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Statement of Accounts

2023/24



Ashfield
DISTRICT COUNCIL



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Background to the narrative report

The Accounts and Audit (England) Regulations 2015 introduced a requirement for Local Authorities to publish an annual narrative report to accompany its Statement of Accounts. The purpose of the narrative report is to comment on the Council's financial performance and economy, efficiency and effectiveness in its use of resources over the financial year. The Narrative Report summarises what Ashfield District Council spent in 2023/24, how it was spent and what has been achieved in line with the Corporate Priorities. It provides a narrative context to the accounts by presenting a clear and simple summary for residents, of Ashfield's financial position and performance for the year and its prospects for future years.

Council Leader's preface

With the cost of living crisis extending into 2023/24, it has again been a difficult year for all – our residents, businesses and the Council itself. However, despite this, 2023/24 has again proven to be a very successful year for the Council both in terms of significant regeneration of the District, continued provision of high quality service delivery and continued effective financial management, again delivering services within budget.

I am delighted with the significant progression of the projects in our Capital Programme. Two of our four Future High Streets Fund projects were completed; High Pavement House including Makerspace and the new Café and residential accommodation at 14 Low Street in Sutton. The other two projects are progressing well. All 16 of our Towns Fund projects are currently in the delivery stage, 2 of which, the Science Discovery Centre and Planetarium and the new Leisure building at Kings Mill Reservoir are at an advanced stage of delivery. Many of these projects will achieve full delivery in 2024/25, creating a massive regeneration legacy for our District. As these projects come to fruition they will offer huge opportunities to our local residents and businesses going forward, as well as attract further inward investment to the District, all of which will help grow the local economy for the benefit of all.

The new swimming pool at Hucknall Leisure Centre opened in July 2023. The significant investment we have made in our 3 Leisure Centres is paying dividends as attendance numbers have significantly increased, improving the health and wellbeing of our residents and visitors.

During the last term of the Ashfield Independents' administration we delivered more than 100 new homes and our commitment is to deliver many more in this new term. Plans are in place to develop a further 5 sites for social housing from 2024/25. We recognise the significant shortage of homes in the District and we are committed to addressing this.

Our Local Plan has been submitted to the Secretary of State (April 2024) and once approved will provide developers with sites for housing developments.



Cllr Jason Zadrozny
Leader of Ashfield
District Council

Aligned to our Climate Change Strategy the Council is delivering decarbonisation works on Hucknall Leisure Centre and the Council Offices at Urban Road. We are also using the funding we secured through the Social Housing Decarbonisation Fund to deliver energy efficiency improvements to over 100 residential properties across the District.

The success of our bid for Levelling Up Funding for Hucknall in March 2024 (£9.2 million) and the allocation of £19.5 million for the Kirkby Town Investment Plan will see even more investment and regeneration in our District.

Ashfield is an ambitious and aspirational District Council, but also one that delivers. We put our residents and businesses at the heart of everything we do and will continue to do so and our ongoing Regeneration Programme for the District clearly demonstrates this.

We know Ashfield, like all Councils, faces future financial challenges but with our passion and commitment we are confident that we will continue to invest in our District, delivering increased chances of an improved quality of life for our residents.

A handwritten signature in black ink, appearing to read 'J. Zadrozny'.

Cllr Jason Zadrozny
Leader of Ashfield District Council

Introduction to the narrative statement

by the Corporate Resources Director (Section 151 Officer)

As the Council's Chief Finance Officer I am pleased to present Ashfield District Council's Statement of Accounts for the year ending 31st March 2024. The Statement aims to provide information to all stakeholders (residents, local businesses, Councillors, partners and members of the public) so that they can:

- Understand the overall financial position of the Council and the Outturn for 2023/24
- Have confidence that the Council has used and accounted for public money in an appropriate manner
- Be assured that the financial position of the Council is sound and secure

This Statement of Accounts has been prepared and published in accordance with the Code of Practice on Local Authority Accounting 2023/24 issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Accounts and Audit (Amendment) Regulations 2022.

The Statement of Accounts should be read in the context of continuing demand and cost pressures on the services provided by the Council, and the level of resources available to fund them. This includes the significant level of inflation in the economy which caused the cost of living crisis, which severely impacted both our residents and businesses across the District.

As the Government issued another single year Spending Round for 2024/25 there remains significant uncertainty about the level of future core Government funding. It is expected that the future timescales for implementing Local Government Funding Reform will become clearer once the outcome of the next General Election is known.

Short term funding settlements severely hamper effective medium to longer term financial planning.

It is expected that the pressures on Council services will continue to rise and the future financial position of the Council will be dependent on its ability to manage demand, with reducing resources.

The Council continues to progress implementation of its Digital Services Transformation Strategy, which along with the review of current services and service level provision, and the identification of opportunities for additional income generation, will be critical to the Council's ongoing financial sustainability. Ashfield is not unique in this regard – all Councils face this future funding uncertainty.

We know that further challenges lie ahead and the Council's Cabinet working with senior management are actively progressing options to address these challenges.

The 2023/24 accounts demonstrate the Council's success, despite the impact of high inflation, in continuing to deliver high quality services within budget and this will put the Council in a good position in respect of addressing future financial challenges.

Peter Holland CPFA
Corporate Resources Director
(S151 Officer)

Introduction to the District of Ashfield

Ashfield is situated within North Nottinghamshire and serves a population of approximately 127,179 residents (Mid-year 2022) covering an area of 42 square miles across three towns (Kirkby-in-Ashfield, Sutton-in-Ashfield and Hucknall) and a number of rural villages. The area boasts a mix of beautiful countryside, complemented by award winning urban and country parks. Ashfield is one of seven District and Borough Councils in Nottinghamshire.

Ashfield has excellent transport links through the M1 motorway, bus, rail and tram links which makes the area an ideal business location. The District is also within one hour's drive of East Midlands Airport.

Ashfield has traditionally relied on the manufacturing sector for local employment but recognises the need to move to a more diverse local economy offering 'high value added' services as well as manufacturing. In December 2023 the unemployment rate (16-64) was 4.9% which is higher than the East Midlands (3.7%) and Great Britain (3.7%). Those in employment on average earn less (£606 per week gross, an increase of 5.2% on 2022) than the average weekly pay in Great Britain (£683, an increase of 5.4% since 2022) and the East Midlands (£640, an increase of 5.9% since 2022).

The Council is working with its partners to address the skills gap and promote the area as a place to invest, particularly for Creative, Business, Professional Financial Services, Advanced Manufacturing and Knowledge Based Industries; and to connect local people to local jobs. The ongoing Towns Fund investment will help realise some of this ambition.

Since October 2016 the Council has managed its own housing stock and remains committed to providing good quality housing and continues to invest in its housing stock. In the last three financial years the Council has built 86 properties and in partnership with East Midlands Housing has delivered a further 22 new build properties. In the last 6 years the Council has also acquired 78 additional properties to grow its stock and help meet the social housing needs of Ashfield residents. During 2023/24 £3.0m was spent to maintain Council houses to the Decent Homes Standard. This is significantly less than in 2022/23 (£6.5m) largely as a consequence of the major works contractor going into administration. As at the 31st March 2024 the Council has 6,679 Council dwellings.

Although the rate of building new homes in the District has declined in recent years, new properties do continue to be built and the Council Tax base continues to grow. The majority of properties within the District are categorised at the lowest levels for Council Tax billing purposes, Band A to Band C. Band A: 53%, Band B: 20% and Band C: 16%. Of the £79.691m of Council Tax raised in 2023/24, the Council received £6.927m (8.7%) to help provide residents with the services on which they rely.



Governance & risk

There have been no significant changes to the potential significant risks included in the Annual Governance Statement from 2022/23; they largely remain the same for 2023/24.

Details of these potential significant risks and the mitigations in place are set out in the table below:

| Corporate Risk | Risk Mitigation |
|--|---|
| Future financial sustainability | <p>Following another one-year Financial Settlement there again remains significant uncertainty about the level of Central Government funding from 2025/26 linked to the implementation of Local Government Finance Reform, the timing of which may be clarified once the outcome of the General Election is known. Every Local Authority faces this uncertainty.</p> <p>The Medium Term Financial Strategy update approved by Council in March 2024 as part of the 2024/25 Annual Budget and Council Tax Setting Report reflects the priorities as set out in the Corporate Plan 2023–2027 and may require refinement once the future financial landscape becomes clearer.</p> <p>The Council has robust reserves which will assist in transitioning to revised levels of Central Government funding whilst at the same time identifying and implementing ‘Options for Change’ to assist with addressing the Council’s future financial challenges.</p> |
| Failure to adopt a Local Plan | <p>The Local Development Scheme (LDS) was approved by the Council in August 2023 and reconfirmed by Cabinet in January 2024. The Council is on track with the timetable for the development of the Local Plan set out in the LDS. The last round of public consultation (Regulation 19) was carried out from December 2023 to January 2024.</p> <p>Following analysis of the consultation responses, the draft Local Plan was submitted to the Secretary of State in April 2024.</p> |
| Planning Appeals | <p>Officers continue to monitor the number of planning appeals on a regular basis to ensure the Council remains within the Government target.</p> <p>In March 2024, the planning appeal overturn level was reported at 0%, meaning the risk of the Council being placed in special measures is currently significantly reduced.</p> <p>Officers continue to work closely with Planning Committee Members to ensure they have the necessary support and training to undertake their roles effectively.</p> |

| Corporate Risk | Risk Mitigation |
|---|---|
| <p>Data Matching and National Fraud Initiative</p> | <p>The Council continues to develop and embed its corporate approach to Anti-Fraud (including Data Matching).</p> <p>The Anti-Fraud Officer Working Group will continue to develop and deliver an action plan to better meet the Government’s functional standard.</p> <p>To ensure appropriate operational resilience and resource levels the Council’s arrangements regarding Anti-Fraud and Data Matching were considered as part of the Decision Making Accountability work undertaken by the Local Government Association during 2022/23.</p> <p>The responsibility for Anti-Fraud has, following a transition, now moved to the Corporate Resources Director’s remit to enable operational resources to be allocated to lead on the workstream.</p> <p>In 2023 all Nottinghamshire Councils engaged external support through NEC to identify fraud and error in respect of Council Tax Single Person Discounts (SPD’s). Over 20,000 records were checked for Ashfield with 1,376 SPD’s being removed increasing the available revenue to the Council by over £187k.</p> <p>In 2023 the Council also conducted an Empty Homes Review on 860 properties in advance of implementing its new Council Tax Premium Policy to ensure the accuracy of records prior to processing the new increased premium.</p> <p>Progress in relation to this work stream continues and contact has been made with accredited anti-fraud specialists to identify whether external specialist support may be beneficial to the Council.</p> |
| <p>External Funding</p> | <p>The Council uses the Local Assurance Framework developed from D2N2’s funding programme.</p> <p>The Council’s regeneration programmes continue to be implemented in line with agreed business cases and plans.</p> <p>Progress is monitored through 6 weekly update reports to the Discover Ashfield (DA) Board and quarterly reports to Cabinet and Council. This is in addition to monitoring reports which are required to be submitted to the Government on a regular basis (frequency depending on the specific terms of the funding agreement).</p> <p>In the last year, the Council has been successful in securing further regeneration funding through the Long-Term Plan for Towns programme. This requires a specific Partnership Board for Kirkby to be established to oversee the actions and funding. Work to establish this new Board is underway and on track with the funding requirements set by the Government.</p> <p>Announced in March 2024, the Council secured a further £9.2million funding for Hucknall as part of the Levelling Up Fund application. This additional funding will be managed as part of the Council’s wider regeneration programme for the District.</p> |



Corporate Plan

The current Corporate Plan covers the period 2023 to 2027 and was approved by Cabinet and endorsed by Full Council in September 2023.

VISION

The purpose of the Council as set out in the current Corporate Plan is to:

- Serve the Communities and Residents of Ashfield;
- Provide good quality, value for money services; and
- To act strategically and plan for the future, working with others to bring about sustainable improvements in people's lives.

PRIORITIES

The Council's Priorities as set out in the current Corporate Plan are:

1. **Health & Happiness;**
2. **Homes & Housing;**
3. **Economic Growth & Place;**
4. **Cleaner & Greener;**
5. **Safer & Stronger; and**
6. **Innovate & Improve**

Each Directorate has a number of service areas and each has a Service Plan which supports effective delivery of the Corporate Plan priorities.

Overall performance

Corporate Plan progress is monitored through both the successful delivery of key projects and initiatives, and performance achieved against the corporate scorecard.

Overall, the corporate scorecard outturn for April 2023 to March 2024 indicates the following:

- 75% of measures achieved or exceeded target, or were within a 10% variance of target.
- 94% of measures indicated an improved position compared to the previous year, or were within 5% of previous year's performance levels.

Operational Performance / Achievements 2023/24

The Council has delivered many significant achievements in 2023/24. Some of the key achievements set out by Corporate Plan Priority are:

HEALTH AND HAPPINESS

- **Events** - Over 25 events were delivered throughout the District in 2023/24 with over 20,000 attendances. These included the King's Coronation, Selston Cinema, 3 Christmas Lights switch-ons, Ashfield Day, 3 Carer events and 3 Mobile Museum events. There were 1,940 attendances through the Holidays Activities and Food (HAF) during Easter, summer and October school holidays at over 17 venues.
- **Health & Wellbeing** - Better Care Fund (BCF) expenditure on Disabled Facilities Grants (DFGs) has remained on track throughout the year. Over £235k funding was also secured for Health and Wellbeing projects during 2023/24.
- **The Leisure Transformation Programme** 2023/24 saw the opening of the new learner pool at Hucknall Leisure Centre, and the new sauna/steam room at Kirkby Leisure Centre as well as the completion of the Papplewick Sports Hub. Public Sector Decarbonisation works are in progress at Hucknall Leisure Centre.
- **Leisure Attendance** - Over 1.5 million leisure attendances at Leisure Centres during 2023/24, an 18% increase in attendances at our Leisure Centres (a 50% increase over the last two years). £5.4 million Social Value has been delivered through the Leisure Operating Contract to the end of March 2024. Care experienced/Care Leavers – 60 are now accessing free leisure memberships.
- **Health Inequalities** - The Council continues to facilitate the Coxmoor, Leamington and Broomhill/Butler's Hill priority places partnership. A link has been made between Allotments and Foodbanks to reduce food waste. 130 families have received a growing pack to encourage them to grow fruit/vegetables at home.



HOMES AND HOUSING

- **Housing** - Standard void re-let times – Despite the Council’s main contractor going into administration the average void re-let times for 2023/24 were 28.06 days.
- **Housing Developments** - The Affordable Housing Development Programme has delivered over 100 new homes and there are plans to develop on a further 5 sites.
- **Temporary Accommodation for Homeless Household:** An additional 20 self-contained flats have been made available for use as temporary accommodation, reducing the Council’s need to use unsuitable and expensive B&B type accommodation and ensuring homeless households have the support they need.
- **Social Housing White Paper** - In July 2022 the Council was notified that it had to install carbon monoxide detectors in 6,153 properties. By the end of March 2023 all except 32 had been installed and by 31 March 2024 only 1 remains to be installed (tenant refusing access).
- **Welfare & Money Management Advice** – 1,071 tenants have been assisted throughout the year, and all tenancy support cases have been able to successfully remain in their tenancy following targeted support.
- **Carbon Reduction Measures:** - Processed almost 500 referrals relating to local residents seeking carbon reduction and energy efficiency measures under the Government’s ECO4 scheme.
- **Private Sector Landlords** - The Council has utilised a wider range of powers to take enforcement action against non-compliant landlords. Proceeds from civil penalty fines has been reinvested in the Environmental Health service.
- **Social Housing (Regulation) Act 2023** - following the introduction of the Social Housing (Regulation) Act 2023, multiple sections of the Council continue to work to ensure that the necessary compliance is in place to meet the new statutory requirements in relation to the Council’s social housing stock.
- **New Re-let Standard:** - Introduction of a new Re-let Standard for vacant Council homes to ensure new tenants have an awareness of property condition before they view and sign for their new home.
- **Ex-Council Homes** - A successful acquisitions programme with 12 ex-Council homes being bought and made available for residents in housing need including a successful bid to DLUHC under their Local Authority Housing Fund Scheme has enabled to buyback an additional 6 ex-Council homes.



ECONOMIC GROWTH AND PLACE

- **The four Future High Street projects** - have progressed well with the 14 Low Street project and High Pavement projects both delivered, 9-11 Low Street nearing completion and Fox Street and the Theatre schemes commencing construction.
- **Business Support** - quarterly update meetings are held with a range of industry sector stakeholders and partners to discuss delivery of business support and inward investment goals for the District. In November 2023 we held our fourth Business Leaders Networking Event promoting the benefits of environmental sustainability. A further event on global trading took place in April 2024. These events are part of the local UK Shared Prosperity funding supporting local business delivery.
- **Business Development** - proposals around Junction 27 of the M1 motorway are progressing with discussions with Highways England and Nottinghamshire County Council. Discussions also continue with partners around raising the profile of the potential of reopening the Maid Marian Line. These will also be discussed with the new East Midlands Mayor.
- **Town Centres** - Idlewells Market is at 90% occupancy with only 3 stalls vacant and a further 2 under offer at the end of March 2024. Town Centre unit vacancy rates are also lower at 4.6%, 9.5% and 4.6% for Hucknall, Kirkby and Sutton respectively.
- **Towns Fund Key Projects** - Good progress is being made with the 16 Towns Fund projects now in the delivery phase. The Kings Mill Leisure building will see the first Towns Fund capital project completed in July 2024. Works are also well advanced on the Science Discovery Centre and Planetarium.
- **Levelling Up Bid for Hucknall** - the Council secured £9.2m of investment for Hucknall Town Centre, plans are currently being developed for the delivery phase.
- **Kirkby Long-term Plan** - £19.5m has been awarded to Kirkby to invest over a 10-year period on local priorities. The Kirkby Town Board has been created and initial public consultation will be completed by early June 2024.
- **Dilapidated Buildings** - the Council has continued to use a range of powers to encourage owners of dilapidated buildings to improve them and ideally bring them back into active use. There have been several successes this year, particularly with residential properties.
- **UK Shared Prosperity Fund** - Work is ongoing to deliver the programme which includes the tendering of the local business and skills themed projects with other district/borough Councils to achieve greater value for money.
- **The Local Plan** - The Local Development Scheme (LDS) was approved by the Council in August 2023 and reconfirmed by Cabinet in January 2024. The Council is on track with the timetable for the development of the Local Plan set out in the LDS. The last round of public consultation (Regulation 19) was carried out from December 2023 to January 2024. Following analysis of the consultation responses, the draft Local Plan was submitted to the Secretary of State in April 2024.
- **The Skills strategy** - the Council's Education and Skills Improvement Plan (2022-2031) is being progressed. Regular partnership meetings are held which include local primary schools, secondary schools and adult education providers. A Careers Fair was held on 6th October 2023 at the new Kirkby Leisure Centre involving key private and public sector employers and training providers. The event was a success bringing together over 700 individuals seeking job and training opportunities with over 70 businesses.

CLEANER AND GREENER

- **Parks and Open Spaces** - The 7 Green Flag Awards for the main parks were retained this year. Implementation of the Green Spaces Programme with capital investment in 4 parks during 2023/24.
- **The Big Ashfield Spring Clean** - another successful year with over 4,000 free bulky waste collections continuing across the District, collecting over 700 tonnes of bulky waste.
- **Green Initiatives** - The Council continues to drive forward recycling and local residents are currently achieving a magnificent recycling rate of 36% of all household waste generated. During 2023/24 the Council planted circa 1,050 trees.
- **Street Cleansing & Waste Collections** - The Council emptied over 3.7 million refuse bins in 2023/24 and swept circa 700km of highways and pavements. Over 600 tonnes of litter and street waste were also collected in 2023/24.
- **The Council's Climate Change Strategy and Carbon Management Plan:** - The Council continues to work towards meeting the tasks contained within the Carbon Management Plan, including the development of a number of projects to further reduce the Council's scope 1 and 2 emissions. The Council continues to purchase zero carbon electricity certified under the Renewable Energy Guarantee of Origin (REGO). The electricity is generated from wind, solar, hydro, landfill gas and biomass pellets.



SAFER AND STRONGER

- **Anti-Social Behaviour** - The Council responded to 5,316 reports of anti-social behaviour, neighbourhood nuisance and environmental crime reports during 2023/24. Based on the reporting period for the previous year of 4,890 reports; a 9% increase in reported demand. Of these, 12% were resolved through specialist triage advice at the initial point of contact.
- **Enviro-crime** - A number of interventions have been undertaken to address fly tipping, waste on land, littering, abandoned vehicles, graffiti and dog fouling across the District. The Council has issued Fixed Penalty Notices, statutory notices and undertaken environmental improvements over the past year to tackle environmental crime. This includes investigations, gating of alleyways, additional street lights, educational programmes, media campaigns and the delivery of the annual big spring clean. DEFRA's last published data confirmed that the authority is ranked 80th out 309 local authorities for incident occurrences for fly tipping (second quartile).
- **Safer Streets** - the Council, alongside partners and the Office of Police and Crime Commissioner, was successful in securing £212,000 as part of the Safer Streets Round 5 Funding programme. The funding is being used to address longstanding community concerns relating to feelings of safety for women and girls, tackling neighbourhood crime and anti-social behaviour and supporting vulnerable residents' communities in Carsic, Sutton in Ashfield.
- **Safeguarding Vulnerable People** - Across the Council 168 referrals were made to the agencies including the MASH (Multi- Agency Safeguarding Hub), Nottinghamshire Police and Nottinghamshire Fire & Rescue to safeguard vulnerable adults and children and protect them from further harm/abuse. The Council chairs and operates the Partnership Complex Case Panel and dedicated Vulnerable Adult Support Scheme to assist those who present vulnerable or with multiple support needs.
- **CCTV** - The Council has increased its public space CCTV cameras to 59 devices across the District, to help promote feelings of safety, detect and deter crime and anti-social behaviour. The cameras are monitored from Nottinghamshire Police Headquarters 24 hours, 7 days per week and include 3 Safe Point Cameras in each town centre, which provide a means to request urgent assistance for anyone who feels in danger; before a crime occurs.



- **Partnership Working** - The Community Safety Partnership works together to tackle crime and anti-social behaviour through the facilitation of neighbourhood tasking meetings, community action days, problem solving activities and joint patrols in neighbourhoods, town centres and public spaces across the District. The framework enables the Council to have a coordinated approach to tackle trends and emerging issues across Ashfield.
- **Domestic Abuse** - The Council has been successful in securing over £74,000 to deliver safer accommodation duties to support domestic abuse survivors and improve their safety. The scheme has resulted in 50 survivors being supported throughout 2023/2024. Ashfield District Council is proud to be White Ribbon accredited and is working towards the Domestic Abuse Housing Alliance accreditation to further support survivors of domestic abuse. The Council has recently employed a second domestic abuse worker to support delivery of this work.
- **Promoting Feelings of Safety** - Following successful delivery of schemes for Kirkby and Sutton, the Council has been working with businesses in Hucknall to develop a Shop Watch and Safe Space Accreditation Scheme. The scheme provides retailers with radios, signage, lighting and cameras to improve safety across town centres and act as a safe haven for local visitors to the town.
- **Serious Violence** - As part of the Council's statutory responsibilities to respond to serious violence, a new local response plan has been published which outlines how the Community Safety Partnership will share information and undertake measures to prevent and reduce serious violence.



INNOVATE AND IMPROVE

- **Customer Services** - the level of take-up for making payments easily, using digital channels, continues to increase with 90% of payments received during 2023/24 being made either by direct debit, online 'e-store', automated telephone or recurring card payments. Paypoint and post office transactions which are more expensive for the customer continue to decrease with a further 11% reduction during 2023/24. A number of digital sessions have taken place at the Council Offices at Urban Road to assist residents in increasing their digital skills. 24% of Council Tax payers and 83% of Business Rates payers are now signed up to the Revenues portal. The new Customer Portal, Ashfield 24/7, was launched in February 2022 and now has over 20,000 residents signed up.
- **Digital transformation** - The Digital Transformation Programme has now delivered approaching £3.9m of financial benefits (cashable and cost avoidance) over the last 6 years. Work has progressed since July 2022 to migrate many key systems used by the Council to 'Cloud' based solutions to support improved access and resilience, alongside increased functionality. In house digital development is now also leading more modern approaches in community projects, including the intelligent automation of a number of operational processes.
- **Partnering** - The procurement partnership with Nottinghamshire County Council has been in place for 9 months and during that period eleven projects were completed all within budget despite economic challenges in the market which was an achievement as they were mainly works contracts where prices had increased. Joint procurement exercises have been undertaken in an effort to seek savings through aggregation. Through this partnership arrangement the Council entered into a Tail Spend arrangement for the ordering of low value/high volume goods which allows local suppliers to onboard through the supplier's marketplace when conditions have been met. The tail spend solution will also be able to report on the procurement impact on the carbon footprint with the first year's data available in January 2025.
- **Procurement Social Value:** Cumulative Procurement Social Value delivered since the measurement via the Social Value Portal is now over £2.4m. Most of the procurement activities are delivering in excess of targets set. The two largest deliverables by outcome are;
 - More people in local employment £1.4m
 - More opportunities for local MSMEs and VCSEs £754,381



Organisational Delivery:- Political Structure

During 2023/24 the Council consisted of 35 Councillors, controlled by the Ashfield Independents (32) with 2 Conservative and 1 Labour Councillor. In 2023/24 the Council's Cabinet comprised of ten Councillors:

**Cabinet
Structure
January
2024**



Within Ashfield there are two parishes, Selston Parish Council and Annesley & Felley Parish Council who provide additional services to residents within their respective boundaries.

The JUS-t Neighbourhood Plan was made for a substantial part of the Parish of Selston following a referendum in October 2017. Currently no Neighbourhood Plan has been adopted by Annesley & Felley Parish Council.

The Teversal, Stanton Hill and Skegby Neighbourhood Forum brought forward a Neighbourhood Plan for Teversal, Stanton Hill and Skegby, which was also produced in October 2017. The Forum was re-designated for a further five years following a decision of the Cabinet on 27th January 2020.

Management Structure and Workforce

The Council's management structure – the Strategic Leadership Team (SLT) is documented in the Council's Constitution and is comprised of the Chief Executive, four Executive Directors and the Corporate Resources Director (& Section 151 Officer).

SLT is responsible for implementing the Council's strategic goals as determined by elected Members, and for the effective operational delivery and management of Council services.

As at 31st March 2024 the Council's workforce comprised 588 employees in post (545.16 full time equivalent posts) on the approved staffing establishment.

Key Operational Partnering Arrangements

In 2023/24 Ashfield District Council has key working relationships with the following organisations:

- **Discover Ashfield Board** – to oversee the development and implementation of Funding Programmes.
- **Mansfield District Council and Newark & Sherwood District Council** for owning and operating the Mansfield Crematorium.
- **Mansfield District Council** for delivering shared services across both authorities for Human Resources & Payroll.
- **Ashfield District Council** is the Lead Partner for the Rough Sleeper Initiative funding/service.
- **Mansfield District Council** – Homefinder Lettings Scheme.
- **Mansfield District Council and Newark & Sherwood District Council** – Private Sector Landlord Forum
- **Broxtowe Borough Council** - Ashfield provides Business Rates processing support to Broxtowe.
- **Nottingham City Council** for the Lifeline Service.
- **Sport & Leisure Management Ltd (Everyone Active)** for operating the Council's Leisure Centres.
- Nottinghamshire County Council for the provision of Procurement services.
- **Central Midlands Audit Partnership (CMAP)** for the provision of our Internal Audit function.
- **Erewash Borough Council** for the provision of our Building Control function.



Financial Performance 2023/24

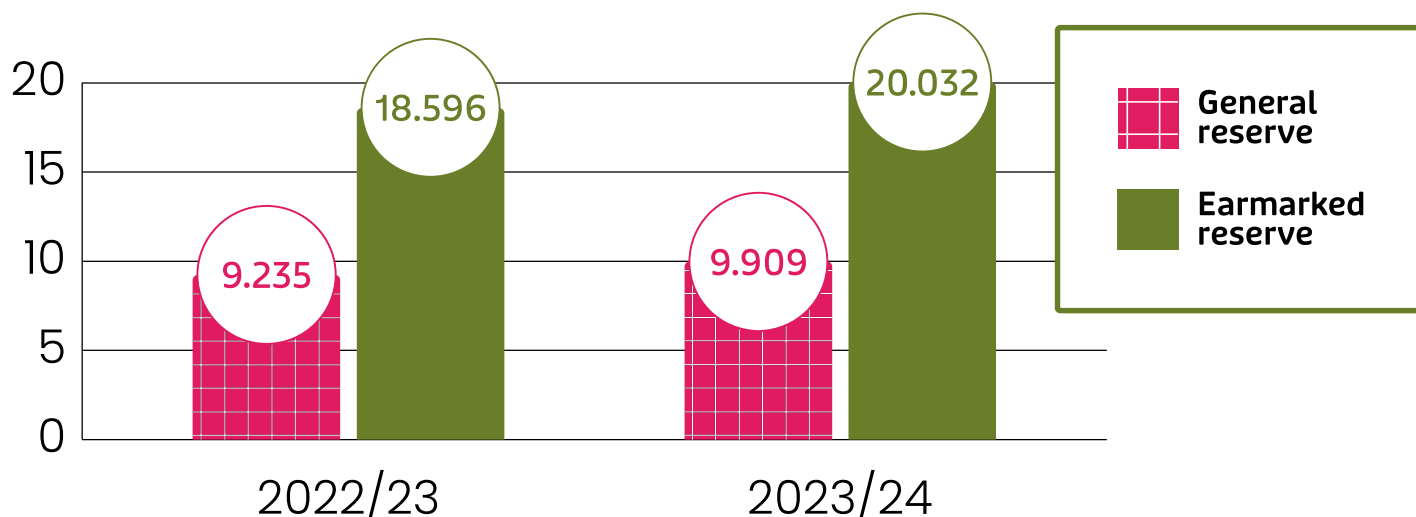
General Fund Revenue Outturn

The General Fund supports the day to day running of the Council's services, excluding Council Housing provision.

| Directorate | Revised Budget £'000 | Outturn £'000 | Variance £'000 |
|-----------------------------|-------------------------|------------------|-------------------|
| Chief Executive | 727 | 490 | (237) |
| Governance | 2,758 | 3,104 | 346 |
| Transformation | 68 | 2,445 | 2,377 |
| Place | 4,924 | 4,094 | (830) |
| Operations | 7,711 | 7,419 | (292) |
| Net Cost of Services | 16,188 | 17,552 | 1,364 |

| Key Variance Explanations | |
|--|----------------|
| Agency staff | 339 |
| Net additional service income | (1,523) |
| Additional IT system costs | 433 |
| Rent Allowance & Rebates | 823 |
| Planned use of earmarked reserves | 1,286 |
| Other items (net) | 6 |
| Net Cost of Services Variance | 1,364 |
| Other Adjustments: | |
| Additional recharges and reduced Capital Financing Costs | (2,524) |
| Draft Outturn (before transfers to Reserves) | (1,160) |

GENERAL FUND RESERVES (£M)



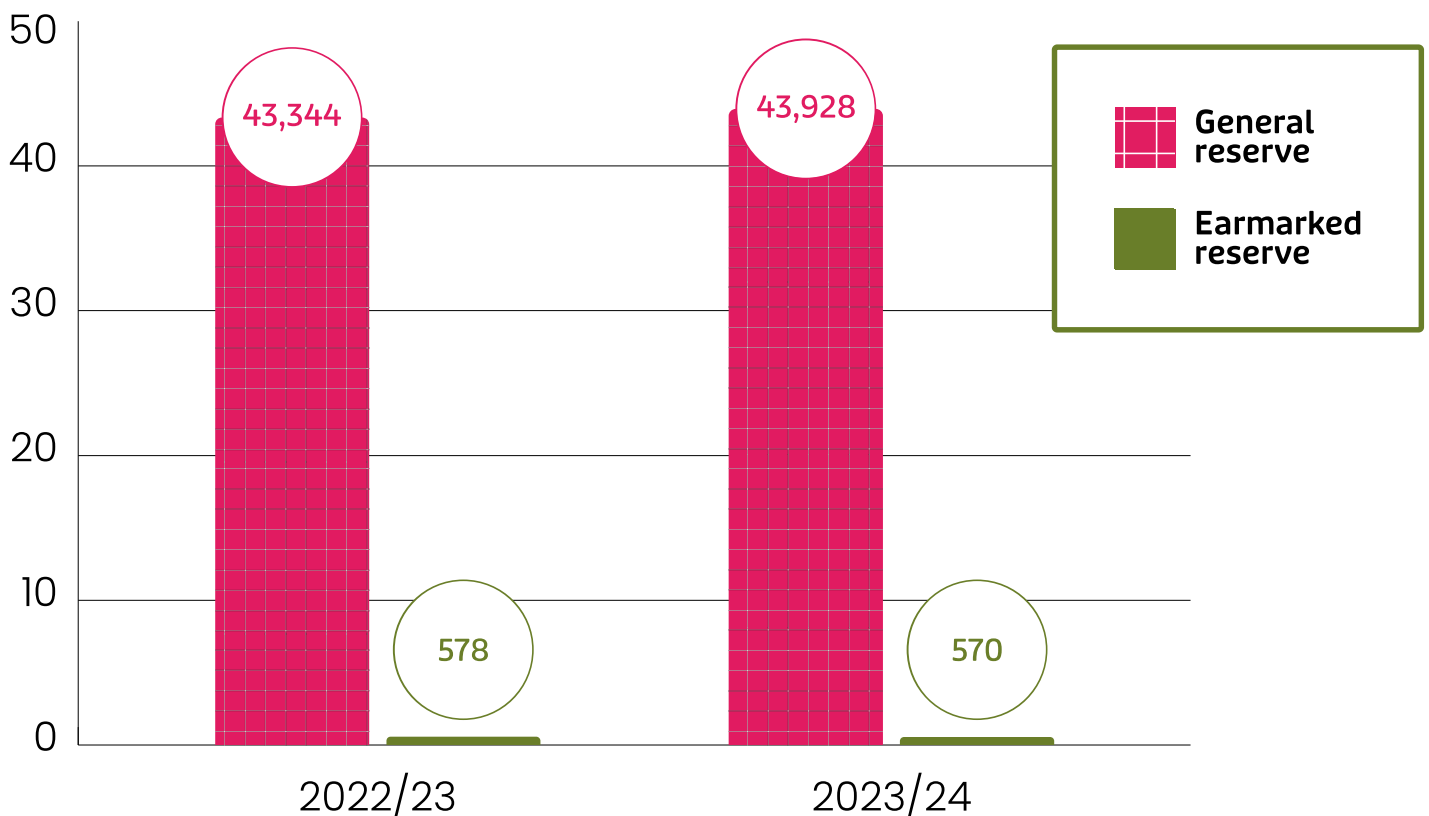
Housing Revenue Account (HRA)

The HRA is a ring-fenced landlord's account for the management and maintenance of the Council's housing stock. This account funds both day to day revenue costs as well as funding borrowing costs for capital work to maintain and improve council properties.

Compared to the 2023/24 revised budget the HRA achieved a surplus of £1.396m, the key variances are shown in the Table below:

| Key reasons for HRA variances: | £'000 |
|--|----------------|
| Additional rents and charges income and interest and investment income | (1,767) |
| Utility Price decreases | (239) |
| Depreciation – increase in property numbers and revaluation | 537 |
| Digital Transformation | 200 |
| Reduced Capital Expenditure – Property purchase | (109) |
| Other various minor variances (net) | (18) |
| | (1,396) |

HRA RESERVES (£M)



Further information relating to the Housing Revenue Account can be found within the Supplementary Financial Statements.

Capital Spending 2023/24

Capital monies are spent on building or enhancing the Council's asset base. There are rules and regulations regarding what can be classed as capital expenditure and this expenditure must be financed separately from the day to day running costs of the Council.

During 2023/24 the Council spent £29.6m on capital works. Key projects were:

Leisure Transformation Programme

Almost £0.7m was spent on the new Leisure Centre at Kirkby, plus significant transformation works at Hucknall totalling £1.7m, which included £1.3m on decarbonisation works.

Parks and Open Spaces

Over £118k capital funding has been spent on Parks and Open Spaces infrastructure across the whole District during 2023/24.

Disabled Facilities Grants

The Council spent £857k to meet the statutory duty to provide Mandatory Disabled Facilities Grants to qualifying applicants under the Housing Grants Construction and Regeneration Act 1996. These grants provide the funds for adaptations to modify environments to restore or enable independent living, privacy, confidence and dignity for individuals and their families in non-Council dwellings.

Future High Streets and Towns Fund Projects

£9.7m was spent on progressing the above projects. The significant areas of spend have been the refurbishment and alterations to the vacant units at Low Street, Kings Mill Reservoir development and the Science Discovery Centre and Planetarium and the Sutton Maker Space and Business Hub.

Housing Projects

£13.2m was spent in 2023/24 on building new and improving existing Council dwellings throughout the District ensuring that the Decent Homes Standard is maintained. Other projects included the acquisition of houses to add to the Council's stock to help meet the social housing demands of our residents and undertaking disabled adaptations to Council properties and undertaking 'Green Homes work' to make properties more energy efficient.



BALANCE SHEET

Property, Plant & Equipment (PPE)

The value of PPE increased by £19.083m to £387.471m as at 31st March 2024. This increase is largely due to new dwellings added to the Council's stock (£12.8m), acquisition of other PPE and Work in Progress (£10.8m) and the disposal of Council dwellings and Equipment (-£1.7m).

Council dwellings are valued utilising East Midland Adjustment Factor, as required by Government. This Adjustment Factor reduces the value of social housing from the market level to a level which reflects the Government's assessment of valuation, taking account of 'right to buy' and other factors.

Investment Properties & Assets Held for Sale

The overall value of Investment Properties increased in year by £0.814m. This increase was due to valuation increases of £1.860m in Industrial Properties, partly offset by reductions of

£1.046m in Offices and Retail Properties across the portfolio. The Assets Held for Sale value decreased by £0.179m in the year; this was largely due to a downward revaluation of the property.

Provisions

The value of Short Term Provisions increased by £249k to £2.675m at the end of March 2024. The main provision within this £2.650m is in respect of Business Rates appeals. Long Term Provisions at March 2024 were £479k, consisting of insurance and planning appeals provisions.

Pension Liability

The Council is a member of the Nottinghamshire County Council Pension Fund. The Pension Liability decreased by £6.560m to £20.251m at 31st March 2024 largely due to changes to the financial and demographic assumptions, in line with economic information as advised by Barnett Waddingham, the Council's Pensions Actuary, which have reduced the pension liability.



OUTLOOK

Budgets and funding

There remains significant uncertainty about the level of funding the Council will receive beyond 2024/25. This uncertainty has been exacerbated by the calling of a General Election on 4th July 2024.

This gives significant uncertainty to Councils in respect of their ability to plan financially for the medium term.

It is anticipated that once implemented, Local Government Funding Reform will see a redistribution of resources to address the national social care pressure in both Adults' and Children's services and as District Councils do not provide these services, District Councils' resources are expected to reduce.

Ashfield District Council, like most Councils, receives support from Local Government Futures (LG Futures) and has used their resource forecasting model and the Council's own forecast expenditure requirements to estimate the anticipated funding gap for the next three financial years. Notwithstanding the uncertainty brought about by the delay of Local Government Funding Reform, the estimated cumulative funding gap from 2025/26 to 2026/27 as shown in the March 2024 MTFS updated position was £6.964m with the largest proportion of this funding gap (£5.464m) expected to be in 2026/27, assuming this is the year in which Local Government Funding Reform is implemented.

As set out in the Council's 2024/25 Budget Setting Report, robust plans are in place to identify options and implement actions to address the future estimated financial challenge.

This includes a line by line review of all of the Council's budgets and Medium-Term Financial Strategy (MTFS) assumptions; a review of fees and charges and income generating opportunities; a review of procurement and contracting arrangements; a review of services and future service delivery options; consideration of asset rationalisation potential and delivery of financial efficiencies from the investment in technology via the Council's Digital Transformation Strategy. The Strategic Leadership Team and the Council's Cabinet meet frequently to progress this work.

The Council has a strong track record of setting a balanced and deliverable budget and this robust approach will continue with the future development of the MTFS to ensure the Council's ongoing financial sustainability.

The Medium-Term Financial Strategy will be updated and presented to Cabinet as part of the annual budget setting process for 2025/26 and will reflect the 2023/24 Outturn, progress on identifying savings to help close the estimated funding gaps for future years and the level of core Central Government funding being made available to support the Council to deliver its services.

Capital Investment

In 2023/24 the Council concluded its extensive Leisure Transformation Programme with the opening of the new second swimming pool at Hucknall Leisure Centre.

The Council will continue to implement the remaining 2 (of 4) Future High Streets funded projects and the 16 Government approved Towns Fund projects. It is anticipated that a number of these regeneration projects will be fully implemented in 2024/25 with significant progress made on implementing the remaining projects.

All of the above significant investment will deliver jobs and further education opportunities, long-term economic and productivity growth, new homes, improved transport infrastructure, reduced carbon and new cultural and visitor facilities to the District.

Funding Bids

Our successful bid to the Levelling Up Fund for £9.2 million for Hucknall will also enable much needed regeneration to that Town.

As new external funding streams are announced in respect of moving to carbon net zero by 2050, the Council will continue to apply for this funding as it has with decarbonisation and Green Homes funding.

Where the Council enters into arrangements for new housing developments it will also submit funding applications to Homes England to co-fund these developments.



Explanation of the Financial Statements

The Statement of Accounts is for the financial year 31st March 2024 and as required by the Code, comprises of Core and Supplementary Statements, together with Disclosure Notes. The style and format of the Accounts complies with the local authority accounting standards.

THE CORE FINANCIAL STATEMENTS

Comprehensive Income and Expenditure Statement (CIES)

This Statement records all of the Council's income and expenditure for the year. It includes both the amounts spent on local taxpayer services and also local rent payer services. The top half of the statement provides analysis of spend by Directorate on services that the Council is required to undertake by law (statutory duties such as street cleansing, planning and registration) and discretionary services focussed on local priorities and need. The bottom half of the statement deals with corporate transactions and funding.

Movement in Reserves Statement (MiRS)

This statement summarises the movement in year on the Council's different reserves. These reserves are analysed into 'useable reserves' (i.e. those that can be used to fund expenditure or reduce local taxation) and 'unusable reserves' which must be set aside for specific purposes (as they relate to gains and losses on statutory adjustment accounts).

Balance Sheet

The Balance Sheet is a 'snapshot' of the Council's financial position at the end of March 2024. It shows the Council's assets, liabilities, cash balances and reserves at 31st March 2024.

Cash Flow Statement

The Cash Flow Statement shows the reasons for changes in the Council's cash balances during the year, and whether the change is due to operating activities (day to day costs), new investments, or financing activities (such as repayment of borrowing and other long term liabilities).

THE SUPPLEMENTARY FINANCIAL STATEMENTS

Housing Revenue Account (HRA)

This Account separately identifies expenditure incurred in the provision, management and maintenance of the Council's housing stock and demonstrates how this has been funded from rents, service charges and other income. In accordance with the Local Government and Housing Act 1989 this is maintained as a separate account and must operate with a positive working balance.

The Collection Fund

The Collection Fund details all monies due from Council Tax and Non Domestic Rate payers and redistribution of some of these payments to other organisations on whose behalf the Council collects these taxes including the County Council, Nottinghamshire Police and Crime Commissioner and the Fire & Rescue Authority.

ANNUAL GOVERNANCE STATEMENT (AGS)

This Statement sets out the Council's governance structures and its key internal controls.



OTHER KEY SECTIONS IN THE STATEMENT OF ACCOUNTS

Statement of Responsibilities

This Statement sets out the respective responsibilities of the Council and the Chief Finance Officer.

Accounting Policies

These Policies explain the treatment and basis of the figures in the accounts in accordance with proper accounting practices.

Notes to the Financial Statements

These provide additional information on important points included in the Core Financial Statements.

Expenditure and Funding Analysis (EFA)

This Statement shows how annual expenditure is used and funded from Council resources in comparison with how those resources are consumed or earned by the Council. It also shows how this expenditure is allocated for decision making purposes across the Council's Directorates.

Glossary of Terms and Abbreviations

Key terms used throughout this Statement of Accounts are more fully explained.

Further Information

If you require further information concerning the Council's 2023/24 Accounts please contact:

The Corporate Resources Director
Ashfield District Council
Urban Road, Kirkby in Ashfield,
Nottinghamshire NG17 8DA
Telephone: 01623 457362
or Email: peter.holland@ashfield.gov.uk

The statement of responsibilities for the statement of accounts

RESPONSIBILITIES OF THE COUNCIL

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Corporate Resources Director;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Approve the Statement of Accounts.

I confirm that the Financial Statements were approved by Cabinet at its meeting held on 17th March 2025.

Signed on behalf of Ashfield District Council:

Councillor Jason Zadrozny.
Leader of Ashfield District Council

RESPONSIBILITIES OF THE CORPORATE RESOURCES DIRECTOR

The Corporate Resources Director is responsible for the preparation of the Council'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 2023/24 ("the Code of Practice").

In preparing this Statement of Accounts, the Corporate Resources Director has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code of Practice.

The Corporate Resources Director has also

- Kept proper, up to date accounting records;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I confirm that the Statement of Accounts presents a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31st March 2024.

P. Holland CPFA, CGMA
Corporate Resources Director
& Section 151 Officer

17th March 2025

Independent auditor's report to the members of Ashfield District Council

Report on the audit of the financial statements

Disclaimer of opinion on the financial statements

We were appointed to audit the financial statements of Ashfield District Council ('the Council') for the year ended 31 March 2024, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, Housing Revenue Account – Income and Expenditure Statement, Collection Fund statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

We do not express an opinion on the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 ('The Amendment Regulations') came into force. The Amendment Regulations require the Council to publish its Accountability Statements, which include the financial statements and auditor's opinion for the year ended 31 March 2024, by 28 February 2025 ('the backstop date').

The backstop date introduced by the Amendment Regulations has impeded our ability to obtain sufficient appropriate evidence upon which to form an opinion on the financial statements as there has been insufficient time to perform all necessary audit procedures, including up to 18 March 2025 because of the Council's failure to approve its financial statements by the backstop date.

Responsibilities of the Corporate Resources Director for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Council's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of

the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. In reaching this judgement we have complied with the requirements of the Code of Audit Practice and have had regard to the Local Audit Reset and Recovery Implementation Guidance published by the National Audit Office and endorsed by the Financial Reporting Council.

We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

Matter on which we are required to report by exception

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

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in November 2024, we have identified the following significant weakness in the Council's governance arrangements for the year ended 31 March 2024.

| Significant weakness in arrangements | Recommendation |
|---|--|
| The Council has not met the publication date for draft statement of accounts in either of the past two financial years nor has it addressed the deficiencies in its financial reporting arrangements raised in February 2024, which is evidence of a significant weakness in the Council's arrangements for governance, | The Council must implement previously identified recommendations and put in place proper arrangements for the effective closedown of its financial statements, including: arrangements for quality control and review; ensuring key estimates and judgements in the financial statements are supported by complete and accurate information, provided on a timely basis; and working papers that support accurate statutory financial reporting that is reflective of the underlying transactions. |

Responsibilities of the Council

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

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

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

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

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

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

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

We have nothing to report in these respects.

We are also required by the Code of Audit Practice, to give an opinion on whether other information published together with the audited financial statements, is consistent with the financial statements. Because of the matter described in the Basis for Disclaimer of Opinion section we do not express an opinion on the financial statements. We also do not express an opinion on whether other information published together with the audited financial statements is consistent with the financial statements.

Use of the audit report

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

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until the National Audit Office has communicated the work we are required to undertake as component auditors for the Whole of Government Accounts.



[Mark Surridge \(Mar 19, 2025 18:59 GMT\)](#)

Mark Surridge, Key Audit Partner
For and on behalf of Forvis Mazars LLP

2 Chamberlain Square
Birmingham
B3 3AX

19 March 2025

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Statement of Accounting Policies

1. GENERAL PRINCIPLES

The Statement of Accounts summarises the Council's transactions for the financial year 2023/24 and its position at the year-end 31st March 2024. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015. These Regulations require the accounts to be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise of the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and International Financial Reporting Standards (IFRS).

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

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 for the income that might not be collected.

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 one working day.

Cash Equivalents are highly liquid investments that mature in 3 months or less 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 any bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

4. EXCEPTIONAL ITEMS

When items of income and expenditure are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

5. 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, i.e. 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.

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

6. CHARGES TO REVENUE FOR NON-CURRENT ASSETS

Service revenue accounts, support services and trading accounts are charged 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 Reserves 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 cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual provision from revenue to contribute 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, impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

7. EMPLOYEE BENEFITS

a. Benefits payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and accumulated flexi time for current employees and are recognised as an expense for the services in the year in which the employees render service to the Council. An accrual is made for the cost of holiday entitlements etc. 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 wage and salary rates applicable the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus and Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

b. 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. These are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement 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 the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves 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 the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

c. Post Employment Benefits

Most employees of the Council contribute to the Nottinghamshire Pension Fund, the Local Government Pension Scheme administered by Nottinghamshire County Council. The scheme provides defined benefits (retirement lump sums and pensions) earned as employees work for the Council.

The Nottinghamshire Pension Fund is accounted for as a defined benefit scheme:

- The liabilities of Nottinghamshire Pension Fund 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 including mortality rates, employee turnover rates and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices using a discount rate based on an appropriate rate of return on high quality corporate bonds.
- The assets of the Fund attributable to the Council are included in the Balance Sheet at their fair value.
 - a) Quoted securities – current bid price
 - b) Unquoted securities – professional estimate
 - c) Unlisted securities – current bid price
 - d) Property – market value

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

- Service Cost comprising:

a) Current Service Cost - the increase in liabilities as result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Account to the services for which the employees worked.

b) Past Service cost - the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Account as part of Non-Distributed Costs.

c) Net interest on the net defined liability (asset), i.e. the net interest expense for the Council – the change during the period in the net defined benefit liability (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 (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

d) Re-measurement comprising:

- the return on plan assets – excluding amounts included in net interest on the defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- actuarial gains and losses – changes in the net pension 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.

e) Contributions paid to Nottinghamshire Pension Fund – Cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards.

In the Movement in Reserves Statement this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable to the fund but unpaid at the year-end.

The negative balance that arises on the Pensions reserve thereby measures the beneficial impact on 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.

8. EVENTS AFTER THE REPORTING PERIOD

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified;

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events,
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts. For the purposes of consideration, Post Balance Sheet events can occur up to approval of the Statements by the Audit Committee.

9. FINANCIAL INSTRUMENTS

a. Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument, which are initially measured at fair value, and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective interest rate of interest for each instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally borrowed.

For most of the borrowings that the Council has, this means that 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.

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 or 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 in the Movement in Reserves Statement.

b. 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 at amortised cost.

Financial Assets measured at amortised costs

Loans and receivables are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost.

Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Investments are classed as either long-term assets, if repayable after 12 months or longer, or current assets, if repayable within 12 months. Investments are shown in the Balance Sheet at amortised cost, using the effective interest rate that applies to the individual loans that comprise the total borrowing held by the Council.

The amount shown in the Balance Sheet represents the outstanding principal due to be repaid to the Council and the interest that is credited to the Comprehensive Income and Expenditure Statement is the amount receivable in the year under the loan agreement.

c. 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.

10. 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 acquired using 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 (non-ring-fenced 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 in 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.

Non-specific Grants

These are general grants allocated by central government directly to local authorities as additional revenue funding. They are non-ring-fenced and are credited to Taxation and Non-Specific Grant Income in the Comprehensive Income and Expenditure Statement. For example, New Homes Bonus funding.

11. INTERESTS IN COMPANIES AND OTHER ENTITIES

The Council has no material interests in companies and other entities that have the nature of subsidiaries, associates and jointly controlled entities and require it to prepare Group Accounts.

(a) Joint Crematorium Committee

The Council is a constituent member of a Joint Crematorium Committee with neighbouring authorities of Mansfield and Newark and Sherwood District Councils. Current activities are split between all the councils based on the number of residents of each district area cremated. The balance sheet is apportioned based on the current year's cremations from each area. The Council's share of running costs and income has been included in the Comprehensive Income and Expenditure Statement and the share of assets included within the Balance Sheet using these apportionments. Due to the nature of the relationship of the Council within the committee, Group Accounts are not required for this entity.

Information on the Council's share of the income and expenditure and associated assets and liabilities is shown in note 35 to the Core Financial Statements.

12. INVENTORIES AND LONG TERM CONTRACTS

Inventories are included on the balance sheet at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

13. INVESTMENT PROPERTIES

The Council does hold properties for investment purposes.

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the

General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

14. LEASES

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

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

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

a. Operating Leases

The Council as Lessee

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

The Council as Lessor

The Council does act in the capacity as lessor for the leases of land and properties it owns. Rents due under operating leases are accounted for on a straight-line basis as they become due. Land and property leased under operating leases are held as non-current assets within the Balance Sheet and valued in accordance with appropriate valuation practices.

b. Finance Leases

The Council as Lessee

Plant and Equipment held under finance leases are recognised on the Balance Sheet at the lower of the fair value of the asset at the lease inception and the present value of the minimum lease payments. The value of the asset is matched by a liability to pay the finance lessor.

The Council does not have any finance leases where it acts as lessee.

The Council as Lessor

The Council does not have any finance leases where it acts as lessor.

15. OVERHEADS AND SUPPORT SERVICES

The cost of overheads and support services are charged to service segments in accordance with the Council's arrangements for accountability and financial performance.

16. PROPERTY, PLANT AND EQUIPMENT

Assets that have physical substance and are held for use in the provision of services or for administrative purposes on a continuing basis are classed 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 extend the previously assessed standard of performance of an asset (e.g. repairs and maintenance) is charged to revenue as it is incurred.

Property, Plant and Equipment may also include assets held under finance leases, which have been capitalised and included in the Balance Sheet at a value reflecting the fair value of the asset.

A de-minimis asset value of £10,000 has been set and expenditure on new assets of less than this amount is charged to the service revenue account as a proxy for depreciation, unless the expenditure forms part of a larger scheme.

Measurement

Assets are initially measured at cost, which comprises all expenditure that is directly attributable to bringing an asset into working condition for its intended use. The Council does not capitalise borrowing costs incurred whilst assets are under construction.

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

| Asset Category | Basis of Valuation |
|--|--|
| Property, Plant and Equipment | Fair value determined in the existing use of the asset |
| Dwellings | Fair value in the existing use value for social housing |
| Investment Properties | Fair value to reflect market conditions at the end of the reporting period |
| Infrastructure, community assets and assets under construction | Depreciated historic cost once the asset becomes operational |

Where there is no market based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate for fair value. Where assets have a short useful life then depreciated historical cost is used as a proxy for fair value.

Assets included in the Balance Sheet at fair value are re-valued where there have been material changes in their value, but as a minimum every 5 years. The Council's housing stock is re-valued annually by applying an appropriate housing price index to a series of beacon values at the start of the financial year.

Increases in valuations are matched by a credit to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Income and Expenditure Statement where they arise from the reversal of an impairment loss previously charged to a service revenue account.

Where decreases in value are identified they are accounted for by a debit to the Revaluation Reserve to the extent that an accumulated gain has been recorded against that asset; where there is no balance or an insufficient balance on the revaluation reserve for that asset the write down of the asset value is charged against the relevant service within the Comprehensive Income and Expenditure Statement.

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

Costs of dismantling assets such as roofs, windows and heating systems in Council Dwellings are included in the costs paid to contractors. The contractors are responsible for the disposal of the dismantled assets. The dismantled assets have been assessed by the valuer as only having a negligible value.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where there is an indication that there is a material impairment in the value of an asset when compared to the carrying value an impairment loss is recognised. The impairment loss is written down to the revaluation reserve to the extent that any balance for that asset is held within the revaluation reserve. Where there is no balance or an insufficient balance then the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

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 continued service use then it is reclassified as an Asset Held for Sale. The asset is re-valued immediately before classification and then carried at the lower of this amount or fair value less costs of disposal. Where there is a subsequent decrease in the valuation determined on classification to Asset Held for Sale then a loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in the fair value of Assets Held for Sale are only recognised to the extent that they reverse a previous loss recognised within the Comprehensive Income and Expenditure Statement. Depreciation is not charged on Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying value of the asset in the Balance Sheet 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 are credited to the same line in the Comprehensive Income and Expenditure Statement 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). Any revaluation gains relating to the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received in excess of £10,000 are categorised as capital receipts. Prior to 2021/22 a proportion of receipts relating to housing disposals was payable to the Government. This is no longer the case for 2022/23 and 2023/24. These receipts are required to be credited to 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 Capital Receipt Reserve within 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 within the Movement in Reserves Statement.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment over a period of their estimated useful lives; freehold land is determined to have an infinite economic life and is not depreciated, assets under construction are not depreciated until they become operational in providing services. Depreciation is calculated using the straight-line method. Assets are depreciated over the estimated economic life of the asset, which has been assessed as being the following periods:

| | |
|-------------------------------|---------------|
| Council dwellings | 40 years |
| Other HRA assets | 10 – 80 years |
| Other Buildings | 10 – 80 years |
| Vehicles, plant and equipment | 3 – 10 years |
| Infrastructure | 10 – 40 years |
| Community Assets | 20 years |

Revaluation gains are also depreciated. The difference between the depreciation on the current value and that, which would have been charged on the historic value, is transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Componentisation

The Council allocates the costs of an individual asset to its various components to calculate depreciation charges where the value of the asset exceeds £500K and more than one individual component exceeds 20% of the asset value.

The impact on depreciation charges for assets below the threshold is not considered material. The componentisation is based on the following elements of the asset:-

- Boilers, heating and plant systems
- Lifts
- Roofs
- Windows and doors

In terms of Council Dwellings, these assets are collectively valued in excess of £500K. However, when comparing the value of depreciation charged on a component basis compared to the current 40-year life straight-line methodology, the difference is not considered material. Council Dwellings are therefore not currently subject to componentisation but the policy is to be reviewed on an annual basis.

17. HERITAGE ASSETS

The Council's Heritage Assets held are Historical Monuments, Statues and Artwork. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, no depreciation is charged on Heritage Assets as they are deemed to have an indeterminate life and have a high residual value.

Historical Monuments

The Council has seven Cenotaphs that are located at various outside locations throughout the District. These monuments are reported in the Balance Sheet on an average replacement cost basis, which has been agreed following discussions with our internal valuer.

Statues and Artwork Collection

The collection includes Statues, Sculptures and Mosaics situated within the local town and village streets throughout the District. The collection depicts the District's mining and engineering history to ensure the knowledge, culture and understanding of our heritage is preserved for future generations. An artwork example would be The Flight of Fancy sculpture that represents the Rolls Royce Flying Bedstead thrust measuring machine that was developed to research the use of direct lift. These items are reported in the Balance Sheet on an historic cost basis or on an insurance valuation basis and were mainly purchased from grant funding.

Non Balance Sheet Items

The Council also holds a collection of items that are not recognised on the Balance Sheet as cost information is not readily available and the Council believes that the benefits of obtaining the valuation for these items would not justify the cost. These items are believed to have a value of £10k or less. The majority of the collection is street mosaics, murals and sculptures purchased through grant funding or produced by the public art events. The Council has also received a number of donations including a Knitting machine and a Stocking machine dating back to the 18th and 19th century, both of which are believed to be forerunners to the Spinning Jenny. It is difficult to obtain a valuation on these two items as there is no comparable item that provides a market value. Most assets are located on public streets, in parks or are on display within public Council buildings. A few items are stored securely in the Council's Offices and not currently available for public viewing.

Heritage Assets - General

Heritage Assets are reviewed by the Council for impairments such as where an item has suffered physical deterioration or breakage. Any impairment is measured and recognised within the Revaluation Reserve. The Council works closely with the Ashfield War Memorial Committee to preserve and maintain the local historical monuments. All other Heritage Assets are reviewed and maintained as required. Disposal proceeds are disclosed separately in the notes to the financial statements and accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

18. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

a. Provisions

Provisions are made where an event has taken place that gives the Council an obligation that probably requires settlement by a transfer of economic benefits, but where the timing of the transfer is uncertain. 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 to the appropriate service revenue account in the year that the Council becomes aware of the 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 set up in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year; where it becomes more likely than not that a transfer of economic benefits will not be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service revenue account.

Where some or all of the payment required to settle a provision is expected to be met by another party (e.g. from an insurance claim), this is only recognised as income in the relevant service revenue account if it is virtually certain that reimbursement will be received if the obligation is settled.

b. 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.

c. 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.

19. RESERVES

a. Provisions

The Council sets aside specific amounts as reserves for future policy purposes, or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate revenue account 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 appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

The level of reserves and balances is reviewed annually to ensure they are appropriate. The General Fund Balance, Earmarked Reserve and Reserves arising from Capital Receipts together with Capital Grants Unapplied are deemed to be usable reserves in that they may be used to fund future expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement benefits and employee benefits; these are termed unusable reserves and are not available to be used to fund future expenditure.

20. REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)

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

21. VALUE ADDED TAX

Value Added Tax (VAT) is excluded from all income and expenditure received and paid by the Council except where it is classed as irrecoverable by HM Revenue and Customs.

22. THE COLLECTION FUND

i) Council Tax

The Council includes its share of the accrued Council Tax due for the year within its Comprehensive Income and Expenditure Statement. The difference between this sum and the local precept for Council and parish activities is reversed through the General Fund Balance to ensure only the level of Council Tax required to pay for Council activities is credited to the General Fund in the year. The balance is taken to the Collection Fund Adjustment Account, within the Balance Sheet.

Amounts collected on behalf of the other preceptors of Nottinghamshire County Council, Nottinghamshire Police and Crime Commissioner and Nottinghamshire Fire and Rescue Authority are treated as either debtors or creditors depending upon the respective share of the Collection Fund attributable to these bodies at 31st March.

ii) Business Rates

The Council includes its share of accrued Business Rates due for the year within its Comprehensive Income and Expenditure Statement. The difference between this sum and the forecast amount due to the Council is reversed through the General Fund Balance to ensure only the level of Business Rates required to pay for Council activities is credited to the General Fund in the year. The balance is taken to the Collection Fund Adjustment Account, within the Balance Sheet.

Amounts collected on behalf of the other partners of the pool (Central Government, Nottinghamshire County Council and Nottinghamshire Fire and Rescue Authority) are treated as either debtors or creditors depending upon the respective share of the Collection Fund attributable to these bodies at 31st March.

23. FAIR VALUE MEASUREMENT

The Council measures some of its non-financial assets such as investment properties and potentially some of its financial instruments 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:

- a) in the principal market for the asset or liability, or
- b) 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.



THE CORE FINANCIAL STATEMENTS

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

| | 2023/24 | | 2022/23 Restated | | Note |
|--|----------------------|-----------------|----------------------|-----------------|---------------|
| | Expenditure £'000 | Income £'000 | Expenditure £'000 | Income £'000 | |
| Chief Executive Officer | 351 | (23) | 1,186 | (1) | 1,185 |
| Transformation | 30,057 | (24,889) | 27,354 | (24,611) | 2,743 |
| Governance | 2,787 | (189) | 3,239 | (277) | 2,962 |
| Place | 20,942 | (7,387) | 14,608 | (5,783) | 8,825 |
| Operations | 10,523 | (3,186) | 18,548 | (3,391) | 15,157 |
| HRA - Housing Revenue Account | 31,778 | (28,491) | 28,621 | (26,214) | 2,407 |
| Cost Of Services | 96,438 | (64,165) | 93,556 | (60,277) | 33,279 |
| Other Operating Expenditure | | | | | |
| Parish Council Precepts | | | | | 312 |
| Net Loss or (Gain) on sale of Fixed Assets | | | | | (39) |
| Total Operating Expenditure | | | | | 33,552 |

Collection Fund
Note 14

Comprehensive Income and Expenditure Statement (Continued)

| | 2023/24 | 2022/23 | Note |
|--|-----------------------------|---|----------|
| | Net Expenditure £'000 | Restated Net Expenditure £'000 | |
| Financing and Investment Income and Expenditure | | | |
| Interest Payable and Other Charges | 3,357 | 3,601 | Note 10 |
| Interest Receivable and Investment Income | (7,550) | (864) | |
| Pensions Net Interest Cost | 1,170 | 2,798 | Note 33b |
| Crematorium Pensions Net Interest Cost | 5 | 17 | |
| | (3,018) | 5,552 | |
| | 29,492 | 39,104 | |
| Taxation and Non-Specific Grant Income | | | |
| Government Grants | (1,190) | (1,153) | Note 9 |
| Capital Grants | (36,564) | (14,681) | Note 9 |
| NNDR Receipts | (9,034) | (7,930) | Note 9 |
| Council Tax | (7,303) | (7,055) | |
| | (54,091) | (30,819) | |
| | (24,599) | 8,285 | |
| (Surplus) or Deficit on Provision of Services | | | |
| Surplus or deficit on revaluation of non current assets | (20,082) | (32,709) | |
| Remeasurements on pension assets / liabilities | (6,076) | (88,490) | Note 33b |
| Crematorium Remeasurements on pension assets / liabilities | (79) | (579) | Note 23g |
| Other Comprehensive Income and Expenditure | (26,237) | (121,778) | |
| Total Comprehensive Income and Expenditure | (50,836) | (113,493) | |

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into useable reserves (i.e. those that can be applied to fund expenditure or reduce taxation) and other reserves.

- The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for Council tax setting and dwellings rent setting purposes.
- The Net Increase /Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance, before any discretionary transfers to or from earmarked reserves undertaken by the Council.

Movement in Reserves Statement (Continued)

The movement in reserves statement for 2023/24 is set out below.

| | General Fund Balance | Service Earmarked Reserves | Taxation Earmarked Reserve | Housing Revenue Account | Housing Major Repair Reserves | HRA Earmarked Reserves | Capital Receipts Reserve | Capital Grants Reserve | Total Usable Reserves | Total Unusable Reserves | Total Authority Reserves |
|--|----------------------|----------------------------|----------------------------|-------------------------|-------------------------------|------------------------|--------------------------|------------------------|-----------------------|-------------------------|--------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Balance at 31 March 2023 | 9,234 | 18,596 | 320 | 43,344 | 0 | 578 | 5,570 | 1,745 | 79,387 | 221,044 | 300,431 |
| Surplus or (deficit) on provision of services (accounting basis) | 29,235 | 0 | 0 | (4,636) | 0 | 0 | 0 | 0 | 24,599 | 0 | 24,599 |
| Other Comprehensive Expenditure and Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 26,237 | 26,237 |
| Total Comprehensive Expenditure and Income | 29,235 | 0 | 0 | (4,636) | 0 | 0 | 0 | 0 | 24,599 | 26,237 | 50,836 |
| Adjustments between accounting basis & funding basis under regulations | 27,444 | 0 | 0 | (5,212) | (341) | 0 | (181) | (23,983) | (2,273) | 2,273 | 0 |
| Net Increase / (Decrease) before Transfers to/from Earmarked Reserves | 56,679 | 0 | 0 | (9,848) | (341) | 0 | (181) | (23,983) | 22,326 | 28,510 | 50,836 |
| Transfers to / (from) Earmarked Reserves | (1,116) | 1,436 | (320) | 8 | 0 | (8) | 0 | 0 | 0 | 0 | 0 |
| Increase / (Decrease) in Year | 55,563 | 1,436 | (320) | (9,840) | (341) | (8) | (181) | (23,983) | 22,326 | 28,510 | 50,836 |
| Balance at 31 March 2024 | 64,797 | 20,032 | 0 | 33,504 | (341) | 570 | 5,389 | (22,238) | 101,713 | 249,554 | 351,267 |
| Notes | Note 22a | Note 22b | HRA Statement | HRA Note 4 | HRA Note 7 | Note 22c | Note 22d | Note 22c | Note 23 | | |

Movement in Reserves Statement (Continued)

The movement of reserves for 2022/23 for comparison purposes is set out below.

| | General Fund Balance £'000 | Service Earmarked Reserves £'000 | Taxation Earmarked Reserve £'000 | Housing Revenue Account £'000 | Housing Major Repair Reserves £'000 | HRA Earmarked Reserves £'000 | Capital Receipts Reserve £'000 | Capital Grants Reserve £'000 | Total Usable Reserves £'000 | Total Unusable Reserves £'000 | Total Authority Reserves £'000 |
|--|----------------------------|----------------------------------|----------------------------------|-------------------------------|-------------------------------------|------------------------------|--------------------------------|------------------------------|-----------------------------|-------------------------------|--------------------------------|
| Balance at 31 March 2022 | 9,003 | 14,929 | 2,237 | 42,969 | 1,200 | 821 | 5,516 | 4,112 | 80,787 | 106,151 | 186,938 |
| Surplus or (deficit) on provision of services (accounting basis) | (3,198) | 0 | 0 | (5,087) | 0 | 0 | 0 | 0 | (8,285) | 0 | (8,285) |
| Other Comprehensive Expenditure and Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 121,778 | 121,778 |
| Total Comprehensive Expenditure and Income | (3,198) | 0 | 0 | (5,087) | 0 | 0 | 0 | 0 | (8,285) | 121,778 | 113,493 |
| Adjustments between accounting basis & funding basis under regulations | 5,179 | 0 | 0 | 5,219 | (1,200) | 0 | 54 | (2,367) | 6,885 | (6,885) | 0 |
| Net Increase / (Decrease) before Transfers to/from Earmarked Reserves | 1,981 | 0 | 0 | 132 | (1,200) | 0 | 54 | (2,367) | (1,400) | 114,893 | 113,493 |
| Transfers to / (from) Earmarked Reserves | (1,750) | 3,667 | (1,917) | 243 | 0 | (243) | 0 | 0 | 0 | 0 | 0 |
| Increase / (Decrease) in Year | 231 | 3,667 | (1,917) | 375 | (1,200) | (243) | 54 | (2,367) | (1,400) | 114,893 | 113,493 |
| Balance at 31 March 2022 | 9,234 | 18,596 | 320 | 43,344 | 0 | 578 | 5,570 | 1,745 | 79,387 | 221,044 | 300,431 |

Notes

Note 22a

Note 22b

HRA Statement

HRA Note 4

HRA Note 7

Note 22d

Note 22c

Note 23

Balance Sheet

The Balance Sheet shows the value of the assets and liabilities recognised by the Council as at the 31 March 2024. The net assets of the Council (assets less liabilities) are matched by its reserves. Reserves are reported in two categories.

- Usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example, the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt).
- Those that the Council is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

| | Note | As at 31st March 2024 £'000 | As at 31st March 2023 £'000 |
|---|----------|-----------------------------------|-----------------------------------|
| Property, Plant & Equipment | Note 11 | 387,471 | 368,388 |
| Heritage Assets | | 828 | 828 |
| Investment Properties | Note 13 | 46,262 | 45,448 |
| Long Term Assets | | 434,561 | 414,664 |
| Short Term Investments | Note 15e | 5,143 | 0 |
| Inventories | Note 16 | 612 | 587 |
| Short Term Debtors | Note 17 | 12,544 | 8,138 |
| Cash and Cash Equivalents | Note 18 | 35,949 | 27,444 |
| Assets held for sale | Note 19 | 1,000 | 1,179 |
| Current Assets | | 55,248 | 37,348 |
| Bank Overdraft | Note 18 | (1,773) | (1,770) |
| Short Term Borrowing | Note 15a | (1,248) | (4,262) |
| Short Term Creditors | Note 20 | (22,651) | (23,475) |
| Provisions | Note 21 | (2,675) | (2,426) |
| Revenue Grants Received in Advance | Note 9 | 0 | (1,686) |
| Current Liabilities | | (28,347) | (33,619) |
| Pension Liability | Note 33b | (20,251) | (26,811) |
| Crematorium Pension Liability | Note 35 | (50) | (128) |
| Provisions | Note 21 | (479) | (422) |
| Long Term Borrowing | Note 15a | (86,478) | (87,697) |
| Revenue Contributions Received in Advance | Note 9 | (233) | (227) |
| Capital Contributions Received in Advance | Note 9 | (2,704) | (2,677) |
| Long Term Liabilities | | (110,195) | (117,962) |
| Net Assets | | 351,267 | 300,431 |

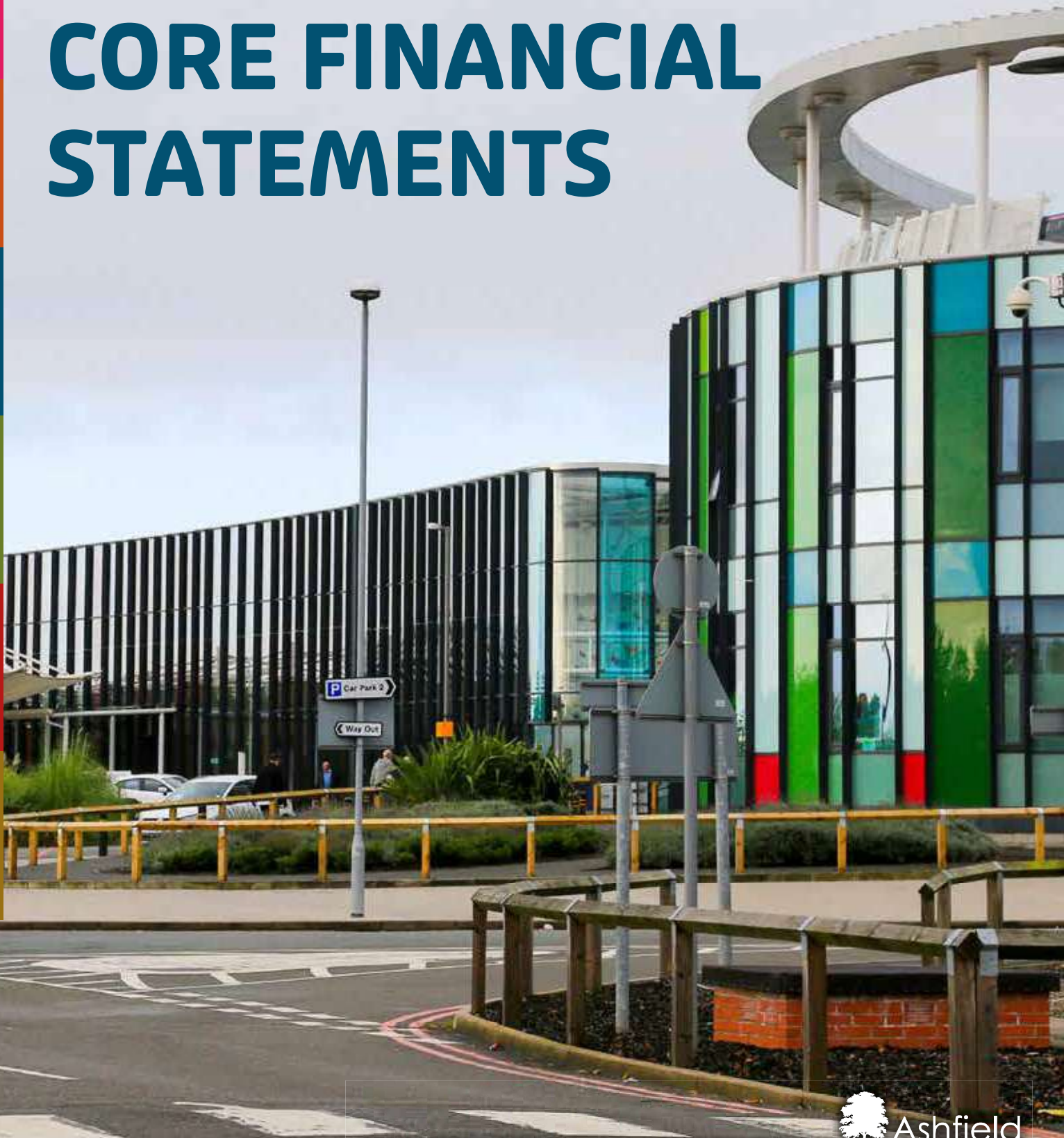
| | Note | As at 31st March 2024 £'000 | As at 31st March 2023 £'000 |
|--|------------|-----------------------------------|-----------------------------------|
| Usable Reserves | | | |
| General Fund Balance | MIR | (9,909) | (9,234) |
| Service Earmarked Reserves | Note 22a | (20,032) | (18,596) |
| Taxation Earmarked Reserve | Note 22b | 0 | (320) |
| Housing Revenue Account | HRA SMB | (33,504) | (43,344) |
| HRA Earmarked Reserves | HRA Note 7 | (570) | (578) |
| Major Repairs Reserve | HRA Note 4 | 341 | 0 |
| Usable Capital Receipts Reserve | Note 22d | (5,751) | (5,570) |
| Capital Grants Unapplied Reserve | Note 22c | (25,728) | (1,745) |
| | | (106,259) | (79,387) |
| Unusable Reserves | | | |
| Revaluation Reserve | Note 23a | (141,418) | (124,673) |
| Capital Adjustments Account | Note 23b | (126,283) | (125,004) |
| Pensions Reserve | Note 23c | 20,251 | 26,811 |
| Crematorium Pensions Reserve | Note 23g | 48 | 127 |
| Accumulated Absences Account | Note 23d | 921 | 684 |
| Collection Fund Adj Acc - Council Tax | Note 23f | (89) | (94) |
| Collection Fund Adj Acc - NNDR | Note 23f | 877 | 410 |
| Financial Instruments Adjustment Account | Note 23e | 685 | 695 |
| | | (245,008) | (221,044) |
| Total Reserves | | (351,267) | (300,431) |

Cash Flow Statement

The Cash Flow statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or income generated from services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources, which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of borrowing to the Council. Further explanation supporting the Cash Flow can be found at Note 24.

| | 2023/24 £'000 | 2022/23 £'000 | Note |
|--|------------------|------------------|----------|
| Net surplus or (deficit) on the provision of services | 24,599 | (8,285) | Note 7 |
| Adjustment to surplus or deficit on the provision of services for non-cash movements | 16,916 | 27,214 | Note 24a |
| Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities | (37,898) | (17,365) | Note 24a |
| Net Cash flows from operating activities | 3,617 | 1,564 | |
| Net Cash flows from Investing Activities | 9,118 | 1,981 | Note 24c |
| Net Cash flows from Financing Activities | (4,233) | (6,510) | Note 24d |
| Net increase or decrease in cash and cash equivalents | 8,502 | (2,965) | |
| Cash and cash equivalents at the beginning of the reporting period | 25,674 | 28,639 | Note 18 |
| Cash and cash equivalents at the end of the reporting period | 34,176 | 25,674 | Note 18 |
| | 34,176 | 25,674 | Note 18 |

NOTES TO THE CORE FINANCIAL STATEMENTS



1. Accounting standards to be adopted

The Code of Practice on Local Authority Accounting requires the Council to disclose the expected impact of new standards that have been issued but not yet adopted by the Code for the financial year. The standards applicable for 2023/24 financial statements, which will apply from 2024/25, are:

- IFRS 16 Leases issued in January 2016,
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020. The amendments:
 - specify that an entity's right to defer settlement must exist at the end of the reporting period;
 - clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
 - clarify how lending conditions affect classification, and
 - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:
 - a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes; and
 - targeted disclosure requirements for affected entities.
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:
 - assess how supplier finance arrangements affect an entity's liabilities and cash flows; and

- understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

These are not expected to have a material impact on the statement of accounts for 2024/2025.

2. Critical Judgements in Applying Accounting Policies

In applying the accounting policies as set out in the Statement of Accounting Policies, the Council has had to make critical judgements about complex transactions and those involving uncertainty about future events.

Future Funding

There is a high degree of uncertainty about future levels of funding for Local Government. However, the Council has determined that this uncertainty is not as yet sufficient to provide an indication that the assets of the Council might be impaired, as a result of a need to close facilities and reduce levels of service provision.

3. Assumptions made about the future and sources of uncertainty

The Statement of Accounts contains estimated figures that are based upon 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 31st March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

a. Business Rates Appeals

The Business Rate Retention scheme introduced a requirement to maintain a provision for rating appeals. The system is complex and neither the number of successful appeals nor the percentage reduction in rateable value (RV) achieved can be pre-determined. The current provision totals £6.625m, of which the Council's share as a billing authority is £2.650m, as detailed in note 21.

A change of 5% in the assumed RV reduction achieved for each NDR appeal could increase or decrease the provision requirement by around £331k. Of this, the Council's share as a billing authority would be £133k.

b. Property, Plant and Equipment

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 Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for Property, Plant and Equipment would increase by £1,166k for every year that useful lives have to be reduced. This figure has increased in the current year due to increases in valuations for land and buildings.

c. Pensions Liability

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.

The effects on the net pension liability of changes in individual assumptions can be measured. For example, a one-year increase in the mortality assumption (life expectancy) would result in an increase of £6.388m in the pension liability, and a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £2.409m. This is detailed at note 33f. Differences arising from actual experiences or future changes in assumptions will be reflected in subsequent periods.

d. Arrears and Doubtful Debts

An estimate of the expected credit loss for doubtful debts is based upon the age and type of each debt. A collective assessment matrix is used, including the value of items with shared characteristics, e.g. type of debt, the period overdue, together with a weighting factor for the probability of default. At 31 March 2024, the Council had a balance for outstanding debtors of £15.355m. The total allowance for credit loss is £2.811m, as detailed at note 17.

The largest type of arrears and doubtful debts relates to overpaid Housing Benefits. There is a provision that relates specifically to those cases where adjustment to on-going benefit is not possible and the debt is pursued through the usual recovery methods. Given the current position on the account and the expected rate of recovery, this provision has decreased from £865k to £781k. In terms of overpaid Housing Benefit collected through on-going benefit the provision for credit losses has decreased from £70k to £65k.

4. Material Items of Income and Expense

a. Pensions

The Council participates in the Local Government Pension Scheme administered locally by Nottinghamshire County Council. In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Statement, a positive re-measurement of £6.076m (compared to a positive re-measurement of £88.490m in 2022/23) is included in 'Other Comprehensive Income and Expenditure'.

b. Impairment of Council Housing Stock

A desktop valuation of all Council Dwellings was undertaken at 31st January 2024, which has resulted in £16.1m being credited to the Revaluation Reserve. The valuation has required that £13.1m of Capital Expenditure be impaired.

5. Events after the Balance Sheet Date

There have been no Post Balance Sheet events.

For the purposes of consideration, Post Balance Sheet events can occur up to approval of the Statements by the Audit Committee.

6. Expenditure and Funding Analysis

This 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 directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

| | 2023/24 | | 2022/23 Restated | |
|---|---|--|---|--|
| | Net Expenditure Chargeable to the General Fund and HRA Balances | Adjustments between the Funding and Accounting Basis | Net Expenditure Chargeable to the General Fund and HRA Balances | Adjustments between the Funding and Accounting Basis |
| | £'000 | £'000 | £'000 | £'000 |
| Chief Executive Officer | 374 | (46) | 955 | 230 |
| Transformation | 5,552 | (384) | 2,741 | 2 |
| Governance | 2,675 | (77) | 2,285 | 137 |
| Place | 3,775 | 9,780 | 68 | 8,757 |
| Operations | 6,262 | 1,075 | 9,083 | 6,074 |
| HRA - Housing Revenue Account | (12,447) | 15,734 | (4,166) | 6,573 |
| Net Cost Of Services | 6,191 | 26,082 | 11,506 | 21,773 |
| Other Income and Expenditure | (8,558) | (22,232) | (13,619) | (11,375) |
| (Surplus)/Deficit in Year | (2,367) | (22,232) | (2,113) | 10,398 |
| Opening General Fund, HRA and Earmarked Reserves Balance | (72,072) | | (69,959) | |
| Plus Surplus on General Fund and HRA Balances in Year | (2,367) | | (2,113) | |
| Closing General Fund, HRA and Earmarked Reserves Balance at 31 March | (74,439) | | (72,072) | |
| | | | | Net Expenditure in the Comprehensive Income and Expenditure Statement |
| | | | | £'000 |
| | | | | 1,185 |
| | | | | 2,743 |
| | | | | 2,962 |
| | | | | 8,825 |
| | | | | 15,157 |
| | | | | 2,407 |
| | | | | 33,279 |
| | | | | (24,994) |
| | | | | 8,285 |

Note – 2022/23 Cost of Services has been restated following realignment of Directorates.

6A. Notes to the Expenditure and Funding Analysis.

The note for 2023/24 is set out below:

| Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts | Adjustments for Capital Purposes | Net Change for the Pensions Adjustments | Other Differences | Total Adjustments |
|--|--|---|----------------------|----------------------|
| | (Note a) £'000 | (Note b) £'000 | (Note c) £'000 | £'000 |
| Chief Executive Officer | 0 | (46) | 0 | (46) |
| Transformation | 166 | (297) | (253) | (384) |
| Governance | 0 | (77) | 0 | (77) |
| Place | 10,148 | (368) | 0 | 9,780 |
| Operations | 1,533 | (458) | 0 | 1,075 |
| HRA - Housing Revenue Account | 11,948 | (408) | 4,194 | 15,734 |
| Net Cost of Services | 23,795 | (1,654) | 3,941 | 26,082 |
| Other income and expenditure from the Expenditure and Funding Analysis | 38,329 | 1,175 | (87,818) | (48,314) |
| Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services | 62,124 | (479) | (83,877) | (22,232) |

The note for 2022/23 is set out below, restated as per the Comprehensive Income and Expenditure Statement:

| Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts | Adjustments for Capital Purposes | Net Change for the Pensions Adjustments | Other Differences | Total Adjustments |
|--|---|--|---------------------------|--------------------------|
| | (Note a) £'000 | (Note b) £'000 | (Note c) £'000 | £'000 |
| Chief Executive Officer | 0 | 230 | 0 | 230 |
| Transformation | (20) | 452 | (430) | 2 |
| Governance | 0 | 137 | 0 | 137 |
| Place | 8,228 | 529 | 0 | 8,757 |
| Operations | 5,335 | 739 | 0 | 6,074 |
| HRA - Housing Revenue Account | 4,053 | 647 | 1,873 | 6,573 |
| Net Cost of Services | 17,596 | 2,734 | 1,443 | 21,773 |
| Other income and expenditure from the Expenditure and Funding Analysis | 21,562 | 2,815 | (35,752) | (11,375) |
| Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services | 39,158 | 5,549 | (34,309) | 10,398 |

a. 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** – adjusts 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 i.e. 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.

b. Net Charge for the Pensions Adjustments

This column is the 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 authority 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.

c. Other Differences

This column highlights 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.

6B. Segmental Income

Income received on a segmental basis is analysed below:

| | 2023/24 | 2022/23 |
|---|-----------------|---------------------------|
| | £'000 | Restated £'000 |
| Services | | |
| Chief Executive Officer | (23) | (1) |
| Transformation | (24,889) | (24,611) |
| Governance | (189) | (277) |
| Place | (7,387) | (5,783) |
| Operations | (3,186) | (3,391) |
| HRA - Housing Revenue Account | (28,491) | (26,214) |
| Total income analysed on a segmental basis | (64,165) | (60,277) |

7. Expenditure and Income Analysed by Nature

| | 2023/24 £'000 | 2022/23 £'000 |
|---|------------------|------------------|
| Expenditure | | |
| Employee benefits expenses | 28,745 | 31,654 |
| Other services expenses | 45,313 | 40,767 |
| Depreciation, amortisation, impairment | 23,556 | 28,465 |
| Interest Payments | 3,357 | 3,601 |
| Precepts and Levies | 345 | 312 |
| Loss/(Gain) on the disposal of assets | (108) | (39) |
| Total Expenditure | <u>101,208</u> | <u>104,760</u> |
| Income | | |
| Fees, charges and other service income | (37,960) | (60,277) |
| Interest and investment income | (7,550) | (5,379) |
| Income from council tax, non-domestic rates, district rate income | (16,337) | (14,985) |
| Capital grants | (36,564) | (14,681) |
| Government grants and contributions | (27,396) | (1,153) |
| Total Income | <u>(125,807)</u> | <u>(96,475)</u> |
| Surplus or Deficit on the Provision of Services | <u>(24,599)</u> | <u>8,285</u> |

8. Adjustment between accounting basis and funding basis under statute

This note details the adjustments that are made to the financial position as identified within the Comprehensive Income and Expenditure Statement in accordance with proper accounting practice to the resources that are specified by statutory provision as being available to the District Council to meet future capital and revenue expenditure.

General Fund Balance

The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the Council are to be met, 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. However, the balance is not available to be applied to funding Housing Revenue Account (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 Authority is required to maintain the Major Repairs Reserve (MRR), which controls an element of the capital resources limited to being used on capital expenditure of HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the Major Repairs Allowance (MRA) that has yet to be applied at the year-end.

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 year-end.

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 or the year in which it can take place.

Statement for Current Financial Period 2023/24

Adjustments to 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)
 Financial Instruments (transferred to the Financial Instruments Adjustment Account)
 Council Tax and NNDR (transfers to or from Collection Fund)
 Holiday Pay (transferred to the Accumulated Absences Reserve)
 Reversal of Entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)

Total Adjustments to Revenue Resources

| | General Fund Balance | Housing Revenue Account | Housing Major Repair Reserves | Capital Receipts Reserve | Capital Grants Reserve | Movement in Unusable Reserves |
|---|----------------------|-------------------------|-------------------------------|--------------------------|------------------------|-------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| | 75 | 409 | 0 | 0 | 0 | (484) |
| | 10 | 0 | 0 | 0 | 0 | (10) |
| | (472) | 0 | 0 | 0 | 0 | 472 |
| | (160) | (77) | 0 | 0 | 0 | 237 |
| | (11,271) | (12,781) | (4,710) | 0 | 0 | 28,762 |
| Total Adjustments to Revenue Resources | (11,818) | (12,449) | (4,710) | 0 | 0 | 28,977 |

Adjustments between Revenue and Capital Resources

Transfer of non-current asset sale proceeds from Revenue to the Capital Receipts Reserve
 Statutory Provision for the repayment of debt (transfer from the Capital Adjustment Account)
 Capital Expenditure financed from revenue balances (transfer to the Capital Adjustment Account)

Total Adjustments between Revenue and Capital Resources

| | | | | | | |
|--|--------------|--------------|----------|----------------|----------|----------------|
| | 108 | 0 | 0 | (1,334) | 0 | 1,226 |
| | 2,438 | 0 | 0 | 0 | 0 | (2,438) |
| | 152 | 7,237 | 0 | 0 | 0 | (7,389) |
| Total Adjustments between Revenue and Capital Resources | 2,698 | 7,237 | 0 | (1,334) | 0 | (8,601) |

Adjustments to Capital Resources

Use of Capital Receipts Reserve to finance capital expenditure
 Use of Major Repairs Reserve to finance capital expenditure
 Application of Capital Grants to finance capital expenditure

Total Adjustments to Capital Resources

| | | | | | | |
|---|---------------|----------|--------------|--------------|-----------------|-----------------|
| | 0 | 0 | 0 | 1,153 | 0 | (1,153) |
| | 0 | 0 | 4,369 | 0 | 0 | (4,369) |
| | 36,564 | 0 | 0 | 0 | (23,983) | (12,581) |
| Total Adjustments to Capital Resources | 36,564 | 0 | 4,369 | 1,153 | (23,983) | (18,103) |

Total Adjustments

| | | | | | | |
|--------------------------|---------------|----------------|--------------|--------------|-----------------|--------------|
| Total Adjustments | 27,444 | (5,212) | (341) | (181) | (23,983) | 2,273 |
|--------------------------|---------------|----------------|--------------|--------------|-----------------|--------------|

Statement for Prior Financial Period 2022/23

| | General Fund Balance | Housing Revenue Account | Housing Major Repair Reserves | Capital Receipts Reserve | Capital Grants Reserve | Movement in Unusable Reserves |
|---|----------------------|-------------------------|-------------------------------|--------------------------|------------------------|-------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Adjustments to Revenue Resources | | | | | | |
| Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements | | | | | | |
| Pensions Costs (transferred to (or from) the Pensions Reserve) | 4,886 | 647 | 0 | 0 | 0 | (5,533) |
| Financial Instruments (transferred to the Financial Instruments Adjustment Account) | 0 | 0 | 0 | 0 | 0 | 0 |
| Council Tax and NNDR (transfers to or from Collection Fund) | (726) | 0 | 0 | 0 | 0 | 726 |
| Holiday Pay (transferred to the Accumulated Absences Reserve) | 42 | 19 | 0 | 0 | 0 | (61) |
| Reversal of Entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account) | 3,447 | 10,245 | 4,053 | 0 | 0 | (17,745) |
| Total Adjustments to Revenue Resources | 7,649 | 10,911 | 4,053 | 0 | 0 | (22,613) |
| Adjustments between Revenue and Capital Resources | | | | | | |
| Transfer of non-current asset sale proceeds from Revenue to the Capital Receipts Reserve | (39) | 0 | 0 | 2,684 | 0 | (2,645) |
| Statutory Provision for the repayment of debt (transfer from the Capital Adjustment Account) | (2,327) | 0 | 0 | 0 | 0 | 2,327 |
| Capital Expenditure financed from revenue balances (transfer to the Capital Adjustment Account) | (104) | (5,692) | 0 | 0 | 0 | 5,796 |
| Total Adjustments between Revenue and Capital Resources | (2,470) | (5,692) | 0 | 2,684 | 0 | 5,478 |
| Adjustments to Capital Resources | | | | | | |
| Use of Capital Receipts Reserve to finance capital expenditure | 0 | 0 | 0 | (2,630) | 0 | 2,630 |
| Use of Major Repairs Reserve to finance capital expenditure | 0 | 0 | (5,253) | 0 | 0 | 5,253 |
| Application of Capital Grants to finance capital expenditure | 0 | 0 | 0 | 0 | (2,367) | 2,367 |
| Total Adjustments to Capital Resources | 0 | 0 | (5,253) | (2,630) | (2,367) | 10,250 |
| Total Adjustments | 5,179 | 5,219 | (1,200) | 54 | (2,367) | (6,885) |

9. Grant Income

The Council received the following major Government grants and contributions to the Comprehensive Income and Expenditure Statement within 2023/24.

| | 2023/24 £'000 | 2022/23 £'000 |
|--|--------------------------|--------------------------|
| Government Grants Credited to Services | | |
| Rent Allowances Subsidy | 11,237 | 10,786 |
| Rent Rebates Subsidy | 9,533 | 9,505 |
| Benefits Administration Grant | 317 | 344 |
| Council Tax Admin Grant | 257 | 169 |
| New Burdens Grant (Other) | 120 | 374 |
| Non Domestic Rates Admin Allowance | 153 | 151 |
| Elections | 127 | 0 |
| Homelessness Assistance | 380 | 318 |
| Apprenticeship Levy | 86 | 44 |
| Domestic Abuse (LAs) | 34 | 32 |
| Levelling Up Fund Capacity Grant | 76 | 0 |
| Towns Fund - Enterprise Ashfield Scheme | 963 | 641 |
| Towns Fund - Library Innovation Centres | 38 | 38 |
| Towns Fund - Distribution and Manufacturing Centre | 375 | 0 |
| Rough Sleeper | 1,257 | 1,263 |
| Syrian Vulnerable Persons Resettlement Scheme | 53 | 59 |
| Homes for Ukrainians Housing Support Scheme | 0 | 53 |
| Afghan resettlement scheme | 209 | 21 |
| Asylum Resettlement | 151 | 0 |
| Safer Streets | 134 | 68 |
| External Audit Costs - Redmond Grant | 22 | 0 |
| Kirkby LPT | 50 | 0 |
| Local Digital Cyber Fund | 0 | 124 |
| UK Shared Prosperity Fund | 608 | 317 |
| Other Revenue Grants | 26 | 14 |
| Sub Total | 26,206 | 24,321 |
| | 2023/24 £'000 | 2022/23 £'000 |
| Other Grants and Contributions Credited to Services | | |
| Discretionary Housing Payments | 149 | 154 |
| Mansfield Joint Crematorium | 420 | 391 |
| Rough Sleeper | 163 | 152 |
| Community Safety | 0 | 249 |
| Leisure Operator Contract Contribution | 824 | 495 |
| Elections | 0 | 46 |
| Health & Wellbeing | 0 | 19 |
| Other Revenue Grants and Contributions | 168 | 198 |
| Sub Total | 1,724 | 1,704 |
| Grants and Contributions Credited to Services Total | 27,930 | 26,025 |

Grants Income (Continued)

| | | |
|---|----------------|----------------|
| Credited to Taxation and Non Specific Grant Income | | |
| Revenue Support Grant (*CIES Government Grants) | 397 | 204 |
| New Homes Bonus Grant (*CIES Government Grants) | 170 | 486 |
| Lower Tier Service Grant | 157 | 195 |
| Services Grant | 0 | 268 |
| Funding Guarantee | 466 | 0 |
| Total Government Grants | 1,190 | 1,153 |
| Capital Grants and Contributions | 36,564 | 14,681 |
| Net Non-Domestic Rates Receipts | 9,501 | 7,252 |
| Total Grants | 47,255 | 23,086 |
| | 2023/24 | 2022/23 |
| | £'000 | £'000 |
| Memorandum Account NDR | | |
| Retained Business Rates - transfer from Collection Fund | 18,316 | 15,300 |
| Tariff payable direct to Nottinghamshire County Council | (11,285) | (9,786) |
| Total Retained Business Rates | 7,031 | 5,514 |
| Small Business, Empty Rate & CARF - Sct 31 - Grant | 3,364 | 3,371 |
| Business Rates Levy | (2,195) | (2,057) |
| Returned Levy - Nottinghamshire Pooling Agreement Current Year | 1,297 | 1,122 |
| Levy Account Surplus Grant | 33 | 33 |
| Distribution of estimated NDR deficit/surplus | (99) | (752) |
| Renewable Energy NNDR wholly retained | 24 | 21 |
| Green Plant and Machinery Exemption | 46 | 0 |
| | 9,501 | 7,252 |
| Amount Credited to the Comprehensive Income and Expenditure Statement after adjustment for the Collection Fund Adjustment Account | 9,034 | 7,930 |

Grants received in advance

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 had not been met at the Balance Sheet date, which may require the monies to be returned to the giver. The balances at the year-end are:

| | 2023/24 £'000 | 2022/23 £'000 |
|---|--------------------------------|--------------------------------|
| Revenue Grants Received in Advance - Short Term | | |
| NNDR Covid Additional Restrictions Fund (CARF) Grant | 0 | 1,686 |
| | 0 | 1,686 |
| | | |
| | 2023/24 £'000 | 2022/23 £'000 |
| Revenue Contribution Received in Advance - Long Term | | |
| Section 106 Contributions | 233 | 227 |
| | 233 | 227 |
| | | |
| Capital Contribution Received in Advance - Long Term | | |
| Section 106 Contributions | 2,595 | 2,568 |
| Private Sector Enforced Sale Capital Receipt | 109 | 109 |
| | 2,704 | 2,677 |

10. Interest Payable and Other Charges

| | 2023/24 £'000 | 2022/23 £'000 |
|---|--------------------------------|--------------------------------|
| Loan Interest | 3,127 | 3,510 |
| General Fund | 230 | 91 |
| Total Interest Payable and Other Charges | 3,357 | 3,601 |

| | Council Dwellings | Land and Buildings | Community Assets | Vehicles, Plant and Equipment | Infra-structure | Surplus Assets | Assets under Construction | Total |
|--|-------------------|--------------------|------------------|-------------------------------|-----------------|----------------|---------------------------|----------|
| Cost or Valuation | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| As at 1st April 2023 | 275,009 | 73,890 | 4,057 | 8,616 | 1,728 | 1,495 | 15,054 | 379,849 |
| Additions | 12,806 | 993 | 10 | 1,754 | 0 | 0 | 8,074 | 23,637 |
| Disposals | (1,181) | (5) | 0 | (514) | 0 | 0 | 0 | (1,700) |
| Reclassifications | 5,056 | 7,001 | 126 | 192 | 0 | 0 | (12,375) | 0 |
| Transferred to Assets Held for Sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Derecognition - other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluations / (Impairments) | | | | | | | | |
| Recognised in the Revaluation Reserve | 11,611 | 3,229 | 0 | 0 | 0 | 0 | 0 | 14,840 |
| Recognised in Provision of Services | (13,062) | (3,238) | 0 | 0 | 0 | 0 | 0 | (16,300) |
| As at 31st March 2024 | 290,239 | 81,870 | 4,193 | 10,048 | 1,728 | 1,495 | 10,753 | 400,326 |
| Depreciation and Impairments | | | | | | | | |
| As at 1st April 2023 | (303) | (5,321) | (1,392) | (4,043) | (402) | 0 | 0 | (11,461) |
| Charge for the year | (4,472) | (1,283) | (317) | (1,101) | (82) | 0 | 0 | (7,255) |
| Disposals | 0 | 0 | 0 | 502 | 0 | 0 | 0 | 502 |
| Reclassifications | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluations / (Impairments) | | | | | | | | |
| Recognised in the Revaluation Reserve | 4,472 | 887 | 0 | 0 | 0 | 0 | 0 | 5,359 |
| Recognised in Provision of Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| As at 31st March 2024 | (303) | (5,717) | (1,709) | (4,642) | (484) | 0 | 0 | (12,855) |
| Balance Sheet Net Amount at 31st March 2024 | 289,936 | 76,153 | 2,484 | 5,406 | 1,244 | 1,495 | 10,753 | 387,471 |

The tangible non-current assets at 31st March 2023 for comparative purposes are set out below:

| | Council Dwellings | Land and Buildings | Community Assets | Vehicles, Plant and Equipment | Infra-structure | Surplus Assets | Assets under Construction | Total |
|--|--------------------------|---------------------------|-------------------------|--------------------------------------|------------------------|-----------------------|----------------------------------|-----------------|
| Cost or Valuation | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| As at 1st April 2022 | 247,484 | 64,903 | 941 | 9,525 | 96 | 693 | 20,351 | 343,993 |
| Additions | 12,373 | 32 | 0 | 1,614 | 0 | 0 | 15,377 | 29,396 |
| Disposals | (2,609) | 0 | 0 | (1,248) | 0 | 0 | 0 | (3,857) |
| Reclassifications | 911 | 15,454 | 3,116 | (1,270) | 1,632 | 802 | (20,645) | 0 |
| Transferred to Assets Held for Sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Derecognition - other | 0 | (638) | 0 | 0 | 0 | 0 | 0 | (638) |
| Revaluations / (Impairments) | | | | | | | | |
| Recognised in the Revaluation Reserve | 27,095 | 0 | 0 | 0 | 0 | 0 | 0 | 27,095 |
| Recognised in Provision of Services | (10,245) | (5,861) | 0 | (5) | 0 | 0 | (29) | (16,140) |
| As at 31st March 2023 | 275,009 | 73,890 | 4,057 | 8,616 | 1,728 | 1,495 | 15,054 | 379,849 |
| Depreciation and Impairments | | | | | | | | |
| As at 1st April 2022 | (303) | (6,624) | (471) | (3,686) | (40) | 0 | 0 | (11,124) |
| Charge for the year | (3,813) | (1,504) | (65) | (1,574) | (3) | 0 | 0 | (6,959) |
| Disposals | 0 | 0 | 0 | 1,212 | 0 | 0 | 0 | 1,212 |
| Reclassifications | (3) | 1,218 | (856) | 0 | (359) | 0 | 0 | 0 |
| Revaluations / (Impairments) | | | | | | | | |
| Recognised in the Revaluation Reserve | 3,816 | 2,445 | 0 | 0 | 0 | 0 | 0 | 6,261 |
| Recognised in Provision of Services | 0 | (856) | 0 | 5 | 0 | 0 | 0 | (851) |
| As at 31st March 2023 | (303) | (5,321) | (1,392) | (4,043) | (402) | 0 | 0 | (11,461) |
| Balance Sheet Net Amount at 31st March 2023 | 274,706 | 68,569 | 2,665 | 4,573 | 1,326 | 1,495 | 15,054 | 368,388 |

Capital Commitments

The Council has entered into the following major contracts:

- Construction of leisure building and parking facilities at Kings Mill Reservoir from October 2023 to August 2024. This contract has an estimated value of £4.2m
- Social Housing Decarbonisation Fund phase 1 modernisation of dwellings. The contract has an estimated value of £1.6m; and
- Public Sector Decarbonisation Scheme Stage 1 at Hucknall Leisure Centre and Urban Road Office. The contract has an estimated value of £1.9m.

Effects of Changes in Estimates

In 2023/24, a desktop valuation of Council Dwelling stock was completed. Many of these valuations were revised upwards on the 31st March 2024. The desktop valuation has increased the building values. This is expected to result in an estimated £287k increase in Council Dwelling Depreciation in 2024/25.

Revaluations

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. Valuations of land and buildings 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.

The significant assumptions applied in estimating the fair values are:

- It has been assumed for the purpose of these valuations that there are no onerous covenants or conditions, which would be imposed on the disposals of the assets.
- The Council housing stock has been valued on the basis of existing use value discounted for social housing, in accordance with the financial framework for Stock Valuation for Resource Accounting Guidance for Valuers 2016 (as supplied by the Department for Levelling Up, Housing and Communities (formerly Department for Communities and Local Government)).

12. Tangible Non-Current Asset Valuations

The following table shows the progress of the Council's rolling programme for the revaluation of non-current assets. The purpose of the rolling programme is to ensure that all assets valued at current value are re-valued at least every five years. The table shows the annual movement in asset values arising from the revaluation programme, undertaken by Mr M Kirk MRICS, Registered Valuer.

| | Council Dwellings | Land and Buildings | Community Assets | Vehicles, Plant and Equipment | Infra-structure | Surplus Assets | Assets under Construction | Total |
|--|-------------------|--------------------|------------------|-------------------------------|-----------------|----------------|---------------------------|----------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Gross book value of assets 31st March 2024 | 290,239 | 81,870 | 4,193 | 10,048 | 1,728 | 1,495 | 10,753 | 400,326 |
| Valued at historical cost | (305) | (13,947) | (4,193) | (10,048) | (1,728) | (1,320) | (10,753) | (42,294) |
| | 289,934 | 67,923 | 0 | 0 | 0 | 175 | 0 | 358,032 |
| Crematorium Valuation (2023/24) | 0 | 366 | 0 | 0 | 0 | 0 | 0 | 366 |
| Valued at current value: | | | | | | | | |
| 31st March 2024 by the Estates Manager (MRICS) employed by ADC | 289,934 | 3,760 | 0 | 0 | 0 | 0 | 0 | 293,694 |
| 31st March 2023 by the Estates Manager (MRICS) employed by ADC | 0 | 45,734 | 0 | 0 | 0 | 0 | 0 | 45,734 |
| 31st March 2022 by the Estates Manager (MRICS) employed by ADC | 0 | 64 | 0 | 0 | 0 | 0 | 0 | 64 |
| 31st March 2021 by the Estates Manager (MRICS) employed by ADC | 0 | 17,904 | 0 | 0 | 0 | 175 | 0 | 18,079 |
| 31st March 2020 by the Estates Manager (MRICS) employed by ADC | 0 | 95 | 0 | 0 | 0 | 0 | 0 | 95 |
| | 289,934 | 67,923 | 0 | 0 | 0 | 175 | 0 | 358,032 |

13. Investment Properties

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

| | 2023/24 £'000 | 2022/23 £'000 |
|--|--------------------------------|--------------------------------|
| Rental Income From Investment Properties | 4,881 | 4,519 |
| Direct operating expenses arising from investment property | (453) | (11) |
| Net gain/(loss) | <u>4,428</u> | <u>4,508</u> |

There are no restrictions on the authority's ability to realise the value inherent in its investment property or on the authority's right to the remittance of income and the proceeds of disposal. The authority has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties over the year:

| | 2023/24 £'000 | 2022/23 £'000 |
|--|--------------------------------|--------------------------------|
| Balance at Start of the Year | 45,448 | 50,670 |
| Net gains/losses from fair value adjustments | <u>814</u> | <u>(5,222)</u> |
| Balance at end of year | <u>46,262</u> | <u>45,448</u> |

The fair value of investment properties is measured annually. The valuations at 31 March 2024 were carried out by Carter Towler Chartered Surveyors, Hellier Langston Limited, Innes England, Lambert Smith Hampton, Ryden LLP and Sanderson Wetherall.

Fair Value Hierarchy

Details of the authority's investment properties and information about the fair value hierarchy as at 31 March 2024 and 31 March 2023 are below. This has been reviewed in 2023/24 and the properties moved to level 2 from level 1:

| | Quoted prices in active markets for identical assets (level 1) £'000 | Other significant observable inputs (level 2) £'000 | Significant unobservable inputs (level 3) £'000 | Fair Value as at 31 March 2023 £'000 |
|--|---|---|--|--|
| 2023/24 Fair Value Hierarchy | | | | |
| Recurring fair value measurements using: | | | | |
| Residential (market rental) properties | 0 | 0 | 0 | 0 |
| Office units | 0 | 0 | 0 | 0 |
| Commercial Units | 0 | 46,262 | 0 | 46,262 |
| Total | 0 | 46,262 | 0 | 46,262 |

| | Quoted prices in active markets for identical assets (level 1) £'000 | Other significant observable inputs (level 2) £'000 | Significant unobservable inputs (level 3) £'000 | Fair Value as at 31 March 2022 £'000 |
|--|---|---|--|--|
| 2022/23 Comparative Figures | | | | |
| Recurring fair value measurements using: | | | | |
| Residential (market rental) properties | 0 | 0 | 0 | 0 |
| Office units | 0 | 0 | 0 | 0 |
| Commercial Units | 45,448 | 0 | 0 | 45,448 |
| Total | 45,448 | 0 | 0 | 45,448 |

14. Gains and Losses from the Sale of Assets

The Comprehensive Income and Expenditure Statement includes gains and losses from the sale of Council assets. The value of the gains and losses for 2023/24 is as follows:

| | 2023/24 £'000 | 2022/23 £'000 |
|--------------------------|------------------|------------------|
| Council house sales | 0 | 0 |
| General fund assets | (108) | (39) |
| Total (Gain)/Loss | (108) | (39) |

15. Financial Instruments

a. Financial liabilities held at amortised cost

| | Long Term | | Short Term | |
|------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 31st March 2024 £'000 | 31st March 2023 £'000 | 31st March 2024 £'000 | 31st March 2023 £'000 |
| Financial Liabilities | | | | |
| Borrowings at Amortised Cost | 86,478 | 87,697 | 1,248 | 4,262 |
| Finance Leases | 0 | 0 | 0 | 0 |
| Trade Creditors | 0 | 0 | 10,574 | 11,743 |
| Total Financial Liabilities | 86,478 | 87,697 | 11,822 | 16,005 |

b. Financial Assets – Loans and receivables held at amortised cost

| | Long Term | | Short Term | |
|------------------------------------|------------|------------|---------------|--------------|
| | 31st March | 31st March | 31st March | 31st March |
| | 2024 | 2023 | 2024 | 2023 |
| | £'000 | £'000 | £'000 | £'000 |
| Loans and Receivables | | | | |
| Investments | 0 | 0 | 5,143 | 0 |
| Trade Debtors | 0 | 0 | 7,966 | 4,634 |
| Total Loans and Receivables | 0 | 0 | 13,109 | 4,634 |

c. Gains and Losses on Financial Instruments

| | 2023/24 | 2022/23 |
|--|------------|--------------|
| | £'000 | £'000 |
| Interest Expense | | |
| Liabilities measured at 'Amortised Cost' | 3,148 | 3,496 |
| Interest Income | | |
| Loans and Receivables | (2,248) | (854) |
| Net Gain / (Loss) for the Year | 900 | 2,642 |

d. Fair Value of Assets and Liabilities carried at Amortised Cost

Financial liabilities and financial assets (represented by loans and receivables) are carried in the Balance Sheet at amortised cost. Link Group plc provides the fair values to be utilised.

| | 31st March 2024 | | 31st March 2023 | |
|-----------------------------------|--------------------------|---------------------|--------------------------|---------------------|
| | Carrying Amount £'000 | Fair Value £'000 | Carrying Amount £'000 | Fair Value £'000 |
| Financial Liabilities | | | | |
| PWLB | 55,354 | 43,852 | 56,563 | 48,870 |
| Money Market | 31,124 | 32,530 | 31,134 | 34,690 |
| | <u>86,478</u> | <u>76,382</u> | <u>87,697</u> | <u>83,560</u> |
| Short Term Borrowing | | | | |
| Money Market maturing in one year | 0 | 0 | 3,014 | 3,085 |
| PWLB maturing in one year | 1,248 | 1,257 | 1,248 | 1,247 |
| | <u>1,248</u> | <u>1,257</u> | <u>4,262</u> | <u>4,332</u> |
| | <u>87,726</u> | <u>77,639</u> | <u>91,959</u> | <u>87,892</u> |
| Loans and Receivables | | | | |
| Other Securities | 0 | 0 | 0 | 0 |
| Direct Short Term Investments | 5,143 | 5,143 | 0 | 0 |
| Money Market less than 12 months | 0 | 0 | 0 | 0 |
| | <u>5,143</u> | <u>5,143</u> | <u>0</u> | <u>0</u> |

e. Investments

Under the Council's accounting policy on Cash Equivalents, instant access accounts are deemed to be classified as cash equivalents within the balance sheet and cash flow statements while investments of greater than 3 months, are classified as investments.

| | 31st March 2024 £'000 | 31st March 2023 £'000 |
|--|-----------------------------|-----------------------------|
| Short Term Investments: | | |
| Direct Short Term Investments | 5,143 | 0 |
| Money Market less than 12 months | 0 | 0 |
| Investments of Joint Crematorium Committee | 0 | 0 |
| | <u>5,143</u> | <u>0</u> |
| Long Term Investments: | | |
| Other Securities | 0 | 0 |
| | <u>0</u> | <u>0</u> |
| Total Investments | <u>5,143</u> | <u>0</u> |

16. Inventories

A breakdown of the balance sheet figure is given below:

| | 2023/24 £'000 | 2022/23 £'000 |
|--------------------------|--------------------------------|--------------------------------|
| Balance at 1st April | 587 | 601 |
| Purchases | 2,074 | 2,122 |
| Recognised as an expense | (2,049) | (2,136) |
| Balance at 31st March | <u>612</u> | <u>587</u> |

17. Debtors

An analysis of the balance sheet figure is given below:

| | 31st March 2024 £'000 | 31st March 2023 £'000 |
|--------------------------------|--|--|
| Central Government Bodies | 3,382 | 1,356 |
| Other Local Authorities | 2,605 | 1,688 |
| NHS Bodies | 0 | 143 |
| Other entities and individuals | 9,368 | 8,122 |
| Allowance for Credit Loss | (2,811) | (3,171) |
| | <u>12,544</u> | <u>8,138</u> |

There were no long term debtors at 31st March 2023 and 2024.

Debtors For Local Taxation

| | 31st March 2024 £'000 | 31st March 2023 £'000 |
|--------------------|--|--|
| Council Tax | 821 | 745 |
| Non Domestic Rates | 557 | 634 |
| | <u>1,378</u> | <u>1,379</u> |

18. Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

| | 31st March 2024 £'000 | 31st March 2023 £'000 |
|-----------------------|-----------------------------|-----------------------------|
| Bank Current Accounts | (1,773) | (1,770) |
| Short Term Deposits | 35,949 | 27,444 |
| | <u>34,176</u> | <u>25,674</u> |

19. Assets Held For Sale

International Financial Reporting Standard 5 requires Non-Current Assets Held for Sale and Discontinued Operations to be reported separately in the balance sheet. The Council in 2023/24 has several assets that meet the definition of Assets Held for Sale i.e. surplus garage plots and sites and land on Diamond Avenue in Kirkby in Ashfield.

Existing Assets Held for Sale assets have been revalued in 2023/24.

| | 31st March 2024 £'000 | 31st March 2023 £'000 |
|---------------------------------------|-----------------------------|-----------------------------|
| Opening Balance | 1,179 | 1,120 |
| Disposals | (28) | 0 |
| Revaluations / (Impairments) | | |
| Recognised in the Revaluation Reserve | (151) | 59 |
| Closing Balance | <u>1,000</u> | <u>1,179</u> |

20. Creditors

An analysis of the balance sheet figure is given below:

Note: The creditors with Central Government bodies as at 31 March 2024 include £0.219m (£0.471m in 2022/23) in relation to S31 grants paid by Central Government to cover additional business rates relief granted to businesses during 2022/23. This was paid to the Council to ease cashflow pressures, due to the Council being the billing authority for the Collection Fund. This amount will not fall on the Council's General Fund and will be repaid to Central Government in 2024/25.

| Short Term Creditors | 31st March 2024 £'000 | 31st March 2023 £'000 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Central Government Bodies | 621 | 1,538 |
| Other Local Authorities | 9,351 | 8,791 |
| NHS Bodies | 1,204 | 1,245 |
| Other entities and individuals | 11,475 | 11,901 |
| | <u>22,651</u> | <u>23,475</u> |

There were no long term creditors at 31st March 2023 and 2024.

21. Provisions

The Council has created provisions in respect of a number of issues that may result in a cost to the Council. These are analysed below for 2023/24, with 2022/23 provided for comparative purposes.

| | Balance at 31st March 2023 £'000 | Receipts in year £'000 | Payments in year £'000 | Balance at 31st March 2024 £'000 |
|----------------------------------|---|---------------------------------------|---------------------------------------|---|
| Short Term: | | | | |
| NDR Appeals | (2,418) | (1,652) | 1,420 | (2,650) |
| Legal costs | (8) | (20) | 3 | (25) |
| Long Term: | | | | |
| Planning Appeal Costs | (125) | 0 | 0 | (125) |
| Insurance Funds: | | | | |
| Municipal Mutual Insurance (MMI) | (79) | 0 | 0 | (79) |
| Liability | (140) | (57) | 0 | (197) |
| Property | (78) | 0 | 0 | (78) |
| Total | <u>(2,848)</u> | <u>(1,729)</u> | <u>1,423</u> | <u>(3,154)</u> |

| | Balance at 31st March 2022 £'000 | Receipts in year £'000 | Payments in year £'000 | Balance at 31st March 2023 £'000 |
|----------------------------------|---|---------------------------------------|---------------------------------------|---|
| Short Term: | | | | |
| NDR Appeals | (2,239) | (457) | 278 | (2,418) |
| Termination Costs | (13) | 0 | 13 | 0 |
| Legal costs | (20) | 0 | 12 | (8) |
| Long Term: | | | | |
| Planning Appeal Costs | (125) | 0 | 0 | (125) |
| Insurance Funds: | | | | |
| Municipal Mutual Insurance (MMI) | (57) | (22) | 0 | (79) |
| Liability | (140) | 0 | 0 | (140) |
| Property | (78) | 0 | 0 | (78) |
| Total | <u>(2,672)</u> | <u>(479)</u> | <u>303</u> | <u>(2,848)</u> |

a. Legal Costs

A provision was made in 2021/22 in respect of estimated legal costs on a disrepair claim which was settled in 2022/23. During 2023/24, 2 Housing disrepair cases have been identified which could incur legal costs of £20k. As this is not certain, a provision has been made for this.

b. Planning Appeal Costs

This arises as a result of reviewing planning appeals and the payment of legal costs should these be successful.

c. National Non-Domestic Rates (NDR) Appeals

The Business Rate Retention regime places a liability on the Council to refund ratepayers who successfully appeal against the rateable value of their properties on the rating list. A provision of £2.650m has been made, representing the Council's estimated share of such liabilities at 31 March 2024.

d. Insurances

At the end of the year, the Council had a £354k insurance provision, which is maintained to meet its outstanding liability (within the policy excess) for claims. The amount of provision required is calculated by the Council's Insurers. Most claims come to fruition within 1-2 years. The factors affecting these values can change and the Insurance Companies regularly review the provision requirement. The main risk is that several incurred but not reported claims could affect its adequacy. Over and above this provision, the Council also maintains Insurance Fund Reserves.

22. Usable Reserves

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

a. Service Earmarked Reserves

This note sets out the amounts set aside from the General Fund balances to earmarked reserves for future service expenditure plans. Further detail on the movement of reserves can be found within the Narrative Statement.

| | Balance at 31st March 2024 £'000 | Movements in Year £'000 | Balance at 31st March 2023 £'000 | Movements in Year £'000 | Balance at 31st March 2022 £'000 |
|---|---|-------------------------------|---|-------------------------------|---|
| District Planning Inquiry | 120 | (81) | 201 | (31) | 232 |
| Elections | 56 | (96) | 152 | 34 | 118 |
| Harold Farr Bequest | 0 | 0 | 0 | (2) | 2 |
| Asset Repair & Renewal Reserve | 600 | (40) | 640 | (6) | 646 |
| LAMS Reserve | 0 | 0 | 0 | (16) | 16 |
| Joint Crematorium Reserve | 642 | 7 | 635 | 94 | 541 |
| Insurance Related Funds | 376 | 36 | 340 | (23) | 363 |
| Revenue Grant Reserve | 3,808 | 644 | 3,164 | 214 | 2,950 |
| NNDR Equalisation Reserve | 5,982 | 0 | 5,982 | 2,771 | 3,211 |
| Supported Housing Reserve | 53 | 0 | 53 | 0 | 53 |
| Commercial Property Investment Reserve | 4,400 | 200 | 4,200 | 700 | 3,500 |
| Economic Development and Place Reserve | 226 | (26) | 252 | (132) | 384 |
| Covid-19 Reserve | 0 | (381) | 381 | (505) | 886 |
| Selective Licensing | 138 | 65 | 73 | 17 | 56 |
| Licensing | 271 | 23 | 248 | 34 | 214 |
| Corporate Transformation Reserve | 839 | (209) | 1,048 | (280) | 1,328 |
| Legal Reserve | 35 | 10 | 25 | 15 | 10 |
| Winter Maintenance Reserve | 20 | 5 | 15 | 5 | 10 |
| Commercial Property Dilapidations Reserve | 540 | 510 | 30 | 10 | 20 |
| Leisure Maintenance Reserve | 1,901 | 759 | 1,142 | 753 | 389 |
| IT Reserve | 25 | 10 | 15 | 15 | 0 |
| | 20,032 | 1,436 | 18,596 | 3,667 | 14,929 |

Details of the major usable reserves are set out below:

District Planning Inquiry Reserve

This reserve is to fund the costs of having and maintaining a Local Plan as required by legislation.

Elections Reserve

This reserve is used to smooth election related expenditure over the 4-year cycle for District Elections and to fund local by-elections.

Asset Repair & Renewal Reserve

This reserve is to part fund investment into the Council's land, buildings & vehicles, further stock condition surveys and to progress the asset rationalisation programme.

Joint Crematorium Reserve

This reserve is to fund Ashfield District Council's proportion of any maintenance expenditure to the crematorium, which is jointly run between Ashfield District Council, Mansfield District Council and Newark and Sherwood District Council.

Insurance Related Reserves

To provide self-insurance for smaller value claims and to smooth claims between years. Also, to fund future liability claims because of liquidation of MMI and Independent Insurance Company.

Revenue Grant Reserve

This reflects the unused element of revenue grants awarded to the Council, for which the conditions of the grant are expected to be met or for which there are no conditions. The reserve will be used to meet future years' revenue expenditure as required. This includes several Covid-19 related grants such as Council Tax Hardship Fund, New Burdens and Homelessness. It also contains Towns Fund capacity and revenue scheme funding to be utilised in 2024/25.

National Non-Domestic Rates (NDR) Equalisation Reserve

This reserve holds gains relating to the variations to the NDR forecast and is utilised to fund deficits on the collection of NDR in future years and will be used to smooth out financial consequences following the implementation of Local Government funding reform.

Commercial Property Investment Reserve

This reserve is to provide funding to mitigate the impact of void periods on revenue and to mitigate fluctuations within the property market.

Economic Development and Place Reserve

To provide funding for feasibility studies to unlock external funding or to support projects that will result in economic growth or support inward investment.

Covid-19 Reserve

The balance on this reserve of £381k at 1st April 2023 has been transferred to the General Fund Reserve in 2023/24.

Licensing Reserve

This reserve is to hold surpluses on licencing functions, to ensure that they are earmarked for reinvestment back into the service, and to cover any future deficits incurred in delivering the service.

Corporate Transformation Reserve

This reserve is to fund changes in service delivery through service reviews and technology investment to enable change to take place.

Leisure Maintenance Reserve

This reserve is to fund future maintenance expenditure at our leisure centres.

b. Taxation Earmarked Reserve

| | Balance at 31st March 2024 £'000 | Movements in Year £'000 | Balance at 31st March 2023 £'000 | Movements in Year £'000 | Balance at 31st March 2022 £'000 |
|---|---|-------------------------------|---|-------------------------------|---|
| NDR S31 Grant & NDR/CTax Compensation Reserve | 0 | (320) | 320 | (1,917) | 2,237 |

This reserve was established to account for the Council's share of Section 31 grant received from Central Government to offset additional business rates reliefs given during the Covid-19 pandemic, as directed by Central Government. Due to the collection fund accounting rules, the impact of the additional reliefs created a deficit taken to the Collection Fund Adjustment Account in the year following that when the reliefs were granted. This deficit was transferred back to the General Fund in the following year and the reserve released to fund the deficit.

It also contained Council Tax and NDR Tax Income Guarantee Compensation. This has been paid by Central Government to partly compensate for losses on the Collection Fund due to the impact of the Covid-19 pandemic in 2020/21. As outlined above due to the Collection Fund accounting rules, these losses created a deficit taken to the Collection Fund Adjustment Account as at 31 March 2022. The relief measure allowed for this element of the deficit to be taken to the general fund over three years, this element of the reserve will be released over three years to match the spreading of the deficit. 2023/24 is the third and final year of the release process.

c. Capital Grants Unapplied Reserve

This reserve details the amounts received in unspent capital grant and contribution income that does not have material conditions attached and is therefore available for financing future capital expenditure purposes.

| | £'000 | £'000 |
|---|---------------|--------------|
| Opening Balance | 1,745 | 4,112 |
| S106 Moved to Receipts in Advance | | |
| Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement | 36,564 | 14,681 |
| Application of Capital Grants and Contributions within the period and adjusted through the Capital Adjustment Account | (12,581) | (17,048) |
| Closing balance | 25,728 | 1,745 |

d. Capital Receipts Reserve

| | £'000 | £'000 |
|---|--------------|--------------|
| Opening Balance | 5,570 | 5,516 |
| Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES | 1,334 | 2,684 |
| Use of the reserve to finance new expenditure | (1,153) | (2,630) |
| Closing Balance | 5,751 | 5,570 |

23. Unusable Reserves

The unusable reserves arise from accounting entries and cannot be used to finance expenditure. The table below contains an analysis of the unusable reserves.

| | Balance at 31st March 2024 £'000 | Movements in Year £'000 | Balance at 31st March 2023 £'000 | Movements in Year £'000 | Balance at 31st March 2022 £'000 |
|--|--|-------------------------------|--|-------------------------------|--|
| Revaluation Reserve | (141,418) | (16,745) | (124,673) | (29,612) | (95,061) |
| Capital Adjustment Account | (126,283) | (1,279) | (125,004) | (1,080) | (123,924) |
| Pensions Reserve | 20,251 | (6,560) | 26,811 | (82,957) | 109,768 |
| Crematorium Pensions Reserve | 48 | (79) | 127 | (579) | 706 |
| Accumulated Absences Reserve | 921 | 237 | 684 | 61 | 623 |
| Collection Fund Adjustment Account - Council Tax | (89) | 5 | (94) | (48) | (46) |
| Collection Fund Adjustment Account - NNDR | 877 | 467 | 410 | (678) | 1,088 |
| Financial Instruments Adjustment Account | 685 | (10) | 695 | 0 | 695 |
| | (245,008) | (23,964) | (221,044) | (114,893) | (106,151) |

a. Revaluation Reserve

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

- revalued downward
- used in the provision of services and the gains are consumed through depreciation
- disposed of and the gains realised.

| | 2023/24 £'000 | 2022/23 £'000 |
|--|------------------|------------------|
| Opening Balance | (124,673) | (95,061) |
| Asset Impairment | 0 | 0 |
| Revaluation of Assets | (20,199) | (33,356) |
| Heritage Assets | 0 | 0 |
| Investment Properties | (34) | 706 |
| Assets Held for Sale | 151 | (59) |
| Adjustment between current value depreciation and historic cost depreciation | 2,943 | 2,566 |
| Write out of revaluation on disposal; property, plant and equipment | 394 | 531 |
| Closing Balance | (141,418) | (124,673) |

Note 25b Capital Adjustment Account

The reserve contains revaluation gains accumulated since 1 April 2007, the date that the reserve was created; prior to this date revaluation gains were consolidated into the Capital Adjustment Account.

b. Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for the financing of these assets under statutory provision.

The table below identifies the transactions posted to this account during the period.

| | 2023/24 £'000 | 2022/23 £'000 |
|---|------------------|------------------|
| Opening Balance | (125,004) | (123,924) |
| Charges for depreciation and impairment of non-current assets | 2,545 | 2,906 |
| Revaluation losses / (gains) on Property Plant and Equipment | 15,520 | 21,507 |
| Capital Grants and Contributions | (12,581) | (17,048) |
| Revenue Expenditure Funded from Capital under Statute | 5,987 | 3,960 |
| Carrying Value of non-current assets written off on disposal | 1,226 | 2,645 |
| Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement | (1,153) | (2,630) |
| Statutory Provision for the financing of capital investment | (2,438) | (2,327) |
| Capital Expenditure charged against Revenue | (7,389) | (5,796) |
| Reversal of Major Repair Allowance credited to the HRA | 4,710 | 4,053 |
| Use of the Major Repair Reserve to finance new capital expenditure | (4,369) | (5,253) |
| Other Reserve Movements | | |
| Adjustment between current value depreciation and historic cost depreciation | (2,943) | (2,566) |
| Write out of revaluation on disposal; property, plant and equipment | (394) | (531) |
| Closing Balance | (126,283) | (125,004) |

c. Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding those benefits in accordance with statutory provision.

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 Pension Reserve shows a substantial shortfall in the resources the Council has set aside to meet the benefits earned by past and current employees. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

| | 2023/24 | 2022/23 |
|---|----------------|----------------|
| | £'000 | £'000 |
| Opening Balance | 26,811 | 109,768 |
| Actuarial (gains) or losses on pension assets and liabilities | (6,076) | (88,490) |
| Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement | 4,447 | 10,349 |
| Employers pension contribution payable in the year | (4,931) | (4,816) |
| Closing Balance | 20,251 | 26,811 |

d. Accumulated Absences Reserve

The Accumulated Absences Account absorbs the difference that would otherwise arise on the General Fund Balance from providing for compensated absences earned but not taken in year.

| | 2023/24 £'000 | 2022/23 £'000 |
|------------------|------------------|------------------|
| Opening Balance | 684 | 623 |
| Movement in Year | 237 | 61 |
| | 921 | 684 |

The implementation of a new HR system in 2023/24 standardised the annual leave year for all employees resulting in the significant reserve movement in 2023/24.

e. Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expense relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

| | 2023/24 £'000 | 2022/23 £'000 |
|---|------------------|------------------|
| Opening Balance | 695 | 695 |
| Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements | (10) | 0 |
| | 685 | 695 |

f. Collection Fund Adjustment Account

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

| | 2023/24 £'000 | 2022/23 £'000 |
|--|------------------|------------------|
| Opening Balance | (94) | (46) |
| Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements | 5 | (48) |
| | <u>(89)</u> | <u>(94)</u> |
| Business Rates | | |
| Opening Balance | 410 | 1,088 |
| Amount by which NNDR income credited to the Comprehensive Income and Expenditure Statement is different from NNDR income calculated for the year in accordance with statutory requirements | 467 | (678) |
| | <u>877</u> | <u>410</u> |

g. Crematorium Pension Reserve

| | 2023/24 £'000 | 2022/23 £'000 |
|---|------------------|------------------|
| Opening Balance | 127 | 706 |
| Actuarial (gains) or losses on pension assets and liabilities | (79) | (579) |
| Closing Balance | <u>48</u> | <u>127</u> |

24. Cash Flow Statement Notes

a. Net Cash Flows from Operating Activities

| | 2023/24 £'000 | 2022/23 £'000 |
|--|------------------|------------------|
| Net Surplus or (Deficit) on the Provision of Services- | 24,599 | (8,285) |
| Adjust net surplus or (deficit) on the provision of services for non-cash movements: | | |
| Depreciation and Impairment | 22,775 | 29,103 |
| Increase/Decrease in Interest Creditors | | 0 |
| Increase/Decrease in Creditors | (2,477) | (10,548) |
| Increase/Decrease in Debtors | (4,405) | 291 |
| Increase/Decrease in Inventories | (25) | 14 |
| Pension Liability | (484) | 5,533 |
| Contributions to/(from) Provisions | 306 | 176 |
| Carrying amount of non-current assets sold [property plant and equipment, investment property and intangible assets] | 1,226 | 2,645 |
| | 16,916 | 27,214 |
| Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities: | | |
| Capital Grants credited to surplus or deficit on the provision of services | (36,564) | (14,681) |
| Proceeds from the sale of property plant and equipment, investment property and intangible assets | (1,334) | (2,684) |
| | (37,898) | (17,365) |

b. Net Cash Flows from Operating Activities (Interest)

| | 2023/24 £'000 | 2022/23 £'000 |
|--|------------------|------------------|
| Operating activities within the cash flow statement include the following cash flows relating to interest: | | |
| Ordinary interest received | | 9 |
| Interest Received | <u>0</u> | <u>9</u> |
| Interest charge for year | (3,127) | (3,510) |
| Other interest: | (230) | (91) |
| Interest Paid | <u>(3,587)</u> | <u>(3,601)</u> |

c. Net Cash Flows from Investing Activities

| | 2023/24 £'000 | 2022/23 £'000 |
|---|---------------------|---------------------|
| Purchase of Property, Plant and Equipment, investment property and intangible assets | (23,637) | (29,396) |
| Purchase of Investment Properties | 0 | 0 |
| Purchase/Sale of short and long term investments | (5,143) | 14,012 |
| Increase/Decrease in Creditors | 0 | 0 |
| Proceeds from the sale of property plant and equipment, investment property and intangible assets | 1,334 | 2,684 |
| Capital Grants Received | 36,564 | 14,681 |
| Total Cash Flows from Investing Activities | <u>9,118</u> | <u>1,981</u> |

d. Cash Flow – Financing Activities

| | 2023/24 £'000 | 2022/23 £'000 |
|---|------------------|------------------|
| Cash receipts of short and long term borrowing | 0 | 0 |
| Repayment of Short-Term and Long-Term Borrowing | (4,233) | (6,510) |
| Collection Fund Adjustment Account | 0 | 0 |
| Total Cash Flows from Financing Activities | (4,233) | (6,510) |

25. Members' Allowances

The total amount paid under the Members' allowances scheme during the year was £492,427 (£486,739 in 2022/23).

26. Officers' Remuneration and Exit Packages

Officers' Remuneration

The remuneration paid to the Council's senior officers in 2023/24 was as follows:

| Post | Salary, Fees and Allowances | | Expenses Allowances | | Remuneration Exc. Pension Contributions | | Pension Contributions | | Total Remuneration | |
|---|-----------------------------|--|---------------------|--|---|--|-----------------------|--|--------------------|--|
| | £ | | £ | | £ | | £ | | £ | |
| Chief Executive Officer | 126,854 | | 106 | | 126,960 | | 24,483 | | 151,443 | |
| Executive Director - Operations | 95,220 | | 334 | | 95,554 | | 18,378 | | 113,931 | |
| Executive Director - Transformation | 95,220 | | 117 | | 95,337 | | 18,378 | | 113,714 | |
| Executive Director - Governance | 95,220 | | 66 | | 95,286 | | 18,378 | | 113,664 | |
| Corporate Resources Director | 85,698 | | 0 | | 85,698 | | 16,540 | | 102,238 | |
| Executive Director - Place Left 21.05.23 | 12,729 | | -1,684 | | 11,044 | | 2,482 | | 13,526 | |
| Executive Director - Place Started 25.09.23 | 49,197 | | 15 | | 49,212 | | 9,495 | | 58,707 | |
| Assistant Director - Housing Operations | 72,497 | | 130 | | 72,627 | | 13,992 | | 86,619 | |
| Assistant Director - Planning | 71,933 | | 177 | | 72,110 | | 13,883 | | 85,993 | |
| Assistant Director - Housing Management | 69,863 | | 17 | | 69,881 | | 13,484 | | 83,364 | |
| Assistant Director - Policy&Performance | 69,828 | | 0 | | 69,828 | | 13,477 | | 83,305 | |
| Assistant Director - Assets | 69,863 | | 0 | | 69,863 | | 13,484 | | 83,347 | |
| Assistant Director - Neighbourhoods | 50,782 | | 0 | | 50,782 | | 10,113 | | 60,895 | |
| Assistant Director - Regeneration | 69,863 | | 531 | | 70,394 | | 13,484 | | 83,877 | |
| Assistant Director - Strategic Housing | 66,758 | | 0 | | 66,758 | | 12,884 | | 79,642 | |
| Assistant Director - Customer Experience | 66,758 | | 100 | | 66,858 | | 12,884 | | 79,742 | |
| Assistant Director - Legal | 63,756 | | 167 | | 63,923 | | 12,305 | | 76,228 | |
| Assistant Director - Corp Health&Safety | 66,758 | | 93 | | 66,851 | | 12,884 | | 79,735 | |
| Assistant Director - Democracy | 66,758 | | 25 | | 66,783 | | 12,884 | | 79,667 | |
| Assistant Director - Digital | 50,069 | | 0 | | 50,069 | | 9,663 | | 59,732 | |
| Assistant Director - Revenues and Benefits | 66,758 | | 68 | | 66,826 | | 12,884 | | 79,710 | |

The information for 2022/23 on a similar basis for comparative purposes is:

| Post | Salary, Fees and Allowances | Expenses Allowances | Remuneration Exc. Pension Contributions | Pension Contributions | Total Remuneration |
|--|-----------------------------|---------------------|---|-----------------------|--------------------|
| | £ | £ | £ | £ | £ |
| Chief Executive Officer | 115,884 | 211 | 116,096 | 20,859 | 136,955 |
| Executive Director - Operations | 88,148 | 262 | 88,410 | 15,867 | 104,277 |
| Executive Director - Transformation | 86,233 | 0 | 86,233 | 15,522 | 101,756 |
| Executive Director - Governance | 86,233 | 0 | 86,233 | 15,522 | 101,756 |
| Corporate Resources Director | 71,799 | 0 | 71,799 | 12,924 | 84,723 |
| Assistant Director - Housing Operations | 66,973 | 29 | 67,002 | 12,055 | 79,058 |
| Executive Director - Place | 64,456 | 1,684 | 66,140 | 11,602 | 77,742 |
| Assistant Director - Planning | 64,404 | 327 | 64,731 | 11,593 | 76,323 |
| Assistant Director - Housing Management | 64,183 | 173 | 64,356 | 11,553 | 75,909 |
| Assistant Director - Policy&Performance | 64,183 | 168 | 64,351 | 11,553 | 75,904 |
| Assistant Director - Assets | 64,183 | 0 | 64,183 | 11,553 | 75,736 |
| Assistant Director - Neighbourhoods | 63,622 | 0 | 63,622 | 11,452 | 75,073 |
| Assistant Director - Regeneration | 61,136 | 0 | 61,136 | 11,005 | 72,141 |
| Assistant Director - Strategic Housing | 58,267 | 104 | 58,371 | 10,488 | 68,860 |
| Assistant Director - Customer Experience | 57,023 | 120 | 57,143 | 10,264 | 67,407 |
| Assistant Director - Legal | 56,009 | 0 | 56,009 | 9,477 | 65,486 |
| Assistant Director - Corp Health&Safety | 54,976 | 208 | 55,184 | 9,896 | 65,080 |
| Assistant Director - Democracy | 52,145 | 0 | 52,145 | 9,386 | 61,531 |

Note: The Executive Director - Place was covered by an interim through an agency until the post was filled 04/07/2022.

The number of employees whose remuneration (excluding employers' pension contributions) was £50k or more in bands of £5,000 was as follows. This includes all senior management from the above tables.

| Remuneration (£) | 2023/24 | 2022/23 |
|-------------------|---------|---------|
| 50,000 – 54,999 | 10 | 4 |
| 55,000 – 59,999 | 0 | 4 |
| 60,000 – 64,999 | 3 | 6 |
| 65,000 – 69,999 | 8 | 2 |
| 70,000 – 74,999 | 3 | 1 |
| 75,000 – 79,999 | 0 | 0 |
| 80,000 – 84,999 | 0 | 0 |
| 85,000 – 89,999 | 1 | 3 |
| 90,000 – 94,999 | 0 | 0 |
| 95,000 – 99,999 | 3 | 0 |
| 100,000 – 104,999 | 0 | 0 |
| 105,000 – 109,999 | 0 | 0 |
| 110,000 – 114,999 | 0 | 0 |
| 115,000 – 119,999 | 0 | 1 |
| 120,000 – 124,999 | 0 | 0 |
| 125,000 – 129,999 | 1 | 0 |

Exit Packages

The numbers of exit packages with total cost per band and total cost of compulsory and other redundancies are set out in the table below, which shows the costs without pension strain adjustments as per IAS 19.

| Exit Package Cost Band (Including Special Payments) | Number of Compulsory Redundancies | | Number of Other Departures Agreed | | Total Number of Exit Packages by Cost Band | | Total Cost of Exit Packages in Each Band (£) | |
|---|-----------------------------------|----------|-----------------------------------|----------|--|----------|--|----------------|
| | 2022/23 | 2023/24 | 2022/23 | 2023/24 | 2022/23 | 2023/24 | 2022/23 | 2023/24 |
| £0 - £20,000 | 3 | 2 | 3 | 6 | 6 | 8 | 43,336 | 27,541 |
| £20,001 - £60,000 | 1 | 1 | 1 | 0 | 2 | 1 | 84,236 | 109,490 |
| £60,001 - £80,000 | 0 | 0 | 1 | 0 | 1 | 0 | 72,072 | 0 |
| £80,001 + | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 4 | 3 | 5 | 6 | 9 | 9 | 199,644 | 137,031 |

27. External Audit Costs

Fees payable to Mazars LLP in 2023/24 regarding external audit services were:

| | 2023/24 £'000 | 2022/23 £'000 |
|--|------------------|------------------|
| External audit services carried out by the appointed auditor | 184 | 71 |
| Fees payable for other services during the year | 0 | 4 |
| | <u>184</u> | <u>75</u> |

The 2023/24 figure includes £25k for external audit services for the 2022/23 audit.

Included within the 2022/23 figure for external audit services fee are the agreed additional fees of £21k for the 21/22 audit and a reduction of £3k in respect of 2020/21 audit. Additional services were payable of £4k in respect of auditing the Pooling of Capital Receipts return.

28. 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. The disclosure of these transactions allows readers to assess the extent to which there exists the possibility that the Council might have been constrained in its ability to operate independently or might have secured the ability to influence another party's ability to bargain freely with the Council.

a. Central Government

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 transactions that the Council has with other parties (e.g. Council Tax bills, Housing Benefits). Details of major grants received from the Government are set out in Note 9 of the accounts.

b. Members

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' allowances paid in 2023/24 is shown in Note 25.

The Council is jointly responsible for the operation of the Mansfield and District Joint Crematorium Committee, along with Mansfield District Council and Newark and Sherwood District Council. Details of the Council's share of transactions are shown at Note 35. There are three elected Members of the Council who were also Members of the Committee for 2023/24. These are Councillor T Hollis, Councillor H Smith and Councillor C Huskinson.

Payments totalling £344,327 were made to Parish Councils.

- A total of £283,772 was paid to Selston Parish Council, which related to the precept payment.
- A total of £60,555 was paid to Annesley and Felley Parish Council, which related to the precept payment.

During 2023/24, there were seven elected Members of the Council who were also Parish Councillors. Members of Selston Parish Council were Councillor A Gascoyne, Councillor J Gregory, Councillor A Hankin and Councillor D Justice. Members of Annesley and Felley Parish Council were Councillor J Bell, Councillor C Huskinson and Councillor A Meakin.

Related party transactions forms were returned by all Councillors. From the records held by the Council, there is no evidence of any third party relationships which require inclusion.

In all instances where payments are involved, proper consideration of declarations of interest has been given. The relevant Members did not take part in any discussion or decision relating to payments. Details of all transactions are recorded in Register of Members' Interests, which is available for public inspection.

The disclosure note has been prepared using the Council's Register of Members Declarations of Interest and appointments made by the Council in addition to a specific declaration obtained in respect of related party transactions as part of the closure of accounts process.

c. Officers

Senior Officers of the Council have control over the day-to-day management of the Council and all Senior Officers have been asked to declare any related party transactions. All Senior Officers returned the declarations with nothing to declare.

29. Capital Financing Requirement

The total amount of capital expenditure incurred in the year is shown in the table, 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 Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR movement is analysed in the Explanation of Movement in the Year which is at the base of the table below.

| | 2023/24 | 2022/23 |
|--|----------------|-------------------|
| | £'000 | Restated £'000 |
| Opening Capital Financing Requirement | 166,348 | 166,046 |
| Capital Investment | | |
| Operational Assets | 23,637 | 29,396 |
| REFCUS | 5,987 | 3,960 |
| | <u>29,624</u> | <u>33,356</u> |
| Sources of Finance | | |
| Capital Receipts | 1,153 | 2,630 |
| Reserves | 151 | 104 |
| Government Grants and Other Contributions | 12,581 | 17,048 |
| Major Repairs Reserve | 4,369 | 5,253 |
| Minimum Revenue Provision | 2,438 | 2,327 |
| Revenue Contributions | 7,238 | 5,692 |
| | <u>27,930</u> | <u>33,054</u> |
| Closing Capital Financing Requirement | 168,042 | 166,348 |
| Movement in the Year | 1,694 | 302 |
| Explanation of Movement in the Year | | |
| Increase in Underlying Need to Borrow (unsupported by Government Financial Assistance) | 4,132 | 2,629 |
| Minimum Revenue Provision | (2,438) | (2,327) |
| | <u>1,694</u> | <u>302</u> |

30.Assets held as Lessee

The Council has no assets held as a lessee.

31.Assets held as Lessor

a. Finance Leases

The Council has no assets held under finance leases.

b. Operating Leases

With regard to the Council's activity as a lessor, the gross value of assets held for use in operating leases as at 31st March 2024 was £9.471m and as at 31 March 2023 was £9.471m. (No revaluations have been carried out in 2023/24, these properties were subject to revaluation increase of £1.172m in 2022/23). The net book value of these assets is £9.351m in 2023/24 and £9.470m in 2022/23. The difference is due to depreciation charges in year.

The future minimum lease payments receivable under non-cancellable leases in future years are:-

| | 2023/24 £'000 | 2022/23 £'000 |
|-----------------------|------------------|------------------|
| Within 1 Year | 4,314 | 4,608 |
| Between 2 and 5 Years | 12,163 | 14,355 |
| Later than 5 Years | 12,902 | 14,252 |
| | 29,379 | 33,215 |

32. Revaluation Loss

During 2023/24, the Council has recognised revaluation losses as detailed in the following table:

| | 2023/24 £'000 | 2022/23 £'000 |
|--|----------------------|----------------------|
| Revaluation Losses recognised within the surplus or Deficit of the provision of services | <u>15,486</u> | <u>21,507</u> |
| | <u>15,486</u> | <u>21,507</u> |

33. Retirement Benefits

a. Participation in pension schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme administered locally by Nottinghamshire County Council. This is a funded defined benefit final salary scheme, meaning that the Council and the employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

Arrangements for the award of discretionary post-retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

There were no early retirements during the year, which were not allowed for at the previous accounting date.

| | Number | Salaries/ Pensions £'000 | Average Age Current / Former Employees |
|---------------------|--------|--------------------------------|--|
| Active members | 556 | 14,126 | 47 |
| Deferred pensioners | 744 | 1,791 | 50 |
| Pensioners | 812 | 5,055 | 73 |
| Unfunded pensioners | 122 | 279 | 78 |

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. A team within the County Council undertakes day to day administration of the fund. Where appropriate, some functions are delegated to the Fund's professional advisors.

The principal risks to the authority 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 to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies note.

b. Transactions relating to retirement benefits

The costs of retirement benefits are recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

| | 2023/24 £'000 | 2022/23 £'000 |
|---|------------------|------------------|
| Comprehensive Income and Expenditure Statement | | |
| Cost of Services: | | |
| Current service cost | 3,213 | 7,496 |
| Financing and Investment Income and Expenditure | | |
| Net Interest on the defined liability (asset) | 1,170 | 2,798 |
| Administration Expenses | 64 | 55 |
| Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of services | <u>4,447</u> | <u>10,349</u> |
| Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement | | |
| Remeasurement of the net defined benefit liability comprising; | | |
| Return on plan assets in excess of interest | 4,812 | (6,360) |
| Other actuarial gains/(losses) on assets | 0 | (917) |
| Changes in financial assumptions | 2,561 | 92,310 |
| Change in demographic assumptions | 2,231 | 13,538 |
| Experience gain/(loss) on defined benefit obligation | (836) | (10,081) |
| Changes in effect of Asset Ceiling | <u>(2,692)</u> | <u>0</u> |
| Total Post-employment Benefits Charged to the Comprehensive Income and Expenditure Statement | <u>6,076</u> | <u>88,490</u> |
| Movement in reserves Statement | | |
| reversal of net charges made for retirement benefits in accordance with the code | (4,447) | (10,349) |
| Actual amount charged against the General Fund | | |
| Balance for pensions in the year: | | |
| Employers' contributions payable to scheme | 4,931 | 4,816 |
| | <u>484</u> | <u>(5,533)</u> |

Pensions Assets and Liabilities Recognised in the Balance Sheet

| | 2023/24 £'000 | 2022/23 £'000 |
|---|----------------------|----------------------|
| Present value of the Defined benefit obligation | 157,513 | 155,475 |
| Fair Value of the plan assets (bid value) | <u>(142,718)</u> | <u>(131,609)</u> |
| Deficit/ Surplus | 14,795 | 23,866 |
| Present Value of unfunded obligation | 2,764 | 2,945 |
| Impact of Asset Ceiling Change | <u>2,692</u> | <u>0</u> |
| | <u>20,251</u> | <u>26,811</u> |

c. Reconciliation of the Movements in the Fair Value of the Scheme (Plan) Assets:

| | 2023/24 £'000 | 2022/23 £'000 |
|--|-----------------------|-----------------------|
| Opening fair value of Scheme assets | 131,609 | 135,870 |
| Interest on assets | 6,318 | 3,527 |
| Return on assets less interest | 4,812 | (6,360) |
| Actuarial gains and (losses) | 0 | (917) |
| Administration expenses | (64) | (55) |
| Employer contributions | 4,931 | 4,816 |
| Contributions by scheme participants | 1,102 | 1,001 |
| Benefits paid | <u>(5,990)</u> | <u>(6,273)</u> |
| Closing fair value of Scheme assets | <u>142,718</u> | <u>131,609</u> |

d. Reconciliation of Present Value of the Scheme Liabilities

| | 2023/24 £'000 | 2022/23 £'000 |
|--|------------------|------------------|
| Opening Defined Benefit Obligation | 158,420 | 245,638 |
| Current service cost | 3,213 | 7,141 |
| Interest cost | 7,488 | 6,325 |
| Change in financial assumptions | (2,561) | (92,310) |
| Change in demographic assumptions | (2,231) | (13,538) |
| Experience loss/(gain) on defined benefit obligation | 836 | 10,081 |
| Liabilities Assumed/ (extinguished) on settlements | 0 | 0 |
| Benefits paid (net of transfers in) | (5,727) | (6,020) |
| Past Service Cost including curtailments | 0 | 355 |
| Contributions by scheme participants | 1,102 | 1,001 |
| Unfunded pension costs | (263) | (253) |
| Closing Defined Benefit Obligation | 160,277 | 158,420 |

e. Pension Scheme Assets Comprise

| | 31st March 2024 | | 31st March 2023 | |
|------------------|-----------------|----------------|-----------------|----------------|
| | £'000 | | £'000 | |
| Equities | 86,309 | 60.48% | 76,709 | 58.29% |
| Gilts | 3,417 | 2.39% | 2,721 | 2.07% |
| Other Bonds | 7,080 | 4.96% | 7,795 | 5.92% |
| Property | 15,172 | 10.63% | 15,620 | 11.87% |
| Cash | 8,592 | 6.02% | 6,887 | 5.23% |
| Inflation-linked | 7,260 | 5.09% | 6,643 | 5.05% |
| Infrastructure | 10,318 | 7.23% | 10,344 | 7.86% |
| Private Equities | 4,570 | 3.20% | 4,890 | 3.72% |
| | 142,718 | 100.00% | 131,609 | 100.00% |

The detail of the assets as at 31 March 2024, representing the percentages of the total Fund held in each asset class.

| Asset Breakdown | | % Quoted | % Unquoted |
|--------------------------------------|-----------------------------|-----------------|-------------------|
| Fixed Interest Government Securities | UK | 2.0% | |
| Index Linked Government Securities | UK | 1.0% | |
| Corporate Bonds | UK | 1.0% | |
| | Overseas | 5.0% | |
| Equities | UK | 17.0% | |
| | Overseas | 41.0% | |
| Property | All | | 11.0% |
| Others | Private Equity | | 3.0% |
| | Infrastructure | | 8.0% |
| | Unit Trust Inflation Linked | | 5.0% |
| | Credit | | 3.0% |
| | Cash/Temporary Investments | | 3.0% |
| Total | | 67.0% | 33.0% |

f. Basis for estimating assets and liabilities

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 County Council Fund liabilities have been assessed by Barnett Waddingham, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 31st March 2022.

The principal assumptions used by the actuary were:

| | 2023/24 | 2022/23 |
|--|---------|---------|
| Mortality assumptions: | | |
| Longevity at 65 for current pensioners: | | |
| Men | 20.4 | 20.7 |
| Women | 23.3 | 23.5 |
| Longevity at 65 for future pensioners: | | |
| Men | 21.7 | 22.0 |
| Women | 24.7 | 25.0 |
| Financial Assumptions: | | |
| Increase in Retail Price Index | 3.25% | 3.15% |
| Increase in Consumer Price Index | 2.90% | 2.90% |
| Rate of increase in salaries | 3.90% | 3.90% |
| Rate of increase in pensions | 2.90% | 2.90% |
| Rate for discounting scheme liabilities | 4.90% | 4.80% |

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 assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

| | £'000 | £'000 | £'000 |
|--|---------|---------|---------|
| Adjustment to discount rate: | +0.1% | 0.0% | -0.1% |
| Present value of total obligation | 157,868 | 160,277 | 162,745 |
| Projected service cost | 2,961 | 3,061 | 3,165 |
| Adjustment to long term salary increase | +0.1% | 0.0% | -0.1% |
| Present value of total obligation | 160,467 | 160,277 | 158,009 |
| Projected service cost | 3,063 | 3,061 | 3,059 |
| Adjustment to pension increases & deferred revaluation | +0.1% | 0.0% | -0.1% |
| Present value of total obligation | 162,601 | 160,277 | 158,009 |
| Projected service cost | 3,166 | 3,061 | 2,959 |
| Adjustment to mortality age rating assumption | +1 Year | None | -1 Year |
| Present value of total obligation | 166,665 | 160,277 | 154,164 |
| Projected service cost | 3,173 | 3,061 | 2,953 |

Projected Pension Expense for year to 31 March 2025

| | £'000 |
|---|--------------|
| Service Costs | 3,061 |
| Net Interest on the defined liability (asset) | 875 |
| Administration Expense | 64 |
| Total | <u>4,000</u> |
| Employer contribution | 4,568 |

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

34. Contingent Assets and Liabilities

a. Insurance

The Independent Insurance Company was the Council's Liability Insurer between 1992 and 1998 and was forced into liquidation in 2001. As at 31st March 2024, there were no outstanding claims against the Council. As the Independent Insurance Company no longer exists, the costs will fall to the Council once individual claims are settled.

In September 1992, Municipal Mutual Insurance (MMI), the Council's former insurers, ceased accepting new business. MMI and its policyholders including local authorities established a "scheme of arrangement" for the orderly run down of the company. The Council has paid to date a levy during the scheme of arrangement of £143k. The estimated full liability after the levy payment is £430k. The level provided for in the reserve, in relation to full potential liability, is as advised by the insurance brokers. The adequacy of the reserve is reviewed annually, taking this into account.

b. Housing Repairs Contractor

During 2023/24, the Council's main Housing Repairs contractor entered administration and ceased trading. At 31st March 2024, the Council estimated it was withholding a contract valuation sum of up to £560k, which it is possible could be offset against a bond held by the Council to a maximum of £460k. The winding up of the contractor is in progress at the date of publication and the Council's liability cannot be estimated with any certainty.

c. Disrepair Claims – Housing Properties

At 31st March 2024, the Council was aware of 35 disrepair cases relating to Housing Revenue properties. It is not possible to anticipate the outcome of these or, if the Council is liable, the financial liability to the Council from any award of compensation to the tenant and legal and surveyor fees.

d. Bridges, Tunnels and Water Courses

Issues have been raised regarding bridges, tunnels and water courses on rights of way in the District, which the Council may be liable to rectify. The legal documentation available in connection with these sites is unavailable. Initial inspections of 3 bridges have been undertaken which raised safety concerns. Where appropriate, sites have been closed to the public. This has resulted in a full inspection of all such sites recommended, the findings of which could result

in a significant financial liability to the Council depending on legal ownership being confirmed. At present, this cannot be estimated with certainty.

35. Joint Crematorium Committee

The Council's share (currently 48.00% share) of income, expenditure, assets and liabilities in respect of the Joint Crematorium Committee is as follows;

| | 2023/24 £'000 | 2022/23 £'000 |
|--|--------------------------------|--------------------------------|
| Gross Income | (979) | (943) |
| Gross Expenditure | 559 | 552 |
| Net (Surplus)/Deficit | <u>(420)</u> | <u>(391)</u> |
| | | |
| Total Assets at Year End | 2,166 | 1,878 |
| Total Liabilities at Year end | (504) | (547) |
| Net Assets at Year End | <u>1,662</u> | <u>1,331</u> |
| | | |
| | 2023/24 | 2022/23 |
| | £'000 | £'000 |
| Pension Values Included Within Assets & Liabilities | | |
| Long Term Liability - Pension | (50) | (128) |
| Pension Reserve | 50 | 127 |
| | <u>0</u> | <u>(1)</u> |

The Joint Crematorium is a member of the Local Government Pension Scheme. The Council's share above includes Pension Liabilities of £50k (£128k 2022/23).

36. Nature and Extent of Risks Arising from Financial Instruments

a. Credit Risk

Credit risk arises from deposits with banks and other financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised by an investment policy which requires that deposits are not made with financial institutions unless they meet minimum standards. It also imposes a maximum amount which can be invested with each financial institution.

The credit criteria in respect of financial assets held by the Council are as detailed below:

| Financial Asset Category | Criteria | Maximum Investment |
|--|--|-----------------------|
| Deposits with banks & building societies | We are guided by the rating agencies and credit default swap data. Please refer to the Council's Treasury Management Strategy. | £5m per counter-party |

The following analysis summarises the Council's potential exposure to credit, based on experience of default and failure to collect over the last five financial years, adjusted to reflect current market conditions.

| | Amount at 31st March 2024 | Historical Experience of default | Historical experience adjusted for market conditions at 31st March 2024 | Estimated maximum exposure to default and uncollectibility |
|--|---------------------------|----------------------------------|---|--|
| | £'000 | % | % | £'000 |
| Deposits with banks and financial institutions | 219,810 | 0.0 | 0.04 | 88 |
| Bonds | 0 | 0.0 | 0.0 | 0 |
| Customers - Sundry Debtors | 1,048 | 15.83 | 5.0 | 52 |
| Housing Benefit Overpayments | 1,562 | 50.0 | 50.0 | 781 |
| Housing Benefit Overpayment Clawback | 261 | 25.0 | 25.0 | 65 |

The Council does not allow credit for its customers and at the 31st March 2024, £2.609m was due for payment. The past due amount can be analysed by age as follows:

| | 31st March 2024 | 31st March 2023 |
|--------------------|------------------------|------------------------|
| | £'000 | £'000 |
| Less than 2 months | 470 | 1,468 |
| 2 to 6 months | 205 | 1,400 |
| 6 to 12 months | 108 | 95 |
| More than 1 year | 1,826 | 1,747 |
| | 2,609 | 4,710 |

b. Liquidity Risk

The Council manages its cash flow on a daily basis to ensure that cash is available as needed. If unexpected movements happen, the Council has ready access to borrowings from the money markets and the Public Works Loans Board. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Council will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates.

An analysis of the long term borrowings included in the balance sheet is shown below:

| | Ranges of Interest Rates Payable | Carrying Amount | |
|-------------------------|---|------------------------|------------------------|
| | | 31st March 2024 | 31st March 2023 |
| | % | £'000 | £'000 |
| Source of Loan | | | |
| Public Works Loan Board | 1.73% to 9.25% | 56,602 | 57,811 |
| Money Market | 3.76% to 5.75% | 31,124 | 34,148 |
| | | 87,726 | 91,959 |
| Maturity Within: | | | |
| Less than a year | 4.625% | 1,248 | 4,262 |
| 1-2 years | 4.50%-4.625% | 2,783 | 4,031 |
| 2-5 years | 4.75%-9.25% | 1,207 | 9,090 |
| 5-10 years | 2.6%-4.75% | 15,928 | 8,044 |
| More than 10 years | 1.73% - 4.75% | 66,560 | 66,532 |
| | | 87,726 | 91,959 |

c. Market Rate Risk

The impact of a general rise in interest rates of one percent at 31st March 2024 is minimal for the Council with regards to interest payable and carries no risk on interest receivable. This is due to most borrowings being on fixed rate terms. However, the fair value of financial liabilities would decrease. This is a memorandum item only and does not change the Balance Sheet or other accounts.

d. Price Risk

The Council does not invest in equity shares and is not a shareholder in any businesses. The Council is not exposed to any losses arising from movements in the price of shares.

e. Foreign Exchange Risk

The Council has no financial assets or liabilities that are denominated in foreign currency and therefore has no exposure to gains or losses arising from movements in exchange rates.

37. Trust Funds

The Council acts as custodian trustee for a number of Trusts.

The Teversal Community Centre and Recreation Ground Trust exists for the provision and maintenance of a community centre and recreation ground for the use of the inhabitants of Teversal, Stanton Hill, Skegby and the neighbourhood thereof. Over the past few years, the Trust has incurred deficits and is working with the Council on a restructure.

The Council is also sole trustee for three recreation charities, for which no separate bank account exists. These are:

- Sutton-in-Ashfield Recreation Grounds;
- Kirkby-in-Ashfield Recreation Ground, Lord Francis Park;
- Skegby Recreation Ground.

In each case, the value of the parcels of land is low as they are parts of larger recreational areas, which cannot be used for any other purpose. At present, there is no valuation of the land areas attributable to the Trusts. There are no other assets or liabilities relating to the three Trusts.



SUPPLEMENTARY FINANCIAL STATEMENTS

Housing Revenue Account – Income and Expenditure Statement

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. Councils 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 HRA Statement.

| | 2023/24 | 2022/23 |
|---|-----------------|-----------------|
| | £'000 | £'000 |
| Income | | |
| Dwelling Rents (gross) | (27,771) | (25,668) |
| Non-dwelling Rents (gross) | (136) | (140) |
| Charges for Services and Facilities | (489) | (307) |
| Contribution Towards Expenditure | (95) | (98) |
| Total Income | (28,491) | (26,213) |
| Expenditure | | |
| Repairs and Maintenance | 8,693 | 8,761 |
| Supervision and Management | 5,123 | 5,122 |
| Rents, Rates, Taxes and other charges | 167 | 131 |
| Depreciation and impairments of fixed assets | 17,491 | 14,297 |
| Debt Management Costs | 38 | 43 |
| Contribution to the Bad Debt Provision | 172 | 177 |
| Total Expenditure | 31,684 | 28,531 |
| Net Cost of HRA Services as included in the whole authority Comprehensive Income & Expenditure Account | 3,193 | 2,318 |
| HRA share of Corporate and Democratic Core | 93 | 89 |
| Net Cost of HRA Services | 3,286 | 2,407 |
| Interest payable and similar charges | 3,547 | 3,547 |
| Interest and investment income | (2,197) | (867) |
| (Surplus) or deficit for the year on HRA services | 4,636 | 5,087 |

Statement of Movement on the HRA Balance (SMB)

| | 2023/24 £'000 | 2022/23 £'000 | Note |
|---|------------------|------------------|--------|
| Balance on the Housing Revenue Account at the end of the previous year | (43,344) | (42,969) | |
| (Surplus) or deficit for the year on the HRA Income and Expenditure Account | 4,636 | 5,087 | |
| Adjustments between accounting basis and funding basis under statute | | | |
| Items included in the HRA Income and Expenditure Account but excluded from the movement on the HRA Balance for the year | | | |
| Accumulated Absences Account | (77) | (19) | |
| IAS 19 Pension Adjustment | 409 | (647) | |
| Impairment of fixed assets charged to HRA | (12,781) | (10,245) | |
| Net (Increase) or decrease in the HRA Balance before transfers to or from reserves: | | | |
| Transfer to/from Revenue Grants Reserve | 9 | 20 | Note 7 |
| Transfer to/from Eco Funding Reserve | 0 | (20) | Note 7 |
| Transfer to/from Insurance Reserve | 33 | (20) | Note 7 |
| Transfer to/from HRA Technology Investment | 0 | 0 | Note 7 |
| Transfer to/from HRA Corporate Change Reserve | 0 | (193) | Note 7 |
| Transfer to/from HRA Welfare Reform Reserve | (50) | (30) | Note 7 |
| Capital expenditure funded by the HRA | 7,237 | 5,692 | Note 5 |
| Transfer to the Capital Adjustment Account | 0 | 0 | |
| Net additional amount required by statute to be debited or (credited) to the HRA balance for the year | (5,220) | (5,462) | |
| Increase or Decrease in the year to the Housing Revenue Account Balance | (584) | (375) | |
| Balance Carried forward | (43,928) | (43,344) | |

Notes to the Housing Revenue Account

1. The number and types of dwellings in the housing stock

| | As at 31st March 2024 Number | As at 31st March 2023 Number |
|---------------------------------|------------------------------------|------------------------------------|
| Houses and bungalows | 4,426 | 4,382 |
| Low rise flats | 1,731 | 1,719 |
| Medium rise flats | 522 | 522 |
| Total Dwellings | 6,679 | 6,623 |
| | | |
| Garages and Garage Plots | 1,148 | 1,188 |

2. Housing stock valuations

| Description | As at 31st March 2024 £'000 | As at 31st March 2023 £'000 |
|--------------------------------|-----------------------------------|-----------------------------------|
| Operational assets | | |
| - Council Dwellings | 289,936 | 274,706 |
| - Other land and buildings | 2,372 | 2,141 |
| - Vehicles Plant and Equipment | 1,016 | 869 |
| - Assets Under Construction | 698 | 5,197 |
| - Assets Held for Disposal | 0 | 179 |
| Total | 294,022 | 283,092 |

3. Vacant Possession Value of Council Dwellings

| | As at 31st March 2024 £'000 | As at 31st March 2023 £'000 |
|---------------------------------------|-----------------------------------|-----------------------------------|
| Market value - Vacant possession | 690,324 | 654,062 |
| Existing use value for social housing | 289,936 | 274,706 |
| Difference | 400,388 | 379,356 |

The 'difference' between the market value and the Balance Sheet value for dwellings represents the economic cost to the Government of providing Council housing at less than open market rents. The vacant property adjustment factor for the East Midlands is 42%.

4. Major Repairs Reserve

During 2001/02, the Council established a Major Repairs Reserve. The reserve is utilised to fund capital expenditure on Council properties.

| | As at 31st March 2024 £'000 | As at 31st March 2023 £'000 |
|--------------------------------------|--|--|
| Balance brought forward | 0 | (1,200) |
| Financing of HRA Capital Expenditure | 4,369 | 5,253 |
| Less Depreciation | (4,710) | (4,053) |
| Balance Carried Forward | (341) | 0 |

5. Capital Expenditure

| | 2023/24 £'000 | 2022/23 £'000 |
|---------------------------------|--------------------------|--------------------------|
| Operational assets | | |
| Dwellings | 12,806 | 12,373 |
| Other land and buildings | | 0 |
| Vehicles, Plant and Equipment | 401 | 16 |
| Work in Progress | 9 | 4,961 |
| Total Operational Assets | 13,216 | 17,350 |
| Funded by: | | |
| Capital receipts and grants | 1,610 | 6,405 |
| Contributions from Revenue | 7,237 | 5,692 |
| Major Repairs Reserve | 4,369 | 5,253 |
| Total Funding | 13,216 | 17,350 |

6. Capital Receipts from Disposal of Assets

| | 2023/24 £'000 | 2022/23 £'000 |
|-----------------------------|--------------------------|--------------------------|
| Disposal of dwellings | 1,181 | 2,609 |
| Total from Disposals | 1,181 | 2,609 |

7. HRA Earmarked Reserves

| | Balance at 31st March 2024 | Movements in Year | Balance at 31st March 2023 | Movements in Year | Balance at 31st March 2022 |
|------------------------------|----------------------------------|----------------------|----------------------------------|----------------------|----------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| HRA Revenue Grants | (54) | (9) | (45) | (20) | (25) |
| HRA Eco-Funding | (243) | 0 | (243) | 20 | (263) |
| HRA Insurance | (157) | (33) | (124) | 20 | (144) |
| HRA Technology Investment | (26) | 0 | (26) | 0 | (26) |
| HRA Corporate Change | 0 | 0 | 0 | 193 | (193) |
| HRA Welfare Reform | (90) | 50 | (140) | 30 | (170) |
| | (570) | 8 | (578) | 243 | (900) |

Eco-Funding Reserve

This was established to help fund future carbon saving or renewable energy works.

HRA Insurance Reserve

To fund new in-year claims and increases to the insurance provision. Such movements are not budgeted for as this is based upon claims received and settled during the period.

HRA Technology Investment Reserve

To fund the upgrading of out-of-date technology and the introduction of new technology to support the move to digital delivery of services and improve customer experience and to support the move to more agile working.

HRA Corporate Change Reserve

To provide the finance injection to fund emerging commercial services (including business development support). It is also to fund changes in service delivery through service reviews, including redundancy costs to enable that change to take place. This reserve was fully utilised in 2022/23.

HRA Welfare Reform Reserve

To support and react to the high volume of issues raised by the welfare reforms and to help mitigate the impact of the changes on the Council.

8. Depreciation in the year ending 31st March

| | 2023/24 £'000 | 2022/23 £'000 |
|----------------------------|------------------|------------------|
| Operational assets | | |
| - Dwellings and garages | 4,472 | 3,813 |
| - Other land and buildings | 51 | 77 |
| - Vehicles | 187 | 163 |
| Total | 4,710 | 4,053 |

9. Impairment

A desktop valuation of all Council Dwellings was undertaken at 31st January 2024, which has resulted in £16.1m being credited to the Revaluation Reserve. The valuation has required that £13.1m of Capital Expenditure be impaired.

10. Pension Contribution

A contribution of £353k has been made for 2023/24 to the back-funding costs relating to employees within Housing Services.

11. Rent Arrears

| | As at 31st March 2024 £'000 | As at 31st March 2023 £'000 |
|--------------------------------|-----------------------------------|-----------------------------------|
| Current tenants | 443 | 424 |
| Former tenants | 466 | 417 |
| Total rent arrears | 909 | 841 |
| Deduct - Credit Loss Allowance | (463) | (399) |
| Net arrears | 446 | 442 |
| Overpayments | (753) | (640) |
| Total arrears | (307) | (198) |

Collection Fund

| | 2023/24 £'000 | 2022/23 £'000 |
|--|------------------|------------------|
| INCOME | | |
| Income from Council Tax | 79,691 | 75,754 |
| Transitional Protection - Council Tax | 0 | 0 |
| Contributions to previous year estimated deficit: | | |
| Ashfield District Council | 0 | 0 |
| Nottinghamshire County Council | 0 | 0 |
| Nottinghamshire Police and Crime Commissioner | 0 | 0 |
| Nottinghamshire Fire and Rescue Authority | 0 | 0 |
| | 0 | 0 |
| Income Collectable from Business Ratepayers | 45,831 | 38,756 |
| Transitional Protection - NDR | | |
| Contributions to previous year estimated deficit: | | |
| Ashfield District Council | 99 | 751 |
| Nottinghamshire County Council | 22 | 169 |
| Nottinghamshire Fire and Rescue Authority | 2 | 19 |
| Central Government | 123 | 940 |
| | 246 | 1,879 |
| Total Income | 125,768 | 116,389 |
| EXPENDITURE | | |
| <u>Council Tax Precepts and Demands</u> | | |
| Nottinghamshire County Council | 59,343 | 55,986 |
| Nottinghamshire Police and Crime Commissioner | 9,268 | 8,658 |
| Nottinghamshire Fire and Rescue Authority | 3,084 | 2,880 |
| Ashfield District Council | 6,927 | 6,656 |
| Parish Councils | 345 | 312 |
| | 78,967 | 74,492 |
| Distribution of previous year estimated surplus: | | |
| Ashfield District Council | 36 | 39 |
| Nottinghamshire County Council | 287 | 308 |
| Nottinghamshire Police and Crime Commissioner | 44 | 48 |
| Nottinghamshire Fire and Rescue Authority | 15 | 16 |
| | 382 | 411 |
| <u>Business Rates:</u> | | |
| Payment to Ashfield District Council | 18,316 | 15,300 |
| Payment to Nottinghamshire County Council | 4,121 | 3,443 |
| Payment to Nottinghamshire Fire and Rescue Authority | 458 | 382 |
| Payment to Central Government | 22,896 | 19,125 |
| | 45,791 | 38,250 |

| | | |
|---|----------------|----------------|
| Transitional Protection - NDR | | 6 |
| Costs of Collection | 153 | 151 |
| Renewable Energy Disregard | 24 | 21 |
| <u>Bad and Doubtful Debts & Provisions:</u> | | |
| Council Tax Write Offs | 189 | 113 |
| Council Tax Provisions | 206 | 209 |
| NDR Write Offs | 326 | 201 |
| NDR Provisions | 371 | (139) |
| Change in Appeals provision requirement | 580 | 448 |
| Total Expenditure | 126,989 | 114,163 |
| Movement on Fund Balance - Council Tax | 53 | (529) |
| Movement on Fund Balance - NDR | 1,168 | (1,697) |
| Opening Balance - Council Tax | (1,012) | (483) |
| Opening Balance - NDR | 1,025 | 2,722 |
| Closing Balance - Council Tax | (959) | (1,012) |
| Closing Balance - NDR | 2,193 | 1,025 |
| Balance at 31st March | 1,234 | 13 |

Notes to the Collection Fund

1. General

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities such as Ashfield District Council 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 (NDR).

2. Business Rates Retention

With effect from 1st April 2013, the Business Rates Retention scheme was introduced. These arrangements provide a direct link between business rates growth and the amount of money local authorities have to spend on services. Local authorities can keep a proportion of the business rates collected in their area after certain contributions to the Government have been made.

Under the current system of business rates retention, NDR income is distributed between Central Government (50%), Ashfield District Council (40%) less a tariff amount paid to central government, Nottinghamshire County Council (9%) and Nottinghamshire Fire and Rescue Authority (1%).

As part of the business rates retention scheme, all local authorities were given the opportunity to work with neighbouring and partner authorities to develop a bid to become a local authority business rate "pool". Ashfield is part of the Nottinghamshire NDR pool, which is administered by Nottinghamshire County Council. Member authorities are treated as a single authority for the purpose of certain calculations under the business rates retention scheme. The advantage of a pool is to potentially generate additional business growth through collaborative working and to smooth out the impact of volatility in business rates income across a wider economic area.

3. Income from Business Ratepayers

NDR is paid by businesses. Central Government specifies an annual rate in the pound (51.2p in 2023/24 for businesses with a rateable value (RV) of greater than £51k and 49.9p for businesses with a RV of less than £51k) and local businesses pay an annual NDR bill calculated by multiplying the RV of their premises by this annual rate; there are reliefs for small businesses, charities etc. The Council is responsible for collecting the NDR income and then distributing to Central Government and Preceptors.

Non-domestic rateable value on the Revenue's accounting system as at 31st March 2024 was £114.1m (£100.5m in 2022/23). The NDR income collectable in 2023/24, after reliefs but before accounting adjustments was £45.831m (£38.756m in 2022/23).

4. Council Tax

The Council set a Band D Council Tax of £201.21 for the financial year 2023/24. When taking into account parish precepts, the equivalent average Council Tax is £211.21.

The Council tax base, which is used in the tax calculation, is based on the number of chargeable dwellings in each valuation band, adjusted for dwellings where exemptions or discounts apply, converted to an equivalent number of Band D dwellings.

The tax base for the year was 34,428.3 as shown below.

| | Total Net No. of Dwellings | Ratio to Band "D" | Band "D" Equivalent s |
|-------------------------------------|-------------------------------|----------------------|-----------------------------|
| Disabled Persons Relief | 49.5 | 5/9 | 27.5 |
| Band "A" | 20,301.1 | 6/9 | 13,534.1 |
| Band "B" | 9,846.9 | 7/9 | 7,658.7 |
| Band "C" | 7,943.1 | 8/9 | 7,060.5 |
| Band "D" | 3,939.7 | 1 | 3,939.7 |
| Band "E" | 1,405.8 | 11/9 | 1,718.2 |
| Band "F" | 475.1 | 13/9 | 686.2 |
| Band "G" | 105.1 | 15/9 | 175.2 |
| Band "H" | 9.5 | 2 | 19.0 |
| Total | 44,075.7 | | 34,819.0 |
| Less Provision for Bad Debts | | | 390.7 |
| Council Tax Base for 2023/24 | | | 34,428.3 |

The Band D Council Tax, including parish precepts, is calculated as follows:

| | |
|--|-------------------|
| Council requirement from the Collection Fund | <u>£7,271,645</u> |
| Divided by Council Tax Base | 34,428.3 |
| Equals Band D equivalent | £211.21 |

5. Distribution of the Collection Fund Balance

The distribution of the Collection Fund balance based upon the actual position is shown in the tables below.

a. Council Tax Balance Distribution – Surplus

| | 2023/24 £'000 | 2022/23 £'000 |
|---|--------------------------------|--------------------------------|
| Nottinghamshire County Council | (720) | (760) |
| Nottinghamshire Police and Crime Commissioner | (113) | (118) |
| Nottinghamshire Fire and Rescue Authority | (38) | (39) |
| Ashfield District Council | (88) | (94) |
| | <u>(959)</u> | <u>(1,011)</u> |

b. NDR Balance Distribution - Deficit

| | 2023/24 £'000 | 2022/23 £'000 |
|---|--------------------------------|--------------------------------|
| Nottinghamshire County Council | 197 | 92 |
| Nottinghamshire Fire and Rescue Authority | 22 | 10 |
| Ashfield District Council | 877 | 410 |
| Central Government | 1,097 | 512 |
| | <u>2,193</u> | <u>1,024</u> |

The surplus or deficit on the Collection Fund consists of two elements:-

- Council Tax: - the surplus or deficit of this element is distributed between the Council (as billing authority), Nottinghamshire County Council, Nottinghamshire Police and Crime Commissioner and Nottinghamshire Fire and Rescue Authority based on estimates of the year-end balance on 15th January each year. Any remaining surplus or deficit will be carried forward to the following year and will influence the level of Council Tax to be raised for that year.
- NDR: - the surplus or deficit of this element is distributed between the Council (as billing authority), Nottinghamshire County Council, Nottinghamshire Fire and Rescue Authority and Central Government on proportions outlined in the Business Rates Retention scheme, based on estimates of the year-end balance on 31st January each year. Any remaining surplus or deficit will be

carried forward to the following year and will influence the level of NDR to be raised for that year.

However, as part of the Covid-19 support measures, the regulations were amended to allow the 2020/21 in-year deficit for both Council Tax and NDR to be spread over 2021/22 to 2023/24 rather than impacting in full in the following year.

The Covid-19 support measures also included a 75% Taxation Income Guarantee Compensation scheme to fund the losses on Council Tax and NDR. This funding was moved to an earmarked reserve (see note 22) in 2020/21 to be released to fund the deficit as it is charged back to general fund in 2021/22 to 2023/24.

6.Collection Fund Adjustment Account

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

| | 2023/24 £'000 | 2022/23 £'000 |
|--|--------------------------------|--------------------------------|
| Balance at 1 April | 317 | 1,043 |
| Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements | 5 | (48) |
| Amount by which NDR income credited to the Comprehensive Income and Expenditure Statement is different from NDR income calculated for the year in accordance with statutory requirements | 467 | (678) |
| Balance at 31 March | 789 | 317 |

ANNUAL GOVERNANCE STATEMENT 2023/24



Ashfield

DISTRICT COUNCIL

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Introduction

Ashfield District Council is responsible for ensuring that its business is conducted in accordance with the law and proper accounting standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

As part of the arrangements for preparing the Annual Statement of Accounts, the Council is required by law to undertake an annual review

of the effectiveness of its system of internal control and produce an Annual Governance Statement. Good practice requires that such a statement should extend beyond a narrow focus on financial controls to cover the way in which the Council determines what its local community wants and needs; decides how those requirements are to be met; and ensures that it delivers what is required without wasting public money.

What is Corporate Governance?

Corporate governance is part of the overall control framework and contributes to the Council's robust governance arrangements.

Good corporate governance ensures organisations are doing the right things in the correct manner in an open, honest, inclusive and accountable way. Good governance leads to good management, performance and outcomes. It ensures the Council delivers the visions and priorities set out in its Corporate Plan.

Ashfield District Council is committed to good corporate governance. The Council has a framework of policies and procedures in place which collectively make up its governance arrangements.

The Council has adopted a Local Code of Corporate Governance which sets out the Council's arrangements and is based on the guidance "Delivering Good Governance in Local Government" published by CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) in 2016. The CIPFA/SOLACE guidance identifies seven core principles and various sub principles.

The seven core principles are detailed on page 4 and are also used as the framework for assessing the effectiveness of the Council's governance arrangements.

The Council's governance framework aims to ensure that in conducting its business it:

- Operates in a lawful, open, inclusive and honest manner
- Makes sure that public money is safeguarded, properly accounted for and used efficiently, effectively and economically
- Has effective arrangements for the management of risks
- Secures continuous improvements in the way that it operates.

The governance framework comprises the culture, values, systems and processes by which the Council is directed and controlled. The framework brings together an underlying set of legislative requirements, good practice principles and management processes.

A key part of the governance framework is the system of internal control: this is designed to manage the risk of failure to achieve policies, aims and objectives to a level which the Council has determined as acceptable. The effectiveness of internal control is subject to regular review by both external and internal audit and the Annual Report of Internal Audit for 2023/24 provides an opinion on the effectiveness of the internal control system over the year ending 31st March 2024.

The principles of good Governance

The Council aims to achieve good standards of governance by:

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

How the Council works

The Council consists of 35 elected Councillors. The way the Council operates is prescribed by its Constitution which sets out the roles and responsibilities of the Council, Cabinet, Committees and other Groups and specifies the powers and duties that are delegated to those bodies and to individual Councillors and Officers. The Constitution is subject to regular review and is updated to ensure compliance with legal and regulatory requirements and conformance to recognised good practice.

The Council has determined that a Cabinet made up of the Leader and Executive Lead Members should have the power to discharge all Executive functions. The role of the Council and its Regulatory Committees (such as Planning and Licensing Committees) is set out in the Constitution. The Council has also established a Principal Select Committee and two Select Committees to carry out its Overview and Scrutiny function with the power to review decisions made. The Audit Committee provides assurance as to the adequacy of the Council's risk management framework and control environment and scrutinises the Council's financial performance and reporting.

The Standards and Personnel Appeals Committee has been established to promote and maintain high standards of conduct by Members and Officers.

During 2022 the Local Government Association supported the Chief Executive in carrying out a Decision-Making Accountability (DMA) Review. DMA is a methodology which supports organisational design. DMA is used to identify efficient and cost-effective organisational structures for the future. It is a robust, proven framework to help diagnose and design healthy management hierarchies. The DMA review took into account the Council's 5 year Strategic Direction and new streams of work including Devolution, Climate Change, Physical Regeneration projects such as Towns Fund, UK Shared Prosperity Fund (UKSPF) and Levelling Up, and changes to Social Housing Regulations. The DMA review identified how the Council can maximise its ability and organisational structures to deliver these ambitious projects both now and into the future. The DMA review also provided an opportunity to align functions and to improve synergy between service areas.

The DMA Review informed a review of senior management structures and the Chief Executive implemented a revised structure during late 2022 / early 2023. The roles of the Directors were revised and renamed Executive Directors. The roles of third tier managers were also revised and are now consistently entitled Assistant Directors and collectively now referred to as the Corporate Leadership Team (CLT).

During 2023/2024 the management of the Council was the responsibility of the Chief Executive (Head of Paid Service) supported by the Strategic Leadership Team (SLT). SLT comprises four Executive Directors for Governance, Operations, Transformation and Place, each reporting directly to the Chief Executive.

Each Executive Director deputises in the absence of the Chief Executive according to delegations of responsibility from the Chief Executive. The Executive Director, Governance is also the Monitoring Officer. The Corporate Resources Director is the appointed Chief Financial Officer (Section 151 Officer) and is also a member of SLT.

The Strategic Direction for the Council was reviewed and updated in March 2022. The Council's vision and ambition for the District are clearly identified in a set of Corporate Priorities which are presented in the Corporate Plan which supports the development of annual service plans for all individual services. A new Corporate Plan was adopted in 2023. The Corporate Plan was approved at Cabinet on 18 September 2023. A robust project management approach is in place to ensure successful delivery of the Corporate Plan through programme and project management. The Council has established a Performance Management Framework: clear performance targets are set for each Service and performance achieved is subject to regular monitoring using objective performance indicators.

Service Performance is monitored regularly by the Chief Executive at Performance Boards. Employees receive an annual Personal Development Review linked to a competency framework.

A Budget and Policy Framework has been established to ensure that budget and policy decisions are taken in an appropriate manner and the Medium Term Financial Strategy (MTFS) – supported by robust budgeting and budgetary control arrangements – ensures that the Council's financial position is sustainable and that a balanced budget is set each year.

The Council's Risk Strategy sets out the way in which risks are identified, evaluated and managed. Risk Registers are maintained and reviewed by CLT, Cabinet and Audit Committee to ensure that appropriate and timely action is taken to deal with the risks that have been identified. The Corporate Risk Strategy, Risk Register and Risk Appetite Framework were approved at Audit Committee and Cabinet in March 2022 and a further update was reported to Cabinet in June 2023 and February 2024. The Central Midlands Audit Partnership (CMAP), on behalf of the Council, carries out a programme of audits annually to provide assurance about the effectiveness of risk management, control and governance processes. A Fraud Risk Register is in place to identify and mitigate against potentially fraudulent activities the Council may be the victim of and was extensively reviewed and updated during 2023/24. The Fraud Risk Register is monitored on a quarterly basis; there are no high-level fraud risks identified.

The role of the Chief Financial Officer in Ashfield District Council

CIPFA published a Statement in 2010 on the 'Role of the Chief Financial Officer in Local Government'. It identifies the five key principles that define the core activities and behaviours of the role and the

organisational arrangements to support them. The table below explains how the Council's arrangements comply with the statement.

| Key Principle | Council's Arrangements |
|--|--|
| <p>The CFO in a public service organisation is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest.</p> | <ul style="list-style-type: none"> • The Roles and Responsibilities of the Strategic Leadership Team (SLT) are set out in job descriptions. These were updated as part of the DMA review undertaken in 2022/23. A new job description was put in place for the Corporate Resources Director (formerly Corporate Finance Manager) and Section 151 Officer (CRD) role in February 2023. • The CRD reports to the Executive Director, Transformation and is also a member of the SLT. Monthly meetings also take place between the Chief Executive and CRD. • An up to date scheme of delegation exists; for financial year 2023/24 this was confirmed by Annual Council in May 2023 and for 2024/25 at the Annual Council in May 2024. • The Authority's governance arrangements allow the CRD to bring influence to bear on all material business decisions, and has direct access to all SLT members, the Audit Committee, CMAP (internal audit partners) and External Audit. • The CRD manages the Finance Team (which also includes Treasury Management, Creditors, Rent Accounting and Insurance functions, Strategic Procurement, Commercial Development and Anti-Fraud). It is considered that such responsibilities still enable the role to have a clear focus on financial management particularly since the introduction of the Chief Accountant post in March 2018. Through the DMA process the role of Chief Accountant has been renamed Financial Services Manager (FSM). • SLT receive regular updates on the MTFS, budget monitoring and year end outturn. The CRD ensures that their knowledge and awareness of financial issues is up to date through regular briefings. Three of the four Principal Accountants have each been allocated specific Directorates in order to provide direct support and challenge when necessary. One Principal Accountant has responsibility for Capital and Treasury Management. The four Principal Accountants report directly to the FSM. The Service Manager, Commercial Development reports directly to the CRD. • By having the above measures in place, the CRD is able to contribute to the effective leadership and corporate management of the Council. The CRD leads the development of the MTFS and annual budget process to ensure financial sustainability. |

| Key Principle | Council's Arrangements |
|---|--|
| <p>The CFO in a public service organisation must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy.</p> | <ul style="list-style-type: none"> • The Council has a medium term business and financial planning process to deliver the Council's strategic objectives, including a MTFs, a 30 year Housing Revenue Account (HRA) Business Plan, an annual budget process and regular and timely monitoring of budget performance. • Professional advice on decisions which have financial implications is provided by the Finance Team and is included in every report. In addition, accountants work with budget holders in advance of major decisions to ensure that the financial implications are accurate and well understood. • The CRD assesses the adequacy of reserves, and a Reserves Policy was introduced as part of the Financial Regulations update in May 2018. The latest review informed the assurance given in the 2024/25 Annual Budget and Council Tax Setting report to Council on 4 March 2024. • Timely, accurate and impartial information is provided to decision makers, which helps to ensure effective stewardship of public money and that the Council achieves the objectives it has set out in its Corporate Plan. • The Council maintains a prudential financial framework which is reported on three times each year, to ensure that its commitments remain within its available resources. • An appropriate accounting system is in place, and through this system regular financial monitoring reports are produced for Officers and Members. The Council is currently implementing a new core financial system and its core functionality will be fully operational by no later than July 2024. |

Key Principle

Council's Arrangements

The CFO in a public service organisation must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

- The CRD is responsible for ensuring that appropriate advice is given on all financial matters, for keeping financial records, and for maintaining an effective system of financial control.
- Systems and processes for financial administration, financial control and protection of the Council's resources are well designed. Such arrangements are subject to independent risk based auditing by Internal Audit. The Council's Internal Audit arrangements are provided by Central Midlands Audit Partnership. The Monitoring Officer is responsible for ensuring an effective Internal Audit function is in place.
- The Annual Governance Statement includes all the Council's significant governance issues.
- Annual accounts are published on a timely basis and are presented by the CRD to Cabinet, Audit Committee and senior officers.
- The Council has an Audit Committee. Comprehensive Member training took place in July 2023 following the May 2023 District Council Elections. The training was delivered by Central Midlands Audit Partnership. Treasury Management training was provided by Link Asset (Treasury Management Advisors) in November 2023.
- The Council has received positive Value for Money conclusions/ reports since 2009/10.
- Financial competencies are embedded in person specifications and staff appraisals.
- The Finance Team lead initiatives to improve non-financial managers' understanding of finance.
- Financial training is provided for elected Members as required. Financial Management training was rolled out to Members and relevant Officers after the May 2023 Elections. Key financial updates have been provided to Members linked to the setting of the 2024/25 Budget. Local Government Finance training was provided to all Members on 15 May 2023 following the District Council Elections.
- An independent Financial Health Check was carried out by the Local Government Associations (LGA) in 2022/23 which concluded that the Council "is well managed financially."

| Key Principle | Council's Arrangements |
|---|---|
| <p>The CFO must lead and direct a finance function that is resourced to be fit for purpose.</p> | <ul style="list-style-type: none"> • The Finance function has the resources, expertise and systems to perform its role effectively. As part of implementation of the new Core Finance system, additional temporary resource has been made available to the team to ensure a successful implementation. Additional project management and technical resource has also been made available to the digital services team to support an effective implementation. Ensuring the required expertise is in place will also require constant review in light of the innovative projects which are being explored. • All the Finance staff within the Council report via the FSM to the CRD. |
| <p>The CFO must be professionally qualified and suitably experienced.</p> | <ul style="list-style-type: none"> • The CRD is a CIMA qualified accountant (2002) with over 20 years post-qualification Local Government experience who has previously undertaken the role of Deputy Section 151 Officer at this Council. The CRD has been S151 Officer at this Council for 6 years. • He has wide ranging senior local government finance experience, gained from employment at two other authorities, including the role of Director of Service Finance for a period of 5 years and Chief Finance Manager for a period of 6 years. • His role is well understood by Members and Officers throughout the Council. |

The role of the Monitoring Officer in Ashfield District Council

The Council is required to ensure it has in place effective arrangements for the discharge of the statutory Monitoring Officer Function.

The Constitution sets out the statutory role and functions of the Monitoring Officer and recognises that the Council must ensure the Monitoring Officer has access to sufficient resources in order to undertake the role.

The Executive Director, Governance is appointed by Council to be the Monitoring Officer. The Executive Director, Governance has 15 years' experience of acting as the Monitoring Officer for the Council and is a qualified Solicitor with 25 years post-qualification experience in Local Government. The Monitoring Officer is a member of SLT and is directly line managed by the Chief Executive.

The Executive Director, Governance has sufficient resources available including suitable Deputy Monitoring Officer provision. The Monitoring Officer and Deputies attend appropriate training each year.

The Monitoring Officer is responsible for ensuring an effective Internal Audit function is in place and is lead Chief Officer for both the Audit Committee and Standards and Personnel Appeals Committee.

How does the Council review the effectiveness of its Governance framework?

The initial review of the effectiveness of the Council's governance framework was conducted by the Council's Executive Director, Governance (Monitoring Officer).

To inform the initial review process:

- The Strategic Leadership Team carried out a Corporate Assurance Assessment
- Each Executive Director provided a Statement of Assurance
- The Council's Chief Financial Officer (S151 Officer) was consulted
- The Constitution review, performance reporting and risk management arrangements were taken into account
- The findings reported by External Audit and other external review bodies were considered
- The work of Internal Audit and other internal assurance providers were also considered.

The results of the review work were formulated into a draft Governance Statement during March and April 2024. The SLT reviewed the draft Governance Statement and considered whether the improvements proposed represented an appropriate and proportionate response to the significant governance issues identified.

The draft Governance Statement, modified to reflect the views of SLT, was then considered by Members of the Council's Audit Committee. The Executive Director, Governance (Monitoring Officer) then finalised the Annual Governance Statement in readiness for the close of accounts. A draft Statement of Accounts (including the Annual Governance Statement) will be completed by the end of May 2024. The Annual Governance Statement will be considered for formal approval as part of the Statement of Accounts by the Council's Audit Committee at its meeting in July 2024.

How do we know our arrangements are working?

Review of Effectiveness 2023/24

- The Council has assessed itself against the key criteria for good corporate governance by undertaking a Corporate Assurance Assessment. A score of 89% or “good” was recorded. The Council will continue to work on identified areas to ensure further improvements are made. Ongoing improvements and significant issues are recorded later in this statement.
- Key changes, developments and achievements during 2023/2024 have been reviewed against our Corporate Plan and Local Code of Corporate Governance to assess compliance and a brief summary is set out in Appendix 1.
- The current Local Code of Corporate Governance was reviewed and approved by Audit Committee in November 2023.
- The Council has assessed whether the key areas identified in the 2022/2023 Annual Governance Statement have been delivered and an update is set out on pages 12–17.
- The CIPFA Financial Management Code requires the Council to carry out a self-assessment against the requirements of this Code. An introductory report was presented to the Audit Committee in July 2021 and the self-assessment was presented to the Audit Committee in October 2021. The self-assessment demonstrated that the Council has processes in place to comply with each of the 6 Principles (Organisational Leadership, Accountability, Transparency, Standards, Assurance, Sustainability). An action plan was put in place to strengthen the compliance position further. The self-assessment and action plan was reviewed and reported to Audit Committee in November 2023.
- As a result of the review work undertaken the Council’s governance arrangements are deemed to be good and are fit for purpose.

Internal audit opinion 2023/24

Central Midlands Audit Partnership (CMAP), who provide internal audit services to the Council, has provided its opinion for 2023/24. Based on the work undertaken during the year, CMAP is able to give an opinion that the Council has a “satisfactory system of internal control” (the highest level of assurance opinion which can be given).

Their full report will be presented to the Council’s Audit Committee in July 2024.

An external assessment of conformance with the Public Sector Internal Audit Standards (PSIAS) was carried out during September 2022. The overall assessment concluded that CMAP “generally conforms with the Public Sector Internal Audit Standards”. CMAP compare favourably with peer groups in the local government and private sector. A report regarding the PSIAS was presented to Audit Committee in November 2022.

Progress regarding improvement actions identified in 2023/2024

| Improvement Actions 2023/24 | Progress Made During 2023/24 |
|---|--|
| <p>Digital Transformation Programme</p> | <p>ONGOING</p> <p>Remains ongoing as per rolling Digital Services Transformation (DST) Road Map and Programme Implementation Plan up to 2026/27. The Road Map and Implementation Plan have been revised following engagement and consultation with the Strategic Leadership Team, Corporate Leadership Team, and Cabinet.</p> <p>Recognising increasing importance of DST in supporting delivery of customer experience and corporate priorities, a dedicated Assistant Director, Digital role was added to the Establishment and subsequent recruitment was successful in 2023. A new service area for Digital has been created, integrating Digital and IT Services.</p> <p>The Digital Transformation Programme is aligned to the Council's Service Review Programme. An assessment of benefits realised through the Digital Transformation Programme, cashable and cost avoidance, is completed on an annual basis.</p> |
| <p>Review and Refresh the People Strategy</p> | <p>COMPLETED</p> <p>A refreshed Organisational Development Strategy and Action Plan 2024 – 2027 has been developed and implemented.</p> |
| <p>New Corporate Plan 2023 - 2027</p> | <p>COMPLETED</p> <p>The new Corporate Plan 2023 –2027 was approved by Cabinet in September 2023, and later endorsed by Council in September 2023. This is underpinned by a detailed Delivery Plan.</p> |
| <p>Review of Communication and Engagement Strategy and Protocols</p> | <p>ONGOING</p> <p>Review of the Communication Strategy completed during 2023 and approved through both SLT and CLT. As a corporate project, work is being undertaken to review and refresh the Community Engagement Strategy and Toolkit.</p> |

| Improvement Actions 2023/24 | Progress Made During 2023/24 |
|---|--|
| Housing Peer Challenge Key Actions | <p>COMPLETED</p> <p>The implementation of key actions from the LGA Housing Peer Challenge is being tracked within a collated Outstanding Key Recommendations Action Plan working document. Progress towards each action is reported regularly to the Strategic Leadership Team and Cabinet.</p> |
| Customer/ Resident Surveys | <p>COMPLETED</p> <p>A District-wide resident survey was introduced and completed in 2023. Work is being undertaken to finalise consideration of the outputs from the survey and follow up with face to face focus groups with our Citizens Panel. A Tenants' Survey was also carried out during 2023, where feedback is being used to guide service delivery.</p> |
| Culture and Governance Review | <p>COMPLETED</p> <p>Internal Audit carried out reviews in relation to the effectiveness of Audit Committee and the Members' Code of Conduct. The outcomes of the reviews have been formulated into improvement plans for completion during 2024/2025.</p> |

Progress regarding significant issues identified in 2023/2024

| Significant Issues 2023/24 | Progress Made During 2023/24 |
|---|--|
| <p>Financial Sustainability</p> <p>There remains significant uncertainty about the level of Central Government funding from 2023/24 linked to the implementation of Local Government Finance Reform which the Government has confirmed will not be until 2025/26 at the earliest. Every Local Authority faces this uncertainty.</p> <p>The MTFS update approved by Council in March 2023 as part of the 2023/24 Annual Budget and Council Tax Setting Report reflects the priorities as set out in the Corporate Plan and may require refinement once the future financial landscape becomes clearer.</p> <p>An MTFS update will be produced in the Autumn/Winter 2023/24 and will reflect the Autumn 2023 Spending Round announcement and any financial implications arising from the new Corporate Plan which will be prepared following the District Council Elections in May 2023.</p> <p>The Council does have robust reserves which will assist in transitioning to revised levels of central government funding whilst at the same time identifying and implementing 'Options for Change' to assist with addressing the Council's future financial challenges. The Council's General Reserve at the 31st March 2023 was £9.234m; £7.884m above the minimum required balance as set out in the Council's Constitution.</p> | <p>Following another one-year Financial Settlement there again remains significant uncertainty about the level of Central Government funding from 2025/26 linked to the implementation of Local Government Finance Reform, the timing of which may be clarified once the outcome of the General Election is known. Every Local Authority faces this uncertainty.</p> <p>The Medium Term Financial Strategy update approved by Council in March 2024 as part of the 2024/25 Annual Budget and Council Tax Setting Report reflects the priorities as set out in the Corporate Plan 2023-2027 and may require refinement once the future financial landscape becomes clearer.</p> <p>The Council does have robust reserves which will assist in transitioning to revised levels of central government funding whilst at the same time identifying and implementing 'Options for Change' to assist with addressing the Council's future financial challenges. The Council's General Reserve at the 31st March 2024 was £9.999m; £8.649m above the minimum required balance as set out in the Council's Constitution.</p> |

Significant Issues 2023/24

Anti-Fraud and Data Matching and National Fraud Initiative

The Council must continue to develop and embed its corporate approach to anti-fraud (including data matching).

Realignment of the function will enable the Council to create greater operational resilience and improve capacity to identify and deal with suspected fraudulent activity.

The Anti-Fraud Officer Working Group will continue to deliver the action plan which was developed to better meet the Government's functional standard.

The Council will consider how it can create greater operational resilience and improve capacity to identify and deal with suspected fraudulent activity.

Progress Made During 2023/24

The Council continues to develop and embed its corporate approach to Anti-Fraud (including Data Matching).

The Anti-Fraud Officer Working Group will continue to develop and deliver an action plan to better meet the Government's functional standard.

To ensure appropriate operational resilience and resource levels the Council's arrangements regarding Anti-Fraud and Data Matching were considered as part of the Decision Making Accountability work undertaken by the Local Government Association during 2022/23.

The responsibility for Anti-Fraud has, following a transition, now moved to the Corporate Resources Director's remit to enable operational resources to be allocated to lead on the workstream.

In 2023 all Nottinghamshire Councils engaged external support through NEC to identify fraud and error in respect of Council Tax Single Person Discounts (SPD's). Over 20,000 records were checked for Ashfield with 1,376 SPD's being removed increasing the available revenue to the Council by over £187k.

In 2023 the Council also conducted an Empty Homes Review on 860 properties in advance of implementing its new Council Tax Premium Policy to ensure the accuracy of records prior to processing the new increased premium.

Progress in relation to this work stream continues and a meeting has been set up with accredited anti-fraud specialists to identify whether external specialist support may be beneficial to the Council.

Significant Issues 2023/24

Progress Made During 2023/24

Local Plan

The Council has agreed to progress the Local Plan which will provide for certainty of housing for 10 years. Given the direction of travel by Government in relation to the green belt and in acknowledgement of local opposition to two new settlements it has been agreed to progress the Local Plan without the two new settlements originally proposed.

Work has progressed on the evidence base, and a meeting held with the Planning Inspectorate.

A new Local Plan Development Scheme will be finalised in June 2023 with the new administration.

It is expected that a draft plan will be consulted on in autumn 2023.

The Local Development Scheme (LDS) was approved by the Council in August 2023 and reconfirmed by Cabinet in January 2024. The Council is on track with the timetable for the development of the Local Plan set out in the LDS. The last round of public consultation (Regulation 19) was carried out from December 2023 to January 2024. Following analysis of the consultation responses, the draft Local Plan was submitted to the Secretary of State in April 2024.

Planning Appeals

Following Internal Audit work during the 2021/22 a risk was identified relating to the planning appeal overturn level which was monitored during 2022/23.

Department for Levelling Up, Housing and Communities requirements specifies that at 10% a Council's Planning process may be placed in special measures. A process has been agreed to provide quarterly updates to the Leadership Team when the percentage is over 8%. Officers have regularly reported to the Leadership Team on the appeals risk during 2022/23.

Member training will be provided to all new Members in May 2023. The position reported in March 2023 was 8.5%.

Monitoring and reporting will continue.

Officers continue to monitor the number of planning appeals on a regular basis to ensure the Council remains within the Government target. In March 2024, the planning appeal overturn level was reported at 0%, meaning the risk of the Council being placed in special measures is currently significantly reduced. Officers continue to work closely with Planning Committee Members to ensure they have the necessary support and training to undertake their roles effectively.

Regeneration and Funding c.£76m Plus Match and Co-Funding

- Towns Fund
- Future High Streets Fund
- Levelling Up Fund
- UK Shared Prosperity Fund

This includes the Local Assurance Framework developed from D2N2's funding programme.

The flagship project of the programme – the ADMC (Automated Distribution and Manufacturing Centre) is being reviewed by DLUHC (Department for Levelling Up, Communities and Housing) due to its high value (£20m Towns Fund).

Six monthly monitoring returns are submitted to DLUHC for each of the four funds.

The Levelling Up Funds Local Authority Assurance Framework sets out the annual cycle of assurance for grant recipients and the Chief Finance Officer is required to submit an assurance letter annually to confirm that the framework is being adhered to.

Reports are taken to the Discover Ashfield (DA) Board every six weeks and to the Council's Strategic Leadership Team and Leadership team, as well as bi-monthly to the internal Regeneration Board.

The DA Board acts as the Town Deal Board (for Towns Fund) and as the local partnership group for the UK Shared Prosperity Fund.

The Council's regeneration programmes continue to be implemented in line with agreed business cases and plans. Progress is monitored through 6 weekly update reports to the Discover Ashfield (DA) Board and quarterly reports to Cabinet and Council. This is in addition to monitoring reports which are required to be submitted to the Government on a regular basis (frequency depending on the specific terms of the funding agreement).

In the last year, the Council has been successful in securing further regeneration funding through the Long-Term Plan for Towns programme. This requires a specific partnership board for Kirkby to be established to oversee the actions and funding. Work to establish this new Board is underway and on track with the funding requirements set by the Government.

Announced in March 2024, the Council secured a further £9.2million funding for Hucknall as part of the Levelling Up Fund Round 2 application. This additional funding will be managed as part of the Council's wider regeneration programme for the District.

Improvement actions

As part of the Council's drive to continuously improve its existing governance framework to meet changing conditions, the following actions have been identified to take place during 2024/2025:

| Improvement Action for 2024/25 | Lead Officer(s) | Target Date |
|---|---|--------------------------|
| <p>Digital Transformation Programme</p> <p>Remains ongoing as per rolling Digital Services Transformation (DST) Road Map and Programme Implementation Plan up to 2026/27. The Road Map and Implementation Plan have been revised following engagement and consultation with the Strategic Leadership Team, Corporate Leadership Team, and Cabinet.</p> <p>Recognising increasing importance of DST in supporting delivery of customer experience and corporate priorities, a dedicated Assistant Director, Digital role was added to the Establishment and subsequent recruitment was successful in 2023. A new service area for Digital has been created, integrating Digital and IT Services.</p> <p>Digital transformation opportunities will continue to be identified through our Service Review Programme.</p> | <p>Executive Director, Transformation & Assistant Director, Digital</p> | <p>Ongoing</p> |
| <p>Equalities Review</p> <p>This includes:</p> <ul style="list-style-type: none"> • Implementation of an Equalities, Diversity and Inclusion Policy • Implementation of an Equalities, Diversity and Inclusion Action Plan • Establishment of an Equalities, Diversity and Inclusion Monitoring Group | <p>Assistant Director, Legal</p> | <p>March 2025</p> |
| <p>Review and refresh of Corporate Procurement Strategy</p> <p>The Corporate Procurement Strategy will be reviewed to comply with the newly introduced Procurement Act 2023. Secondary legislation is currently being developed and it is expected that the Procurement Act will be live at the end of October 2024, at which point the Procurement Strategy will be refreshed.</p> | <p>Corporate Resources Director (Section 151 Officer)</p> | <p>March 2025</p> |
| <p>Review and refresh of Community Engagement Strategy and Toolkit</p> <p>A corporate project will be undertaken to review and refresh the Community Engagement Strategy and associated Toolkit.</p> | <p>Executive Director, Place</p> | <p>March 2025</p> |

Significant governance issues

While the effectiveness review and other developments during the year demonstrate that corporate governance arrangements and the internal control framework are fit for purpose and effective, as part of continuing efforts to improve governance arrangements the following significant governance issues have been identified for improvement during 2024/2025.

| Key Improvement Area for 2024/25 | Lead Officer(s) | Target Date |
|---|--|----------------|
| <p>Financial Sustainability</p> <p>Following another one-year Financial Settlement there again remains significant uncertainty about the level of Central Government funding from 2025/26 linked to the implementation of Local Government Finance Reform, the timing of which may be clarified once the outcome of the General Election is known. Every Local Authority faces this uncertainty.</p> <p>The Medium Term Financial Strategy update approved by Council in March 2024 as part of the 2024/25 Annual Budget and Council Tax Setting Report reflects the priorities as set out in the Corporate Plan 2023–2027 and may require refinement once the future financial landscape becomes clearer.</p> <p>The Council does have robust reserves which will assist in transitioning to revised levels of central government funding whilst at the same time identifying and implementing ‘Options for Change’ to assist with addressing the Council’s future financial challenges. The Council’s General Reserve at the 31st March 2024 was £9.999m; £8.649m above the minimum required balance as set out in the Council’s Constitution.</p> | Corporate Resources Director (Section 151 Officer) | Ongoing |

| Key Improvement Area for 2024/25 | Lead Officer(s) | Target Date |
|--|---|-----------------------|
| <p>Anti-Fraud and Data Matching and National Fraud Initiative</p> <p>The Council continues to develop and embed its corporate approach to Anti-Fraud (including Data Matching).</p> <p>The Anti-Fraud Officer Working Group will continue to develop and deliver an action plan to better meet the Government’s functional standard.</p> <p>To ensure appropriate operational resilience and resource levels the Council’s arrangements regarding Anti-Fraud and Data Matching were considered as part of the Decision Making Accountability work undertaken by the Local Government Association during 2022/23.</p> <p>The responsibility for Anti-Fraud has, following a transition, now moved to the Corporate Resources Director’s remit to enable operational resources to be allocated to lead on the workstream.</p> <p>Progress in relation to this work stream continues and a meeting has been set up with accredited anti-fraud specialists to identify whether external specialist support may be beneficial.</p> | <p>Corporate Resources Director (Section 151 Officer)</p> | <p>Ongoing</p> |
| <p>Local Plan</p> <p>The Local Development Scheme (LDS) was approved by the Council in August 2023 and reconfirmed by Cabinet in January 2024. The Council is on track with the timetable for the development of the Local Plan set out in the LDS. The last round of public consultation (Regulation 19) was carried out from December 2023 to January 2024. Following analysis of the consultation responses, the draft Local Plan was submitted to the Secretary of State in April 2024.</p> | <p>Executive Director, Place & Assistant Director, Planning</p> | <p>Ongoing</p> |

| Key Improvement Area for 2024/25 | Lead Officer(s) | Target Date |
|--|---|-----------------------|
| <p>Regeneration Funding, including co-funding of over £132m</p> <p>Regeneration Funding, including co-funding of over £132m</p> <ul style="list-style-type: none"> • Towns Fund • Future High Streets Fund • Levelling Up Fund • UK Shared Prosperity Fund • Long-term Plan for Towns <p>Monitoring returns are submitted to DLUHC for each of the funds every three to six months as per programme requirements.</p> <p>The Levelling Up Funds Local Authority Assurance Framework sets out the annual cycle of assurance for grant recipients and the Chief Finance Officer is required to submit an assurance letter annually to confirm that the framework is being adhered to.</p> <p>Reports are taken to Cabinet every two to three months, to the Discover Ashfield (DA) Board every six weeks and to the Council's Leadership Team and Corporate Leadership team, as well as bi-monthly to the internal Regeneration Board. Reports are also taken to the Kirkby Town Board which was set up in April to oversee delivery of the Kirkby Long-term Plan.</p> <p>The DA Board acts as the Town Deal Board (for Towns Fund) and as the local partnership group for the UK Shared Prosperity Fund.</p> <p>Announced in March 2024, the Council secured a further £9.2million funding for Hucknall as part of the Levelling Up Fund Round 2 application. This additional funding will be managed as part of the Council's wider regeneration programme for the District.</p> | <p>Executive Director, Place & Assistant Director, Regeneration</p> | <p>Ongoing</p> |

| Key Improvement Area for 2024/25 | Lead Officer(s) | Target Date |
|---|--------------------------------|----------------|
| <p>Social Housing Regulation</p> <p>The Council must now comply with the Social Housing (Regulation) Act 2023 which includes a number of regulatory and statutory requirements including evidencing compliance with four new consumer standards and the rent standard (with new standards anticipated in the near future). These are part of wider reforms by Government in response to the Grenfell Tower tragedy, intended to strengthen the accountability of social landlords for providing safe homes and quality services, and treating tenants with fairness and respect, including hearing the tenant’s voice in service development and decision making.</p> <p>The Regulator of Social Housing (RSH) has set out a number of Tenant Satisfaction Measures which the Council is required to collect/monitor and publish annually, along with submitting to the Regulator.</p> <p>The Housing Ombudsman Services’ Complaint Handling Code requires the Council to carry out an annual self-assessment against the requirements of this Code and complaint performance report, which should be published and reported to the Ombudsman.</p> <p>Regulatory compliance will be monitored through a co-regulatory approach, supported by a routine inspection regime. The RSH will conduct routine inspections of all social housing landlords at least every 4 years, from April 2024, with short notice inspections for serious concerns. Data quality and confidence will be key to demonstrating regulatory compliance.</p> <p>Action plans are in place which sets out the work required. A further gap analysis is being undertaken to determine what additional work/evidence is required, including works to increase the number of ‘involved tenants’ engaging with the Council to develop housing services.</p> <p>Regular reports are taken to Cabinet, the Council’s Strategic Leadership and Corporate Leadership Teams.</p> <p>Monitoring and reporting will continue.</p> | Executive Director, Operations | Ongoing |

The review of the Council's governance arrangements demonstrates that these are fit for purpose but to ensure continuous improvement, areas have been identified which require further work.

We propose over the coming year as set out above to further enhance the Council's governance arrangements and will monitor their implementation as part of our annual review.



Theresa Hodgkinson,
Chief Executive



Councillor Jason Zadrozny,
Leader of the Council

Appendix 1 – the Governance Framework and Review of Effectiveness putting the principles into effect

PRINCIPLE A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

How Does the Council Achieve This?

The Council set out its Purpose in the Corporate Plan 2023-2027 which are:

- The Council exists to serve the communities and residents of Ashfield
- We will provide good quality, value for money services
- We will act strategically and plan for the future, working with others to bring about sustainable improvements in people's lives

The Council's values, as set out in the new Corporate Plan are:

- People Focussed
- Honest
- Proud
- Ambitious

The Council has identified the following priorities:

- Health and Happiness
- Homes and Housing
- Economic Growth and Place
- Cleaner and Greener
- Safer and Stronger
- Innovate and Improve

The Key Projects, Programmes and Initiatives set out in the Corporate Plan reflect these values and priorities and the Council's Budget and Performance frameworks monitor how the Council performs against them.

The new Corporate Plan 2023 –2027 was approved by Cabinet in September 2023, and later endorsed by Council in September 2023. The Corporate Plan will be refreshed at regular intervals.

Councillors and Officers are both guided by codes of conduct which have been agreed by Council. The Officer Code was updated in May 2023 and has been well communicated and understood throughout the organisation.

The Members' Code of Conduct was reviewed during 2020/21 by the Standards and Personnel Appeals Committee. The revised Code was adopted at the Council AGM in May 2021. The new Code incorporates elements of the Local Government Association's Model Code. The Council's Standards and Personnel Appeals Committee takes an active lead role in upholding standards and investigating any complaints made against Members. A number of complaints have been received during the year.

Members and Officers are required to complete Register of Interests forms and to disclose gifts and hospitality.

Members and Officers are reminded about this requirement at least annually. The Members' Gifts and Hospitality Register is published and refreshed guidance was issued following a review by the Standards and Personnel Appeals Committee. The Committee also receives an update regarding any declarations of gifts and hospitality at each meeting.

The Chief Executive, the Strategic Leadership Team, and Senior Officers continually lead by example and promote the Council's priorities and values.

The Chief Executive personally addresses colleagues on key matters such as budgets and key organisational change issues. The Chief Executive speaks to senior and middle managers as part of the Corporate Leadership Team / Extended Leadership Team, allowing two-way dialogue on all key issues. An all-staff conference was held during in December 2022.

The Employee Survey was carried out during 2022. The results of the Employee Survey had extremely positive outcomes with upwards trends across the majority of themed areas. 80% of those who responded said they are proud to work for the Council. Areas for improvement highlighted by the Employee Survey have been channelled via the Cross Council Working Together Group into specific improvement projects which are being progressed.

The Constitution is regularly updated, and a review is carried out annually.

A suite of Anti-Fraud and Corruption Policies and Procedures are in place which were reviewed in February 2020 and March 2022 by the Audit Committee. A "Governance" hub is available on the intranet and the Council's website which contains links to these policies and a wider range of governance documents, such as the Constitution.

The Anti-Fraud and Corruption Officer Working Group with clear terms of reference oversees the Council's approach to fraud and corruption and reports to SLT and Audit Committee. The Fraud Risk Register is reviewed at each meeting of the Working Group and there are currently no high level fraud risks.

The Council's Whistleblowing Policy is reviewed annually, and the Audit Committee and the Standards and Personnel Appeals Committee receive reports regarding the way complaints received under the policy have been dealt with.

The Council has adopted a Modern Slavery and Human Trafficking Transparency Statement and Policy Statement which are reviewed annually. At its meeting in November 2019, the Council agreed to adopt the Co-operative Party's Charter against Modern Slavery ensuring that the Council's procurement practices do not support slavery. The Council adopted a Domestic Abuse Policy and a Hate Crime Policy in November 2022 and in February 2023 the Cabinet approved an Anti-Social Behaviour Policy.

A number of Council services are provided externally and these are reviewed with strong partner engagement and contract management.

Each of the statutory officers is able to operate with the appropriate independence; the organisational culture respects and supports their integrity and provides the staffing arrangements to support their work.

A Member/Officer Protocol informs the relationship between Officers and Members.

PRINCIPLE B - Ensuring openness and comprehensive stakeholder engagement

How Does the Council Achieve This?

The Council operates in an open and transparent way, and takes the vast majority of its decisions in public meetings at Council, Cabinet and Committees. The Constitution encourages debate around key decisions and Council meetings include the scope for questions from Councillors and members of the public.

The Council consults widely with internal and external stakeholders on key policy changes in accordance with its agreed policies. The Cabinet approved the Community Engagement Strategy in July 2020 with a planned refresh during 2024/25.

The Council has a well-developed approach to working with partners to achieve Corporate Plan outcomes. Mapping of our partnership working and networking has identified, organisation wide, significant levels of partner engagement. Co- location with the DWP and police partners has provided a positive impact leading to better ways of dealing with complex cases. Officers and the police hold bi-weekly Neighbourhood Tasking meetings.

A wide variety of communication methods are used to seek the views of different stakeholders. The Council's magazine "Ashfield Matters" is produced four times a year. The Council continues to develop its use of social media channels such as Facebook, X (formerly known as Twitter) and YouTube, to promote Council campaigns, provide information to residents and businesses, deal with customer enquiries and engage with local communities. The Council's accessible Website was launched in Autumn 2020. Ashfield 24/7, the digital platform for residents to access the Council, was launched in February 2022.

Senior Managers continue to meet with the Trade Unions on a regular basis to actively engage and consult on employee related issues.

The Place Enhancement Programme continues to develop ways to improve the public perception of the District and promote the area. As part of this Programme, the Discover Ashfield Board, which is independently chaired by a local business leader, meets regularly. The Board was responsible for creating and launching the "Discover Ashfield" brand. A "Discover Ashfield – New Narrative" was approved at Cabinet in December 2022.

Considerable engagement and consultation has taken place with partners and stakeholders in relation to the development of the schemes for the Future High Streets Fund and the Towns Fund.

Discover Ashfield acts as the Town Deal Board and provides oversight of the project programme including signing off business cases before submission to Government for approval of funding.

The public was extensively consulted during 2021, 2023, and 2024 regarding the draft Local Plan and the Hucknall Town Centre Masterplan during 2022.

Regeneration officers have created a Business Support Directory.

An initial Tenant Satisfaction Survey was carried out during 2022 to establish a base line position of tenant perception of housing services, ahead of such a survey being formally undertaken in 2023 as a regulatory requirement. A resident survey was also re-introduced in 2023 and was carried out between August and October 2023. The Citizens Panel is currently being re-launched with an initial face to face focus group scheduled for end May 2024.

PRINCIPLE C - Defining outcomes in terms of sustainable economic, social, and environmental benefits

How Does the Council Achieve This?

The Corporate Plan sets out clearly the outcomes to which the Council is committed. It continually checks the deliverability of these outcomes against the available resources and for this purpose both the Corporate Plan and the Medium Term Financial Plan are reviewed.

The Council's performance indicators and its Corporate Scorecard and Place Scorecard are considered regularly by senior management, Principal Select Committee and Cabinet. These Key Performance Indicators (KPI's) were recently reviewed in alignment with the new Corporate Plan.

A new 'Knowledge Hub' has also been developed which captures key performance and data to enable organisational understanding of Ashfield as a place and the organisations performance. This has been built in powerbi dashboards and is available organisation wide.

Comprehensive and regular dialogue, on priorities, performance and financial planning take place between the Cabinet and SLT, with the result that the Council is able to shape its ambitions around the resources available to it, and its partners. Long-term impacts of decisions are forecast using the Council's Weighted Benefit Model for individual projects, and the Medium Term Financial Strategy for the whole of the Council's services; the MTFs was updated and approved by Council in February 2024. The Treasury Management Strategy and Related Policy Statements were approved at Audit Committee and Cabinet in February 2024. The Council's updated Capital Strategy, Commercial Property and Investment Strategy and Commercial Property Indicators were approved at Audit Committee and Cabinet in February 2024 before approval at

Council in March 2024. The LGA carried out an independent financial health check during December 2021 which was very positive and demonstrated the Council has robust policies and processes in place; the report was published as part of a report to Cabinet in February 2022 and Council in March 2022.

The Council's Corporate and Fraud Risks are identified and recorded in registers and regularly monitored through SLT, Cabinet and Audit Committee. The Corporate Risk Strategy, Risk Register and Risk Appetite Framework were approved at Audit Committee and Cabinet in March 2022. Corporate Risk is regularly reported to Cabinet and Audit Committee. The Council's Risk Management processes received a reasonable assurance during a recent internal audit review.

In November 2023, Cabinet was presented with an overview of the Office for Local Government (Oflog) and recently updated Best Value Guidance. A new Best Value self-assessment framework has been developed by the Policy and Performance function to enable the Council to understand its alignment against the updated Best Value framework.

In accordance with the Council's Social Value Policy, from January 2023 to December 2023, social value measured and delivered was £234,336. The total committed social value was £327,252.95 and the progress against target (delivered on commitment) stood at 71.61%. Included in the total was local spend which was £119,000 and spend with Micro and Small and Medium size enterprises was £74,000. Additionally, £24,361 was related to local employment. A number of large projects were commenced late in 2023 and have not been delivered against therefore the next reporting period will capture the delivery of social value for those projects.

Since 2021 where the Council has measured and monitored social value delivered through Social Value Portal's platform, the Council has delivered approximately £2.5m in social value which represents a 14.17% return on social value achieved to date.

The updated Social Value Policy was approved by Cabinet in February 2023.

During 2020/21 the Council also adopted the Ashfield Health and Wellbeing Partnership Strategy 2021-25 and the Environmental Charter.

PRINCIPLE D - Determining the interventions necessary to optimise the achievement of the intended outcomes

How Does the Council Achieve This?

The Council's interventions which aim to achieve its Corporate Plan objectives are planned through a number of Programme Boards or are monitored as a regular agenda item at directorate management team meetings. The current programme boards are:-

- Regeneration
- Commercial Investment Working Group
- Digital Programme Board
- Demand and Resource Planning
- Discover Ashfield
- Health and Well Being
- Service Review Programme Board
- Social Housing Regulatory Board

Where relevant, Project Boards sit underneath these boards, working specifically on key projects.

The programme boards consider the merits of a range of projects for achieving the aims of the Corporate Plan, whilst also monitoring progress and endorsing change and improvement proposals.

The Strategic Leadership Team considers the priority order for new projects, and their affordability in the context of the Medium Term Financial Strategy.

The Council's performance framework is fully aligned to the Corporate Plan and Corporate Priorities. Through the 'golden thread', service planning incorporates operational performance aligned to the Corporate Priorities and individual performance objectives are also aligned. Delivery of the Corporate Priorities is regularly monitored and reported, whilst operational performance is also reviewed regularly through the Council's Performance Boards. The Council's has also developed our own version of the Oflog Data Explorer within the new 'Knowledge Hub' to enable organisation wide access to benchmarking data.

PRINCIPLE E - Developing the entity's capacity, including the capability of its leadership and the individuals within it

How Does the Council Achieve This?

The Leader and Chief Executive have clearly defined roles. Regular meetings between senior managers and Executive Lead Members allow for timely discussion of emerging policies and issues, and overviews of strategic developments such as the budget and MTFS.

Comprehensive training programmes are in place for officers and Members; this Learning and Development programme is shared between Ashfield and Mansfield as part of the Human Resources Shared Service. Working between the two organisations gives valuable insights into different approaches to organisational management and development. A whole staff conference took place in December 2022 and staff recognition awards were held in January 2024.

The Leadership Development Framework was reviewed as part of the implementation of the Decision-Making Accountability Review and subsequent structure and role review for SLT and CLT. In addition, a new leadership development programme will be rolled out in 2024/25 for Service Managers across the organisation.

The Members' Development Strategy was revised by the Standards and Personnel Appeals Committee in December 2021, and

later in October 2023. Mandatory training has been identified and incorporated into the Code of Conduct. A comprehensive Member Induction programme to ensure new and returning Members are well equipped for their roles as Councillors was developed by the Standards and Personnel Appeals Committee and implemented in May 2023.

The Council has an Organisational Development Strategy in place. A review of recruitment and retention has been undertaken and an action plan developed to ensure the Council is able to recruit and retain staff. A recent internal audit review of People Management arrangements reported a reasonable level of assurance.

The Digital Service Transformation Programme (DST) retains an iterative, strategic and operational approach, realigning priority projects to the changing and developing needs of the Council and its residents and is being integrated into the ongoing service reviews, hybrid working and asset rationalisation programmes underpinned by enhanced customer experience and driving efficiencies through use of technology. 24/7 access to services has been enhanced by the launch of the customer portal and rapid expansion of online payments and 2-way engagement with services. By March 2024, the DST programme had enabled almost £3.9 million of efficiencies directly supporting a sustainable medium term financial strategy.

PRINCIPLE F - Managing risks and performance through robust internal control and strong public financial management

How Does the Council Achieve This?

The Council's Corporate Risk Register is regularly updated and considered by Cabinet and the Audit Committee. The Anti-Fraud and Corruption Working Group monitors the Fraud Risk Register and reports to the Audit Committee annually.

Risk Management informs service planning and project planning and is a specific consideration when new capital projects are being developed. The Corporate Risk Register is aligned to the Corporate Plan and its priorities.

The Council has well-developed Emergency Planning processes and procedures and contributes to regional training events and Local Resilience Forum Sub-Groups. Each service has a Business Continuity Plan and a Critical Function Plan (if appropriate). The Council's Business Continuity and Emergency Planning procedures have been successfully implemented and improved as a result of the pandemic.

The Council has a mature performance management system and reporting, developed over a number of years and reflecting all of the Council's key performance areas. This is summarised in a Corporate Scorecard which is scrutinised quarterly. Data accuracy is regularly audited. A revised Data Quality Strategy was approved in May 2022.

The Council has a good track record of setting robust budgets and spending within the approved budget. The Council's finances have been guided by a well-developed and communicated MTFs for several years. This MTFs is informed by regional and national expertise and the latest iteration is informed by resource modelling from Local Government Futures (LG Futures). By setting and implementing

annual savings plans, the Council has been able to consistently deliver within its net approved budget. The Council has achieved unqualified accounts and a positive Value For Money assessment throughout this period. The LGA's Financial Health check provided assurance regarding the Council's financial arrangements. Financial Health and Resilience and Payment Card internal audits confirmed a reasonable level of assurance.

The Commercial Investment Plan and Capital Strategy which includes due diligence and risk mitigation processes was updated and approved at Cabinet and Council in February/March 2024.

Internal Control is achieved by a wide range of processes working successfully, and CMAP's assessment of internal control can be found earlier in this document. The Council's Data Management arrangements are updated regularly in line with Government guidelines and best practice and these are subject to regular detailed audits. Implementation of GDPR was successfully managed through the Project Management Framework and continues to be developed in line with new guidance and advice from the Information Commissioner.

In line with the Social Housing White Paper an action plan was devised and reported to Cabinet at regular interviews from 2021 to 2024. The reports outlined progress and requirements to ensure that risks and performance were enhanced and presented for regular scrutiny by the 'responsible body' of the Council. A composite 'compliance' risk was also added to the Corporate Risk Register. The social housing function was also benchmarked against other providers on a national basis by Housemark, comparing performance and cost. Housemark provided a benchmarking report and presented it to SLT and Housing DMT. An action plan was then devised in order to investigate the small number of service indicators which fell below the median.

PRINCIPLE G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability

How Does the Council Achieve This?

The Council's decision making is transparent; the Forward Plan of Key Decisions is accessible and is reviewed on a weekly basis by SLT. Decisions are readily available through the Council's website on the user-friendly "modern.gov" system. A recent audit report looking at delegated decision making gave assurance that the Council's processes and procedures are sound.

The budget and performance are subject to reports at least quarterly.

The Council's Pay Policy Statement and Gender Pay Gap have been published.


The Annual Governance Statement and Corporate Assurance Checklist are updated annually.

In line with the Regulator of Social Housing's expectation of tenant 'co-regulation' of the Housing Services, the social housing service produced a tenant annual report which provided benchmarked performance and cost data to tenants. Data and policy reviews were also presented, discussed and refreshed with various tenant groups. The department also produced a self-assessment against the Social Housing Ombudsman code which was approved by Cabinet and published on the Council's website.

Audit recommendations are owned by management and are largely acted upon in a timely manner. There are a number of processes in place for monitoring recommendations including through CMAP reminders, reports through SLT and Performance Boards.

The Council's Corporate Complaints Strategy and Procedures were reviewed and updated during 2021/22.

The Council has developed an action plan in response to a Housing Peer Challenge which took place in late 2022/23.



GLOSSARY OF TERMS AND ABBREVIATIONS

Glossary of Terms and Abbreviations

Accounting Period – The period of time covered by the accounts that is normally the year commencing on 1st April and finishing on 31st March. The end of the accounting period is the balance sheet date.

Accrual – An amount included in the accounts to cover income or expenditure relating to an accounting period but for which payment has not yet been made or received. The concept is that income and expenditure are recognised as they are earned or incurred, not as cash is received or paid.

Actuarial Gains and Losses – For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

- events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses), or
- the actuarial assumptions have changed

Agency Services – Services, which are performed by the Council, where the authority legally responsible for the service reimburses the Council (the authority doing the work) for the cost of the work.

Amortisation – The reduction in the value of an asset over its useful life.

Assets Held for Sale – Those assets that are actively being marketed with the expectation that disposal will occur within a 12 month period.

Balance Sheet – A statement of the recorded assets, liabilities and other balances as they stand in monetary terms, at the end of an accounting period.

Billing Authority – A local authority responsible for collecting the Council Tax and National Non-Domestic Rates from within its district boundaries (the Council is a billing authority).

Budget – A statement defining the Council's financial plans over a specified period of time (usually an accounting period 1st April to 31st March).

Business Rates/ Non Domestic Rates (NDR) – Income collected from business ratepayers, based on a national rate in the pound set by Central Government multiplied by the rateable value of the premises they occupy. This rate is collected by the billing authority on behalf of Central Government and is redistributed from the billing authority's NDR pool between itself, Central Government and Nottinghamshire County Council and Nottinghamshire Fire and Rescue Authority.

Capital Expenditure – Expenditure on new assets such as land, buildings and other structures or on the enhancement of existing assets so as to significantly prolong their useful life or increase their market value.

Capital Financing – The raising of money to pay for capital expenditure. Methods include borrowing, leasing, using capital receipts, government grants or contributions, major repairs reserve or from revenue contributions.

Capital Financing Charges – The annual costs to services for the use of assets comprising depreciation, leasing charges and other costs of funding capital expenditure.

Capital Receipts – The income from the sale of council houses, buildings, land and other assets. A proportion of capital receipts can be used to finance new capital expenditure, within rules set down by central government, but they cannot be used to finance revenue expenditure.

Cash Equivalents – They are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Code – The Code refers to the code of practice on local authority accounting. The code of practice is based upon approved accounting standards and provides the accounting standards under which the Statement of Accounts is prepared. From 2010/11 the Code is based on International Financial Reporting Standards.

Community Assets – Assets that may have restrictions on their use and disposal. Examples include playing fields and parks.

Council Tax – A tax levied by the local Council, which is the billing authority, on households within its area and distributed to the County Council, Police and Fire Authorities, and to the Council's own General Fund.

Council Tax Bands – All domestic properties in a Local Authority's area are valued by Central Government's Valuation Office Agency, and placed in one of 8 bands ranging from A to H. Each Band is averaged out in relation to Band D, Bands A to C paying less, and Bands E to H paying more on an increasing scale.

Council Tax Benefit – Assistance provided to adults on low incomes to help them pay their council tax bill.

Current Assets – The assets held by an organisation at the balance sheet date that will be used in the next accounting period e.g. inventories, cash and trade receivables.

Current Liability – The liabilities held by an organisation at the balance sheet date that will be repaid within the next year e.g. creditors, overdrafts.

Current Service Cost (Pensions) - The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

Defined Benefit Scheme – A pension scheme where the benefits are set independently of the contributions paid and the performance of the investments in the fund.

De Minimis – A term generally used to describe something that is too small to be considered.

Depreciation – The measure of the reduction in value of a non-current asset due to age, consumption or other reduction in useful life during the accounting period.

Discretionary Benefits – Retirement Benefits which the employer has no legal, contractual or constructive obligation to award and are awarded under the Council's

discretionary powers.

Earmarked Reserves – Amounts set aside for a specific purpose to meet future commitments or potential liabilities, for which it is not appropriate to establish provisions.

Expected Rate of Return on Pension Assets – For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

Fair Value – The amount for which an asset could be exchanged; or a liability settled, between knowledgeable, willing parties in an arm's-length transaction.

Financial Instruments – Contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another.

Finance Lease – A lease that transfers all of the risks and rewards of ownership of an asset to the lessee.

General Fund – The main revenue fund of the Council. Day to day spending on services is met from this fund. The exception to this is for the provision of Council dwellings which is met from the Housing Revenue Account.

Housing Benefit – Allowances paid to persons on low income to meet, in whole or part, their rent. The Local authority pays the benefit but most of the cost is refunded by central government through rent allowances for private sector tenants and the rent rebate element of housing subsidy for the Council's own tenants.

Housing Revenue Account / (HRA) – This is a statutory account which covers all revenue expenditure and income related to the provision of Council dwellings. It includes an optional sub – division, the Housing Repairs Account.

Housing Subsidy – The Government grant paid to housing authorities towards the cost of providing, managing and maintaining Council dwellings.

Impairment – The reduction in the market value of a non-current asset due to significant changes in the market (i.e. Introduction of new technology), obsolescence, or damage, etc.

Intangible Assets – Assets that do not have physical substance but are identifiable and controlled by the Council, e.g. IT software.

Interest Cost (Pensions) – For defined benefit schemes, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

IFRS – International Financial Reporting Standards. Guidelines and rules set by the International Accounting Standards Board (IASB) that companies and organisations can follow when compiling financial statements.

Investment Properties - Investment property is property that has been purchased with the intention of earning a return on the investment, either through rental income, the

future resale of the property or both.

Long Term Borrowing / investment – Borrowing / investments repayable after more than one year.

Long Term Receivables – Amounts due to the council more than one year after the Balance Sheet date.

Minimum Revenue Provision (MRP) – The minimum amount that must be charged against the Council's revenue accounts each year, as a provision to repay borrowing and finance leases.

Net Book Value – The amount at which non-current assets are included in the balance sheet, i.e. their historic value or current valuation less depreciation.

Net Realisable Value – The open market value of an asset in its existing use.

Non-Current Assets – Tangible assets that yield benefits to the local authority and the services it provides for a period of more than one year, for example, land, buildings and equipment.

Non – Distributed Costs – Overheads for which no specific user benefits and are not apportioned to services.

Non – Operational Assets – Non-current assets held but not currently used by the Council in delivering services; for example property surplus to requirements or land awaiting sale or redevelopment.

Operating Lease – An operating lease is a rental agreement that places all of the risks and rewards of ownership of an asset with the lessor.

Operational Assets – Non-current assets held and used in delivering services.

Past Service Cost - For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

Precept – The amounts of tax that the Council is required to raise through Council Tax on behalf of other authorities for services they provide in the Billing Authority's area.

Precepting Authorities – Those Authorities who are not Billing Authorities, e.g. "major" Authorities such as the County Council and Police and Fire Authorities and "local Precepting Authorities" such as Parish, Town or Community Councils.

Projected Unit Method - An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is one in which the scheme liabilities at the valuation date relate to:

- the benefits for pensioners, deferred pensioners and their dependents, allowing where appropriate for future increases, and
- the accrued benefits for members in service on the valuation date. The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not.

Provision - An amount set aside to provide for a liability that it is likely will be incurred but the exact amount and the date on which it will arise are uncertain.

Public Works Loan Board (PWLB) – A Central Government agency, that provides loans to Local Authorities.

Rateable Value (RV) - The annual assumed rental value of a property that is used for business rate purposes.

Related Party Transactions – A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a charge is made.

Renewable Energy Disregard - The amount of non-domestic rates to be retained by the Council in respect of designated renewable energy projects.

Reserve – An amount set-aside for a specific purpose in one financial year and used to meet expenditure in future years. There are two types of reserves, usable and unusable reserves. Usable reserves are those reserves that can be applied to fund expenditure or reduce local taxation. Unusable reserves are other reserves, such as the revaluation reserve, that arise from accounting requirements

Residual Value – the net realisable value of an asset at the end of its useful life.

Retirement Benefits – All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

Revenue Expenditure Funded from Capital under Statute (REFCUS) – Spending on items normally classed as revenue but which are defined by statute as capital e.g. improvement grants.

Revenue Expenditure – Spending on day-to-day items, including, salaries and wages, premises costs and supplies and services.

Revenue Support Grant (RSG) – Contribution from Central Government towards the cost of local authority services.

Scheme Liabilities – The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities are measured using the projected unit method to reflect the benefits that the employer is committed to provide for service up to the valuation date.

Service Reporting Code of Practice (SeRCOP) – The SeRCOP provides refers to the code of practice on local authority financial reporting to stakeholders. The SeRCOP is based on International Financial Reporting Standards.

Short Term Borrowing/ Investments – Borrowing and investments repayable on demand or within one year.

Tangible Assets – Assets with physical substance.

Trade Payables (Creditors) – An amount owed by the Council for work done, goods received or services provided but for which payment has not yet been made.

Trade Receivables (Debtors) – An amount owing to the Council but for which money has not yet been received.

Useful Life – The period over which the local authority will derive benefits from the use of a tangible non-current asset.

Vested Rights – In relation to a defined benefit scheme, these are:

- for active members, benefits to which they would unconditionally be entitled on leaving the scheme
- for deferred pensioners, their preserved benefits
- for pensioners, pensions to which they are entitled

They include where appropriate the related benefits for spouses or other dependants.

Work In Progress / WIP – the cost of work done on an uncompleted project as at the Balance Sheet date.