	0	-6,599	
Depreciation written out to the Surplus/Deficit on the Provision of Services	-605	-372	0	0	0	-2	0	-979	
Derecognition - Disposals	0	-155	-580	0	0	0	0	-735	
Reclassifications	0	0	0	0	0	0	0	0	
At 31 March 2026	0	225	8,460	257	0	0	80	9,022	
Net Book Value									
at 31 March 2026	358,433	88,640	8,407	191	180	2,785	32,312	490,948	
at 31 March 2025	352,794	84,123	9,308	226	179	2,180	20,824	469,634	

Movements in 2024/25								
	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles Plant Equipment £'000	Infrastruct- ure Assets £'000	Communi- ty Assets £'000	Surplus Assets £'000	Assets Under Construct ion £'000	Total £'000
Cost or Valuation								
At 1 April 2024	346,518	84,653	14,834	448	179	2,904	10,596	460,132
Adjustments to Opening Balance for IFRS16 Leases	0	910	0	0	0	0	0	910
Gross Book Value at April 2024	346,518	85,563	14,834	448	179	2,904	10,596	461,042
Additions	14,426	1,077	2,506	0	0	155	12,236	30,400
Revaluation increases/decreases(-)to Revaluation Reserve	-391	-3,251	0	0	0	21	0	-3,621
Revaluation increases/decreases(-) to Surplus/Deficit on the Provision of Services	-6,748	2,804	0	0	0	-900	0	-4,844
Derecognition - Disposals	0	-5	-820	0	0	0	0	-825
Consolidation Adjustment	0	0	0	0	0	0	2,352	2,352
Assets reclassified to(-)/from Held for Sale	-5,841	0	0	0	0	0	0	-5,841
Reclassifications - Other	4,830	-947	0	0	0	0	-4,280	-397
At 31 March 2025	352,794	85,241	16,520	448	179	2,180	20,904	478,266
Accumulated Depreciation & Impairment								
At 1 April 2024	0	703	6,442	187	0	0	68	7,400
Depreciation charge	5,532	1,242	1,483	35	0	0	0	8,292
Depreciation written out to the Revaluation Reserve	-5,084	-771	0	0	0	0	0	-5,855
Depreciation written out to the Surplus/Deficit on the Provision of Services	-450	-42	0	0	0	0	0	-492
Derecognition - Disposals	0	0	-713	0	0	0	0	-713
Reclassifications	2	-14	0	0	0	0	12	0
At 31 March 2025	0	1,118	7,212	222	0	0	80	8,632
Net Book Value								
at 31 March 2025	352,794	84,123	9,308	226	179	2,180	20,824	469,634
at 31 March 2024	346,518	83,950	8,392	261	179	2,904	10,528	453,642

G5 ASSETS HELD FOR SALE

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

2024/25 £'000		2025/26 £'000
2,267	Balance outstanding at start of year	3,080
	Assets newly classified as held for sale:	
5,893	Transfer from Property, Plant and Equipment	10,185
0	Revaluation losses	0
	Assets declassified as held for sale:	
-52	Transfer back to Property, Plant and Equipment	0
-5,028	Assets Sold	-7,707
3,080	Balance outstanding at year-end	5,558

G6 DEBTORS

The amounts due to the Group were:-

2024/25 £'000		2025/26 £'000
	Amounts falling due within one year:-	
936	Trade Receivables	914
823	Prepayments	1,079
17,093	Other Receivable Amounts	12,900
18,852	Total	14,893
-2,214	Less Loss Allowance	-2,495
16,638	Total Short Term Debtors	12,398
19	Other Entities and Individuals	17
19	Total Long Term Debtors	17
16,657	Total Debtors	12,415

G7 CASH AND CASH EQUIVALENTS

2024/25 £'000		2025/26 £'000
3	Cash held by the Council	3
376	Cash in transit	474
691	Bank current accounts	577
28,631	Short-term deposits with Money Market Funds	17,703
29,701	Current Assets	18,757

G8 CASH FLOW STATEMENTS

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

2024/25 £'000		2025/26 £'000
12,744	Net Surplus or Deficit(-) on the Provision of Services	689
	Adjust net surplus or deficit on the provision of services for non-cash movements	
8,292	Depreciation of Property, Plant and Equipment	8,696
4,750	Impairment and downward valuations	6,504
103	Amortisation of Intangible Assets	116
1,394	Increase/Decrease(-) in Creditors	168
-1,813	Increase(-)/Decrease in Debtors	3,750
19	Increase(-)/Decrease in Inventories	76
-333	Pension Liability	-1,277
4,624	Carrying amount of non-current assets, sold or derecognised	9,640
208	Other non-cash items charged to the net surplus or deficit on the provision of services	241
17,244	Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities	27,914
0	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in joint ventures and subsidiaries)	0
-11,962	Capital Grants credited to surplus or deficit on the Provision of Services	-5,663
-757	Proceeds from the sale of non-current assets	-7,600
-12,719	Sub-Total	-13,263
17,269	Net Cash Flows from Operating Activities	15,340

B Cash Flow Statement - Investing Activities

2024/25 £'000		2025/26 £'000
-38,603	Purchase of Property, Plant and Equipment and Intangible Assets	-35,166
-3,000	Purchase of short-term and long-term Investments	0
0	Other payments for investing activities	0
728	Proceeds from the sale of Property, Plant and Equipment and Intangible Assets	5,136
2,000	Proceeds from short-term and long-term Investments	0
14,374	Other receipts from investing activities	9,559
-24,501	Net cash flows from investing activities	-20,471

C Cash Flow Statement - Financing Activities

2024/25 £'000	2025/26 £'000
27,000 Cash receipts for short and long-term Borrowing	34,919
0 Other receipts from financing activities	0
-135 Cash payments for the reduction of the outstanding liabilities relating to Finance Leases	-170
-6,251 Repayments of short and long-term Borrowing	-39,795
-1,208 Other payments for financing activities	-767
19,406 Net cash flows from financing activities	-5,813

GLOSSARY OF TERMS

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

ACCOUNTING POLICIES

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

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

Accounting policies do not include estimation techniques.

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

ACCRUALS

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

ADMINISTRATIVE BUILDINGS

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

AMORTISATION

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

ARMS LENGTH MANAGEMENT COMPANY

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

BALANCES

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

BALANCE SHEET

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

BILLING AUTHORITIES

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

CAPITAL ADJUSTMENT ACCOUNT

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

CAPITAL CHARGES

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

CAPITAL EXPENDITURE

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

CAPITAL PROGRAMME

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

CAPITAL RECEIPTS

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

CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)

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

COLLECTION FUND

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

COMMUNITY ASSETS

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

CONTINGENT LIABILITIES

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

COUNCIL TAX

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

COUNCIL TAX BASE

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

CURRENT EXPENDITURE

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

DEFERRED CAPITAL RECEIPTS

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

DEFERRED CREDITORS

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

DEPRECIATION

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

EARMARKED RESERVES

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

EMOLUMENTS

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

EXTERNAL AUDIT

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

FEES AND CHARGES

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

FINANCE LEASE

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

FINANCIAL INSTRUMENT

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

FINANCIAL INSTRUMENT ADJUSTMENT ACCOUNT

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

FINANCIAL REPORTING STANDARD (FRS)

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

FINANCIAL YEAR

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

GAAP

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

GENERAL FUND

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

GROSS EXPENDITURE

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

HERITAGE ASSETS

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

HOUSING BENEFIT

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

HOUSING REVENUE ACCOUNT

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

IMPAIRMENT

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

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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

INFRASTRUCTURE ASSETS

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

INTERNAL AUDIT

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

INVESTMENTS

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

LONG TERM DEBTORS

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

MINIMUM REVENUE PROVISION (MRP)

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

NON DOMESTIC RATE (NDR)

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

NET EXPENDITURE

Gross expenditure less gross income.

NON-OPERATIONAL ASSET

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

OPERATIONAL ASSET

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

OPERATIONAL LEASE

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

PENSION FUND

An employees' pension fund maintained by a Council, or a group of authorities, in order to make

pension payments on retirement of participants. It is financed from contributions from the employing Council, the employee and investment income.

PRECEPT

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

PRECEPTING AUTHORITIES

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

PROVISIONS

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

PUBLIC WORK LOANS BOARD (PWLB)

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

RELATED PARTIES

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

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

Examples of related parties of an Council include:

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

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

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

REVALUATION RESERVE

This records unrealised revaluation gains arising since 1st April 2007 from holding assets. It

should be noted that this reserve and the Capital Adjustment Account are matched by fixed assets within the Balance Sheet. They are not resources available to the Council and are therefore termed 'Unusable'.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

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

REVENUE SUPPORT GRANT (RSG)

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

SOFT LOANS

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

STATEMENT OF ACCOUNTS

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

STATEMENT OF RECOMMENDED PRACTICE (CODE)

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

TOTAL COST

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

TRADING SERVICES

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

USABLE CAPITAL RECEIPTS

Amounts available to finance capital expenditure in future years.

USABLE RESERVES

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

UNUSABLE RESERVES

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



ANNUAL GOVERNANCE STATEMENT

SERVING PEOPLE, IMPROVING LIVES

NEWARK AND SHERWOOD DISTRICT COUNCIL

ANNUAL GOVERNANCE STATEMENT

1 Executive Summary

The Council is required by the Accounts and Audit Regulations 2015 to prepare and publish an Annual Governance Statement, in order to report publicly on the extent to which we comply with our own Local Code of Corporate Governance, including how we have monitored the effectiveness of our arrangements in year and any planned changes to our governance arrangements in the coming year.

Having considered the results of the review of effectiveness below, the Council is satisfied that its governance arrangements during 2025/26 were generally fit for purpose and provided a satisfactory level of assurance. The review has nevertheless identified areas where arrangements can be strengthened further, governance oversight and the continued embedding of improvement actions arising from internal audit and the Corporate Peer Challenge. The Council will continue to monitor delivery of these improvements and reflect progress in its next Annual Governance Statement.

2 Scope of responsibility

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

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

3 The purpose of the governance framework

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

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

materialising and the impact should the risks materialise, and to manage these risks efficiently, effectively and economically.

4 The governance framework

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

Within the Constitution (Part H), the Council has approved and adopted a Code of Corporate Governance (the Code), which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*, which was revised in 2016. The Code was also reviewed during 2016 to ensure it complied with the requirements of the revised Framework. The Code was reviewed by the Senior Leadership Team in 2025/26 and the Governance, General Purposes and LGR Committee in April 2026. The Code will be reviewed annually.

The Code recognises that effective governance is achieved through the 7 core principles as identified in the Framework. These are:

- A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B Ensuring openness and comprehensive stakeholder engagement
- C Defining outcomes in terms of sustainable economic, social and environmental benefits
- D Determining the interventions necessary to optimise the achievement of the intended outcomes
- E Developing the entity's capacity, including the capacity of its leadership and the individuals within it
- F Managing risks and performance through robust internal control and strong public financial management
- G Implementing good practices in transparency, reporting and audit to deliver effective accountability

The Code sets out how the Council demonstrates that its governance structures comply with these 7 core principles.

The Annual Governance Statement explains how the Council has complied with the Code annually; and also meets the requirements of *Regulation 6(1)(a) of the Accounts and Audit Regulations 2015* which require an authority to conduct a review at least once in a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts.

The Council approved a revised Community Plan at its meeting on 20 May 2025. Further information about how the Community Plan is developed and the process to revise the plan can be found at section 4. The performance monitoring framework for the revised Community Plan commenced on 1 April 2025. During 2025/26 the Council facilitated policy and decision-making through a Cabinet system. Cabinet meetings are open to the public except where exempt or confidential matters are being considered. Cabinet Members with Portfolio responsibility have authority to take delegated decisions outside Cabinet meetings; these are published on the Council's Decision Register. In addition, the Council's Constitution gives delegated authority for senior officers of the Council to make decisions in certain specified circumstances. Significant or 'Key' proposals are published on the Council's Forward Plan for 28 days before the decision is taken.

The system of governance is comprised of:

The Cabinet – which is made up of the Leader, Deputy Leader and a Cabinet of additional Councillors appointed by the Leader. Cabinet Members are responsible for the portfolio of services/functions allocated to them by the Leader. During 2025/26 the Cabinet comprised 7 portfolio holders including the Leader and Deputy Leader. The leader of the Council's largest opposition group is a Cabinet Member with voting rights but without portfolio.

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

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

Audit and Accounts Committee – comprises 9 Members and is politically balanced, with an additional co-opted independent, non-voting member. This Committee provides those charged with governance with independent assurance on the adequacy of the risk management framework, the internal control environment, and the integrity of the Council's financial reporting and governance processes. It is also responsible for promoting and maintaining high standards of conduct by Members and Co-opted Members of the Council.

During the year a new Governance, General Purposes and Local Government Reorganisation Committee was formed, comprising 12 Members. The purpose of the Committee is to promote and maintain high standards of conduct by Members, to maintain oversight of arrangements for Local Government Reorganisation, the Council's Constitution and decision-making, and to consider electoral and boundary matters as required. This new committee was created based on a recommendation from the Peer Challenge in October 2024, to review the previous Audit and Governance Committee. More about the Peer Challenge is included further below.

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

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

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

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

The District Council has a cross-service Risk Management Group that meets regularly to identify and evaluate all significant risks. Strategic, Corporate and Operational Risk Registers are in place and appropriate staff have been trained in the assessment, management and monitoring of risks. The Corporate Risk Management Strategy and Policy was reviewed by the Audit and Accounts Committee in December 2025 and was approved by Cabinet in January 2026. In addition to this, a Fraud Risk Register is in place and a refresh was presented to the Audit and Accounts Committee at its meeting in April 2026.

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

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

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

The statutory role of Monitoring Officer was undertaken by the Assistant Director Legal and Democratic Services for part of the 2025/26 financial year. For the second half of the year the role was undertaken through a joint arrangement with Gedling Borough Council. It is the function of the Monitoring Officer to ensure compliance with established policies, procedures, laws and regulations. After consulting with the Head of Paid Service and the s151 Officer, the Monitoring Officer will report to the Full Council if they consider that any proposal, decision or omission would give rise to unlawfulness or maladministration. The standards of behaviour for members and employees are defined through Codes of Conduct and the Code of Corporate Governance. The Council also has an Anti-Fraud and Corruption Strategy a Whistleblowing Policy (reviewed annually and updated in February 2026) and a Gifts and Hospitality Policy (updated in February 2026) that enables concerns to be raised confidentially by employees or persons doing business with the Council. A complaints system is also operated by the Council to enable comments on services to be received and investigated and this is assessed against the relevant Ombudsman Effective Complaints Handling Code. The Arrangements for dealing with complaints under the Member's Code of Conduct were reviewed by the Governance, General Purposes and LGR Committee in February 2026.

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

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

The District Council communicates with its communities and stakeholders through a range of channels. The Council's website is designed to keep information accurate, up to date and easy to find, and to comply with government accessibility requirements. In addition, systems are in place to issue regular newsletters to specific audiences. These were initially used to strengthen internal communications through fortnightly staff newsletters, and a resident-facing newsletter is now issued monthly to share key information. The Council has continued to expand its use of social media and proactive media relations to support public communications. Other channels used, where appropriate, include local radio, local and national media, digital communications and advertising, door-to-door communications, television advertising and point-of-sale materials in strategic locations. For tenants specifically, there is a tenant involvement framework consisting of four Local Influence Networks covering Sherwood, Newark, rural villages and building safety. These are complemented by a menu of opportunities for engagement with the Council's 5,500 tenants and an annual tenant report setting out key activities and performance.

Full Council appoints a non-voting Independent Member to the Audit and Accounts Committee. This appointment supplements the elected membership of the Committee by bringing additional technical, analytical and independent perspective to its consideration of governance, risk and financial reporting matters. This, together with a structured training programme for Committee members, supports the continued development of the Committee in meeting its responsibilities effectively.

5 Review of effectiveness

Newark and Sherwood District Council is responsible for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. This review draws on a range of assurance sources, including the work of Directors and Business Managers who maintain the governance environment, the Head of Internal Audit's annual opinion, the External Auditor's reports, findings from inspection and regulatory activity where applicable, and the outcomes of committee oversight during the year. Business Managers are also required to provide assurance to the s151 Officer that service areas are operating in accordance with the Council's governance arrangements.

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

The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure that its aims and principles are given full effect. The Council reviews the Constitution through the Governance, General Purposes and LGR Committee, which may meet as a working party for more in-depth reviews, and makes recommendations for amendment to Full Council. During 2025/26, the Committee undertook a detailed review of selected constitutional provisions and recommended changes to Full Council. The reviews related to the changes in governance structures and functions with the establishment of the Governance, General Purposes and LGR Committee approved by Council in 2025/26. In addition, reviews were undertaken of the Social Media Protocol for Members, the Member/Officer Protocol, the Code of Corporate Governance and the Tenant Engagement Board, with recommendations to Full Council for adoption in May 2026. A further programme of review will be undertaken in 2026/27.

Overview and Scrutiny – During 2025/26 the Overview and Scrutiny function was undertaken through the Policy and Performance Improvement Committee. Any Member of the Council can ask for an item to be included on the agenda for the Committee, and all Cabinet and Portfolio Holder decisions, and the Forward Plan, are circulated to all Members for transparency and awareness. The Committee has the ability to set up working groups to undertake in-depth scrutiny, performance review and policy development.

Internal Audit – is responsible for reviewing the quality and effectiveness of systems of internal control. The internal audit function was carried out by TIAA (UK) Ltd during 2025/26. Public Sector Internal Audit Standards (Standards) require an External Quality Assessment (EQA) at least every five years. The Standards aim to promote quality and effectiveness in the internal audit profession across both public and private sectors. They re-affirm how important having a robust, independent and objective internal audit is to the success of the Council and its governance framework. Our current Internal Auditors TIAA (UK) Ltd were last assessed in December 2022 with the outcome of their EQA stating that they ‘generally conform’ with all areas of the Public Sector Internal Audit Standards and IIA/IPPF. There were no recommended improvements.

An annual audit plan is approved by the s151 Officer in consultation with the Business Manager – Financial Services and the Senior Leadership Team and is reported to the Audit and Accounts Committee. Internal Audit reports are issued to the relevant Chief Officer and Business Manager and include recommendations for improvement, together with an action plan requiring management response. The Audit and Accounts Committee receive summaries of internal audit work and updates on progress in implementing agreed recommendations. Internal Audit findings are also considered by the Senior Leadership Team. The Head of Internal Audit provides an annual opinion on the overall adequacy and effectiveness of the Council’s governance, risk management and control framework. For 2025/26, that opinion concluded that, for the areas reviewed during the year, Newark and Sherwood District Council had reasonable and effective risk management, control and governance processes in place.

During 2025/26, two internal audit reviews resulted in limited assurance opinions: HRA H&S Mould and Absence Management (two during 2024/25). These areas will continue to be monitored through the Council’s governance and improvement arrangements.

The Community Plan is the key direction setting document used to outline the ambitions and vision of the Council for a four-year term, as well as setting out the Council’s values and purpose. As the name suggests, our communities and residents must be at the heart of our Community Plan and to do this we must listen to their views and consider these views when shaping the future of the district.

To do this, we conduct a district wide Resident Survey which takes place once every 4 years. Our current Community Plan (2023-2027) was informed by the results of the 2022 Resident Survey. It was our first resident survey conducted online and 4,577 residents took part over May and June 2022. Paper copies were available on request too and the survey was promoted via social media, the Council’s E-newsletter, leaflets and messages on bus stops. A representative survey was also carried out to allow us to recognise any bias in the open survey. A specialist company asked 780 residents to fill out the survey which represented the district in terms of age, gender, ethnicity, geography and council tenancy. We also consulted with specific groups through workshops and events/visits.

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

In 2024 a Resident Survey 'temperature check' was commissioned, and this was aligned with the Local Government Association (LGA) project 'Are you being served?'. As such, the same resident satisfaction questions and guidance were asked to enable us to benchmark against these national and regional results whilst also providing a familiar and proven method of interaction.

This was designed to be a small scale, interim check in with residents at the halfway point from having conducted the last district wide Resident Survey. As a result, 123 residents took part in the survey, which was conducted primarily via the telephone and through face-to-face events. The consultation captured how residents view the Council, their feelings within their local area and satisfaction with services. The results of the consultation were reported to the Policy and Performance Improvement Committee in October 2024 and the results of which can be found [here](#).

Revised Community Plan 2025 – In September 2024 Portfolio Holders, Chairs and Vice Chairs began the process to review the Community Plan. The purpose of reviewing the Community Plan was to understand which actions have been completed and embedded within everyday operations, enabling those to be removed from the plan which allowed the outstanding actions to be clearly visible. This visibility then allowed the Administration to inwardly challenge whether what was outstanding was still a priority and account for any emerging priorities which had arisen since the development of the plan.

The headline changes that were implemented as a result of this process included the 8 Community Plan objectives being reduced down to 7 Community Plan ambitions. The number of actions contained within the Community Plan were reduced down to a total of 61, spread across the 7 ambitions. The full report on the process to refresh the Community Plan was presented to Cabinet in April 2025 and can be found [here](#). It will be presented to Full Council for approval in 2025/26.

Corporate Peer Challenge – The Local Government Association (LGA) has a membership which comprises 315 of the 317 councils in **England** and includes district, county, metropolitan and unitary authorities along with London boroughs and the City of London Corporation. The LGA operate a peer challenge programme which supports continuous improvement by providing effective insight, guidance and challenge to enable continuous

improvement, as well as assurance to local leaders and residents.

It is considered good practice to undertake a peer challenge every 5 years. The Council took part in a Peer Challenge in 2016 and as such arranged to take part in another Corporate Peer Challenge in Summer 2024, this was delayed until Autumn 2024 due to the general election taking place in July 2024.

The process consists of a team of local authority peers who review the Council against five core elements, together with any locally identified areas for challenge. In particular, the governance and culture element considers whether decision-making arrangements are clear and robust, whether there is effective audit, overview and scrutiny, and whether Member and officer roles, behaviours and accountability are well understood and consistently applied.

1. Local priorities and outcomes
2. Organisational and place leadership
3. Governance and culture
4. Financial planning and management
5. Capacity for improvement.

The Peer team hold up a mirror to the organisation, acting as critical friends and let us know how we are doing. A Peer Challenge celebrates what we are doing well so we can build on it as well as making recommendation where we could improve. The team are able to consider how we perform referencing a wide range of experience of what 'good' looks like in other local authorities.

The report acknowledges that the Council makes a 'real and tangible difference on citizens lives' through the delivery of its core functions and praises the "great positive, supportive and welcoming culture, with staff going the extra mile to support each other and the communities they serve". The Council's relatively strong financial position is recognised along with what are described as "well and effectively run services" that are performing consistently above national benchmarks. The Council was found to be highly regarded by its external partners with the organisational leadership of the Council being strong, respected and approachable.

While the ambitious, energetic nature of the Council was something to be valued, the Peers raised reservations about a "lack of clear prioritisation from Councillors" and the tendency to take on responsibilities that properly fell to other organisations. It was acknowledged that this was in part the result of a lack of understanding given the large number of new Councillors but carried the risk of over-stretching officers and placing a strain on the Council's capacity to deliver its core services.

The report comments throughout on the Council's performance and includes a number of improvement opportunities in addition to the formal recommendations. In governance terms, these include strengthening the respective roles of the Audit and Accounts

Committee, the Governance, General Purposes and Local Government Reorganisation Committee, and Overview and Scrutiny; improving Member engagement in decision-making and assurance; strengthening the Annual Governance Statement so that it more clearly identifies key governance risks, sources of assurance and planned improvements; reinforcing the application of the Member Code of Conduct; and embedding a structured councillor development programme so that Members are better equipped to discharge their responsibilities in relation to scrutiny, governance and financial sustainability.

Highlighted below are the recommendations made by the Peer Challenge team with the full detail being available at section 3 of the report which is available [here](#).

1. Review and prioritise the 2023–2027 Community Plan.
2. Review the Audit and Accounts Committee, Governance, General Purposes and Local Government Reorganisation Committee, and Overview and Scrutiny functions of the Council to maximise councillor engagement and Council productivity.
3. Ensure councillors understand the longer-term budget pressures.
4. Establish an ongoing councillor development programme.
5. Continue to foster the positive culture of the organisation.
6. Consider agreeing a Team Charter amongst the Joint Administration.

In response to the recommendations, a Member and officer working group was established to consider the findings in detail and oversee the development of a delivery plan. This work has included identifying which recommendations should be led through Cabinet, the Policy and Performance Improvement Committee, the Audit and Accounts Committee, and the Governance, General Purposes and Local Government Reorganisation Committee, together with the supporting officer actions required. The delivery plan is intended to provide clear ownership, target dates and reporting arrangements so that progress can be monitored through the Council's formal governance framework. During December 2025 the Peer Challenge Team conducted a Progress Review to provide feedback on the early progress made by the Council against the recommendations, consider the peers' reflections on new opportunities or challenges that may have arisen since the peer team were "on-site" and discuss any early impact of learning from the progress made to that point.

The Peer Team concluded that of the six recommendations, the Council had significantly progressed five of them, including completing three of these, whilst the remaining three had actions undertaken, but are more of an on-going nature which will continue in the forthcoming years.

During 2025/26 the Governance, General Purposes and LGR Committee approved a Member Development Plan aimed at improving and enhancing the training offer to members to support them in their roles. A review of the Council's Arrangements for Dealing with Code of Conduct Complaints was undertaken and regular updates to Committee agreed in relation to the volume and nature of Code of Conduct complaints. As referenced above, sections of the constitution relating to member's including the Social Media Protocol

and Member/Officer protocol were also reviewed. Further Code of Conduct training for Members is planned in 2026/27.

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

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

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

All 17 standards were reviewed by the s151 Officer during April 2026, and it was concluded that all 17 were assessed as Green.

Council’s Responsibility as Landlord – In relation to the Council’s landlord services, the Council is co-regulated by the Regulator of Social Housing with annual engagement meetings and on a four year cycle a planned inspection of services against the Consumer Standards. The Council were notified of their inspection in January 2026, with the on-site visit completed on 1st May 2026. The inspection involved meetings with key staff and teams, members and tenants to evidence assurance and the submission of over 200 documents. The inspection team are now preparing a submission to the moderating Board and our grading between a C1 – C4 and an improvement plan is expected in July 2026. The results of this will be included in this document at the point in which it is signed as a final version.

6. Governance Issue and Action

Issue	Action	Responsible Officer	Completion Date
Political governance in a no overall control environment – during 2025/26 and currently, no single political group or informal coalition held more than 50% of seats on the Council.	Officers will continue to support effective cross-party engagement and decision-making by maintaining appropriate informal and formal meeting arrangements, providing timely advice to political leaders and group representatives, and keeping the effectiveness of governance arrangements under review.	Chief Executive and Senior Leadership Team	Ongoing

The Council will take forward the action set out above during the coming year in order to further strengthen its governance arrangements. Progress against these actions will be monitored through the Council’s governance framework and reported, where appropriate, to the relevant committees as part of the next annual review of effectiveness.

Conclusion

Having considered the results of the review of effectiveness, the Council is satisfied that its governance arrangements during 2025/26 were generally fit for purpose and provided a satisfactory level of assurance. The review has nevertheless identified areas where arrangements can be strengthened further, governance oversight and the continued embedding of improvement actions arising from internal audit. The Council will continue to monitor delivery of these improvements and reflect progress in its next Annual Governance Statement.

Signed

J. Robinson

Chief Executive

P. Peacock

Leader of the Council

