Broxtowe Borough COUNCIL

# Statement of Accounts

BROXTOWE BOROUGH COUNCIL

2025-26

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# BROXTOWE BOROUGH COUNCIL
# ANNUAL STATEMENT OF ACCOUNTS
# 2025/26

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# NARRATIVE STATEMENT BY THE CHIEF FINANCE OFFICER

## 1. Introduction – The Shape of Broxtowe

Broxtowe Borough Council's vision is that the Borough should be

***"A greener, safer, healthier Broxtowe where everyone prospers"***

Near to the city of Nottingham, and with excellent communication and transport links as well as thriving business areas, local Universities and amenities, the Borough of Broxtowe is well-placed to fulfil this vision.


Broxtowe is one of the most densely populated districts in the East Midlands with a population of around 114,000 living in an area of 81 square kilometres (approximately 31 square miles). The district is characterised by a largely urban south with the separate settlements of Beeston, Chilwell, Bramcote, Stapleford, Attenborough, Toton and part of Trowell comprising over 60% of the Borough's population. The north of the Borough is more rural, with the largest settlements being the towns of Eastwood and Kimberley.

Nearly two thirds of the land in Broxtowe is open countryside with a number of areas preserved as conservation areas. The Council's Green Infrastructure Strategy 2015-2030 identified 25 green corridors and a wealth of green space assets, including urban and rural parks, natural and semi-natural open spaces, allotments and cemeteries along with a rich mix of waterways, lakes and wildlife including the nationally designated Site of Special Scientific Interest at Attenborough Nature Reserve and parts of the Trent and Erewash Valley river corridors.

The Council's Corporate Plan 2024-29 seeks to make the most of these natural assets and transport links focusing on key five priorities to enhance the lives of people living in Broxtowe.

**Our priorities and objectives**

Housing

**A good quality home for everyone**

- Build more houses, more quickly on under used or derelict land.
- Invest to ensure our homes are safe and more energy efficient.
- Regulate housing effectively and respond to housing needs.

Business Growth

**Invest in our towns and people**

- Develop and implement area regeneration.
- Support business employment and skills.

Community Safety

**A safe place for everyone**

- Reduce anti-social behaviour.
- Improve public safety.
- Drug and alcohol use

Health

**Healthy and supported communities**

- Promote active and health lifestyles in every area of Broxtowe.
- Develop plans to renew our leisure facilities in Broxtowe.
- Support people to live well with dementia and support those who are lonely or have mental health issues.

Environment

**Protect the environment for the future**

- Reduce carbon emissions and improve air quality.
- Continue to invest in our parks and open spaces.
- Reduce the amount of waste disposed of in the black-lidded bin and increase recycling and composting.

Some of the key corporate plan achievements during 2025/26 were as follows:

**Housing: A good quality home for everyone**

- Planning permissions secured for 664 new homes with 580 new homes being delivered in 2025/26.

- Launched a new Housing Delivery Plan 2025-2030, transitioning into a larger development programme targeting the delivery of 250 homes over the period of the plan, with a planned investment of up to £62.5m across the period.

- Moving from a successful first social housing delivery programme into a larger phase, with significant development projects in Eastwood and Watnall, including specialist accommodation for veterans and fully accessible homes.

- Identified a viable delivery pipeline including the development of underused Council land assets, outdated garage plots, continued strategic acquisition of former Council houses, and selective use of Section 106 contributions and Homes England subsidy funding opportunities.

- The Housing Delivery team completed the build/purchase of 67 affordable homes in 2025/26, including 58 for ‘social rent and nine shared ownership homes, at Beeston, Bramcote, Chilwell, Eastwood, Kimberley and Stapleford.

- Purchased six former Council dwellings as part of a buy-back programme, with consultations on other potential acquisitions. to boost the social housing stock.

- Continued to develop a good relationship with Homes England, with preferred partner status, with the successful completion of further audit processes which identified no concerns or issues in terms of the application of subsidy or physical delivery mechanisms.

- Secured a major new affordable housing agreement for the construction of 53 new homes (19 shared ownership) at Hemlock Gate in Bramcote.

- Completed 74% of HRA stock condition surveys, with zero outstanding Housing Health and Safety Rating System Category 1 Hazards outstanding.

- Delivered capital improvement works of £6.4m to the Council’s housing stock including kitchen and bathroom installations, energy efficiency and heating system upgrades, roof replacements, windows and door replacements and disabled adaptations. Around £3.0m was specifically targeted at ensuring the Council continues to meet current Decent Homes Standards.

- Successful completion of retrofit work to 74 properties, with a bid for a further £500k of funding made for nationally underspend funds for the Social Housing Decarbonisation Fund scheme.

- Spent over £1 million in Disabled Facilities Grants, including the Warm Homes on Prescription Scheme, to provide adaptations to assist local residents to remain at home in the private sector.

- The Housing Options team successfully intervened or prevented 537 instances where households had the threat of homelessness, made up of 114 preventions and 423 interventions with a success rate of 83%.

- Continued the excellent performance with collecting Housing rents with a collection rate of 100.3% of the rent due.

- A total of 14,096 appointments were made for reactive repairs in 2025/26 to which 13,805 appointments were kept (98.8%).

**Business Growth: Invest in our towns and people**

- Delivering the £21.1m funding secured for Stapleford as part of the Towns Deal Fund (now the Local Regeneration Fund). Programme work completed to date includes town centre recovery grants; refurbishment of the Stapleford Library Learning Facility; cycle training track, and a new car park at Derby Road Central.

- Construction of the state-of-the-art £7.5m Community Pavilion, football facilities and padel courts at Hickings Lane in Stapleford. These include an e-gym, early years provision, café, the Steven Gerrard Academy, as well as bookable rooms for community use. This scheme was supported by a further £1.4m grant from the Football Foundation.

- Construction work commenced on the £6.2m Stapleford Pencil Works Enterprise Hub Building, with additional £320k of funding from the East Midlands Combined Counties Authority (EMCCA) secured for fitting-out the ‘Makers Space’.

- Completion of the £263k ‘All Wheels and Skate Park’ at the Pasture Road Recreation Ground, supported by a £100k grant from the FCC Communities Foundation. An additional £52k of improvements were made to the Ilkeston Road Recreation Ground cycle training track for an outdoor training location for visually impaired people.

- Ongoing delivery of the £16.5m ‘Kimberley Means Business’ programme, with work nearing completion on the £1.5m Bennerley Viaduct Visitor Centre following the opening of the Eastern Ramp earlier this year.

- Completion of the £4m Viaduct View industrial park at Bennerley with five new units of varying sizes now opened and marketed, with £960k of EMCCA Investment fund secured.

- Construction of a new £800k pavilion was completed and opened at the Stag Ground, home of Kimberley Miners' Welfare Football Club, providing a new hireable bar/function area and expanded facilities for community football.

- Work is underway on the £2.9m Kimberley Hub, alongside Kimberley Town Council, to replace the old Parish Rooms.

- Over £600k has been given in business grants across the town, providing a range of improvements for local businesses.

- Successful bid secured over £1.2m of the EMCCA Investment Fund towards Regeneration Projects in Stapleford and Kimberley.

- Completed the UK Shared Prosperity Fund (UKSPF) Year 3 projects and then going onto deliver a further £1.1m of projects in Year 4. This year funding was received via EMCCA. Highlights included 33 business growth grants; the DH Lawrence Mural near to the Museum, 12 community grants and the bee and pencil trails in Beeston and Stapleford, as well as training programmes delivered with Futures and Transform Training for those furthest from the labour market.

- Continued to support the retailer customer loyalty initiatives to help support town centre and food sector businesses attract new customers, including support in promoting Beeston at the University of Nottingham Freshers Fair.

- The Start Portal continues to play an important role in helping jobseekers, businesses and charities across Broxtowe link people to vacancies.

- Broxtowe became the first local authority in the country to use High Street Rental Auctions (HSRA) to address long-term empty units in Stapleford. This included securing £196k to bring The Old Rock back into economic purpose. Work has expanded into Eastwood where three long term empty buildings are targeted.

- Successful letting of all vacant retail units in Beeston Square, including the development of a ‘Health Hub’, with several related tenants now including dental and chiropody services.

- Full stock condition survey completed of all General Fund assets, with energy assessments of all poorly performing properties, and the formation of investment plans to reduce energy costs.

- Ongoing recruitment and development of apprentices receiving vocational and professional training with the Council.

- Being celebrated as a Disability Confident Leader after being awarded the highest level of accreditation in the government’s Disability Confident scheme. This reaccreditation highlights the ongoing commitment to creating an inclusive, supportive, and accessible workplace for disabled employees and fostering greater equality across its services. Achieving Leader status demonstrates that Broxtowe not only meets but actively champions best practice in recruiting, retaining, and developing disabled colleagues.

**Community Safety: A safe place for everyone**

- Action plans in place to make Broxtowe safer, including Knife Crime, Anti-Social Behaviour, Children and Young People, Purple Flag and Hate Crime.

- New help points to reduce violence and improve the safety of women and girls in one of the busiest pedestrian areas in Beeston went live providing instant access to the Police Control Room and dedicated surveillance cameras.

- Delivered 16 days of action as part of the White Ribbon Action Plan 2025/26.

- Developed a ‘venue hire guidance and checklist’ to reduce the risk of the Council hiring out rooms for the purpose of radicalisation and developed a similar pack for local voluntary sector organisations.

- Resigned the Hate Crime Pledge strengthening to Councils commitment to reducing Hate Crime.

- Signed up to the Employers Hidden Disabilities Sunflower Scheme which enables employees to discreetly and voluntarily indicate a non-visible disability, boosting diversity and inclusion, enhancing staff well-being, and providing a framework where employees feel safe requesting the patience, space, or support they need.

- Developed a new Adult and Child Safeguarding Policies and associated procedures to provide vulnerable people with support and reduce abuse.

- Delivered Sanctuary support to 50 survivors of domestic abuse enabling them to remain in the own homes.

- Held events aimed at students and the night-time economy to advise on the risks of fatal heart events when taking cocaine and alcohol together.

- Created a new Serious Violence Response Plan for South Notts for 2026/27.

- Held an event for the LGBTQ+ community focussed on women’s health with advice and support for perimenopause and breast cancer.

- Delivered an intensive programme to support young people involved in or at risk from crime, criminal exploitation and ASB in the north of Broxtowe with life skills enabling them to re-enter education/training and to develop aspirations.

- Delivered awareness sessions on ASB and its consequences in primary schools.

- Held a successful Children’s Conference for young people from all secondary schools in Broxtowe identifying issues and solutions around social media use, online safety the impact on relationships with peers, family schools and the community. Oxford University joined the event and are using it for their research and are preparing a report for dissemination nationally.

**Health: Healthy and supported communities**

- Continued to develop exciting plans to replace the aging Bramcote Leisure Centre with a brand-new leisure facility, with design work, appropriate planning approvals and budget agreed to move onto the construction and delivery stage.

- Opening the new community facilities at Hickings Lane in Stapleford has seen a significant uplift in active recreation. The facilities include two 3G football pitches, dance studio, community café, an e-gym and three padel courts. Several new activity programmes have been supported, including women and girls only sessions with 12 new females only teams formed. Work continues to expand including GP referral, a Parkinsons support group and introduction to Padel.

- Updated the online directory signposting to health and wellbeing services, with details on mental health support listing resources and groups for people to seek further help.

- Supported the design and sharing of suicide prevention information for key premises at point-of-sale areas to signpost to emotional support for those in mental health crisis.

- Worked in partnership to design the ‘NottAlone’ website for adults and children who require support for their mental health.

- Supported the Mental Health Support Conference and Workshop to identify improvements service delivery.

- Supported Public Health to develop a Self-harm and Suicide Strategy for Nottinghamshire.

- Completed the Broxtowe Dementia Directory which was distributed to key locations to support professionals deal with queries concerning dementia.

- Held a dementia conference to support professionals, carers and people living with dementia to address issues for how to live well. Over 24 new Dementia Friends were recruited at dementia information sessions.

- Two carers roadshows were held in Beeston and Stapleford during Carers Week to support carers and address their needs.

- Distributed public Health information on vaccination, fluoridation and health screening for lung, breast and bowel cancer through communications channels.

- Delivered refurbished premises on Nottingham Road in Eastwood creating a new hub called CEDARS. The centre is delivering primary care services that residents who would otherwise need to travel miles to receive. Over 370 successful health interventions have been made. Services have expanded to include support for are carers, those with housing and health needs and the long-term unemployed.

- Developing a business case for a new Health and Wellbeing Centre in the heart of Eastwood, showing the project could be operationally viable and highlighting the critical importance of health issues in the regeneration of the town centre, with the impact that this new centre could have on footfall and life chances.

- The Council has been at the forefront of supporting local households with the cost of living. The Cost-of-Living Working Group has worked to maximise support for residents to ensure people receive appropriate benefits, grants and financial support.

- The Council has worked with an external charity to understand and develop a more systematic approach to support for those using food projects within the Borough. Utilised UKSPF funding to support the creation of the Broxtowe Food Support Network for sharing information and good practice and piloting new initiatives with Broxtowe food projects while building relationships between them for the benefit of end users

- Ongoing development of the successful GP referral active lifestyle scheme to support people's health through Liberty Leisure Limited, with delivery in the north of the Borough in partnership with the Greasley Sports and Community Centre.

- The 'Wise Moves' falls prevention classes set up by Liberty Leisure Limited are now well established in the community.

**Environment: Protect the environment for the future**

- Over £300k of investment in play area improvements across the Borough as part of the Pride in Parks initiative, including refurbishing Coronation Park, Eastwood; Smithhurst Road, Giltbrook; and Eastcote Avenue, Bramcote.

- Five Parks and Open Spaces in Broxtowe proudly retained their Green Flag Award status, demonstrating sustained high-quality green space management.

- Expanded green infrastructure through the adoption of new green spaces, including Bramcote Quarry, The Hassocks and additional sites across the Borough, increasing accessible natural space.

- Enhanced biodiversity through delivery of habitat improvements, including wildflower areas, meadow management and ecological enhancements across parks and open spaces.

- Progressed with the restoration and environmental enhancement of key sites, including the former Bramcote landfill site, with plans advancing towards Local Nature Reserve designation.

- Significantly decarbonised fleet operations through the expansion of the electric vehicle fleet and transition to HVO fuel, delivering a 26.4% reduction in operational emissions.

- Maintained strong progress with the delivery of the Climate Change and Green Futures programme, with around 75% of actions completed and all other actions in progress.

- Exceeded Green Rewards carbon reduction targets, achieving 298 tonnes of carbon savings and increasing participation to around 3,700 residents.

- Exceeded annual tree planting targets, delivering over 3,100 trees and strengthening long-term biodiversity and climate resilience.

- Delivered a wide range of blue and green infrastructure improvements, including new habitat creation, flood mitigation measures and corridor enhancements across the Borough.

- Achieved a 66% reduction in fly-tipping incidents following the introduction of enhanced enforcement arrangements, significantly improving environmental quality.

- Maintained high standards of street cleanliness, with 99% of sites meeting national cleanliness standards.

- Generated strong income from environmental services, exceeding targets with £325k external income and maintaining over £1m in garden waste income.

- Delivered nearly 6.5 million waste collections across four waste streams while reducing missed bins and improving overall service reliability.

- Reduced residual and overall household waste per head, demonstrating continued progress in waste minimisation and behavioural change.

- Continued to meet the National Air Quality Objective at all monitored sites within the Borough.

**External Recognition**

- Green Flag quality mark awards proudly retained at all five of its Green Flag parks and open spaces, being a sign to the public that a space boasts very high standards, is well maintained and has good facilities.

- The Council's affordable housing programme was shortlisted for the Local Government Chronicle 'Best Small Team' award awards. The Housing Delivery team was also shortlisted for the 'Best Development Team - Rural/Suburban' at the Inside Housing Awards at the O2 in London.

- A recipe book co-produced by the Council called "Cooking and Culture!' which sharing stories of food, heritage and culture from across five European city regions, including Broxtowe, won an international award in the 'Best Plurinational Book in the World' category at the Gourmand World Cookbook Awards in Lisbon. As part of a project to break down cultural barriers, the book aims to bring together people from different cultures through the universal language of food.

- Bramcote Crematorium achieved a bronze award from the Greener Globe Funeral Standard for outstanding environmental sustainability practices, acknowledging the commitment to implementing a comprehensive environmental policy and ensuring that all employees are informed and actively engaged in its green initiatives.

- Stapleford won the Midlands PR award for 'Not for Profit' for the work in Stapleford. The award entry was focussed on the combined efforts of officers, councillors and Towns Fund Board, with the use of clear messaging and visibility to help attract additional funding from the Football Foundation.

## 2. Governance – The Changing Shape of the Council

### Governance Structures

The Council operates a Cabinet structure to govern policy development, performance management and spending, with Cabinet Members responsible for different portfolios. This, alongside the Planning Committee and the Licencing and Appeals Committee are designed to drive progress on the key objectives in the Corporate Plan.

More details about the operation of the Council's governance structures are provided in the Annual Governance Statement which accompanies the Statement of Accounts.

### Liberty Leisure Limited

Liberty Leisure Limited is the wholly owned leisure services company of Broxtowe Borough Council, incorporated on 1 October 2016. The Company is overseen by a Board of Directors which consists of three Broxtowe Borough Council elected Members, two Council officers, one local business-person (currently vacant) and the Business Director of the company.

Liberty Leisure Limited was established, amongst other things, to:

- provide leisure, sports, cultural and heritage services for the benefit of the public (culture and heritage services have since been brought back under the control of the Council)
- ensure sustainability of services by maximising income and by seeking all possible avenues of funding for the services
- promote, maintain and improve access to suitable services, activities and facilities.
- improve health and well-being, by promoting increased participation to reduce obesity, anti-social behaviour and the health inequality gap.
- promote jobs and strengthen the local economy.

The company includes the management and delivery of services at Bramcote Leisure Centre and Chilwell Olympia Sports Centre. The Council retains ownership of Bramcote Leisure Centre, whilst operating with a joint-use agreement with Chilwell School for Chilwell Olympia.

The Council maintains control over the company through retained decision-making powers and the scrutiny at the Advisory Shareholder Sub-Committee, which reviews the financial and operational performance of the company.

As Liberty Leisure Limited is a wholly owned company of Broxtowe Borough Council, the accounts for the company have been consolidated into the Council's own accounts to form separate group accounts. However, separate financial accounts for the company are filed at Companies House in accordance with the regulations governing Limited Companies.

**Jointly Owned Operation**

The Council's accounts also include financial information relating to Bramcote Crematorium, which is jointly owned by Broxtowe and Erewash Borough Councils. Its operation is overseen by the Bramcote Bereavement Services Joint Committee although the management of all operations is undertaken by Broxtowe Borough Council, which the Joint Committee pays for this arrangement.

In accordance with International Accounting Standard 31, which deals with investments in joint ventures, 50% of the relevant financial transactions of the Joint Committee have been included in these accounts.

Income increased during 2025/26 by 4% compared to 2024/26 to £2.138m. Expenditure increased by 165% to £3.886m. After deducting the distribution to the constituent authorities there was a deficit for the year of £0.166m. The levels of usable reserves at 31 March 2026 decreased by £0.166m to £0.331m. The levels of unusable reserves in year increased by £1.207m to £5.397m. The financial statements of the Bramcote Bereavement Services Joint Committee are published separately and were presented to the Joint Committee meeting on 25 June 2026.

**Pensions**

The Council makes payments into the Nottinghamshire County Council Pension Fund, which, in turn, provides its members with benefits related to their previous pay and service with the Council. In 2025/26, the Council made a contribution equivalent to 19% of pensionable pay into the Pension Fund to help ensure there are sufficient resources within the Pension Fund to meet future liabilities.

The contribution rate is determined by the Pension Fund's Actuary based on an actuarial valuation every three years. The actuarial valuation in 2022 covers the three year period 1 April 2023 to 31 March 2026. Details about how the costs are identified and financed are given in note 36 to the accounts while the value of the Council's net liability in the Pension Fund is detailed within the Balance Sheet. Based on the latest actuarial valuation in 2025 the Council will make a contribution of 16.8% into the Pension Fund in 2026/27.

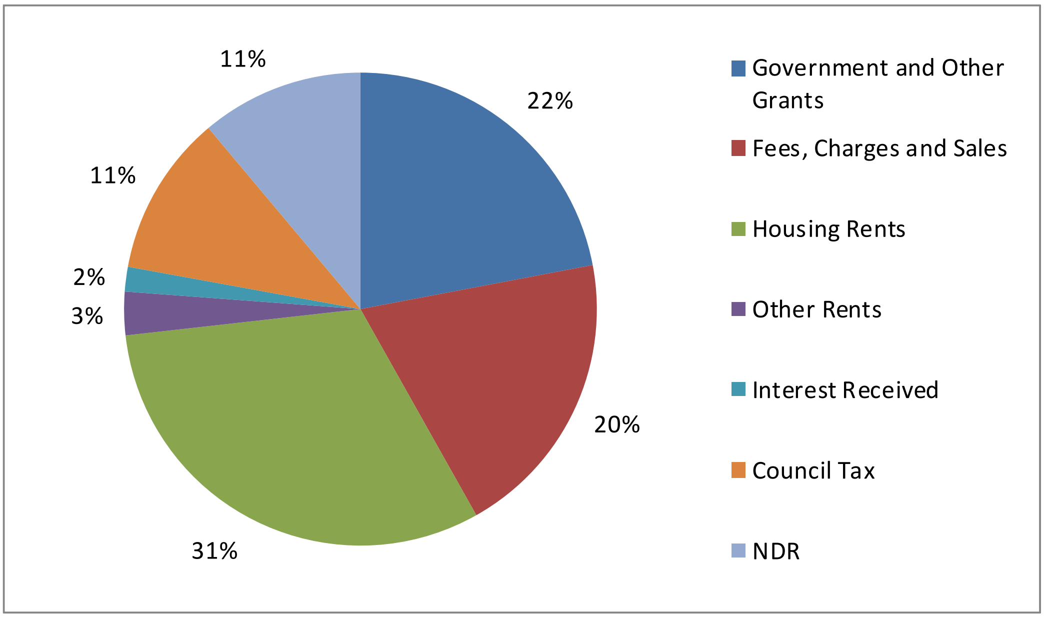
## 3. Spending and Performance

This section provides a brief explanation of the financial aspects of the Council's activities and draws attention to the main characteristics of the Council's financial and business performance over the year.

**Income and Expenditure on Services**

The Council is largely dependent on income from its business operations, Council Tax, and Business Rates to fund its services. Income from Housing Rents forms the largest source of income, but this is reserved for spending on housing only. Figure 1 shows the main sources of income in 2025/26, when 20% of the Council's income was derived from fees, charges and sales, compared to 19% in 2024/25.

*Figure 1: Sources of income 2025/26*




Changes in spending highlight the increased focus on the corporate objectives but the table above also reflects the extent to which the Council is generating income from new sources and/or from enhancements to existing services with income from trade waste and garden waste collection, for example, and rental income from the Beeston Square development.

Table 1 shows the balance of spending on the main corporate priorities compared to the previous year. This analysis provides the outturn position and, as such, excludes notional pension charges. The position was reported to Cabinet on 30 June 2026.

*Table 1: Changes in gross expenditure 2024/25 to 2025/26*

| **Gross expenditure** | **Actual 2024/25 £** | **Actual 2025/26 £** | **Change £** |
|---|---|---|---|
| Housing | 1,125,726 | 1,374,836 | 249,110 |
| Business Growth | 5,814,151 | 8,367,343 | 2,553,192 |
| Community Safety | 3,107,565 | 3,250,102 | 142,537 |
| Health | 2,092,337 | 1,970,697 | (121,640) |
| Environment | 13,714,283 | 14,294,486 | 580,203 |
| Resources | 27,224,225 | 24,819,409 | (2,404,816) |

The management of the Council's finances in 2025/26 means that it has retained sufficient balances to help meet its financial challenges over the coming years while maintaining spending at the levels required to deliver the desired standard of service. The Council has general reserves of £5.74m and earmarked reserves of £3.685m, which amounts to £9.425m in total as at 31 March 2026. This compares to general reserves of £5.557m and earmarked reserves of £3.048m as at 31 March 2025.

## Financial Performance

General Fund

The outturn, presented to Cabinet on 30 June 2026, reported a net revenue budget underspend of £2.506m on services.

In terms of financing, the income received from Council Tax, Non-Domestic Rates ('Business Rates') and grant funding as part of the local government finance settlement was broadly in line with budgets.

Since April 2013, the Council has had a more direct relationship with local businesses through the retention of a greater share of business rates generated locally. This does increase the risks to the Council's finances as changes in the amount of business rates collectable can have a significant impact on its income. In order to mitigate such risks and to maximise funding opportunities, the Council is a member of the Nottinghamshire Business Rates Pool, along with other local authorities in Nottinghamshire. The Council pays a growth levy into the Pool based on the proportion over which it is above its financial baseline funding formula. The amount of levy paid to the Pool at £1.334m was lower than forecast by £157k. The Pool generated an overall surplus in the year which has provided Broxtowe with an additional £795k. Whilst this was lower than forecast by £55k, the net levy position was £102k in the Council's favour.

For 2026/27, the Business Rates reset and changes to the Retention Scheme (BRRS) will have a significant impact on pooling arrangements going forward. With the full reset of BRRS from 2026/27, all councils now have a new baseline amount that is expected to be equal to the amount to be collected. As such, there is unlikely to be significant differences between the amount collected and the baseline amount and variances are just as likely to leave councils above or below the baseline.

There have also been changes to the levy and safety net system, where the levy rates will change for 2026/27 onwards.

Due to these changes, the risks to pooling now outweigh the potential rewards. As Baseline Funding Levels have been adjusted to be more accurate, it is more likely that councils will requires a safety net payment. Where pooling is in place, this loss would need to be funded by the partners in the pool. The government will only fund a safety net payment where individual councils are not in a pool.

The Section 151 Officers at the Nottinghamshire Finance Officers Association (NFOA) considered the options. In only the most unlikely of scenarios would the Pool generate growth and a net surplus. In most cases, the position would be neutral or make a loss that would have to be funded by the Pool. As such, it was decided to dissolve the Nottinghamshire Business Rates Pool at the end of 2025/26. This position will be monitored to determine potential pooling viability in 2027/28.

Table 2 shows the actual net spend compared to the budgeted spend. The position was reported to Cabinet on 30 June 2026.

*Table 2 – General Fund financial performance 2025/26*

| General Fund (excluding Bramcote Bereavement Services) | Revised Budget £'000 | Actual £'000 | Difference £'000 |
|---|---|---|---|
| Net Expenditure on Services | 15,968 | 13,462 | (2,506) |
| Funded by: | | | |
| Council Tax | (6,812) | (6,812) | 0 |
| Non Domestic Rates | (6,667) | (6,878) | (211) |
| Revenue Support and Services Grants | (591) | (591) | 0 |
| | (14,070) | (14,281) | (211) |
| Net Balance for Year | 1,898 | (819) | (2,717) |
| Transfer to/(from) Other Reserves | 636 | 636 | 0 |
| Balance Brought Forward | (5,557) | (5,557) | 0 |
| Balance Carried Forward | (3,023) | (5,740) | (2,717) |

The main savings/underspends against the revised budget resulted from:

- A net underspending of £370k on employees related expenses, after exceeding a challenging vacancy target of £1.0m applied across the General Fund, which includes the cost of the pay award, interim and agency staff used to cover vacancies within the establishment, pension strain, apprenticeship levy, courses and training fees and the cost of recruitment.

- A net underspending of £407k on premises related costs, which was largely due to lower than anticipated revenue spends on repairs and maintenance across all sites (£127k). There was also a saving of £186k on gas and electricity due to energy prices dropping significantly from when the base budget was set.

- A net underspending of £127k on all transport related budgets was mainly achieved due to lower than anticipated fuel prices across the year and vehicle fleet maintenance costs and insurances.

- Total net budget variance on supplies and services and third-party payments (non-recharges) was £515k across a range of services. The main underspends included Planning Policy budgets of £184k not required in year including Core Strategy Review, Neighbourhood Planning Support, Community Infrastructure Levy and Local Plan Examination (of which £50k has been moved into an earmarked reserve) and £52k saved on Environment sub-contractors. There was also a positive £147k movement on the bad debts provision. Budget overspends included publicity £92k which was mostly applied to the Local Government Reorganisation consultation.

- An overall net reduction in grounds maintenance recharges of £251k compared to the original budgets, due to staffing vacancies and other cost efficiencies.

- The net cost of Housing Benefits was £85k higher than originally budgeted, which was largely offset by an increase in the Benefits Subsidy received from central government.

- Whilst fees and charges income received were generally on budget, income from planning fees was positive with the Council receiving eight significant applications in year which saw planning fees income at £508k above the target budget. Whilst this provided a boost to income in year, it also demonstrated the potential volatility with total income from planning fees being skewed towards the larger development schemes. This activity is directly impacted by the economy and local building market conditions.

- There was a £163k underspend on the Minimum Revenue Provision (MRP), being the amount set-aside each year to repay borrowing principal that is also informed by the forecast capital expenditure to be financed by borrowing. Slippage in the capital programme led to spending on the schemes financed by borrowing being lower than forecast, so the MRP charge was lower as a result.

- The General Fund element of additional borrowing interest costs to finance the capital programme was £299k higher than the original budget due to borrowing rates being higher than anticipated.

- The General Fund element of additional investment income being generated in year was £251k over budget as a result of positive cash flow management and movements in interest rates during the year.

- There was a net additional amount of £602k received during the year from central government grants, other grants, local authority contributions and miscellaneous income. These included grants in respect of planning policy, cyber risk, Renters Rights, community safety and crime reduction amongst others. These grants were either used to support in year spending on specified activities expenditure or moved into earmarked reserves for application in future years.

- An overall net reduction of £653k in corporate recharges compared to the original budgets. This includes recharges to the HRA (£268k lower due to underspend in central support services including finance, HR, legal and ICT); capital salaries recharges to the capital programme (£65k mainly lower due to recharges from Capital Works and Estates) and central support recharges to the General Fund (£320k similarly lower due to budget underspends in central support services).

Housing Revenue Account (HRA)

In addition to spending on strategic housing through the Council's general resources, the Council also operates a Housing Revenue Account (HRA) which captures all rental income and spend on managing the Council's housing stock and looking after tenants. There was a net overspend of £276k in the year when compared with the revised estimate for the year which resulted in a higher deficit of £720k being drawn from balances for 2025/26.

Table 3 shows the financial performance on the HRA for the year. This analysis provides the outturn position reported to Cabinet on 30 June 2026. Depreciation and impairment charges are excluded as these are notional amounts which are not budgeted for and do not impact upon the outturn position.

*Table 3: Housing Revenue Account financial performance 2025/26*

| Housing Revenue Account | Revised Budget 2025/26 £'000 | Actual 2025/26 £'000 | Difference £'000 |
|---|---|---|---|
| Expenditure | 18,057 | 17,779 | (278) |
| Income | (21,823) | (21,107) | 716 |
| Other HRA Operating Expenditure and Income | 4,210 | 4,048 | (162) |
| **Deficit/(Surplus)** | **444** | **720** | **276** |

The main variances are due to the following:

- An underspend of £159k on employee related costs, after meeting a challenging vacancy rate target of £450k, was due to vacancies across the whole service, particularly within the Strategy and Performance, Independent Living and Housing Repairs teams. These savings were partially offset by an increase on sub-contractors and agency costs required to meet the resources shortfall in providing services.

- Net overspend on premises related expenses of £24k included a £76k overspend on electricity costs, particularly for access lighting at Independent Living schemes, a £51k net overspend on repairs and maintenance, linked to housing disrepair spends, and an overspend on Legionella testing at Independent Living schemes to ensure tenant safety and compliance with relevant standards. These were offset by underspends on areas such as equipment (£35k), other energy costs water charges (£58k) and estate management (£30k).

- Net overspend on Supplies and Services of £36k was largely due to additional spending of £181k on repairs sub-contractors, largely driven by a £338k overspend on electrical sub-contractors for EICR inspections and certificates that are a legal requirement for all lettings. Smaller overspends of £31k and £26k on damp repairs and void works, were offset by savings of £222k on day-to-day repairs. Vacancies in Housing Repairs have a direct impact on the use of sub-contractors to complete necessary works. There was a £117k saving on repairs materials due to more work being done by external contractors

- There was also an overspend of £48k on costs related to housing disrepairs, with an increase of £34k in the provision for future housing disrepair claims costs. There was a £64k overspend on council tax due to the higher-than-expected number of voids, offset by a significant budget saving of £81k on the cost of insurance premiums and property claims.

- The recharge of central support services is dependent on costs in Support Services (Finance, HR, ICT etc..) and can change if there are variances in those areas. In 2025/26 the underspend on these areas amounted to £243k.

- The cost of capital financing exceeded budget by £58k. This was mainly due to depreciation charges to the HRA being higher than initially expected because of delays in receiving dwelling valuations in 2024/25.

- Income was significantly lower than budgeted (£717k). Rents income was affected by significantly higher void losses beyond expected and delays on the Retlaw Court development being brought into the portfolio which resulted in £452k less dwelling rent being received compared to forecast. Given the income from rents is around £21m, even a small percentage change from one of the budget assumptions can lead to a large variance in income. Recharges to Leaseholders were £122k lower than budgeted, partially offset by a reduction is expenditure on leasehold properties.

- The HRA also paid £137k less in borrowing interest compared to budget due to cash flow management and the level of rents received leading to lower than anticipated borrowing costs.

With the budget deficit being higher than anticipated in 2025/26, the HRA Working Balance has now dipped below the Section 151 Officer's minimum recommended level of £1 million.

This outturn position resulted from an accumulation of rising costs over several years linked to spending on compliance and safety, costs relating to damp and mould, housing disrepair claims and increased borrowing costs with higher interest rates (particularly where re-financing maturing loans taken out at favourable rates as part of the 2012 Housing Finance Reforms). In 2025/26, there has been the added impact of rent income levels not being as high as anticipated due to increasing voids, and several housing delivery schemes not coming into the portfolio as expected.

The HRA is a ring-fenced fund and must be maintained in a surplus position. There is however no specific statutory minimum working balance, so whilst this dip below the minimum recommended balance can be tolerated in the short-term, sustained efforts are required to bring the working balance back up above the minimum level.

An HRA Medium-Term Financial Strategy and Business Strategy is being developed for this purposes which will complement the long-term HRA 30 Year Business Plan. It is normal for the HRA to experience peaks and troughs in its working balances, and this was shown in the longer-term plan.

**Business Performance**

In terms of business performance, the Council did well against its priorities in reviewing the critical success indicators and key performance indicators. The Council always seeks continuous improvement in the delivery of services, and the Corporate Plan is designed to encourage this by focusing on key areas of activity.

This will require investment, for example, in the ongoing regeneration of Beeston town centre; in Stapleford through the successful Towns Fund bid; in Kimberley through the delivery of the Kimberley Means Business project; in developing services to support healthy lifestyles through Liberty Leisure Limited; in the development of new affordable homes and ongoing investment in the Council's Housing stock; investment in activity to respond to climate change, and through improvements to the Council's parks and open spaces as part of the 'Pride in Parks' programme.

In addition to the key achievements already highlighted above, some further performance highlights for 2025/26 were:

- Council Tax collection rates improving to 97.8% which is moving closer to pre-pandemic levels.

- NDR collection increased to 98.0% with Business Rates falling in line with previous years.

- Housing Benefit processing times remaining amongst the best in the country with new claims averaging 7.6 days to process and changes in circumstances averaging just 2.8 days.

More detail on performance relating to the Council's five priorities is available on the Council's website at https://www.broxtowe.gov.uk/.

## 4. Spending on Assets

The Council's capital spending is on items which are of use beyond the year being accounted for, such as acquisitions and improvements to Council owned dwellings, housing renovation grants, improvements to recreation grounds, environmental improvements, vehicles and plant, ICT equipment and infrastructure and industrial development. Further details can be found in note 15 to the accounts.

In 2025/26, the Council funded capital items to the value of £42.5m, which compares with a total capital programme of £69.3m after taking account of items brought forward from earlier years. The net underspending of £26.8m was mainly due to slippage, much of which was outside the Council's control, with spending on many multi-year schemes now continuing and budgets being requested to carried forward into the following year.

£2.149m of housing capital receipts were used to finance HRA capital expenditure, with the balance of the HRA spend being funding from the HRA Major Repairs Reserve at £5.988m, prudential borrowing of £7.833m, capital grants of £2.755m and Section 106 contributions of £2.370m.

Capital expenditure on the General Fund was financed by capital receipts of £327k, prudential borrowing of £2.115m, capital grants and contributions of £18.827m and Section 106 receipts of £133k.

Total loans repayable by the Council to external parties as at 31 March 2026 for capital expenditure amounted to £119.5m (including loans relating to Bramcote Bereavement Services Joint Committee). Much of the balance comprises the remaining balance of the £66.4m of loans in respect of the one-off debt settlement arising from the introduction of self-financing within the HRA in March 2012.

In overall terms capital expenditure increased in comparison with 2024/25 by £11.2m. This was primarily due increased spending on the housing delivery programme and the grant funded economic regeneration schemes.

This Council's share of capital expenditure in respect of Bramcote Bereavement Services amounted to £660k in 2025/26 (£304k in 2024/25). This capital spend was incurred on the replacement of cremators.

In order to reflect changing property prices, the Council's property assets are revalued on the basis of a five-year revaluation programme with all assets revalued at least once every five years.

Council dwellings are valued on the existing use value – social housing (EUV-SH) basis using an appropriate discount factor. The discount factor used to value Council dwellings as at 31 March 2026 was 42% as set out in the updated Guidance on Stock Valuation for Resource Accounting published in November 2016. The valuation of the housing stock as at 31 March 2026 resulted in a total gain of £3.502m. The valuation of other property assets at 31 March 2026 resulted in upward revaluations of £0.672m and downward revaluations of £1.185m.

## 5. Outlook

An updated Medium Term Financial Strategy (MTFS) was presented to Cabinet on 3 February 2026 which highlighted a potential shortfall in resources of £6.194m from 2026/27 through to 2029/30. This was based upon several significant assumptions including generating a further £800k per annum from savings on vacant posts over the duration of the MTFS.

The accounts of Bramcote Bereavement Services show a revenue account balance of £256k as at 31 March 2025 which represents a decrease of £74k from the previous year-end position. This outturn was a worsened position when compared to mid-year forecasts, due to demand. The distribution of the surplus to the Council from the Bramcote Bereavement Services Joint Committee was £450k in 2025/26.

Liberty Leisure Limited achieved a surplus of £3k for 2025/26. The management fee paid by the Council to the company for 2025/26 was £0.135m (£0.246m in 2024/25).

The Council has a Business Strategy that is designed to ensure that it will be:

- Lean and fit in its assets, systems and processes.
- Customer focused in all its activities.
- Commercially minded and financially viable
- Making best use of technology.

The Business Strategy comprises a range of initiatives across all areas of the Council to either reduce costs or generate additional income and designed to ensure that the best use is being made of available resources. An updated Business Strategy was presented to Cabinet on 4 November 2025. This will be refreshed to reflect recent developments, and a revised version will be presented to Cabinet in early November 2026.

The Council will be carefully monitoring events in the external environment and assessing potential future financial implications arising from these accordingly. This includes the ongoing impact of the economy on the Council's services and finances in addition to monitoring the impact on budgets following the outcome of the Fair Funding Review and the baseline reset for retained Business Rates.

The General Fund balance as at 31 March 2026 was £5.740m. This was more than the projection of £4.214m reported to Cabinet on 3 February 2026 and any later budget adjustments agreed by Cabinet. This reflects measures taken to address the Council's financial position. The Medium-Term Financial Strategy will be updated to reflect the outturn position and other recent changes including those set out above for presentation to Cabinet in November 2026.

Work will continue to be undertaken across all areas to ensure that the Council is equipped to meet the challenges ahead and can do so in a sustainable manner based upon a sound financial footing.

## 6. The Statement of Accounts

The Council's statutory accounts for the year 2025/26 are set out on pages 32 to 35. They have been compiled in accordance with accounting policies that comply with the relevant recommended accounting practices and which are set out in the notes to the accounts from page 36 onwards.

The financial statements consist of the:

- Statement of Responsibilities, which sets out the responsibilities on the Council and on the Interim Deputy Chief Executive and Section 151 Officer (as the Council's chief financial officer).
- Movement in Reserves Statement, which shows the movement in the year on the different reserves held by the Council, analysed between those that are usable and other reserves.
- Comprehensive Income and Expenditure Statement, as the summary revenue account, covering expenditure and income on all services and showing how activities have been financed. This shows the Council's actual financial performance for the year, measured in terms of the resources consumed and generated over the last 12 months. The Council is required to raise council tax on a different accounting basis.
- Balance Sheet, which sets out the Council's financial position as at 31 March 2026.
- Cash Flow Statement, which summarises the total movement of the Council's funds.
- Housing Revenue Account, which shows income and expenditure on the Council's housing services.
- Collection Fund, which includes income received from council tax payers, business rate payers and central government and the payments made by the fund in precepts to Broxtowe Borough Council, Nottinghamshire County Council, Nottinghamshire Police and Crime Commissioner, Nottinghamshire Fire and Rescue and the Parish and Town Councils.
- Group accounts incorporating the financial performance of Liberty Leisure Limited which is wholly owned by the Council.

These accounts are supported by the Statement of Accounting Policies and various notes to the accounts. In addition, an Annual Governance Statement, as presented to the Governance, Audit and Standards Committee on 18 May 2026 has been included. The accounts for 2025/26 are presented in a form that is based upon the best accounting practices recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The accounts include all of the Council's financial activities and also incorporate 50% of the activities of the Bramcote Bereavement Services Joint Committee.

The Council's Statement of Accounts for 2025/26 were issued and certified by Martin Paine (Interim Deputy Chief Executive and Section 151 Officer) on 29 June 2026 for submission to the auditors. The final audited accounts will be presented for approval to the Governance, Audit and Standards Committee on 23 November 2026 in accordance with the Accounts and Audit (England) Regulations 2015 and Accounts and Audit (Amendment) Regulations 2021.

## 7. Further Information

Further information about the accounts is available from the Interim Deputy Chief Executive and Section 151 Officer at the Council Offices, Foster Avenue, Beeston, Nottingham NG9 1AB. This is part of the Council's policy of providing full information about the Council's affairs.

# ANNUAL GOVERNANCE STATEMENT

## Corporate Values

The Council's governance arrangements are reflected in our corporate values which are:

- Integrity and professional competence
- A strong caring focus on the needs of communities
- Continuous improvement and delivering value for money
- Valuing employees and enabling the active involvement of everyone
- Innovation and readiness for change.

## Competency Framework and Employee Performance Appraisal

These values are consistent with the SOLACE/CIPFA governance code and act as the basis for the Council's competency framework and the assessment of individual employee performance appraisal.

## The Constitution, Standing Orders and Delegated Authority

The Council's Constitution sets out the roles of Members and Officers and the terms of reference of the Council's Cabinet and Committees. Officers' delegated powers to take decisions are set out in this document, as are the protocols and codes of conduct regulating the way employees and Members should behave and relate to each other, and how debate is conducted at Council meetings. Limits of financial expenditure are set out in standing orders and in standing orders relating to contracts.

The main checks and balances on the respective power of Officers and Members is summarised in the table below. The table provides some of the key ways in which Officers and Members are held accountable to local residents.

| Officer checks/balances | Member checks/balances | Accountability to residents |
|---|---|---|
| • Officer delegations within Constitution<br>• Pay Policy underpinned by Job evaluation policy<br>• Disciplinary Policies<br>• Employee Code of Conduct<br>• Statutory Officers (Chief Executive as Head of Paid Service; Interim Deputy Chief Executive as Section 151 Officer; Monitoring Officer); Chief Information Officer - Executive Director<br>• Financial standing orders within Constitution | • Elections<br>• Independent Remuneration Panel<br>• Members Allowances scheme<br>• Governance Audit and Standards Committee<br>• Statutory Officers (Chief Executive as Head of Paid Service; Interim Deputy Chief Executive as Section 151 Officer; Monitoring Officer); Chief Information Officer - Executive Director<br>• Questions to Members at Council meetings | • Broxtowe Matters Annual Report<br>• Public questions at Council meetings<br>• Petitions at Council meetings<br>• Community Trigger for anti-social behaviour<br>• Communications Strategy 2023-26<br>• Publication Scheme<br>• Open Data<br>• Transparency framework<br>• Publication of Committee minutes<br>• Tenant and Leaseholder Matters |

| Officer checks/balances | Member checks/balances | Accountability to residents |
|---|---|---|
| • Contract standing orders within Constitution<br>• Fraud Prevention Policy<br>• Treasury Management policy<br>• Business Continuity Plans<br>• Whistleblowing Policy<br>• Strategic Risk Register<br>• Risk Management Policy<br>• Health & Safety Policy; Procedures; Health & Safety Group<br>• Information Management Arrangements<br>• Employee engagement exercises<br>• Complaints and compliments procedure<br>• Licensing and Appeals Committee (employment and grievance appeals)<br>• Statement of Internal Control (SIC) | • Member Code of Conduct<br>• Reports at Council by Members of Outside Bodies at Council meetings<br>• Ward Member reports at Council meetings<br>• Public Consultations<br>• Register of Members Interests<br>• Declaration of interests at all meetings<br>• Protocol for Councillor/ Officer Relationships | • Broxtowe Parks Standard<br>• Public satisfaction surveys<br>• External audit annual letter to Governance, Audit and Standards Committee<br>• Internal and external audit progress reports at Governance, Audit and Standards Committee<br>• Periodic external inspections e.g. EFLG/ IIP/IIE/LGA<br>• Peer review<br>• Benchmarking through APSE/CIPFA/SOCITIM/ Housemark<br>• Finance Data online<br>• Licensing and Appeals Committee (Taxi, alcohol, licensing matters)<br>• Commenting on planning applications and speaking to Planning Committee |

## Corporate Plan and Business Plans

The Council's Corporate Plan sets out the Council's Vision and Priorities. The vision is "Broxtowe- a greener, safer healthier place where everyone prospers".

The priorities are succinctly expressed:

**Housing**: A good quality home for everyone
**Environment**: Protect the environment for the future
**Business Growth**: Invest in our towns and our people
**Leisure and Health**: Healthy and supported communities
**Community Safety**: A safe place for everyone
**Communities and Engagement**: Improve the way in which we listen to and engage with residents

## Strategy and Policy Framework

Within each priority area, a range of strategies and policies are devised to guide the decision making of Officers and members. These are approved by Cabinet or the respective committees apart from those which are reserved for full Council for determination.

**The Council**

- Consists of 44 Elected Members.

- Approves the budget and policy framework including setting the Council Tax.
- Approves the Constitution (including Standing Orders and Financial Regulations).
- Establishes Committees to discharge non-executive functions.

**Cabinet**
- The main decision-making body of the Council responsible for executive functions.
- Leader of the Council appointed by the Council with responsibility for executive functions and who appoints a Deputy Leader and Cabinet Members with responsibility for particular portfolios.

**Governance, Audit and Standards Committee**
- Provides independent assurance to the Council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment.
- Approves the Annual Statement of Accounts and the Annual Governance Statement.

**Scrutiny Committee**
- The Council has an Overview and Scrutiny Committee which has the ability to appoint Task and Finish Groups.
- The Committee holds Cabinet and Officers to account and scrutinises performance.

**Head of Paid Service**
- Overall corporate management and operational responsibility for the Council, including overall management for responsibility for all employees
- The provision of professional advice to all parties in the decision making process and, representing the Council on partnerships and outside bodies
- The Head of Paid Service will determine how the Council's functions are discharged, the number and grade of Officers required to discharge the functions and how Officers are organised.

**Chief Finance Officer (s151)**
- Accountable for developing and maintaining the Council's governance, risks and control framework.
- Ensuring lawfulness and financial prudence of decision-making and the administration of financial affairs.
- Providing advice to all Councillors on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues, and will support and advise Councillors and Officers in their respective roles.
- Contributes to the effective corporate management and governance of the Council.

**Monitoring Officer**
- Monitoring, reviewing and maintaining the Constitution.
- Ensuring lawfulness and fairness of decision-making.
- Supporting the Standards processes.
- Contributes to the effective corporate management and governance of the Council.

**Chief Audit and Control Officer**
- Provides independent assurance and opinion on the adequacy and effectiveness of the Council's risk management and control framework

- Through the internal audit service delivers an annual programme of risk based activity, including counter fraud and investigation activity and makes recommendations for the improvement in the management of risk and control.

**General Management Team**
- Implements the policy and budgetary framework set by the Council and provides advice to Cabinet and the Council on the development of future policy and budgetary issues.
- Oversees the delivery of the Council’s Corporate Plan and implementation of Council policy.

**Assistant Directors/Heads of Service**
- Responsible for developing, maintaining and implementing the Council’s governance, risk and control framework
- Contribute to the effective corporate management and governance of the Council

Two joint committees exist – the Economic Prosperity Committee, which consists of the Leaders of all Councils in Nottinghamshire to consider countywide development matters; and the Bramcote Bereavement Service Joint Committee which oversees the operation of Bramcote Crematorium, which is jointly owned with Erewash Borough Council.

Two internal committees recommend changes to employee and Member conditions – the Local Joint Consultative Committee which considers employee-related matters before making recommendations to Cabinet, and the Independent Remuneration Panel, which considers matters relating to the remuneration of Members before making recommendations to Council. The Independent Remuneration Panel reviewed Members’ Allowances in January 2025 and decided to recommend an increase in the allowance in-line with the employee pay award, in addition to an increase in the basic Members’ allowance of £600 in order to bring Broxtowe Borough Council Members’ allowances more closely in line with the next lowest allowances in Nottinghamshire. Full Council received the report of the Panel’s findings on 4 March 2025 and accepted the recommendation.

Delegation arrangements to Officers are set out in detail within the Constitution. In order to ensure that decisions are made in compliance with the law and approved policy, Chief Officers are charged with responsibility for the operation of controls within their areas of responsibility and for statutory functions, as necessary. They make an annual declaration of compliance through the annual statement of internal control.

Regular meetings take place between relevant Senior Officers and Members of the Council to discuss and propose policy.

The Constitution also includes sections on the conduct of meetings, Financial Regulations, Financial Regulations (Contracts) and Codes of Conduct for Members and Officers.

The Council established a wholly owned leisure services company, Liberty Leisure Limited, from October 2016. These arrangements have delivered cost reductions and increased income though the company operating as a commercial entity and opportunities to better fulfil the Council’s aims through increased flexibility in day-to-day operations.

Full control of the company is maintained by the Council through the governance arrangements that are in place, with the Advisory Shareholder Sub-Committee maintaining oversight of the company.

## Strategies, Policies and Business Plans

The Council has a suite of strategies, policies and business plans which mirror its corporate priority themes and ensures that service delivery follows a clearly set out, politically approved and strategically led approach.

## Electoral Arrangements

Elections for Nottinghamshire County were held during 2025/26 in addition to a by-election for the Stapleford South-East Ward. The Council operates an ‘all out’ system of elections every four years.

## Statutory Officers

The Council’s Statutory Officers are the Chief Executive (as the ‘Head of Paid Service’), the Interim Deputy Chief Executive (as the ‘Section 151 Officer’) and the Monitoring Officer. All three Officers are members of the General Management Team and have the authority to place reports in front of an appropriate Member body where an aspect of concern and within their statutory remit comes to their attention.

In particular, they are responsible for ensuring that the Council acts within the law and in accordance with established policies and procedures. The Section 151 Officer is specifically responsible for the proper discharge of financial arrangements and must advise the Council where any proposal might be unlawful or where expenditure is likely to exceed resources.

Regular discussions are held at weekly meetings of the General Management Team about issues where governance is of concern and periodically a specific discussion takes place to identify areas of concern on the horizon, whether these may arise from things such as legislative changes, changing service demands, political matters or financial problems, a risk assessment that has been undertaken and/or any changes in the risk environment in which the Council is operating, and matters to be reported to future Committees.

The Interim Deputy Chief Executive is the appointed Section 151 Officer and is a key member of the General Management Team. Being part of the General Management Team, together with meeting with leading Members and attending full Council, Cabinet and other appropriate Committees, as required, ensures that the Section 151 Officer can provide corporate financial advice to the Council at the appropriate level and that financial implications and risks are properly taken into account.

All reports to decision-making Committees incorporate a statement on financial implications where appropriate which are subject to review by the Section 151 Officer and the Assistant Director of Finance Services. As such, the Council’s financial arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The Monitoring Officer also attends the General Management Team. Part of their responsibilities include ensuring that any legislative changes are known about and implemented as appropriate, together with monitoring that the Council does not act unlawfully.

Chief Officers are responsible for ensuring that legislation and policy relating to service delivery and health and safety are implemented in practice. Each Chief Officer signs a Statement of Internal Control to acknowledge responsibility in maintaining and operating functions in accordance with the Council's procedures and practices that uphold the internal control and assurance framework

## Internal Audit

The Chief Audit and Control Officer is the Council's designated 'Head of Internal Audit' and is under the management of the Interim Deputy Chief Executive. Whilst the Chief Audit and Control Officer is not a member of the General Management Team, in all other respects the role is in accordance with guidance as laid down in the Standards and the CIPFA Statement on the Role of the Head of Internal Audit, including their attendance at the Governance, Audit and Standards Committee and presenting reports in their own name.

The Chief Audit and Control Officer is responsible for the review of the systems of internal control and for giving an opinion on both the corporate and service-specific standards in place. As reported to the Governance, Audit and Standards Committee, he has undertaken such a review and concluded that, in his opinion, "the current internal control environment is satisfactory such as to maintain the adequacy of the governance framework".

The Internal Audit Charter covers all activities of the Council at a level and frequency determined using a risk management methodology. The approach is designed to be risk-based so that it can focus resources on the key areas of risk facing the Council.

In advance of each financial year the Governance, Audit and Standards Committee is responsible for approving the Internal Audit Plan that governs each year's activity. Upon completion of each audit assignment, a report is produced for management with agreed actions for improvement. Regular progress reports on Internal Audit activity are submitted to the Governance, Audit and Standards Committee for consideration. This Committee can request further reviews to be undertaken and can request other Committees further investigate matters arising from any activities within their remit.

## External Audit

The external auditor reviews the Council's arrangements for:

- preparing accounts in compliance with statutory and other relevant requirements
- ensuring the proper conduct of financial affairs and monitoring their adequacy and effectiveness in practice
- securing economy, efficiency and effectiveness.

The external auditor gives their opinion on the Council's accounts and whether or not proper arrangements exist to secure value for money. The Council continues to examine the use of its financial systems to help produce information for financial management, the capacity of the Finance Services teams and the financial reporting processes used to advise Members during the course of the year.

## Fraud and Corruption

The Department of Work and Pensions established a Single Fraud Investigation Service (SFIS) to manage benefit fraud investigation on a national basis. Officers employed by the Council to investigate benefit fraud transferred to SFIS in November 2015.

The Chief Audit and Control Officer is the central contact for non-benefit fraud allegations. The role of Internal Audit has been extended to act as a co-ordinating and investigating service for all non-benefit related fraud and corruption reports and to manage the Council's response to such reports.

## Partnerships

The Governance, Audit and Standards Committee has the responsibility to examine further procurement and collaborative working opportunities with the private sector and other local authorities. Cabinet has included in its remit the power to direct the work of any delivery vehicles established to deliver services within their remit. This may include partnership arrangements, including those with the voluntary and community sector. Where grants are provided to voluntary sector organisations, conditions are applied regarding the reporting of the activities of the grant-receiving body and its financial standing. In particular, where grant funding exceeds a given value, a Service Level Agreement (SLA) may be used to gain assurance over the use of funds.

## Significant Governance Issues – Action Plan

We propose over the coming year to take steps to address the matters listed as "opportunities for improvement" to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

**Actions**

- Review Plans and Policies for:
    - Whistleblowing
    - Disciplinary Process
    - Grievance
    - Anti-Bullying and Harassment
    - Employee Code of Conduct
- Local Government Reorganisation
    - Work with organisations to develop a seamless transition following the anticipated decision
- Conduct the Climate Change Forum
- Develop or refresh strategies for:
    - Social Value Regulations
    - Substance Misuse Strategy

  - Vulnerable Person Policy
  - Serious Organised Crime Strategy
  - Modern Slavery Statement
  - Health and Wellbeing Action Plan
  - Crime Reduction Action Plan
  - Hate Crime Strategy
- Greater Nottingham Strategic Plan review
- Review the Medium Term Financial Strategy (MTFS) and refresh the Business Strategy to ensure that any potential budget gap is managed at a sustainable level" with a target date of November 2026
- Implementation of the Renters Rights Act 2025 to improve standards in private rented accommodation
- Participate in the process for Local Government Reorganisation as required by the Government
- Develop and implement a council wide corporate compliance committee to identify areas of risk within our operational performance.
- Ensure there are transparent decision logs for all delegated decisions

| | |
|---|---|
| Councillor M Radulovic MBE | Z Darr |
| Leader of the Council | Chief Executive |
| Broxtowe Borough Council | Broxtowe Borough Council |
| 18 May 2026 | 18 May 2026 |

# STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

**The Authority's Responsibilities**

The authority is required:

- under section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Interim Deputy Chief Executive and Section 151 Officer
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- to approve the statement of accounts.

**The Interim Deputy Chief Executive and Section 151 Officer's Responsibilities**

The Interim Deputy Chief Executive and Section 151 Officer is responsible for the preparation of the authority's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code of Practice).

In preparing this Statement of Accounts, the Interim Deputy Chief Executive and Section 151 Officer has:

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

The Interim Deputy Chief Executive and Section 151 Officer has also:

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

This statement of accounts is that upon which the auditor should enter his certificate and opinion and has been prepared under the Local Government Finance Act 2003. It gives a true and fair view of the financial position of the authority at 31 March 2026 and its income and expenditure for the year then ended.

**M Paine**
**Interim Deputy Chief Executive and Section 151 Officer**
**29 June 2026**

# 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.

| Year Ended 31 March 2025 | | | | Year Ended 31 March 2026 | | | |
|---|---|---|---|---|---|---|---|
| **Gross Expend £'000** | **Income £'000** | **Net Expend £'000** | | **Gross Expend £'000** | **Income £'000** | **Net Expend £'000** | **Notes** |
| 991 | (983) | 8 | Housing | 1,159 | (756) | 403 | |
| 4,615 | (3,403) | 1,212 | Business Growth | 7,111 | (4,015) | 3,096 | |
| 2,672 | (766) | 1,906 | Community Safety | 2,745 | (667) | 2,078 | |
| 1,805 | (716) | 1,089 | Health | 1,643 | (430) | 1,213 | |
| 9,672 | (4,766) | 4,906 | Environment | 11,180 | (4,908) | 6,272 | |
| 15,691 | (14,517) | 1,174 | Revenues, Benefits & Customer Services | 13,239 | (11,935) | 1,304 | |
| 7,230 | (2,150) | 5,080 | Resources | 6,897 | (2,074) | 4,823 | |
| 1,105 | (420) | 685 | ICT & Business Transformation | 1,362 | (641) | 721 | |
| 18,138 | (20,711) | (2,573) | Local Authority Housing (HRA) | 17,536 | (21,104) | (3,568) | |
| **61,919** | **(48,432)** | **13,487** | **Cost of Services – Continuing Operations** | **62,872** | **(46,530)** | **16,342** | |
| | | 8,333 | Other Operating Expenditure | | | 9,136 | **12** |
| | | 2,510 | Financing and Investment Income and Expenditure | | | 3,307 | **13** |
| | | (24,754) | Taxation and Non-Specific Grant Income | | | (39,904) | **14** |
| | | **(424)** | **(Surplus) or Deficit on Provision of Services** | | | **(11,119)** | |
| | | (9,156) | (Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets | | | (4,486) | |
| | | 415 | Remeasurement of the Net Defined Benefit Liability/(Asset) | | | 721 | **37** |
| | | **(8,741)** | **Other Comprehensive Income and Expenditure** | | | **(3,765)** | |
| | | **(9,165)** | **Total Comprehensive Income and Expenditure** | | | **(14,884)** | |

# MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the authority, analysed into Usable Reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and other Unusable Reserves. The statement shows how the movements in year of the authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year. The Net Increase/Decrease line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments.

| | General Fund & Earmarked Reserves £'000 | Housing Revenue Account £'000 | Capital Receipts Reserve £'000 | Major Repairs Reserve £'000 | Bramcote Bereav't Services £'000 | Total Usable Reserves £'000 | Unusable Reserves £'000 | Total Reserves £'000 |
|---|---|---|---|---|---|---|---|---|
| **Balance at 31 March 2024 Carried Forward** | **(8,857)** | **(2,673)** | **(6,312)** | **(212)** | **(254)** | **(18,308)** | **(184,039)** | **(202,347)** |
| **Movement in Reserves during 2024/25** | | | | | | | | |
| Total Comprehensive Income and Expenditure | (8,407) | 8,229 | 0 | 0 | (246) | (424) | (8,741) | (9,165) |
| Adjustments between accounting basis & funding basis under regulations (Note 10) | 8,659 | (7,222) | 1,657 | (174) | 252 | 3,172 | (3,172) | 0 |
| **(Increase)/decrease in 2024/25** | **252** | **1,007** | **1,657** | **(174)** | **6** | **2,748** | **(11,913)** | **(9,165)** |
| **Balance at 31 March 2025 Carried Forward** | **(8,605)** | **(1,666)** | **(4,655)** | **(386)** | **(248)** | **(15,560)** | **(195,952)** | **(211,512)** |
| **Movement in Reserves during 2025/26** | | | | | | | | |
| Total Comprehensive Income and Expenditure | (18,523) | 7,911 | **0** | **0** | (507) | **(11,119)** | (3,765) | **(14,884)** |
| Adjustments between accounting basis & funding basis under regulations (Note 10) | 17,703 | (7,191) | (1,887) | 386 | 589 | 9,600 | (9,600) | 0 |
| **(Increase)/decrease in 2025/26** | **(820)** | **720** | **(1,887)** | **386** | **82** | **(1,519)** | **(13,365)** | **(14,884)** |
| **Balance at 31 March 2026 Carried Forward** | **(9,425)** | **(946)** | **(6,542)** | **0** | **(166)** | **(17,079)** | **(209,317)** | **(226,396)** |

# BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories, usable and unusable. Usable reserves are those reserves that the authority 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). Unusable reserves are those that the authority is not able to use to provide services. This category of reserves 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.

| 31 March 2025 £'000 | | 31 March 2026 £'000 | Notes |
|---|---|---|---|
| 326,334 | Property, Plant & Equipment | 348,387 | 15 |
| 511 | Heritage Assets | 469 | 16 |
| 744 | Intangible Assets | 892 | |
| 5,592 | Long Term Investments | 5,504 | 17 |
| 58 | Long Term Debtors | 48 | |
| **333,239** | **Long Term Assets** | **355,300** | |
| 112 | Assets Held for Sale | 93 | |
| 238 | Inventories | 203 | |
| 7,210 | Short Term Debtors | 7,443 | 18 |
| 12,912 | Cash and Cash Equivalents | 11,992 | 19 |
| **20,472** | **Current Assets** | **19,731** | |
| (12,192) | Short Term Borrowing | (14,513) | 17 |
| (8,823) | Short Term Creditors | (8,416) | 20 |
| (590) | Provisions | (556) | 21 |
| 0 | Revenue Grants Receipts in Advance | 0 | 31 |
| **(21,605)** | **Current Liabilities** | **(23,485)** | |
| (11) | Long Term Creditors | (14) | |
| (229) | Provisions | (343) | 21 |
| (98,495) | Long Term Borrowing | (105,025) | 17 |
| (233) | Net Pension Liability | (196) | 37 |
| (21,626) | Capital Grants Receipts in Advance | (19,572) | 31 |
| **(120,594)** | **Long Term Liabilities** | **(125,150)** | |
| **211,512** | **Net Assets** | **226,396** | |
| (15,560) | Usable Reserves | (17,079) | 22 |
| (195,952) | Unusable Reserves | (209,317) | 23 |
| **(211,512)** | **Total Reserves** | **(226,396)** | |

# CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority 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 authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

| 2024/25 £'000 | | 2025/26 £'000 | Notes |
|---|---|---|---|
| **424** | **Net surplus or (deficit) on the provision of services** | **11,119** | |
| 14,486 | Adjustments to net surplus or deficit for non-cash movements | 22,410 | **24** |
| (11,596) | Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities | (29,108) | **24** |
| **3,314** | **Net cash flows from operating activities** | **4,421** | |
| (14,651) | Investing activities | (12,165) | **25** |
| 15,951 | Financing activities | 6,824 | **26** |
| **4,614** | **Net increase or (decrease) in cash and cash equivalents** | **(920)** | |
| 8,298 | Cash and cash equivalents at the beginning of the reporting period | 12,912 | |
| **12,912** | **Cash and cash equivalents at the end of the reporting period** | **11,992** | **19** |

# NOTES TO THE CORE FINANCIAL STATEMENTS

## 1. Accounting Policies

### (i) General Principles

The Statement of Accounts summarises the authority's transactions for the 2025/26 financial year and its position at the year end of 31 March 2026. The authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting 2024/25 (the Code) supported by International Financial Reporting Standards (IFRS), International Accounting Standards and statutory guidance issued under section 12 of the Local Government Act 2003.

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.

The Statement of Accounts has been prepared on a going concern basis. As required by IAS1, it has been assumed that the Council will continue in operation for the foreseeable future.

### (ii) 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.

An exception to the above relates to electricity and other similar quarterly payments which are charged at the date of meter reading rather than being apportioned between financial years. This policy is consistently applied each year and therefore does not have a material effect on the year's accounts.

There is a minimum limit of £1,000 for any one accrual of service expenditure or income. However, discretion is allowed for lesser amounts to be accrued where budget managers consider such an amount to have a significant impact on their budget.

As regards private sector housing benefits, payments can relate to periods partly in advance and partly in arrears. The cut-off date applied to such payments is as near to the year end as possible and ensures consistency with the figures used to calculate government subsidy received on such payments.

Council housing rents become chargeable on the Monday of each week for the week ahead. Rent income is accounted for up to and including the last Monday in the financial year. This can therefore include an element relating to the following year for which no adjustment is made.

**(iii) Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three 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 bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

**(iv) Prior Year 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 effects 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.

**(v) Charges to Revenue for Non-Current Assets**

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

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

The Council is not required to raise council tax or council housing rents to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance. This is known as the Minimum Revenue Provision (MRP).

Depreciation, revaluation and impairment losses and amortisations are therefore reversed out of the General Fund (and the Housing Revenue Account (HRA)) and replaced by the MRP. This is completed with an adjusting transaction with the Capital Adjustment Account within the Movement in Reserves Statement for the difference between the two. This ensures that depreciation, revaluation and impairment losses and amortisations have no overall effect on council tax or housing rent levels.

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008, require local authorities to approve an MRP policy at the beginning of each financial year on setting aside a sum of money from revenue for the repayment of principal on outstanding debt. From 2012/13 onwards the Council has approved a policy such that, for capital expenditure incurred before 1 April 2008, the MRP is based on 4% of the authority's Capital Financing Requirement for the General Fund.

For General Fund capital expenditure incurred after 1 April 2008, the MRP is based upon the estimated life of those assets where the financing was provided by borrowing. The Council has also decided that no voluntary provision for the repayment of debt relating to the HRA should be made in 2024/25.

For finance leases held by the Council as a lessee the MRP charged is equivalent to the principal element of the lease payment.

**(vi) Employee Benefits**

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 salaries, paid annual leave and sick leave and are recognised as an expense for service in the year in which employees render service to the Council.

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 and are charged on an accruals basis to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to the termination of the employment of an officer or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund or Housing Revenue Account 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.

<u>Post-Employment Benefits</u>

Employees of the Council are members of the Local Government Pension Scheme, administered by Nottinghamshire County Council. The scheme is a defined benefit scheme in that it provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

<u>The Local Government Pension Scheme</u>

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

- The liabilities of the Nottinghamshire County Council 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 about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices using a discount rate that reflects the time value of money and the characteristics of the liability.
- The assets of the Nottinghamshire County Council Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:
    - Quoted securities – current bid price.
    - Unquoted securities – professional estimate
    - Unitised securities – current bid price
    - Property – market value

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

- Service cost comprising:
    - Current service cost – the increase in liabilities as a result of years of service earned this year (allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked).
    - 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 the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Resources).
    - Net interest on the net defined benefit liability or asset (i.e. the net interest expense for the Council) – the change during the period in the net defined liability or asset that arises from the passage of time charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement). This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability or asset at the beginning of the period after taking into account any changes in the net defined benefit liability or asset during the period as a result of contribution and benefit payments.

- Re-measurements comprising:
  - The return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
  - Actuarial gains and losses (changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions) charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
  - The effect of the asset ceiling (limitation of the recognition of a surplus on the pension fund to be recognised to the extent that the organisation can gain economic benefit from that surplus) charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the Nottinghamshire County Council 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 and Housing Revenue Account balance to be charged with the amount payable by the Council to the pension fund in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations 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 any amounts payable but unpaid at the year end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund and Housing Revenue Account 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 authority 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.

### (vii) Events after the Balance Sheet Date

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.

**(viii) Financial Instruments**

Financial Liabilities

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

All borrowings shown in the Balance Sheet consist of the outstanding principal repayable plus accrued interest. Annual interest is charged to the Comprehensive Income and Expenditure Statement in accordance with the loan agreement.

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

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement or the Housing Revenue Account, regulations allow the impact on the General Fund and Housing Revenue Account Balance respectively 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 or the Housing Revenue Account to the net charge required against the General Fund or Housing Revenue Account Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Certain reserves are kept to manage the accounting processes for non-current fixed assets and retirement benefits and do not represent usable resources for the Council - these reserves are explained in the relevant policies below.

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

- amortised cost
- fair value through profit or loss
- fair value through other comprehensive income

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

Financial Assets measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

All such assets held on the Balance Sheet consist of the outstanding principal receivable plus accrued interest. Annual interest is credited to the Comprehensive Income and Expenditure Statement in accordance with the loan agreement.

The Council has provided a number of "soft loans" to employees at less than market rates for the purchase of motor vehicles. These should be correctly shown in the Balance Sheet at fair value. However, the value of these loans is not considered to be material. Accordingly, the value as shown in the Balance Sheet represents the value of any loans made less any repayments that have been received.

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

Expected Credit Loss Model

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

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

Financial Assets measured at Fair Value through Profit or Loss

Financial assets measured at fair value through profit or loss are recognised on the balance sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they occur in the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.

The fair value measurements of the financial assets are based on the following techniques:

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

The inputs to the measurement technique are categorised in accordance with the following:

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

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

<u>Financial Assets measured at Fair Value through Other Comprehensive Income</u>

Financial assets measured at fair value through other comprehensive income are recognised on the balance sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Annual income received from the financial instrument is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement when it becomes receivable by the authority.

The fair value measurements of the financial assets are based on the following techniques:

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

The inputs to the measurement technique are categorised in accordance with the following:

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

The Council can elect to classify certain instruments as Fair Value through Other Comprehensive Income, dependent on the contractual arrangements for the instrument.

For an elected financial asset fair value gains and losses are recognised as they occur in Other Comprehensive Income within the Comprehensive Income and Expenditure Statement but are balanced by an entry in the Financial Instrument Revaluation Reserve. In all other circumstances the gain or loss is recognised in the Financing and Investment Income and Expenditure line on the Comprehensive Income and Expenditure Statement before being transferred to the Financial Instrument Revaluation Reserve via the Movement in Reserve Statement

On derecognition of an elected financial asset the balance on the Financial Instrument Revaluation Reserve is transferred to the General Fund via the Movement in Reserves Statement. In all other circumstances the balance on the Financial Instrument Revaluation Reserve is transferred to the Financing and Investment Income and Expenditure line within the Comprehensive Income and Expenditure Statement.

**(ix) 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 by 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.

**(x) Heritage Assets**

The Council's Heritage Assets are held for their historical and artistic significance and comprise:

- DH Lawrence Birthplace Museum building.
- DH Lawrence Museum Collection, made up of 129 pieces of art, ornaments and other objects of artistic, historic and cultural value.
- A painting by Dr Ala Bashir, a respected sculptor and painter, of DH Lawrence which is linked to his most famous novel, Lady Chatterley's Lover. The painting was donated to the Council in 2008.

The museum building is recognised and measured (including the treatment of depreciation and revaluation gains and losses) in accordance with the Authority's accounting rules on property, plant and equipment.

The museum collection and painting are valued periodically, in line with the Code, by a Council Officer with the appropriate knowledge and skill to determine the value of the items held.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment. For example, this may be where the asset has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment.

**(xi) Intangible Assets**

Expenditure on non-monetary assets that do not have physical substance but are controlled by the authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase. Research expenditure cannot be capitalised.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Intangible assets are measured initially at cost. Thereafter they are carried at cost less accumulated depreciation and any accumulated impairment loss. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

An asset is tested for impairment whenever there is an indication that the asset might be impaired. Any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted 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 sales proceeds greater than £10,000) the Capital Receipts Reserve.

**(xii) Interests in Companies and Other Entities**

The authority has 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. Liberty Leisure Limited is a wholly owned subsidiary of the authority which manages the provision of leisure services and its accounts are consolidated with the authority's in accordance with IAS27.

**(xiii) Inventories and Long Term Contracts**

Inventories are included in the Balance Sheet at cost. Whilst the Code of Practice on Local Authority Accounting requires inventories to be shown at the lower of cost and net realisable value, a departure from this is permitted under IFRS due to:

- the value of inventories not being considered to be material.
- the cost of analysing inventories between cost and net realisable value outweighing the value to the user of the accounts.

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.

**(xiv) Jointly Controlled Operations and Jointly Controlled Assets**

Jointly controlled operations are activities undertaken by the Council in conjunction with other venturers that involve the use of assets and resources of the venturers rather than the establishment of a separate entity. The Council recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity.

Jointly controlled assets are items of property, plant and equipment that are jointly controlled by the Council and other venturers, with the assets being used to obtain benefits for the venturers. The joint venture does not involve the establishment of a separate entity. The Council accounts for only its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

**(xv) Leases**

**The Council as Lessee**

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

Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date of 1 April 2024, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the PWLB annuity rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date.
- amounts expected to be payable under a residual value guarantee.
- the exercise price under a purchase option that the authority is reasonably certain to exercise Governance, Audit and Standards Committee 17 March 2025.
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option.
- penalties for early termination of a lease, unless the authority is reasonably certain not to terminate early.

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

Subsequent measurement

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

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

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties. The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption. The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate.

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

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

Low value and short lease exemption

As permitted by the Code, the authority excludes leases:

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

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed. Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

**The Council as Lessor**

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

Finance Leases

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

Lease rentals receivable are apportioned between:

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

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the Movement in Reserves Statement.

Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve.

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

<u>Operating Leases</u>

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

**(xvi) Overhead and Support Services**

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice (SerCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the authority's status as a multi-functional, democratic organisation.
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early.

These two cost categories are defined in the Service Reporting Code of Practice but are accounted for under Resources in the Comprehensive Income and Expenditure Statement.

**(xvii) Property, Plant and Equipment**

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

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

In addition, expenditure needs to be above the Council's de-minimis level of £10,000 before it can be recognised as capital. Any spend below this limit is charged to revenue.

Measurement

Assets are initially measured at cost, comprising:

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

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

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

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

- Infrastructure, community assets and assets under construction – depreciated historical cost.
- Dwellings - fair value, determined using the basis of existing use value for social housing (EUV-SH)
- All other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

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

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

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment. Where authorities do not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, authorities revalue their assets every five years, with annual indexation applied to assets during the four intervening years. Assets held at Depreciated Historical Cost and those with 'short lives' are excluded (along with other exceptions). For Broxtowe, all assets included in the 'Other Land and Buildings' (OLB) classification are subject to the annual indexation exercise. Given that Broxtowe's OLB assets are valued using a variety of methods (as directed by CIPFA and the RICS due to the varying ways in which these assets are utilised), it may be necessary to identify a number of different indexes to perform this exercise.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. (Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from a reversal of a loss previously charged to a service).

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

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

<u>Impairment</u>

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

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

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

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

Depreciation

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

Depreciation is calculated on the following bases:

| Asset | Depreciation Method | Useful Life in Years |
|---|---|---|
| Council Dwellings (Non components) | Straight line | 80 |
| Council Dwellings (Components) | Straight line | 15-40 |
| Council Offices | Straight line | 60 |
| Pavilions and Cemetery Chapels | Straight line | 30 |
| Other Buildings | Straight line | 40 |
| Vehicles, Plant, Furniture and Equipment | Straight line | 5 |
| Infrastructure | Straight line | 40 |
| Specialist Vehicles | Straight line but with additional charge in year following acquisition | 5 |
| Land | No depreciation charged | |
| Assets Under Construction | No depreciation charged | |
| Assets Held for Sale | No depreciation charged | |

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. This applies particularly in respect of council house dwellings.

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

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset

Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

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

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale

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

If part of an asset is replaced with a similar identifiable component, the carrying amount of the replaced or restored component is derecognised with the carrying amount of the new component being recognised. Any gain or loss arising from this process is credited or debited to the Comprehensive Income and Expenditure Statement as appropriate.

With regards to the de-recognition of infrastructure assets or components of an asset, typically infrastructure assets/components are de-recognised when an asset/component is replaced. In these circumstances the Council will be utilising the Statutory Provision 'The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 SI 1232/2022'. The Council will derecognise infrastructure assets/component at £nil value (i.e. fully depreciated). The exception to this is where an infrastructure asset/component is disposed of via a means other than replacement expenditure (e.g. the sale of an asset). In this case the accounting methods for disposal as set out above will be followed.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The Council has committed to a government scheme whereby, as from 2012/13, housing capital receipts from right to buy sales can only be used towards new affordable council housing, and within five years of their receipt, otherwise they become payable to the government. The balance of receipts held is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment on council housing or set aside to reduce the underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written off value of disposals is not a charge against council tax or housing rents, as the cost of fixed assets is fully provided for under separate arrangements for capital financing.

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

**(xviii) Provisions, Contingent Liabilities and Contingent Assets**

Provisions

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

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured as the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

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

A provision exists in relation to outstanding insurance claims, based upon information supplied by the Council's insurers. All insurance claims transactions during the course of the year are passed through the provision with the appropriate charge being made against the service lines within the Comprehensive Income and Expenditure Statement.

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 obligation cannot be measured reliably.

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

Contingent Assets

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

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.

**(xix) Reserves**

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 or Housing Revenue Account balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund or Housing Revenue Account balance in the Movement in Reserves Statement so that there is no net charge against council tax or housing rents for the expenditure.

**(xx) Revenue Expenditure Funded from Capital under Statute**

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

**(xxi) VAT**

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

**(xxii) Collection Fund**

Billing authorities are required to maintain a separate fund for the collection and distribution of amounts due in respect of council tax and non-domestic rates. The Council acts as an agent, collecting and distributing council tax and business rates income on behalf of the major precepting authorities and central government as well as itself.

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

The Balance Sheet includes the Authority’s share of year end balances in respect of Council Tax and Non Domestic Rates relating to arrears, impairment allowances for doubtful debts and overpayments and prepayments and appeals.

Non Domestic Rates amounts are collected on behalf of the other partners of Central Government, Nottinghamshire County Council and Nottinghamshire Fire Authority.

Council Tax amounts are collected on behalf of the other preceptors of Nottinghamshire County Council, Nottinghamshire Police Authority and Nottinghamshire Fire Authority.

As the Collection Fund is conducted on an agency basis, there is a debtor or creditor position between the Council and the major precepting authorities and central government.

## 2. Accounting Standards that have been Issued but not yet Adopted

The 2025/26 Code of Practice requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code. The Code also requires the Authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant year.

The additional disclosures that may be required in the financial statements in respect of accounting changes that are introduced in the 2026/27 Code of Practice relate to:

- FRS 102 Financial Statements - amendments to Heritage Assets
- IFRS 9 Financial Instruments – amendments to classification and measurement of financial instruments together with updates on contracts referencing nature dependent electricity
- IFRS 7 Financial Instruments: Disclosures - amendments to classification and measurement of financial instruments together with updates on contracts referencing nature dependent electricity

It is not anticipated that the above amendments will have a material impact on the information provided in the Council's financial statements

## 3. Critical Judgements in applying Accounting Policies

In applying the accounting policies set out earlier in this document the authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. No critical judgements have been required for the 2025/26 financial year.

## 4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

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

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

| Item | Uncertainties | Effect if Actual Results differ from Assumptions |
|---|---|---|
| Expected Credit Losses | It is recognised that a proportion of the Council's short term debt will not be collected. To allow for this a provision for expected credit loss is calculated to ensure the balance shown in the accounts reflect the income likely to be received. The loss is calculated on the basis of the age of the debt and the likelihood of recovery. In addition, significant balances are assessed individually. | The expected credit loss on short term debtors is £0.845m. If collection rates were to deteriorate an increase in the amount of loss would be required. The Council also has an additional £0.272m credit loss in respect of the Council's proportion of the Council Tax and Non Domestic Rates Collection Fund and a further £0.234m for council house rent areas within the Housing Revenue Account |
| 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 some 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 Other Land and Buildings would increase by £14,526 for every year that useful lives of these assets were to be reduced. |
| 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 pensions liability of changes in individual assumptions can be measured. For example, a 0.1% increase in the discount rate assumption and an increase of one year in the mortality age rating assumption would result in a decrease of £1.447m and an increase of £4.667m respectively in the present value of the defined benefit obligation. An increase in the discount rate would, if all other factors remained unchanged, result in a decrease in the present value of the defined benefit obligation. |

| Item | Uncertainties | Effect if Actual Results differ from Assumptions |
|---|---|---|
| Appeals on Non Domestic Rates valuations | Businesses are able to challenge valuations involved in setting Business Rates. The current approach is based upon appeals lodged with the Valuation Office. The current provision for appeals is £0.857m. | If the value of successful appeals were to increase by 10% an increase in provision of £0.087m would be required which would be shared with preceptors and the Government. Broxtowe's element would be £0.034m. There is also uncertainty as to how appeals will be managed under 75% business rate retention once introduced. |

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

## 5. Material Items of Income and Expense

There are no material items of income or expenditure that have not been disclosed else.

## 6. Prior Period Adjustment

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made by 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.

No prior period adjustments were made for the 2024/25 figures within the statement.

## 7. Events After the Reporting Period

The draft Statement of Accounts was authorised for issue by the Interim Deputy Chief Executive and Section 151 Officer on 30 June 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing on 31 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

For the purposes of consideration, Post Balance Sheet events can occur up to the approval of the Statements on 23 November 2026 by the Governance, Audit and Standards Committee.

## 8. Expenditure and Funding Analysis

The Expenditure and Funding Analysis 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 expenditure is allocated for decision making purposes between the council's committees. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

| 2024/25 | | | | 2025/26 | | |
|---|---|---|---|---|---|---|
| **Net Expenditure Chargeable to the General Fund and HRA balances £'000** | **Adjustments between the Funding and Accounting Basis £'000** | **Net Expenditure in the Comprehensive Income and Expenditure Statement £'000** | **Corporate Priority** | **Net Expenditure Chargeable to the General Fund and HRA balances £'000** | **Adjustments between the Funding and Accounting Basis £'000** | **Net Expenditure in the Comprehensive Income and Expenditure Statement £'000** |
| 4 | 4 | 8 | Housing | 392 | 11 | 403 |
| 6 | 1,206 | 1,212 | Business Growth | (260) | 3,356 | 3,096 |
| 891 | 1,015 | 1,906 | Community Safety | 1,015 | 1,063 | 2,078 |
| 888 | 201 | 1,089 | Health | 914 | 299 | 1,213 |
| 3,675 | 1,231 | 4,906 | Environment | 4,723 | 1,549 | 6,272 |
| 1,153 | 21 | 1,174 | Revenues, Benefits and Customer Services | 1,258 | 46 | 1,304 |
| 5,052 | 28 | 5,080 | Resources | 5,222 | (399) | 4,823 |
| 529 | 156 | 685 | ICT and Business Transformation | 461 | 260 | 721 |
| (6,688) | 4,115 | (2,573) | Local Authority Housing (HRA) | (9,360) | 5,792 | (3,568) |
| **5,510** | **7,977** | **13,487** | **Net Cost of Service** | **4,365** | **11,977** | **16,342** |
| (4,245) | (9,666) | (13,911) | Other Income and Expenditure | (4,383) | (23,078) | (27,461) |
| **1,265** | **(1,689)** | **(424)** | **Surplus or Deficit** | **(18)** | **(11,101)** | **(11,119)** |
| **11,784** | | | **Opening General Fund and HRA balances at 1 April** | **10,519** | The respective increase/decrease on the General Fund and HRA are detailed in the Movement on Reserves Statement on page 33 | |
| **(1,265)** | | | **Less/Plus Surplus or (Deficit) on General Fund and HRA Balance in Year** | **18** | | |
| **10,519** | | | **Closing General Fund and HRA Balance at 31 March** | **10,537** | | |

## Adjustments between Funding and Accounting Basis

| Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts | Adjustments for Capital Purposes £'000 | Net change for Pensions Adjustments £'000 | Other Statutory Adjustments £'000 | Total Adjustments £'000 |
|---|---|---|---|---|
| **2025/26** | | | | |
| Housing | 0 | 11 | 0 | **11** |
| Business Growth | 3,286 | 70 | 0 | **3,356** |
| Community Safety | 1,014 | 49 | 0 | **1,063** |
| Health | 286 | 13 | 0 | **299** |
| Environment | 1,353 | 196 | 0 | **1,549** |
| Revenues, Benefits & Customer Services | 0 | 46 | 0 | **46** |
| Resources | 195 | (594) | 0 | **(399)** |
| ICT & Business Transformation | 241 | 19 | 0 | **260** |
| Local Authority Housing (HRA) | 5,602 | 190 | 0 | **5,792** |
| **Net Cost of Services** | **11,977** | **0** | **0** | **11,977** |
| Other income and expenditure from the Expenditure and Funding Analysis | (22,712) | (758) | 392 | **(23,078)** |
| **Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services** | **(10,735)** | **(758)** | **392** | **(11,101)** |
| **2024/25** | | | | |
| Housing | 0 | 4 | 0 | **4** |
| Business Growth | 1,175 | 31 | 0 | **1,206** |
| Community Safety | 994 | 21 | 0 | **1,015** |
| Health | 196 | 5 | 0 | **201** |
| Environment | 1,151 | 80 | 0 | **1,231** |
| Revenues, Benefits & Customer Services | 0 | 21 | 0 | **21** |
| Resources | 277 | (249) | 0 | **28** |
| ICT & Business Transformation | 149 | 7 | 0 | **156** |
| Local Authority Housing (HRA) | 4,035 | 80 | 0 | **4,115** |
| **Net Cost of Services** | **7,977** | **0** | **0** | **7,977** |
| Other income and expenditure from the Expenditure and Funding Analysis | (8,075) | (442) | (1,149) | **(9,666)** |
| **Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services** | **(98)** | **(442)** | **(1,149)** | **(1,689)** |

**Adjustments for Capital Purposes**

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

- Other operating expenditure - 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.

**Net Change for Pension Adjustments**

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

- For Services this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.

- For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

**Other Statutory Adjustments**

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.

## 9. Expenditure and Income Analysed by Nature

The authority's expenditure and income are analysed as follows:

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| | **Expenditure** | |
| 19,165 | Employee Benefits Expenses | 19,848 |
| 514 | Expenditure on Joint Associates | 1,692 |
| 32,716 | Other Services Expenses | 29,356 |
| 9,524 | Depreciation, Amortisation & Impairment | 11,976 |
| 3,683 | Interest Payments | 4,333 |
| 1,135 | Precepts and Levies | 1,260 |
| 0 | Payments to Housing Capital Receipts Pool | 0 |
| 7,198 | (Gain)/Loss on the Disposal of Assets | 7,876 |
| (222) | Pensions Interest Cost | (66) |
| 60 | (Gain)/Loss on Revaluation of Financial Instruments | 82 |
| **73,773** | **Total Expenditure** | **76,357** |
| | **Income** | |
| (31,778) | Fees, Charges and Other Service Income | (33,135) |
| (462) | Income on Joint Associates | (368) |
| (1,011) | Interest and Investment Income | (1,042) |
| (13,922) | Income from Council Tax & Non Domestic Rates | (14,617) |
| (26,959) | Government Grants & Contributions | (38,314) |
| (65) | Donated Asset | 0 |
| **(74,197)** | **Total Income** | **(87,476)** |
| **(424)** | **Surplus or Deficit on Provision of Services** | **(11,119)** |

## 10. Adjustments between Accounting Basis and Funding Basis under Regulations

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

### General Fund Balance

The General Fund is the statutory fund into which all the receipts of the authority are required to be paid and out of which all liabilities of the authority 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 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.

**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 available to be applied for these purposes at the year end.

**Major Repairs Reserve**

The Council is required to maintain a Major Repairs Reserve. Depreciation charges made to the HRA are matched with accompanying credits to the Major Repairs Reserve. These are then used to assist in the financing of HRA capital expenditure.

**Capital Grants Unapplied**

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

**Bramcote Bereavement Services**

The Bramcote Bereavement Services Account holds a 50% share of the balance relating to the Bramcote Bereavement Services Joint Committee, the other 50% being held by Erewash Borough Council. The Joint Committee is a separate entity but is regarded by the Council as a jointly controlled operation such that a 50% share of the accounts has been incorporated into those of this Council. The balance on the account is 50% of the available resources of the Joint Committee at the financial year end but the use is restricted to that approved by the Joint Committee.

| **2025/26** | **Usable Reserves** | | | | |
|---|---|---|---|---|---|
| | **General Fund Balance £'000** | **Housing Revenue Account £'000** | **Capital Receipts Reserve £'000** | **Major Repairs Reserve £'000** | **Bramcote Bereavement Services £'000** |
| **Adjustments to the Revenue Resources** | | | | | |
| Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements: | | | | | |
| Pension costs (transferred to (or from) the Pensions Reserve) | 489 | 258 | 0 | 0 | 11 |
| Financial Instruments (transferred to the Financial Instruments Adjustment Account) | 24 | 0 | 0 | 0 | 0 |
| Financial Instruments (transferred to the Pooled Fund Adjustment Account) | (82) | 0 | 0 | 0 | 0 |
| Council Tax and NDR (transfers to (or from) Collection Fund Adjustment Account) | (335) | 0 | 0 | 0 | 0 |
| Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account) | 14,811 | (16,147) | 0 | 0 | 578 |
| **Total Adjustments to Revenue Resources** | **14,907** | **(15,889)** | **0** | **0** | **589** |
| **Adjustments between Revenue and Capital Resources** | | | | | |
| Transfer of non current asset sale proceeds from revenue to the Capital Receipts Reserve | 1,267 | 3,096 | (4,363) | 0 | 0 |
| Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve) | 0 | 0 | 0 | 0 | 0 |
| Posting of HRA resources from revenue to the Major Repairs Reserve | 0 | 5,602 | 0 | (5,602) | 0 |
| Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account) | 1,529 | 0 | 0 | 0 | 0 |
| Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account) | 0 | 0 | 0 | 0 | 0 |
| **Total Adjustments between Revenue and Capital Resources** | **2,796** | **8,698** | **(4,363)** | **(5,602)** | **0** |
| **Adjustments to Capital Resources** | | | | | |
| Use of the Capital Receipts Reserve to finance capital expenditure | 0 | 0 | 2,476 | 0 | 0 |
| Use of the Major Repairs Reserve to finance capital expenditure | 0 | 0 | 0 | 5,988 | 0 |
| Application of capital grants to finance capital expenditure | 0 | 0 | 0 | 0 | 0 |
| **Total Adjustments between Revenue and Capital Resources** | **0** | **0** | **2,476** | **5,988** | **0** |
| **Total Adjustments** | **17,703** | **(7,191)** | **(1,887)** | **386** | **589** |

| **2024/25** | **Usable Reserves** | | | | |
|---|---|---|---|---|---|
| | **General Fund Balance £'000** | **Housing Revenue Account £'000** | **Capital Receipts Reserve £'000** | **Major Repairs Reserve £'000** | **Bramcote Bereavement Services £'000** |
| **Adjustments to the Revenue Resources** | | | | | |
| Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements: | | | | | |
| Pension costs (transferred to (or from) the Pensions Reserve) | 274 | 157 | 0 | 0 | 11 |
| Financial Instruments (transferred to the Financial Instruments Adjustment Account) | 32 | 0 | 0 | 0 | 0 |
| Financial Instruments (transferred to the Pooled Fund Adjustment Account) | (60) | 0 | 0 | 0 | 0 |
| Council Tax and NDR (transfers to (or from) Collection Fund Adjustment Account) | 1,177 | 0 | 0 | 0 | 0 |
| Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account) | 5,563 | (14,318) | 0 | 0 | 227 |
| **Total Adjustments to Revenue Resources** | **6,986** | **(14,161)** | **0** | **0** | **238** |
| **Adjustments between Revenue and Capital Resources** | | | | | |
| Transfer of non current asset sale proceeds from revenue to the Capital Receipts Reserve | 248 | 1,455 | (1,703) | 0 | 0 |
| Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve) | 0 | 0 | 0 | 0 | 0 |
| Posting of HRA resources from revenue to the Major Repairs Reserve | 0 | 5,484 | 0 | (5,484) | 0 |
| Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account) | 1,343 | 0 | 0 | 0 | 0 |
| Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account) | 82 | 0 | 0 | 0 | 14 |
| **Total Adjustments between Revenue and Capital Resources** | **1,673** | **6,939** | **(1,703)** | **(5,484)** | **14** |
| **Adjustments to Capital Resources** | | | | | |
| Use of the Capital Receipts Reserve to finance capital expenditure | 0 | | 3,360 | 0 | 0 |
| Use of the Major Repairs Reserve to finance capital expenditure | 0 | 0 | 0 | 5,310 | 0 |
| Application of capital grants to finance capital expenditure | 0 | 0 | 0 | 0 | 0 |
| **Total Adjustments between Revenue and Capital Resources** | **0** | **0** | **3,360** | **5,310** | **0** |
| **Total Adjustments** | **8,659** | **(7,222)** | **1,657** | **(174)** | **252** |

## 11. Movements in Earmarked Reserves

This note sets out the amounts set aside from the General Fund and Housing Revenue Account (HRA) balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure.

| | Balance at 31 March 2024 £'000 | Movement in Year £'000 | Balance at 31 March 2025 £'000 | Movement in Year £'000 | Balance at 31 March 2026 £'000 |
|---|---|---|---|---|---|
| **General Fund:** | | | | | |
| Elections Reserve | (52) | (30) | (82) | 0 | (82) |
| Homelessness Grant Initiatives | (305) | 18 | (287) | 14 | (273) |
| Stapleford Town Fund Reserve | (1,082) | 0 | (1,082) | 773 | (309) |
| Kimberley Measn Business | 0 | 0 | 0 | (118) | (118) |
| Lesiure Development | 0 | (123) | (123) | (134) | (257) |
| Collection Fund Equalisation | (1,280) | 1,005 | (275) | (400) | (675) |
| Local Government Reorganisation | 0 | 0 | 0 | (300) | (300) |
| Fair Value Financial Instruments | 0 | 0 | 0 | (250) | (250) |
| Unapplied Revenue Grants | 0 | (996) | (996) | (175) | (1,171) |
| Other Balances | (59) | (144) | (203) | (46) | (249) |
| **Total** | **(2,778)** | **(270)** | **(3,048)** | **(636)** | **(3,684)** |

Apart from a small amount held on a charities account within Other Balances, all of the above reserves shown under the General Fund can be used to fund any General Fund expenditure. The prime intent of each of the reserves is given below:

- Elections Reserve - Yearly amounts are paid into the reserve in order to spread out the high costs of council elections when they occur once every four years. Grant monies received from the government in respect of the Individual Electoral registration initiative are also held in this reserve.
- Homelessness Grant Initiatives - Funding received from the Government to fund initiatives specific to preventing and managing homelessness within the Borough.
- Stapleford Town Fund Reserve – Grant received as part of the Government's Towns Funds scheme. The purpose of which is to regenerate town centres, boost businesses and improve infrastructure.
- Kimberley Means Business – Grant received as part of the Government's Levelling Up agenda. It is designed to regenerate the town centre, support local enterprises and boost the community through significant infrastructure projects.
- Leisure Development – Funding set aside to support future developments in the provision of leisure services.
- Collection Fund Equalisation – Surpluses made within the Collection Fund in previous years has been set aside to offset the deficits anticipated in future years.
- Local Government Reorganisation – An amount set aside from balances to cover potential future costs relating to the anticipated reorganisation of councils in Nottingham and Nottinghamshire from April 2028.
- Fair Value Financial Instruments - An amount set aside to cover any losses made on long-term investments in property funds. Current legislation prevents any accumulated capital

losses from being charged to the General Fund, but this exemption expires in March 2029. The reserve has therefore been established to mitigate the anticipated losses at that time.

- Unapplied Revenue Grants – Grants received from the Government which are to be applied to future schemes and initiatives in support of the Council's priorities.

## 12. Other Operating Expenditure

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| 1,135 | Parish Council Precepts | 1,260 |
| 0 | Payments to the Government Housing Capital Receipts Pool | 0 |
| 7,198 | Gains/losses on the disposal of non-current assets | 7,876 |
| **8,333** | **Total** | **9,136** |

## 13. Financing and Investment Income and Expenditure

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| 3,683 | Interest payable and similar charges | 4,333 |
| (222) | Net interest on the net defined benefit liability/(asset) | (66) |
| (1,011) | Interest receivable and similar income | (1,042) |
| 60 | Gains/losses on revaluation of financial instruments | 82 |
| **2,510** | **Total** | **3,307** |

## 14. Taxation and Non Specific Grant Income

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| (7,716) | Council tax income | (8,180) |
| (6,206) | Non-Domestic Rates (NDR) | (6,437) |
| (875) | Revenue Support and Other Grants | (591) |
| (9,892) | Capital grants and contributions | (24,696) |
| (65) | Donated Asset | 0 |
| **(24,754)** | **Total** | **(39,904)** |

# 15. Property, Plant and Equipment

| Movements in 2025/26 | Council Dwellings £'000 | Other Land and Buildings £'000 | Vehicles, Plant, Furniture & Equipment £'000 | Community Assets £'000 | Surplus Assets £'000 | Assets Under Construction £'000 | Infrastructure Assets £'000 | Total Property, Plant & Equipment £'000 |
|---|---|---|---|---|---|---|---|---|
| **Cost or Valuation:** | | | | | | | | |
| At 1 April 2025 | 267,697 | 36,066 | 8,567 | 356 | 0 | 18,203 | 5,481 | 336,370 |
| Additions | 15,692 | 6,915 | 1,769 | 34 | 0 | 13,802 | 726 | 38,938 |
| Indexation increases/(decreases) recognised in the Revaluation Reserve | 0 | (1,470) | 0 | 0 | 0 | 0 | 0 | (1,470) |
| Indexation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluation increases/ (decreases) recognised in the Revaluation Reserve | (1,858) | 91 | 0 | 0 | 0 | 0 | 0 | (1,767) |
| Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services | 0 | (880) | 0 | 0 | 0 | 0 | 0 | (880) |
| Derecognition – Disposals | (10,543) | (44) | 0 | 0 | 0 | (2,857) | 0 | (13,444) |
| Derecognition – Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assets reclassified (to)/from Held for Sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other movements in Cost or Valuation | 7,234 | 2,192 | 289 | 69 | 0 | (10,990) | 1,206 | 0 |
| **At 31 March 2026** | **278,222** | **42,870** | **10,625** | **459** | **0** | **18,158** | **7,413** | **357,747** |
| **Accumulated Depreciation and Impairment:** | | | | | | | | |
| At 1 April 2025 | (16) | (2,111) | (5,904) | (65) | 0 | 0 | (1,940) | (10,036) |
| Depreciation charge | (5,457) | (529) | (909) | 0 | 0 | 0 | (137) | (7,032) |
| Depreciation written out | 5,360 | 2,374 | 35 | 0 | 0 | 0 | 0 | 7,769 |
| Derecognition – Disposals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment losses/(reversals) recognised in the SDoPS | (14) | 0 | 0 | 0 | 0 | (48) | 0 | (62) |
| Assets reclassified (to)/from Held for Sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other movements in Depreciation and Impairment | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| **At 31 March 2026** | **(127)** | **(265)** | **(6,778)** | **(65)** | **0** | **(48)** | **(2,077)** | **(9,360)** |
| **Net Book Value:** | | | | | | | | |
| **At 31 March 2026** | **278,095** | **42,605** | **3,847** | **394** | **0** | **18,110** | **5,336** | **348,387** |
| **At 31 March 2025** | **267,681** | **33,955** | **2,663** | **291** | **0** | **18,203** | **3,541** | **326,334** |

| Movements in 2024/25 | Council Dwellings £'000 | Other Land and Buildings £'000 | Vehicles, Plant, Furniture & Equipment £'000 | Community Assets £'000 | Surplus Assets £'000 | Assets Under Construction £'000 | Infrastructure Assets £'000 | Total Property, Plant & Equipment £'000 |
|---|---|---|---|---|---|---|---|---|
| **Cost or Valuation:** | | | | | | | | |
| At 1 April 2024 | 260,658 | 35,662 | 7,789 | 356 | 19 | 3,816 | 4,985 | 313,285 |
| Additions | 12,288 | 1,225 | 797 | 0 | 0 | 13,903 | 496 | 28,709 |
| Donations | 0 | 65 | 0 | 0 | 0 | 0 | 0 | 65 |
| Revaluation increases/ (decreases) recognised in the Revaluation Reserve | 3,570 | (157) | 0 | 0 | 0 | 0 | 0 | 3,413 |
| Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services | 0 | (34) | 6 | 0 | 0 | 0 | 0 | (28) |
| Derecognition – Disposals | (8,819) | (70) | (25) | 0 | 0 | 0 | 0 | (8,914) |
| Derecognition – Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assets reclassified (to)/from Held for Sale | 0 | (96) | 0 | 0 | (19) | 0 | 0 | (115) |
| Other movements in Cost or Valuation | 0 | (529) | 0 | 0 | | 484 | 0 | (45) |
| **At 31 March 2025** | 267,697 | 36,066 | 8,567 | 356 | 0 | 18,203 | 5,481 | **336,370** |
| **Accumulated Depreciation and Impairment:** | | | | | | | | |
| At 1 April 2025 | (82) | (1,653) | (4,917) | (65) | 0 | 0 | (1,809) | (8,526) |
| Depreciation charge | (5,308) | (558) | (987) | 0 | 0 | 0 | (131) | (6,984) |
| Depreciation written out | 5,390 | 353 | 0 | 0 | 0 | 0 | 0 | 5,743 |
| Derecognition – Disposals | 0 | 12 | 0 | 0 | 0 | 0 | 0 | 12 |
| Derecognition – Other | (16) | (312) | 0 | 0 | 0 | 0 | 0 | (328) |
| Assets reclassified (to)/from Held for Sale | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Other movements in Depreciation and Impairment | 0 | 45 | 0 | 0 | 0 | 0 | 0 | 45 |
| **At 31 March 2026** | **(16)** | **(2,111)** | **(5,904)** | **(65)** | **0** | **0** | **(1,940)** | **(10,036)** |
| **Net Book Value:** | | | | | | | | |
| **At 31 March 2025** | **267,681** | **33,955** | **2,663** | **291** | **0** | **18,203** | **3,541** | **326,334** |
| **At 31 March 2024** | **260,576** | **34,009** | **2,872** | **291** | **19** | **3,816** | **3,175** | **304,758** |

**Capital Commitments**

As at 31 March 2026, the authority has entered into a number of contracts for the construction or enhancement of Property, Plant & Equipment in 2026/27 and future years budgeted to cost £34.402m. Similar commitments at 31 March 2025 were £26.855m. The major commitments are:

| | £'000 |
|---|---|
| Bathroom Replacement | 157 |
| Kitchens Replacement | 7,875 |
| Boiler Replacement | 2,718 |
| Roofing Improvements | 725 |
| Electric Periodic Improvement Works | 1,100 |
| Electric Rewiring Works | 157 |
| Aids and Adaptations | 1,485 |
| Fire Safety Assessment and Remedial Work | 6,750 |
| Doors and Windows Replacement | 1,455 |
| Decent neighbourhoods | 2,400 |
| Structural Remedial Repairs | 630 |
| Asbestos Surveys and Remedial Works | 2,150 |
| Energy Efficiency Works | 6,800 |

**Effects of Changes in Estimates**

There have been no changes in estimated asset life or residual asset values in 2025/26 that would have a material effect.

**Revaluations and other changes**

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, although material changes to asset valuations will be adjusted as they occur. General Fund properties, with the exception of Beeston Square and the Stapleford Community Pavilion, were valued by R. Leggett, Assoc RICS, RICS Registered Valuer (employed by the Council). Beeston Square and the Stapleford Community Pavilion were valued by external valuers Lambert Smith Hampton. HRA dwellings were valued by external valuers HEB.

The valuation of council dwellings at 31 March 2026 resulted in a net revaluation gain of £3.502. This was added to the revaluation reserve.

The valuation figures incorporated in the accounts are the aggregate of separate valuations of parts of the portfolio, not a valuation of the portfolio valued as a whole. Valuations of vehicles, plant, furniture and equipment are based on historical cost adjusted for depreciation.

The significant assumptions applied in estimating the fair values based upon the type of property are:

- Market Value – Non-operational property (investment, surplus and development property) (where applicable)

- Existing Use Value – Operational non specialised property
- Depreciated Replacement Cost – Operational specialised property
- Existing Use Value (Social Housing) – Council housing stock

| | Council Dwellings £'000 | Other Land and Buildings £'000 | Vehicles, Plant, Furniture & Equipment £'000 | Infrastructure Assets £'000 | Community Assets £'000 | Assets Under Construction £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|
| Carried at historical cost | 0 | 617 | 3,847 | 5,336 | 394 | 18,110 | **28,304** |
| Valued at fair values as at: | | | | | | | |
| 31 March 2026 | 275,465 | 20,883 | | | | | **296,348** |
| 31 March 2025 | 2,630 | 2,495 | | | | | **5,125** |
| 31 March 2024 | | 5,179 | | | | | **5,179** |
| 31 March 2023 | | 2,513 | | | | | **2,513** |
| 31 March 2022 | | 10,918 | | | | | **10,918** |
| **Total Cost or Valuation** | **278,095** | **42,605** | **3,847** | **5,336** | **394** | **18,110** | **348,387** |

## 16. Heritage Assets

**DH Lawrence Birthplace Museum**

This asset is a Victorian building in Eastwood that was the birthplace of the author DH Lawrence in 1885. The museum allows visitors to learn about his family life and how growing up in a mining community was to shape his future years through the display of furniture and other artefacts including some of DH Lawrence's water colour paintings and personal items. The asset is held for its historical and artistic significance and to promote knowledge and culture.

**DH Lawrence Museum Collection**

The collection is made up of 129 pieces including art, ornaments, and other objects of artistic, historic, and cultural value.

**Painting**

The painting by Dr Ala Bashir was donated to the Council free of charge in 2008. In 2022/23 a revaluation was received from the Museums Officer at the D.H Lawrence Museum (employed by the Council). This revaluation is in compliance with the Code which states "Valuations may be made by any method that is appropriate and relevant. There is no requirement for valuations to be carried out or verified by external valuers, nor is there any prescribed minimum period between valuations." as it is deemed that the opinion of an experienced Museums Officer, who has a strong knowledge of this piece and similar pieces, is appropriate and relevant. No depreciation is charged on the painting. There are no specific conditions attached to this donation. This asset has artistic content and could be considered to be making a strong contribution towards knowledge and culture.

## 17. Financial Instruments

**Categories of financial instruments**

A financial asset is a right to future economic benefits controlled by the Council. The financial assets held by the Council during the year are accounted for under the following classifications:

- Amortised cost (where cash flows are solely payments of principal and interest and the Council's model is to collect those cash flows) comprising:
    - cash in hand
    - bank current and deposit accounts.
    - trade receivables for goods and services provided.
    - short term investments with other local authorities
- Fair value through profit and loss (all other financial assets) comprising:
    - money market funds managed by Northern Trust International Fund Administration Services, Royal London Investment Management, Federated Investors (UK) LLP and Aberdeen Global Services S.A.
    - property funds managed by CCLA Fund Managers Ltd held as strategic investments.

A financial liability is an obligation to transfer economic benefits controlled by the Council All of the Council's financial liabilities held during the year are measured at amortised cost and comprised:

- long term loan with Barclays Bank plc
- long term loans from the Public Works Loan Board (PWLB)
- short term loan from Bramcote Crematorium Joint Committee

The following categories of financial instruments are carried in the Balance Sheet:

| | Long Term | | Current | |
|---|---|---|---|---|
| | **2024/25 £'000** | **2025/26 £'000** | **2024/25 £'000** | **2025/26 £'000** |
| **Investments** | | | | |
| Amortised cost | 0 | 0 | 5,597 | 5,622 |
| Fair value through profit or loss | 5,592 | 5,504 | 7,315 | 6,370 |
| **Total Investments** | 5,592 | 5,504 | 12,912 | 11,992 |
| **Debtors** | | | | |
| Amortised cost | 58 | 48 | 2,875 | 2,900 |
| **Total included in Debtors** | 58 | 48 | 2,875 | 2,900 |
| **Borrowings** | | | | |
| Amortised cost | (98,495) | (105,025) | (12,192) | (14,513) |
| **Total Borrowings** | (98,495) | (105,025) | (12,192) | (14,513) |
| **Creditors** | | | | |
| Amortised cost | (11) | (14) | (1,948) | (1,748) |
| **Total included in Creditors** | **(11)** | **(14)** | **(1,948)** | **(1,748)** |

Total investments shown in the table above consist of short term investments and cash and cash equivalents as shown in the balance sheet.

Short term debtors as shown on the balance sheet include £4.543m debtors (£4.303m 2024/25) which do not meet the definition of a financial asset as they relate to non-exchange transactions.

Short term creditors as shown on the balance sheet includes £6.668m (£6.891m 2024/25) that does not meet the definition of a financial liability as they relate to non-exchange transactions.

Where loans are advanced at below market rates they are classed as ‘soft loans’. The Council had soft loans to employees at less than market rates for the purchase of motor vehicles which totalled £0.054m at 31 March 2026 (£0.061m at 31 March 2025) and which are included under debtors in the table above. These should be correctly shown in the Balance Sheet at fair value. However, the value of these loans is not considered to be material. Accordingly, the value as shown in the Balance Sheet represents the value of any loans made less any repayments that have been received.

The following table reflects the composition of investments and debt as recorded on the Balance Sheet:

| | Long Term | | Current | |
|---|---|---|---|---|
| | 2024/25 £'000 | 2025/26 £'000 | 2024/25 £'000 | 2025/26 £'000 |
| **Borrowing** | | | | |
| Nominal Amount | (98,110) | (104,241) | (12,154) | (14,488) |
| Accrued Interest | (385) | (784) | (38) | (25) |
| **Total Borrowings as per Balance Sheet** | (98,495) | (105,025) | (12,192) | (14,513) |
| **Investments** | | | | |
| Nominal Amount | 5,553 | 5,464 | 12,857 | 11,951 |
| Accrued Interest | 39 | 40 | 55 | 41 |
| **Total Investments as per Balance Sheet** | 5,592 | 5,504 | 12,912 | 11,992 |

The portion of long-term liabilities and investments due to be settled within 12 months of the Balance Sheet date are presented in the Balance Sheet under Current Liabilities' or Current Assets. Investments placed in accounts "on call" are included within 'cash and cash equivalents' and are reflected in the table above. This also includes accrued interest for long term investments and borrowings as well as accrued interest for cash and cash equivalents. Cash in transit or at bank is included in investments in the tables above. Any bank overdrafts are included within borrowing in the tables above.

**Income, Expense, Gains and Losses**

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following:

| 31 March 2025 £'000 | | 31 March 2026 £'000 |
|---|---|---|
| | **Net gains/losses on:** | |
| 60 | Financial assets measured at fair value through profit or loss | 82 |
| **60** | **Total net gains/losses** | **82** |
| | **Interest and investment income** | |
| 0 | Financial assets measured at amortised cost | (57) |
| (990) | Financial assets measured at fair value through profit or loss | (947) |
| (21) | Other interest received | (38) |
| **(1,011)** | **Total interest and investment income** | **(1,042)** |
| | **Interest payable** | |
| 3,683 | Financial liabilities measured at amortised cost | 4,333 |
| **3,683** | **Total interest payable** | **4,333** |

**Financial Instruments - Fair Values**

Financial instruments, except those classified at amortised cost, are carried on the balance sheet at fair value. The fair value of a financial instrument is the price that would be received or paid to another market participant in an arm's length transaction. For the Council's investments in money market funds and other pooled funds the fair value is taken from the market price.

Financial instruments classified at amortised cost are carried in the balance sheet at amortised cost. Their fair values can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- estimated ranges of interest rates at 31 March 2026 of 4.40% to 6.07% for loans from the PWLB and 5.92% for other loans receivable and payable, based on new lending rates for equivalent loans at that date.
- no early repayment or impairment is recognised.
- where an instrument will mature in the next 12 months, the carrying amount is assumed to approximate to fair value.
- the fair value of trade and other receivables is taken to be the invoiced or billed amount.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1- fair value is only derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 – fair value is calculated from inputs other than quoted process that are observable for the asset or liability.
- Level 3 – fair value is determined using unobservable inputs.

Fair values of assets:

| Balance Sheet 31 Mar 25 £'000 | Fair Value 31 Mar 25 £'000 | | Fair Value Level | Balance Sheet 31 Mar 26 £'000 | Fair Value 31 Mar 26 £'000 |
|---|---|---|---|---|---|
| | | **Financial assets held at fair value:** | | | |
| 12,334 | 12,334 | Money market funds | 1 | 11,387 | 11,387 |
| 5,592 | 5,592 | Property funds | 1 | 5,504 | 5,504 |
| | | **Financial assets held at amortised cost:** | | | |
| 0 | 0 | Loans with other local authorities | | 0 | 0 |
| 577 | 577 | Bank deposits | 2 | 605 | 605 |
| 61 | 61 | Car loans | | 54 | 54 |
| 2,873 | 2,873 | Trade Receivables | | 2,894 | 2,894 |
| 21,437 | 21,437 | **Total** | | 20,444 | 20,444 |
| 4,335 | | Assets for which fair value is not disclosed | | 4,543 | |
| 25,772 | 21,437 | **Total Financial Assets** | | 24,987 | 20,444 |
| | | **Recorded on balance sheet as:** | | | |
| 5,592 | | Long term investments | | 5,504 | |
| 58 | | Long term debtors | | 48 | |
| 0 | | Short term investments | | 0 | |
| 7,210 | | Short term debtors | | 7,443 | |
| 12,912 | | Cash and cash equivalents | | 11,992 | |
| **25,772** | | **Total Financial Assets** | | **24,987** | |

The fair value of short term financial assets held at amortised cost, including trade receivables, is assumed to approximate to the carrying amount on the balance sheet.

Fair value of liabilities:

| Balance Sheet 31 Mar 25 £'000 | Fair Value 31 Mar 25 £'000 | | Fair Value Level | Balance Sheet 31 Mar 26 £'000 | Fair Value 31 Mar 26 £'000 |
|---|---|---|---|---|---|
| | | **Financial liabilities held at amortised cost:** | | | |
| (95,476) | (85,482) | Long term loans from PWLB | 2 | (102,006) | (94,912) |
| (3,019) | (2,257) | Other long term loans | 2 | (3,019) | (3,019) |
| (12,003) | (11,892) | Short term loans from PWLB | | (14,341) | (14,238) |
| (189) | (189) | Other short term loans | | (172) | (172) |
| (1,932) | (1,948) | Short term creditors | | (1,748) | (3,505) |
| (11) | (11) | Long term creditors | | (14) | (14) |
| (112,630) | (101,779) | Total | | (121,300) | (115,860) |
| (6,891) | | Liabilities for which fair value is not disclosed | | (6,668) | |
| **(119,521)** | **(101,779)** | **Total Financial Liabilities** | | **(127,968)** | **(115,860)** |
| | | **Recorded on balance sheet as:** | | | |
| (12,192) | | Short Term Borrowing | | (14,513) | |
| (8,823) | | Short Term Creditors | | (8,416) | |
| (11) | | Long Term Creditors | | (14) | |
| (98,495) | | Long Term Borrowing | | (105,025) | |
| **(119,521)** | | **Total Financial Liabilities** | | **(127,968)** | |

The fair value of short term financial liabilities held at amortised cost, including trade payables is assumed to approximate to the carrying amount on the balance sheet.

The fair value of financial liabilities held at amortised cost is lower than their balance sheet carrying amount because the Council's portfolio of loans includes a number of loans where the interest rate payable is lower than the current rates available for similar loans as at the balance sheet date.

## 18. Debtors

### Short-Term Debtors

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| 723 | Trade Receivables | 816 |
| 347 | Prepayments | 433 |
| 5,511 | Other Receivable Amounts | 5,277 |
| | Local Taxation | |
| 373 | Council Tax | 467 |
| 256 | Non Domestic Rates | 450 |
| **7,210** | **Total** | **7,443** |

Short Term Debtors include expected credit losses totalling £1.351m as at 31 March 2026 (£1.369m as at 31 March 2025). Provisions for rent arrears, housing benefit overpayments and sundry debtors are calculated on an annual basis and take into account existing levels of debt and an assessment of expected recovery rates.

## 19. Cash and Cash Equivalents

Cash comprises cash on hand and in demand deposits. Cash will also include bank overdrafts that are repayable on demand and that are integral to the authority's cash management. Balances classified as 'Cash Equivalents' fit the definition of being 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.

| 2024/25 £'000 | | 2025/26 £'000 |
|---:|---|---:|
| 577 | Bank current accounts | 605 |
| 12,335 | Money Market Funds | 11,387 |
| **12,912** | **Total** | **11,992** |

## 20. Creditors

### Short-Term Creditors

| 2024/25 £'000 Restated | | 2025/26 £'000 |
|---:|---|---:|
| (3,366) | Trade Payables | (4,332) |
| (1,862) | Receipts in Advance | (2,223) |
| (3,595) | Other Payables | (1,861) |
| **(8,823)** | **Total** | **(8,416)** |

## 21. Provisions

### Short-Term Provisions

| | Insurance Claims £'000 | Housing Disrepair £'000 | Total £'000 |
|---|---:|---:|---:|
| **Balance at 1 April 2025** | **(288)** | **(302)** | **(590)** |
| Additional provisions made | (647) | 14 | (633) |
| Amount used | 667 | 0 | 667 |
| **Balance at 31 March 2026** | **(268)** | **(288)** | **(556)** |

### Long-Term Provisions

| Non Domestic Rates Appeals | Total £'000 |
|---|---|
| **Balance at 1 April 2025** | **(229)** |
| Additional provisions made | 136 |
| Amount used | (250) |
| **Balance at 31 March 2026** | **(343)** |

As part of the National Business Rates Retention scheme, the billing authority (Broxtowe Borough Council) is responsible for refunding business ratepayers who successfully appeal against the rateable value of properties on their rating list. A provision has been made for the possible settlement of refunds, based on consideration of the type and history of appeals awarded in the past and the length of time normally taken for the appeal process. The above represents the Council's share of the provision as the total provision is disaggregated as part of the Collection Fund arrangements.

## 22. Usable Reserves

Movements in the authority's usable reserves are detailed in the Movement in Reserves Statement, note 10 and note 11.

## 23. Unusable Reserves

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| (56,271) | Revaluation Reserve | (59,311) |
| (140,691) | Capital Adjustment Account | (151,371) |
| 43 | Financial Instruments Adjustment Account | 18 |
| 233 | Pensions Reserve | 196 |
| 295 | Collection Fund Adjustment Account | 630 |
| 439 | Pooled Investment Funds Adjustment Account | 521 |
| **(195,952)** | **Total** | **(209,317)** |

### Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its property, plant and equipment (and intangible assets). The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost.
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

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

| | General Fund £'000 | Housing Revenue Account £'000 | Bramcote Cremat-orium £'000 | Total £'000 |
|---|---|---|---|---|
| **Balance at 31 March 2024 Carried Forward** | **(22,095)** | **(24,589)** | **(921)** | **(47,605)** |
| Revaluation Gain | (1,058) | (8,960) | 0 | (10,018) |
| Less: | | | | |
| Impairment Losses | 862 | 0 | 0 | 862 |
| Accumulated gains on assets sold or scrapped | 58 | 86 | 0 | 144 |
| Excess current value over historic cost depreciation | 322 | 0 | 24 | 346 |
| **Balance at 31 March 2025 Carried Forward** | **(21,911)** | **(33,463)** | **(897)** | **(56,271)** |
| Revaluation Gain | (674) | (3,502) | 0 | (4,176) |
| Indexation Gain | (630) | 0 | (31) | (661) |
| Less: | | | | |
| Impairment Losses | 317 | 0 | 0 | 317 |
| Indexation Losses | 29 | 0 | 5 | 34 |
| Accumulated gains on assets sold or scrapped | 39 | 259 | 0 | 298 |
| Excess current value over historic cost depreciation | 442 | 683 | 23 | 1,148 |
| **Balance at 31 March 2026 Carried Forward** | **(22,388)** | **(36,023)** | **(900)** | **(59,311)** |

**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 financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the authority as finance for the costs of acquisition, construction and subsequent costs.

The account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the authority.

The account also contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| **(138,620)** | **Balance as at 1 April** | **(140,691)** |
| | Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement | |
| 7,326 | Charges for depreciation and impairment of non-current assets | 7,085 |
| 28 | Revaluation (gains)/losses on Property, Plant and Equipment | 868 |
| 8 | Amortisation of intangible assets | 146 |
| 2,225 | Revenue expenditure funded from capital under statute | 3,938 |
| 8,901 | Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement | 13,464 |
| (65) | Donated asset written out on acquisition | 0 |
| **18,423** | | **25,501** |
| (491) | Adjusting amounts written out of the Revaluation Reserve | (1,444) |
| **17,932** | **Net written out amount of the cost of non-current assets consumed in the year** | **24,057** |
| | Capital financing applied in the year: | |
| (3,360) | Use of the Capital Receipts Reserve to finance new capital expenditure | (2,476) |
| (5,310) | Use of the Major Repairs Reserve to finance new capital expenditure | (5,988) |
| (9,893) | Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing | (24,745) |
| (1,343) | Statutory provision for the financing of capital investment charged against the General Fund, Housing Revenue Account and Bramcote Crematorium balances | (1,528) |
| (97) | Capital expenditure charged against the General Fund, Housing Revenue Account and Bramcote Crematorium balances | 0 |
| **(2,071)** | | **(10,680)** |
| **(140,691)** | **Balance as at 31 March** | **(151,371)** |

**Financial Instruments Adjustment Account**

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The authority uses the account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred but reversed out of the General Fund Balance to the account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on council tax. In the authority's case, this period is the unexpired term that was outstanding on the loans when they were redeemed. As a result, the balance on the account at 31 March 2026 will be charged to the General Fund over the next two years.

| | General Fund £'000 |
|---|---|
| **Balance at 31 March 2024 Carried Forward** | **75** |
| Charge to balances in 2024/25 | (32) |
| **Balance at 31 March 2025 Carried Forward** | **43** |
| Charge to balances in 2025/26 | (25) |
| **Balance at 31 March 2026 Carried Forward** | **18** |

**Pensions Reserve**

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

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| **260** | **Balance as at 1 April** | **233** |
| 415 | Remeasurements of the net defined benefit liability/(asset) | 721 |
| 2,279 | Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement | 2,060 |
| (2,721) | Employer's pensions contributions and direct payments to pensioners payable in the year | (2,818) |
| **233** | **Balance as at 31 March** | **196** |

**Collection Fund Adjustment Account**

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

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| **1,472** | **Balance as at 1 April** | **295** |
| (1,177) | Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated for the year in accordance with statutory | 335 |
| **295** | **Balance as at 31 March** | **630** |

**Pooled Investment Funds Adjustment Account**

The Pooled Investment Funds Adjustment Account contains the gains made by the authority arising from increases in the value of its investments that have quoted market prices or otherwise do not have fixed or determinable payments and have been classified as fair value through profit/loss. The balance is reduced when investments with accumulated gains are:

- revalued downwards or impaired and the gains are lost.
- disposed of and the gains are realised.

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| **379** | **Balance as at 1 April** | **439** |
| 60 | Changes in Fair Value of long and short term investments | 82 |
| **439** | **Balance as at 31 March** | **521** |

## 24. Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| (1,017) | Interest received | (1,042) |
| 3,519 | Interest paid | 3,964 |

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| 7,326 | Depreciation | 7,036 |
| 28 | Impairment and revaluations | 917 |
| 8 | Amortisation | 146 |
| 312 | Increase/decrease in creditors | 1,856 |
| (1,034) | Increase/decrease in debtors | (456) |
| 7 | Increase/decrease in inventories | 35 |
| (442) | Pension liability | (756) |
| (634) | Contributions to/from provisions | 80 |
| 8,901 | Carrying amount of non current assets sold | 13,464 |
| 14 | Other non cash items | 88 |
| **14,486** | **Total Adjustments** | **22,410** |

The surplus or deficit on the provision of services has been adjusted for the following items that are investing or financing activities.

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| (9,893) | Capital grants credited to surplus or deficit on the provision of services | (24,745) |
| (1,703) | Proceeds from the sale of property, plant and equipment and intangible assets | (4,363) |
| **(11,596)** | **Total Operating Activities** | **(29,108)** |

## 25. Cash Flow Statement – Investing Activities

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| (29,401) | Purchase of property, plant and equipment, investment property and intangible assets | (39,219) |
| 0 | Purchase of short-term and long-term investments | 0 |
| 1,703 | Proceeds from the sale of property, plant and equipment, investment property and intangible assets | 4,363 |
| 13,047 | Other receipts from investing activities | 22,691 |
| **(14,651)** | **Total Investing Activities** | **(12,165)** |

## 26. Cash Flow Statement - Financing Activities

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| 23,524 | Cash receipts of short- and long-term borrowing | 22,677 |
| (8,687) | Repayments of short- and long-term borrowing | (14,195) |
| 1,114 | Other payments for financing activities | (1,658) |
| **15,951** | **Total Financing Activities** | **6,824** |

## 27. Reconciliation of Liabilities arising from Financing Activities

| 2025/26 | 1 April £'000 | Financing Cash Flows £'000 | Non Cash Changes<br>Transfers £'000 | Non Cash Changes<br>Other Non Cash Changes £'000 | 31 March £'000 |
|---|---|---|---|---|---|
| Long term borrowings | (98,495) | (22,000) | 14,332 | 1,138 | (105,025) |
| Short term borrowings | (12,192) | 11,998 | (14,332) | 13 | (14,513) |
| Lease liabilities | 0 | 0 | 0 | 0 | 0 |
| **Total liabilities from financing activities** | **(110,687)** | **(10,002)** | **0** | **1,151** | **(119,538)** |

| 2024/25 | 1 April £'000 | Financing Cash Flows £'000 | Non Cash Changes<br>Transfers £'000 | Non Cash Changes<br>Other Non Cash Changes £'000 | 31 March £'000 |
|---|---|---|---|---|---|
| Long term borrowings | (87,337) | (23,000) | 11,965 | (123) | (98,495) |
| Short term borrowings | (8,349) | 8,163 | (11,965) | (41) | (12,192) |
| Lease liabilities | 0 | 0 | 0 | 0 | 0 |
| **Total liabilities from financing activities** | **(95,686)** | **(14,837)** | **0** | **(164)** | **(110,687)** |

## 28. Members Allowances

The Council paid the following amounts to members of the Council during the year:

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| 303 | Salaries (including national insurance) | 355 |
| 21 | Allowances | 21 |
| 2 | Expenses | 3 |
| **326** | **Total Members Allowances** | **379** |

## 29. Officers Remuneration

The remuneration paid to those responsible for the management of the authority are as follows:

| Post Title | Salary (Including Fees and Allowances) £ | Benefit in Kind £ | Total Remuneration excluding pension contributions £ | Pension Contributions £ | Total Remuneration including Pension Contributions 2025/26 £ | Total Remuneration including Pension Contributions 2024/25 £ |
|---|---|---|---|---|---|---|
| Chief Executive | 122,183 | 0 | 122,183 | 24,262 | 146,445 | 152,133 |
| Deputy Chief Executive (s151 Officer) | 104,665 | 0 | 104,665 | 19,886 | 124,551 | 126,758 |
| Executive Director (in post to September 2025) | 56,833 | 0 | 56,833 | 10,183 | 67,016 | 131,428 |
| Monitoring Officer | 91,789 | 0 | 91,789 | 17,440 | 109,229 | 108,543 |

The authority's other employees receiving more than £50,000 remuneration for the year (excluding employer pension contributions) were paid the following amounts:

| | Number of employees | |
|---|---|---|
| | **2024/25** | **2025/26** |
| £50,000 - £54,999 | 7 | 7 |
| £55,000 - £59,999 | 1 | 4 |
| £60,000 - £64,999 | 5 | 0 |
| £65,000 - £69,999 | 4 | 7 |
| £70,000 - £74,999 | 0 | 1 |
| £75,000 - £79,999 | 0 | 3 |
| £80,000 - £84,999 | 1 | 2 |

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

| **Exit packages cost band** | **Number of compulsory** | | **Number of other departures** | | **Total number of exit packages** | | **Total cost of exit packages** | |
|---|---|---|---|---|---|---|---|---|
| | **2024/25** | **2025/26** | **2024/25** | **2025/26** | **2024/25** | **2025/26** | **2024/25** | **2025/26** |
| £0 - £15,000 | 0 | 0 | 1 | 0 | 1 | 0 | 10,823 | 0 |
| **Total** | **0** | **0** | **1** | **0** | **1** | **0** | **10,823** | **0** |

## 30. External Audit Costs

During 2025/26 the Authority has incurred costs of £0.164m in relation to the audit of the Statement of Accounts (£0.159m in 2024/25).

## 31. Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| | **Credited to Taxation and Non Specific Grant Income** | |
| (2,957) | Non Domestic Rates | (1,465) |
| (129) | Revenue Support Grant | (168) |
| (471) | Funding Guarantee | (8) |
| 0 | Recovery Grant | (55) |
| (255) | New Homes Bonus Grant | (360) |
| (20) | Services Grant | 0 |
| (594) | Developer Contributions | (2,503) |
| (289) | Bramcote Crematorium | 0 |
| (978) | Disabled Facilities Grants | (960) |
| (749) | Shared Prosperity Fund (Capital) | (398) |
| (2,817) | Stapleford Towns Fund | (9,044) |
| (898) | Homes England | (2,098) |
| (114) | Devolution Grant | (88) |
| (689) | Social Housing Decarbonisation Fund | 0 |
| (2,586) | Levelling Up (Kimberley) Funding | (8,225) |
| (124) | Elections | 0 |
| (19) | Food Waste Collection | (15) |
| (34) | Safer Streets | (8) |
| (2) | Local Authority Housing Fund | (48) |
| 0 | Efficiency East Midlands | (8) |
| 0 | Warm Homes | (560) |
| 0 | High Street Rental Auctions | (30) |
| 0 | FCC Communities Foundation | (100) |
| **(13,725)** | **Total** | **(26,141)** |
| | **Credited to Services** | |
| (99) | Crime Reduction | (23) |
| (563) | Homelessness Prevention | (444) |
| (13,533) | Housing and Council Tax Benefits | (10,910) |
| (208) | Council Tax and Non-Domestic Rates Administration | (213) |
| (821) | Shared Prosperity Funding | (594) |
| 0 | Stapleford Towns Fund (Revenue) | (75) |
| 0 | Levelling Up Fund (Revenue) | (50) |
| (217) | Food Waste Collection | 0 |
| (70) | Green Belt Review | 0 |
| (681) | Other Grants | (718) |
| **(16,192)** | **Total** | **(13,027)** |

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

| 2024/25 £'000 | Capital Grants Receipts in Advance | 2025/26 £'000 |
|---|---|---|
| (652) | Developer Contributions – Open Spaces | (1,205) |
| (160) | Developer Contributions – Transport Measures | (184) |
| (3,270) | Developer Contributions - Affordable Housing | (1,460) |
| 0 | Developer Contributions – Education | (241) |
| (223) | Developer Contributions – Health | (473) |
| (67) | Growth Point | (67) |
| (967) | Disabled Facilities Grants | (1,160) |
| (6,642) | Levelling Up Fund | (3,491) |
| (7,570) | Stapleford Town Fund | (6,964) |
| (127) | FCC Communities Foundation | (227) |
| (40) | CCTV Camera Upgrade | (40) |
| (83) | Shared Prosperity Fund | (65) |
| (701) | Nottingham City - LAD2 Funding | (701) |
| 0 | Devolution | (305) |
| (16) | EV Grant | (16) |
| (1,055) | Food Waste | (2,135) |
| 0 | Local Authority Housing Fund | (459) |
| 0 | Homes England | (238) |
| (53) | Other | (141) |
| **(21,626)** | **Total** | **(19,572)** |

## 32. Related Parties

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

**Central Government**

Central government has significant influence over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grant receipts outstanding at 31 March 2026 are shown in note 31.

The Council makes and receives payments to and from HMRC in respect of employer taxes and VAT.

**Members**

Members of the Council have direct control over the Council's financial and operating policies and receive an approved allowance for their work. The total of members allowances paid in 2025/26 is shown in note 28. During 2025/26 the Council maintained a register of members' interests together with a record of interests declared at committee and Council meetings. In addition, a specific declaration of any transactions with related parties was required. These records have been reviewed and material transactions with organisations referred to in these records were as follows:

- Payment of £0.185m to Citizens Advice Broxtowe
- Payment of £0.074m to Transform Training Ltd

Where grants were given, they were made with proper consideration of declarations of interest and the relevant Members did not take part in any discussion or decision relating to the grants.

The Register of Members' Interests shows potential financial and other interests, including involvement with voluntary organisations, public authorities and representation on various bodies. A copy of the register of Members' Interests is available on the Council's website and further information can be obtained from Member Services via committees@broxtowe.gov.uk or telephone 0115 917 7777.

**Officers**

Employer's pension contributions are paid into the Local Government Pension Scheme that is administered locally by Nottinghamshire County Council. Further details can be found in note 36. As stated in note 17, the Council provides subsidised car loans to officers that meet certain eligibility criteria.

Officers of the Council may have positions on the board or operational committee of external companies and organisation which have been declared as related party transactions. These records have been reviewed and there were no material transactions with organisations referred to in these records.

**Liberty Leisure Ltd**

Liberty Leisure Limited is the wholly owned leisure services company of Broxtowe Borough Council, incorporated on 1 October 2016. The Company is overseen by a Board of Directors which consists of three Broxtowe Borough Council elected Members, two Council officers, one local businessperson (currently vacant) and the Business Director of the company. During the year Liberty Leisure Ltd paid £0.223m to the Council in respect of administration costs and owed them £0.041m at 31 March 2026. The Council paid £0.135m management fees to Liberty Leisure Ltd during the year. The consolidated group accounts which include the accounts of Liberty Leisure Ltd are included in this statement on page 113.

**Other Public Bodies**

The most significant related party transactions with other public bodies are disclosed elsewhere in the Statement of Accounts, as follows:

- Precepts from other local authorities – Collection Fund Accounts
- Partners in capital projects (contributions) - Notes 31 and 33 to the accounts

## 33. Capital Expenditure and Capital Financing

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

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| **119,117** | **Opening Capital Financing Requirement** | **130,738** |
| | Capital Investment | |
| 28,709 | Property, Plant and Equipment | 38,925 |
| 0 | Investment Properties | 0 |
| 690 | Intangible Assets | 294 |
| 2,225 | Revenue Expenditure Funded from Capital under Statute | 3,938 |
| | Sources of Finance | |
| (3,361) | Capital Receipts | (2,476) |
| (9,893) | Government Grants and Other Contributions | (24,745) |
| (96) | Direct Revenue Contributions | 0 |
| (5,310) | Major Repairs Reserve | (5,988) |
| (1,343) | Minimum Revenue Provision | (1,528) |
| **130,738** | **Closing Capital Financing Requirement** | **139,158** |
| | Explanation of Movements in Year | |
| 0 | Increase in underlying need to borrow (supported by government financial assistance) | 0 |
| 11,621 | Increase in Underlying need to borrowing (unsupported by government financial assistance) | 8,420 |
| **11,621** | **Increase/(decrease) in Capital Financing Requirement** | **8,420** |

## 34. Leases

From 1 April 2024, under IFRS 16 Leases, right of use assets and lease liabilities are brought onto the balance sheet. This ensures transparency in the financial statements, rather than leases being off-balance sheet expenses. Leases for items of low value and leases that expire within a year on the reporting date are exempt from the new arrangements. These are charged to the Comprehensive Income and Expenditure Statement as incurred and not recognised on the balance sheet.

**Authority as Lessee**

Right of use assets

This table shows the change in the value of right-of-use assets held under leases by the authority:

| | **Land and Buildings £'000** |
|---|---|
| **Balance at 1 April** | **107** |
| Additions | 0 |
| Revaluations | 8 |
| Indexation | 2 |
| Depreciation and amortisation | 0 |
| Disposals | 0 |
| **Balance at 31 March** | **117** |

<u>Transactions under leases</u>

The authority incurred no expenses and cash flows in relation to leases during 2025/26.

**Authority as Lessor**

<u>Finance Leases</u>

No leases were granted under finance leases in 2024/25 or 2025/26 and the Council held no finance leases as at 31 March 2026.

<u>Operating Leases</u>

The Council has granted leases in respect of a range of industrial and office units, shops and land. All are accounted for as operating leases, and all the leases where the Council is the lessor are land and buildings. The Council does not currently lease vehicle, plant or equipment.

The future minimum lease payments receivable in future years are:

| **31 March 2025 £'000** | | **31 March 2026 £'000** |
|---|---|---|
| 858 | Not later than one year | 1,012 |
| 2,872 | Later than one year but not later than five years | 3,411 |
| 7,868 | Later than five years | 8,460 |
| **11,598** | **Total** | **12,883** |

<u>Transactions under leases</u>

Total lease income on operating leases held as a lessor during the year was £1.535m (£1.318m in 2024/25)

## 35. Impairment Losses

The Valuers valuation of a number of General Fund property assets in line with the rolling 5 year asset valuation programme resulted in upward valuations totalling £0.672m and downward valuations totalling £1.185m. The total of these was charged to the Revaluation Reserve, except for losses of £0.868m where there was no balance to offset the loss in the

Revaluation Reserve and the loss was therefore charged to the Capital Adjustment Account and the Comprehensive Income and Expenditure Statement.

## 36. Defined Benefit Pension Schemes

**Participation in Pension Schemes**

As part of the terms and conditions of its employees, 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 and 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 both the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

Arrangements for the award of discretionary post-retirement benefits upon early retirement 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 fall due.

The Local Government Pension Scheme in Nottinghamshire is operated under a regulatory framework and the governance of the scheme is the responsibility of the Pension Fund Committee at Nottinghamshire County Council. Policy is determined in accordance with the Pensions Fund Regulations.

The principal risks to this Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies in note 1.

**Transactions Relating to Post-Employment Benefits**

The cost of retirement benefits is recognised in the reported cost of services within the Comprehensive Income and Expenditure Statement when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge that is required to be made against council tax and housing rents is based on the cash payable during the year and therefore the real cost of retirement benefits is reversed out of the General Fund and Housing Revenue Account in the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement:

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| | **Comprehensive Income and Expenditure Statement** | |
| | **Cost of Services:** | |
| | Service Cost comprising: | |
| 2,438 | Service Cost | 2,053 |
| 63 | Administration Expenses | 74 |
| | Financing and Investment Income and Expenditure: | |
| (223) | Net Interest Expense | (67) |
| **2,278** | **Total Post Employment Benefits Charged to the Surplus or Deficit on the Provision of Services** | **2,060** |
| | **Other Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement** | |
| | Remeasurement of the Net Defined Benefit Liability comprising: | |
| (1,614) | Return on plan assets (excluding the amount included in the net interest expense) | 7,878 |
| 0 | Other actuarial gain/(losses) on assets | 1,359 |
| 15,644 | Changes in financial assumptions | 4,547 |
| 321 | Change in demographic assumptions | (3,952) |
| (54) | Experience loss/(gain) on defined benefit obligation | (2,805) |
| (14,712) | Changes in effect of asset ceiling | (7,748) |
| **1,863** | **Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement** | **1,339** |
| | **Movement in Reserves Statement** | |
| (2,278) | Reversal of net charges made to the Surplus or Deficit for the Provision of Services for Post Employment Benefits in accordance with the Code | (2,060) |
| | **Actual amount charged against the General Fund Balance for pensions in the year** | |
| 2,721 | Employers' contributions payable to the scheme | 2,818 |

**Pension Assets and Liabilities Recognised in the Balance Sheet**

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plans is as follows:

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| 108,190 | Present Value of the Defined Benefit Obligation | 113,208 |
| (126,594) | Fair Value of Plan Assets | (140,428) |
| **(18,404)** | **Sub-Total** | **(27,220)** |
| 171 | Other Movements in the Liability (Asset) | 132 |
| 18,466 | Impact of Asset Ceiling | 27,284 |
| **233** | **Net Liability Arising From Defined Benefit Obligation** | **196** |

**Reconciliation of the Movement in the Fair Value of Scheme Assets**

Opening and closing balances of the fair value of the scheme assets are reconciled as:

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| **123,660** | **Opening Fair Value of Scheme Assets** | **126,594** |
| 6,257 | Interest Income | 7,268 |
| | Remeasurement gain/(loss): | |
| (1,614) | The return on plan assets (excluding the amount included in the net interest expense) | 7,878 |
| 0 | Other actuarial gains/(losses) | 1,359 |
| 2,721 | Contributions from employer | 2,818 |
| 897 | Contributions from employees into the scheme | 951 |
| (5,264) | Estimated Benefits Paid (plus unfunded net of transfers | (6,366) |
| (63) | Administration expenses | (74) |
| **126,594** | **Closing Fair Value of Scheme Assets** | **140,428** |

**Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)**

Opening and closing balances of the fair value of the scheme liabilities are reconciled as:

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| **120,348** | **Opening Balance at 1 April** | **108,361** |
| 2,393 | Current Service Cost | 2,054 |
| 5,853 | Interest Cost | 6,131 |
| 897 | Contribution from Scheme Participants | 951 |
| (15,644) | Change in Financial Assumptions | (4,547) |
| (321) | Change in demographic assumptions | 3,952 |
| 54 | Experience loss/(gain) on defined benefit obligation | 2,804 |
| 0 | Liabilities assumed/(extinguished) on settlements | 0 |
| 45 | Past Service Cost (including curtailments) | 0 |
| (5,245) | Benefits Paid (net of transfers in) | (6,348) |
| (19) | Unfunded Pension Payments | (18) |
| **108,361** | **Closing Balance at 31 March** | **113,340** |

### Local Government Pension Scheme Assets

The fair value of the Local Government Pension Scheme assets was:

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| 6,894 | Cash and Cash Equivalents | 10,208 |
| 78,789 | Equity Instruments | 90,632 |
| 10,513 | Gilts | 11,642 |
| 8,144 | Other Bonds | 6,948 |
| 12,977 | Property | 11,470 |
| 9,277 | Infrastructure | 9,528 |
| **126,594** | **Total Assets** | **140,428** |

### Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about factors such as mortality rates and salary levels. The Nottinghamshire County Council Pension Fund liabilities have been assessed by Barnett Waddingham, an independent firm of actuaries, with estimates based on the latest full valuation of the scheme as at 31 March 2022.

The principal assumptions used by the actuary have been:

| 2024/25 % | | 2025/26 % |
|---|---|---|
| | Mortality Assumptions: | |
| | Longevity at 65 for current pensioners: | |
| 20.4 | - Men | 21.2 |
| 23.3 | - Women | 24.2 |
| | Longevity at 65 for future pensioners: | |
| 21.7 | - Men | 22.8 |
| 24.7 | - Women | 25.9 |
| | Financial Assumptions: | |
| 3.20 | Rate of Inflation | 3.30 |
| 3.90 | Rate of Increase in Salaries | 3.90 |
| 2.90 | Rate of Increase in Pensions | 2.90 |
| 5.80 | Rate for Discounting Scheme Liabilities | 6.10 |

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have 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.

The impact on the defined benefit obligation in the scheme of changes in assumptions is as follows:

| | Increase in Assumption £'000 | Decrease in Assumption £'000 |
|---|---|---|
| Longevity (increase or decrease in 1 year) | 0 | 0 |
| Rate of increase in salaries (increase or decrease by 0.1%) | 0 | 0 |
| Rate of increase in pensions (increase or decrease by 0.1%) | 0 | 0 |
| Rate for discounting scheme liabilities(increase or decrease by 0.1% | 0 | 0 |

**Impact on the Council's Cash Flows**

The Council anticipates paying contributions of £2.55m to the scheme in 2025/26.

The weighted average duration of the defined benefit obligation for scheme members is 14 years in 2025/26 (14 years for 2024/25).

**Virgin Media Legal Case**

The Government Actuaries Department is reviewing historic amendments to the LGPS following a court case in June 2023 and a Court of Appeal ruling in July 2024 which decided that certain rule amendments were invalid in absence of the actuarial certification (potentially including cases where such a confirmation cannot now be located). On 18 September 2025 the government published proposals to the Pension Schemes Bill that would allow retrospective actuarial validation to confirm whether historic changes to contracted-out benefits complied with statutory requirements. The bill is expected to receive Royal Assent in 2026. At this point in time there is insufficient information to assess the potential impact so it no disclosure or provision has been included in the accounts.

## 37. Contingent Liabilities

The Council had two material contingent liabilities as at 31 March 2026:

- An employee issued an employment claim in November 2025, claiming discrimination. The employee has valued their claim at £47,500. The matter is ongoing and the Council has instructed third party solicitors to defend the claim with the hearing date scheduled in February 2029.

- There was an incident on 31 March 2026 whereby an email containing sensitive personal data was sent in error to an unintended recipient. The breach involved a single data subject but was significant in nature due to the sensitivity of the information and the fact that it was accessed by the incorrect recipient who was known to the individual concerned. The breach presents a medium to high risk to the rights and freedoms of the individual. The Council has referred the breach to the ICO and awaits the outcome of the review. The Council has immediately put in place mitigation to prevent further breaches, which the ICO will take into consideration. The ICO has the power to take enforcement action and/or to impose financial penalties.

## 38. Contingent Assets

The Council had one contingent asset as at 31 March 2026:

- In 2011/12, Nottingham City Council used an Act of Parliament to compulsorily acquire or temporarily use 127 plots of Broxtowe Borough Council land to construct and operate the tram extension from Nottingham Station to Toton Lane. The most significant land take was at The Square, Beeston, but other land was also taken including car parks, retirement living schemes and public open spaces. Broxtowe and its advisors have been in ongoing discussion with the City Council regarding an appropriate level of compensation for the use of Broxtowe land. Total compensation received up to 31 March 2026 amounted to £3.9m. The matter is nearing resolution and a final sum of £100k is still considered to be due on completion of the outstanding land transfers. In the meantime, Nottingham City Council has recently changed its position as it has attributed a value of £107k to one of the outstanding land transfers and therefore wish to offset this value against the final £100k payment. Broxtowe disputes this and has requested information to support their reasoning.

## 39. Nature and Extent of Risks Arising from Financial Instruments

The Council's activities expose it to a variety of financial risks. The most significant of these risks are:

- Credit risk - the possibility that the counterparty might fail to pay amounts due to the Council. Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.
- Liquidity risk - the possibility that the Council might not have funds available to meet its commitments to make payments.
- Market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team, under polices approved by the Council in the annual Treasury Management Strategy. The Council provides written principles for overall risk management, as well as written policies covering specific areas such as interest rate risk, credit risk and the investment of surplus cash. The Council complies with CIPFA's Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities.

**Credit Risk: Treasury Investments**

The risk is minimised through the annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum long-term ratings of BBB+ (or equivalent) set by the three main credit rating agencies. The annual Investment Strategy also permits maximum sums to be invested with financial institutions located within each category.

The table below summarises the credit risk exposure of the Council's treasury investment portfolio by credit rating and remaining time to maturity:

| 31 March 2025 | | | 31 March 2026 | |
|---|---|---|---|---|
| Long Term £'000 | Short Term £'000 | Credit Rating | Long Term £'000 | Short Term £'000 |
| 0 | 5,000 | AA- | 0 | 5,000 |
| 0 | 5,458 | A+ | 0 | 1,951 |
| **0** | **10,458** | **Total** | **0** | **6,951** |
| 6,000 | 2,000 | Credit risk not applicable | 6,000 | 4,500 |
| **6,000** | **12,458** | **Total Investments** | **6,000** | **11,451** |

Credit risk is not applicable to pooled funds where the Council has no contractual right to receive any sum of money.

Loss allowances on treasury investments have been calculated by reference to historic default data published by credit rating agencies multiplied by 110% to adjust for current and forecast economic conditions. A two-year delay in cash flows is assumed to arise in the event of default. Investments are determined to have suffered a significant increase in credit risk where they have been downgraded by three or more credit rating notches or equivalent since initial recognition unless they can retain an investment grade credit rating. They are determined to be credit impaired when awarded a “D” credit rating or equivalent. At 31 March 2026 there were no loss allowances related to treasury investments.

**Credit Risk: Trade and Lease Receivables**

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council.

The Council does not generally allow credit for customers. The past due but not impaired amount for the Council's major customers covered by sundry debts and housing rents can be analysed by age as follows:

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| 542 | Up to 6 months | 754 |
| 351 | Above 6 months and up to 12 months | 198 |
| 221 | Above 12 months and up to 24 months | 93 |
| 107 | Above 24 months and up to 36 months | 160 |
| 181 | Over 36 months | 99 |
| **1,402** | **Total** | **1,304** |

Loss allowances on trade and lease receivables have been calculated by reference to the Council's historic experience of default. Receivables are written off to the Surplus or Deficit on the Provision of Services when they are two years past due.

A loss allowance of £0.645m has been made for gross trade receivables of £1.304m.

**Liquidity Risk**

The Council has a comprehensive cash flow management system that seeks 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 Loan Board. There is no significant risk that the Council 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. The Council sets limits on the proportion of its fixed rate borrowing during specific periods.

The Council's strategy is to ensure that no more than 50% of the total loans are due to mature in under 12 months. This is achieved through a combination of careful planning of new loans taken out and making early repayments. The Council would only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

The Council has adopted a measure to manage its exposure to liquidity risk by monitoring the amount of liquid financial assets that can be withdrawn or sold at short notice if required to meet cash outflows on financial liabilities. This is set at £10.0m within a rolling three-month period.

The maturity analysis of the nominal value of the Council's debt at 31 March 2026 (including temporary borrowing on behalf of Bramcote Crematorium) was as follows:

| 31 March 2025 | | | 31 March 2026 | |
|---|---|---|---|---|
| **£'000** | **% of total debt portfolio** | | **£'000** | **% of total debt portfolio** |
| | | **Short Term Borrowing** | | |
| 9,279 | 8 | Less than 1 year | 8,243 | 7 |
| | | **Long Term Borrowing** | | |
| 7,900 | 7 | Over 1 but not over 2 | 9,867 | 8 |
| 28,200 | 26 | Over 2 but not over 5 | 35,078 | 29 |
| 56,922 | 51 | Over 5 but not over 10 | 57,727 | 49 |
| 0 | 0 | Over 10 but not over 15 | 0 | 0 |
| 0 | 0 | Over 15 but not over 20 | 0 | 0 |
| 0 | 0 | Over 20 but not over 25 | 0 | 0 |
| 5,000 | 5 | Over 25 but not over 30 | 5,000 | 4 |
| 0 | 0 | Over 30 but not over 35 | 0 | 0 |
| 0 | 0 | Over 35 but not over 40 | 0 | 0 |
| 0 | 0 | Over 40 but not over 45 | 0 | 0 |
| 3,000 | 3 | Over 45 | 3,000 | 3 |
| 101,022 | 92 | **Total Long Term Borrowing** | 110,672 | 93 |
| **110,301** | **100** | **Total Borrowing** | **118,915** | **100** |

The source of the Council's loan liabilities and the associated sums are as follows:

| **2024/25 £'000** | | **2025/26 £'000** |
|---|---|---|
| 106,922 | Public Works Loans Board | 115,572 |
| 3,000 | Barclays Bank Plc | 3,000 |
| 0 | Other Local Authorities | 0 |
| 379 | Temporary Borrowing (Bramcote Crematorium) | 343 |
| **110,301** | **Total** | **118,915** |

All trade and other payables are due to be paid in less than one year.

**Market Risk**

(i) Interest Rate Risk

The Council is exposed to risks in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise.
- borrowings at fixed rates – the fair value of the liabilities will fall.
- investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise.
- investments at fixed rates – the fair value of the assets will fall.

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

The Council has strategies in place for managing interest rate risk and refinancing risks. The Treasury Management Strategy includes an indicator which is set to control the Council's exposure to interest rate risk. The upper limit on the one-year revenue impact of a 1% rise/fall in interest rates is £1.0m. In addition, 100% of the Council's long-term debt portfolio was held in fixed rate instruments and 0% in variable rate instruments as at 31 March 2026.

During periods of falling interest rates, and where economic circumstances make it favourable, the early repayment of fixed rate loans will be considered in order to limit exposure to losses. The risk of loss is ameliorated by the fact that a proportion of government grant payable on financing costs will normally move with prevailing interest rates or the Council's cost of borrowing and provide compensation for a proportion of any higher costs.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget during the year. This allows any adverse changes to be accommodated and is also used to advise whether any new borrowing taken out is on a fixed or variable basis.

Investments are also subject to movements in interest rates. As investments are made at fixed rates, but for shorter periods of time than borrowings, there is greater exposure to interest rate movements. This risk has to be balanced against actions taken to mitigate credit risk.

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

| **2024/25 £'000** | | **2025/26 £'000** |
|---:|---|---:|
| 0 | Increase in interest receivable on variable rate investments | 0 |
| 22 | Decrease in fair value of investments held at FVPL | 129 |
| **22** | **Impact on Surplus or Deficit on the Provision of Services** | **129** |
| 0 | Decrease in fair value of loans and investments at amortised cost | 0 |
| 4,324 | Decrease in fair value of fixed rate borrowing | 4,350 |

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

(ii) Price Risk

The market prices of the Council's units in pooled funds are governed by prevailing interest rates. The price risk associated with these instruments is managed alongside interest rate risk.

The Council's investment in a pooled property fund is subject to the risk of falling commercial property prices. This risk is limited by the Council's maximum exposure to property investments of £5m. A 5% fall in commercial property prices to 31 March 2026 would result in a £0.95m (£0.09m at 31 March 2025) charge to the Surplus or Deficit on Provision of Services which would then be transferred to the Pooled Investment Funds Adjustment Account.

The Council's investment in pooled equity funds is subject to the risk of falling share prices. This risk is limited by the Council's maximum exposure to equity investments of £5m. A 5% fall in share prices at 31 March 2026 would result in a £0.044m (£0.043m at 31 March 2025) charge to the Surplus or Deficit on Provision of Services which would then be transferred to the Pooled Investment Funds Adjustment Account.

# HOUSING REVENUE ACCOUNT

## 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 practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| 6,442 | Repairs and Maintenance | 5,484 |
| 6,072 | Supervision and Management | 6,191 |
| 117 | Rents, Rates, Taxes and Other Charges | 196 |
| 5,499 | Depreciation, Impairment and Revaluation Losses of Non Current Assets | 5,602 |
| 8 | Movement in Allowance for Bad Debts | 63 |
| **18,138** | **Total Expenditure** | **17,536** |
| | **Income** | |
| (19,062) | Dwelling Rents (gross) | (19,408) |
| (222) | Non-Dwellings Rents (gross) | (273) |
| (616) | Charges for Services and Facilities | (602) |
| (811) | Contribution towards Expenditure | (821) |
| **(20,711)** | **Total Income** | **(21,104)** |
| **(2,573)** | **Net expenditure or income of HRA services as included in the Comprehensive Income and Expenditure Statement** | **(3,568)** |
| 536 | HRA services' share of Corporate and Democratic Core | 489 |
| **(2,037)** | **Net Income for HRA Services** | **(3,079)** |
| | **HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement** | |
| 7,363 | (Gain)/Loss on sale of HRA non current assets | 7,448 |
| 3,293 | Interest Payable and Similar Charges | 3,765 |
| (333) | Interest and Investment Income | (205) |
| (57) | Net interest on the net defined benefit liability | (18) |
| **8,229** | **(Surplus)/Deficit for the year on HRA Services** | **7,911** |

# MOVEMENT ON THE HOUSING REVENUE ACCOUNT STATEMENT

The overall objectives for the Movement on the HRA Statement and the general principles for its construction are the same as those generally for the Movement in Reserves Statement into which it is consolidated. The statement takes the outturn on the HRA Income and Expenditure Statement and reconciles it to the surplus or deficit for the year on the HRA balance, calculated in accordance with the requirements of the Local Government and Housing Act 1989.

| **2024/25 £'000** | | **2025/26 £'000** |
|---|---|---|
| **(2,673)** | **HRA Balance brought forward** | **(1,666)** |
| 8,229 | (Surplus)/Deficit on the HRA Income and Expenditure Statement | 7,911 |
| | Adjustments between Accounting Basis and Funding Basis under Regulations: | |
| | Adjustments to the Revenue Resources | |
| 157 | HRA share of contributions to or from the Pension Reserve | 258 |
| (14,318) | Transfers to/(from) the Capital Adjustment Account | (16,147) |
| | Adjustments between Revenue and Capital Resources | |
| 1,456 | Transfer of non current asset sale proceeds to Capital Receipts Reserve | 3,096 |
| 5,483 | Transfer of resource to Major Repairs Reserve | 5,602 |
| 0 | Capital expenditure charged against HRA balance | 0 |
| **(7,222)** | **Total Adjustments between Accounting Basis and Funding Basis under Regulations** | **(7,191)** |
| 1,007 | (Increase)/Decrease in year in the HRA | 720 |
| **(1,666)** | **HRA Balance carried forward** | **(946)** |

# NOTES TO THE HOUSING REVENUE ACCOUNT

## 1. Housing Stock

The Council was responsible for managing an average stock of 4,393 dwellings during 2025/26 (4,366 during 2024/25). The stock at 31 March 2026 was made up as follows:

| | |
|---|---|
| Houses | 1,578 |
| Flats | 2,150 |
| Bungalows | 690 |
| **Total** | **4,418** |

The change in stock can be summarised as follows:

| 2024/25 | | 2025/26 |
|---|---|---|
| 4,363 | Stock at 1 April | 4,367 |
| 0 | Less duplicates in opening stock | (4) |
| (16) | Less Sales | (36) |
| 20 | Plus Additions | 92 |
| 0 | Transfer to Asset Under Construction | (1) |
| **4,367** | **Stock at 31 March** | **4,418** |

In addition to the above, the Council has a stock of 785 garages (785 at 31 March 2025). These were valued at £2.63m at 31 March 2026 (£2.725m at 31 March 2025).

## 2. Value of the Housing Stock

The value of the Council's housing stock (not including HRA owned garages) at 31 March 2026 was £275.441m (£264.931m at 31 March 2025). A full revaluation of the housing stock was undertaken as at 31 March 2026 and each year the dwellings are valued on the basis of a social housing adjustment factor which was 42% as at 31 March 2026.

The vacant possession value of dwellings at 31 March 2026 was £655.812m (£630.789m at 31 March 2025). The difference between the vacant possession value and the balance sheet value, amounting to £380.371m, represents the economic cost to government of providing council housing at less than open market rents. Revaluations of the housing stock are undertaken on 31 March each year with the next full revaluation taking place on 31 March 2027.

## 3. Major Repairs Reserve

The movements in the Major Repairs Reserve during the year were as follows:

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| **(212)** | **Balance at 1 April** | **(385)** |
| (5,483) | Depreciation charge to Housing Revenue Account | (5,603) |
| 5,310 | Expenditure financed from Major Repairs Reserve | 5,988 |
| **(385)** | **Balance at 31 March** | **0** |

## 4. Capital Expenditure and Capital Receipts

Capital expenditure on dwellings within the Housing Revenue Account, together with the sources of financing, can be summarised as follows:

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| 20,080 | Capital Expenditure | 21,095 |
| | Financed by: | |
| 9,791 | Borrowing | 7,833 |
| 2,692 | Capital Receipts | 2,149 |
| 1,825 | Government/Other Grants | 2,755 |
| 462 | Section 106 Contributions | 2,370 |
| 5,310 | Major Repairs Reserve | 5,988 |
| 0 | Revenue Contributions | 0 |
| **20,080** | | **21,095** |

Proceeds from the sale of dwellings within the Housing Revenue Account amounted to £3.045m for 2025/26 (£1.303m for 2024/25).

## 5. Depreciation

The Council's Estates Officer has determined that the assessed land value within council dwellings should not be depreciated. A 20-year depreciation period has been applied in respect of garages. Adjustments are made for improvement expenditure and sales occurring during the year. The total depreciation charge in 2025/26 was £5.456m (£5.308m in 2024/25).

The depreciation charge for 2025/26 in respect of the Council's housing stock was based upon the principle of component accounting. The valuation of council dwellings at 31 March identifies significant components within the total valuation that are given estimated values and useful lives. These components are then depreciated, separately from the remainder of the council dwellings, each year.

Depreciation is also charged to the Housing Revenue Account in respect of vehicles dedicated to the activity of maintaining Council dwellings and garages. The vehicle depreciation in 2025/26 was £0.146m (£0.175m in 2024/25).

Further depreciation is charged in respect of information technology assets along vehicles and mobile devices that have subsequently been purchased. The acquisition of these assets was financed through the Housing Revenue Account. The charge in 2025/26 was nil (£0 in 2024/25).

## 6. Impairment and Revenue Expenditure Funded from Capital under Statute

Impairment charges are identified by examining records of insurance claims made during the year for damage to Council dwellings together with a review of asset values by the Council's internal valuer.

A review of the Council's housing stock at 31 March 2025 resulted in an increase of £3.502m in the value of the Council's housing stock. This was added to the revaluation reserve.

## 7. Rent Arrears

The total amount of rent arrears as at 31 March 2025 was £0.474m (£0.358m in 2024/25). The provision for doubtful debts is £0.234m (£0.179m in 2024/25).

## 8. Contribution from Pensions Reserve

International Accounting Standard 19 requires the services within the Housing Revenue Account to be charged with 'current service' pension costs. The Council's superannuation rate paid to the Nottinghamshire County Council Pension Fund in 2024/25 was 19% in respect of future service. An adjustment is therefore made below net operating expenditure in order that the net cost charged against rent income is equal to the value of payments made to Nottinghamshire County Council. In 2024/25 the contribution from the pensions reserve amounted to £0.258m (£0.157m in 2024/25).

## 9. Interest Payable

In 2011/12 the HRA acquired additional debt of £66.446 million as part of the transactions necessary to bring about the ending of the HRA subsidy system. The interest cost in respect of servicing this and other HRA loan debt is included within the HRA Income and Expenditure Statement.

# COLLECTION FUND

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

| 2024/25 | | | 2025/26 | | |
|---|---|---|---|---|---|
| **Non Domestic Rates £'000** | **Council Tax £'000** | | **Non Domestic Rates £'000** | **Council Tax £'000** | **Total £'000** |
| | | **Income** | | | |
| 0 | (84,628) | **Council Tax Receivable** | 0 | (90,112) | (90,112) |
| 0 | (188) | **Government Grant - Transitional Relief** | 0 | (89) | (89) |
| 0 | 0 | **Transitional Protection Payment** | (98) | 0 | (98) |
| (28,882) | 0 | **Business Rates Receivable** | (31,698) | 0 | (31,698) |
| | | **Contributions Towards Previous Year's Deficit** | | | |
| (1,492) | 0 | Central Government | (74) | 0 | (74) |
| (1,194) | 0 | Broxtowe Borough Council | (59) | (50) | (109) |
| (269) | 0 | Nottinghamshire County Council | (13) | (410) | (423) |
| (30) | 0 | Nottinghamshire Fire Authority | (1) | (21) | (22) |
| 0 | 0 | Nottinghamshire Police Authority | 0 | (64) | (64) |
| (31,867) | (84,816) | | (31,943) | (90,746) | (122,689) |
| | | **Expenditure** | | | |
| | | **Council Tax Precepts and Demands/Shares of NDR Income:** | | | |
| 15,095 | 0 | Central Government | 16,220 | 0 | 16,220 |
| 3,780 | 6,601 | Broxtowe Borough Council | 4,587 | 6,862 | 11,449 |
| 11,013 | 63,653 | Nottinghamshire County Council | 11,308 | 67,385 | 78,693 |
| 302 | 3,248 | Nottinghamshire Fire Authority | 324 | 3,458 | 3,782 |
| 0 | 9,939 | Nottinghamshire Police Authority | 0 | 10,532 | 10,532 |
| 0 | 1,110 | Parish/Town Councils | 0 | 1,234 | 1,234 |
| 0 | 26 | Beeston Special Expenses Area | 0 | 26 | 26 |

| 2024/25 | | | 2025/26 | | |
|---|---|---|---|---|---|
| **Non Domestic Rates £'000** | **Council Tax £'000** | | **Non Domestic Rates £'000** | **Council Tax £'000** | **Total £'000** |
| | | **Distribution of Previous Year's Surplus** | | | |
| 0 | 0 | Central Government | 0 | 0 | 0 |
| 0 | 6 | Broxtowe Borough Council | 0 | 0 | 0 |
| 0 | 48 | Nottinghamshire County Council | 0 | 0 | 0 |
| 0 | 2 | Nottinghamshire Fire Authority | 0 | 0 | 0 |
| 0 | 8 | Nottinghamshire Police Authority | 0 | 0 | 0 |
| 84 | 476 | Provision for Uncollectable Debts | 178 | 55 | 233 |
| (2,324) | 0 | Provision for Appeals | 284 | 0 | 284 |
| 708 | 0 | Transitional Protection Payment | 0 | 0 | 0 |
| 71 | 0 | Interest on Refunds | 18 | 0 | 18 |
| 25 | 0 | Renewable Energy Schemes | 26 | 0 | 26 |
| 103 | 0 | Cost of Collection Allowance | 104 | 0 | 104 |
| 28,857 | 85,117 | | 33,049 | 89,552 | 122,601 |
| (3,010) | 301 | Deficit/(Surplus) for the year | 1,106 | (1,194) | (88) |
| 3,625 | 245 | Deficit/(Surplus) b/fwd at 1 April | 615 | 546 | 1,161 |
| **615** | **546** | **Deficit/(Surplus) at 31 March** | **1,721** | **(648)** | **1,073** |

# NOTES TO THE COLLECTION FUND

## 1. The Collection Fund

**General**

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities such as Broxtowe Borough 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 (business rates).

**Council Tax**

The Council Tax precepts and demands of this Council, Nottinghamshire County Council, the Nottinghamshire Police Authority and the Nottinghamshire Fire Authority are paid out from the Collection Fund and collected from taxpayers. The Council Tax requirement of this Council includes funding for Parish/Town Councils and Beeston Special Expenses Area, totalling £1.26m in 2025/26 (£1.135m in 2024/25) which is distributed to these bodies from the Council's General Fund. Any balance generated on the Fund attributable to Council Tax, for example due to any difference between forecast and actual Council Tax base and collection rates, will be distributed or recovered in future years in proportion to the value of the respective precepts and demands.

**Business Rates**

Under the Business Rates retention scheme there is a direct link between the business rates growth and the amount of income local authorities have to spend on services. Local authorities can keep a proportion of their business rates collected in their area after certain contributions to the Government have been made.

The amount of Non-Domestic Rates receivable is set by the Non-Domestic Rate Multiplier – see note 2. Under the system of business rates retention, Non-Domestic Rates income is distributed between Central Government (50%), Broxtowe Borough Council (40%), Nottinghamshire County Council (9%) and Nottinghamshire Fire Authority (1%). In 2025/26, of the Non Domestic Rates income the Council received, £8.389m (£8.297m in 2024/25) was paid as a tariff to Nottinghamshire County Council in accordance with the Business Rates retention scheme.

This Council is a member of the Nottinghamshire Business Rates Pool along with the six other Nottinghamshire district councils, Nottinghamshire Fire Authority and Nottinghamshire County Council. The pool is administered by Nottinghamshire County Council and has the advantage of potentially generating additional business rates growth through collaborative working. It also smooths out the impact of volatility across a wider economic area.

## 2. Non Domestic Rateable Value and Non-Domestic Rate Multiplier

The total Non-Domestic Rateable Value at 31 March 2026 amounted to £75.84m (£75.523m as at 31 March 2025) and the Non-Domestic Rate Multiplier for 2025/26 was 55.5p in the pound (54.6p in 2024/25). In 2025/26 the Small Business Rate Relief multiplier was 49.9p where applied.

## 3. Council Tax Base 2025/26

| Band | Total Dwellings | Ratio to Band D | Number of Dwellings (Band D Equivalents) |
|---|---|---|---|
| A DPR | 28.84 | 5/9 | 16.02 |
| A | 11,333.62 | 6/9 | 7,555.74 |
| B | 11,291.14 | 7/9 | 8,782.00 |
| C | 9,866.43 | 8/9 | 8,770.16 |
| D | 5,661.50 | 9/9 | 5,661.50 |
| E | 2,628.34 | 11/9 | 3,212.42 |
| F | 759.75 | 13/9 | 1,097.41 |
| G | 485.83 | 15/9 | 809.72 |
| H | 19.26 | 18/9 | 38.52 |
| | 42,074.71 | | 35,943.49 |
| Council Tax losses on Collection at Collection Rate of 98.5% | | | (539.16) |
| Class 'O' | | | 163.90 |
| **Total** | | | **35,568.23** |

The Band D equivalent figures are derived by multiplying the number of dwellings in each band (adjusted for discounts) by the ratios shown above. The Band D charge for 2025/26 was £192.93.

# GROUP ACCOUNTS

## Introduction

The authority is required to adhere to proper accounting practices comprised primarily of the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS), International Accounting Standards and statutory guidance issued under section 12 of the Local Government Act 2003.

An authority with interests in subsidiaries, associates and/or joint ventures is required to prepare Group Accounts in addition to their single entity financial statements unless these interests are not considered to be material.

Group Accounts are the financial statements of a group in which the assets, liabilities, reserves, income, expenses and cash flows of the parent (reporting authority) and its subsidiaries plus the investments in associates and interests in joint ventures are presented as those of a single economic entity.

Liberty Leisure Limited is a company limited by guarantee and is wholly owned by Broxtowe Borough Council. The company commenced trading on 1 October 2016. Its objectives include the provision of leisure and sports services for the benefit of the public. The Company is overseen by a Board of Directors which consists of three Broxtowe Borough Council elected Members, two Council officers, one local business-person (currently vacant) and the Business Director of the company.

In addition to paying a management fee to the company, the Council maintains control of the company's activities through retained decision making powers and through the scrutiny of the Leisure and Health portfolio holder and Cabinet which reviews the financial and operational performance of the company.

Liberty Leisure Limited produce accounts with a year-end date of 31 March. The accounts for the period from 1 April 2025 to 31 March 2026 have been prepared by TC Group of Stapleford, Nottingham in accordance with the Financial Reporting Standard for Smaller Entities. The accounts are filed at Companies House in accordance with the Companies Act 2006.

The accounts of Liberty Leisure are exempt from audit under section 479 of the Companies Act 2006. This allows a guarantee from the parent company i.e. Broxtowe Borough Council on the condition that Liberty Leisure Limited's accounts are included within the consolidated accounts of the parent company.

## Accounting Policies

The notes which follow the main statements detail any variations from the accounting polices used by the authority and should be read in conjunction with the relevant notes to authority's accounts. The consolidation has been done on a merger basis as Liberty Leisure Limited is wholly owned by the Council.

Liberty Leisure Limited is subject to a charge for taxation which is based upon its results for the year and takes into account taxation deferred because of the timing differences between the treatment of certain items for taxation and accounting purposes. Except where otherwise required, full provision is made without discounting in respect of all timing differences which have arisen but are not reversed at the balance sheet date.

# GROUP 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.

| Year Ended 31 March 2025 | | | | Year Ended 31 March 2026 | | |
|---|---|---|---|---|---|---|
| **Gross Expend £'000** | **Income £'000** | **Net Expend £'000** | | **Gross Expend £'000** | **Income £'000** | **Net Expend £'000** |
| 991 | (983) | 8 | Housing | 1,159 | (756) | 403 |
| 4,615 | (3,403) | 1,212 | Business Growth | 7,111 | (4,015) | 3,096 |
| 2,672 | (766) | 1,906 | Community Safety | 2,745 | (667) | 2,078 |
| 4,450 | (3,110) | 1,340 | Health | 3,668 | (3,012) | 656 |
| 9,672 | (4,766) | 4,906 | Environment | 11,180 | (4,908) | 6,272 |
| 15,691 | (14,517) | 1,174 | Revenues, Benefits & Customer Services | 13,239 | (11,935) | 1,304 |
| 7,230 | (2,150) | 5,080 | Resources | 6,897 | (2,074) | 4,823 |
| 1,105 | (420) | 685 | ICT & Business Transformation | 1,362 | (641) | 721 |
| 18,138 | (20,711) | (2,573) | Local Authority Housing (HRA) | 17,536 | (21,104) | (3,568) |
| **64,564** | **(50,826)** | **13,738** | **Cost of Services – Continuing Operations** | **64,897** | **(49,112)** | **15,785** |
| | | 8,333 | Other Operating Expenditure | | | 9,136 |
| | | 2,490 | Financing and Investment Income and Expenditure | | | 3,293 |
| | | (24,754) | Taxation and Non-Specific Grant Income | | | (39,904) |
| | | **(193)** | **(Surplus) or Deficit on Provision of Services** | | | **(11,690)** |
| | | (2) | Corporation Tax | | | 0 |
| | | **(195)** | **Group (Surplus)/Deficit** | | | **(11,690)** |
| | | (9,156) | (Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets | | | (4,486) |
| | | 185 | Remeasurement of the Net Defined Benefit Liability/(Asset) | | | 1,290 |
| | | **(8,971)** | **Other Comprehensive Income and Expenditure** | | | **(3,196)** |
| | | **(9,166)** | **Total Comprehensive Income and Expenditure** | | | **(14,886)** |

# GROUP MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the authority, analysed into Usable Reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and other Unusable Reserves. The statement shows how the movements in year of the authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year. The Net Increase/Decrease line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments.

| | General Fund & Earmarked Reserves £'000 | Housing Revenue Account £'000 | Capital Receipts Reserve £'000 | Major Repairs Reserve £'000 | Bramcote Bereav't Services £'000 | Total Usable Reserves £'000 | Unusable Reserves £'000 | Total Reserves £'000 |
|---|---|---|---|---|---|---|---|---|
| **Balance at 31 March 2024 Carried Forward** | **(9,299)** | **(2,673)** | **(6,312)** | **(212)** | **(254)** | **(18,750)** | **(184,039)** | **(202,789)** |
| **Movement in Reserves during 2024/25** | | | | | | | | |
| Total Comprehensive Income and Expenditure | (8,178) | 8,229 | 0 | 0 | (246) | (195) | (8,971) | (9,166) |
| Adjustments between accounting basis & funding basis under regulations | 8,429 | (7,222) | 1,657 | (174) | 252 | 2,942 | (2,942) | 0 |
| **(Increase)/decrease in 2024/25** | **251** | **1,007** | **1,657** | **(174)** | **6** | **2,747** | **(11,913)** | **(9,166)** |
| **Balance at 31 March 2025 Carried Forward** | **(9,048)** | **(1,666)** | **(4,655)** | **(386)** | **(248)** | **(16,003)** | **(195,952)** | **(211,955)** |
| **Movement in Reserves during 2025/26** | | | | | | | | |
| Total Comprehensive Income and Expenditure | (19,094) | 7,911 | 0 | 0 | (507) | (11,690) | (3,196) | (14,886) |
| Adjustments between accounting basis & funding basis under regulations | 18,272 | (7,191) | (1,887) | 386 | 589 | 10,169 | (10,169) | 0 |
| **(Increase)/decrease in 2025/26** | **(822)** | **720** | **(1,887)** | **386** | **82** | **(1,521)** | **(13,365)** | **(14,886)** |
| **Balance at 31 March 2026 Carried Forward** | **(9,870)** | **(946)** | **(6,542)** | **0** | **(166)** | **(17,524)** | **(209,317)** | **(226,841)** |

# GROUP BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories, usable and unusable. Usable reserves are those reserves that the authority 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). Unusable reserves are those that the authority is not able to use to provide services. This category of reserves 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.

| **31 March 2025 £'000** | | **31 March 2026 £'000** |
|---:|---|---:|
| 326,353 | Property, Plant & Equipment | 348,405 |
| 511 | Heritage Assets | 469 |
| 746 | Intangible Assets | 893 |
| 5,592 | Long Term Investments | 5,504 |
| 58 | Long Term Debtors | 48 |
| **333,260** | **Long Term Assets** | **355,319** |
| 0 | Short Term Investments | 0 |
| 112 | Assets Held for Sale | 93 |
| 247 | Inventories | 214 |
| 7,231 | Short Term Debtors | 7,510 |
| 13,475 | Cash and Cash Equivalents | 12,639 |
| **21,065** | **Current Assets** | **20,456** |
| (12,192) | Short Term Borrowing | (14,513) |
| (8,990) | Short Term Creditors | (8,712) |
| (590) | Provisions | (556) |
| 0 | Revenue Grants Receipts in Advance | 0 |
| **(21,772)** | **Current Liabilities** | **(23,781)** |
| (11) | Long Term Creditors | (14) |
| (233) | Provisions | (346) |
| (98,495) | Long Term Borrowing | (105,025) |
| (233) | Net Pension Liability | (196) |
| (21,626) | Capital Grants Receipts in Advance | (19,572) |
| **(120,598)** | **Long Term Liabilities** | **(125,153)** |
| **211,955** | **Net Assets** | **226,841** |
| (16,003) | Usable Reserves | (17,524) |
| (195,952) | Unusable Reserves | (209,317) |
| **(211,955)** | **Total Reserves** | **(226,841)** |

# GROUP CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority 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 authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| 195 | **Net surplus or (deficit) on the provision of services** | 11,690 |
| 14,564 | Adjustments to net surplus or deficit for non-cash movements | 21,923 |
| (11,596) | Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities | (29,108) |
| **3,163** | **Net cash flows from operating activities** | **4,505** |
| (14,651) | Investing activities | (12,165) |
| 15,951 | Financing activities | 6,824 |
| **4,463** | **Net increase or (decrease) in cash equivalents** | **(836)** |
| 9,012 | Cash and cash equivalents at the beginning of the reporting period | 13,475 |
| **13,475** | **Cash and cash equivalents at the end of the reporting period** | **12,639** |

# GROUP ACCOUNT NOTES

## Introduction

The following notes have been prepared on an exception basis with only those items which have changed from the Borough Council's Statement of Accounts being included. For all other items, reference should be made to the Council's Comprehensive Income and Expenditure Statement on page 32 and Balance Sheet on page 34 and the appropriate note.

## 1. Inter Company Transactions

| **Comprehensive Income and Expenditure Statement** | **Broxtowe Adjusted 2025/26 £'000** | **Liberty Leisure Adjusted 2025/26 £'000** | **Group 2025/26 £'000** |
|---|---|---|---|
| (Surplus)/Deficit on Continuing Operations | 16,342 | (557) | 15,785 |
| Financing and Investment Income and Expenditure | 3,307 | (14) | 3,293 |
| (Surplus)/Deficit on Provision of Services | (11,119) | (571) | (11,690) |

| **Balance Sheet** | **Broxtowe Adjusted 2025/26 £'000** | **Liberty Leisure Adjusted 2025/26 £'000** | **Group 2025/26 £'000** |
|---|---|---|---|
| Short Term Debtors | 7,443 | 67 | 7,510 |
| Short Term Creditors | (8,416) | (296) | (8,712) |

## 2. Reconciliation of the Single Entity (Surplus)/Deficit to the Group (Surplus)/Deficit

| **2024/25 £'000** | | **2025/26 £'000** |
|---|---|---|
| (424) | (Surplus)/Deficit on the Council's Comprehensive Income and Expenditure Statement | (11,119) |
| 229 | Adjustments for transactions with other Group entities | (571) |
| **(195)** | **(Surplus)/Deficit for the year on the Group Comprehensive Income and Expenditure Statement** | **(11,690)** |

## 3. Expenditure and Funding Analysis

The Expenditure and Funding Analysis 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 expenditure is allocated for decision making purposes between the council's committees. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

| 2024/25 | | | | 2025/26 | | |
|---|---|---|---|---|---|---|
| **Net Expenditure Chargeable to the General Fund and HRA balances £'000** | **Adjustments between the Funding and Accounting Basis £'000** | **Net Expenditure in the Comprehensive Income and Expenditure Statement £'000** | **Corporate Priority** | **Net Expenditure Chargeable to the General Fund and HRA balances £'000** | **Adjustments between the Funding and Accounting Basis £'000** | **Net Expenditure in the Comprehensive Income and Expenditure Statement £'000** |
| 4 | 4 | 8 | Housing | 392 | 11 | 403 |
| 6 | 1,206 | 1,212 | Business Growth | (260) | 3,356 | 3,096 |
| 891 | 1,015 | 1,906 | Community Safety | 1,015 | 1,063 | 2,078 |
| 915 | 425 | 1,340 | Health | 919 | (263) | 656 |
| 3,675 | 1,231 | 4,906 | Environment | 4,723 | 1,549 | 6,272 |
| 1,153 | 21 | 1,174 | Revenues, Benefits and Customer Services | 1,258 | 46 | 1,304 |
| 5,052 | 28 | 5,080 | Resources | 5,223 | (400) | 4,823 |
| 529 | 156 | 685 | ICT and Business Transformation | 461 | 260 | 721 |
| (6,688) | 4,115 | (2,573) | Local Authority Housing (HRA) | (9,360) | 5,792 | (3,568) |
| **5,537** | **8,201** | **13,738** | **Net Cost of Service** | **4,371** | **11,414** | **15,785** |
| (4,273) | (9,660) | (13,933) | Other Income and Expenditure | (4,391) | (23,084) | (27,475) |
| **1,264** | **(1,459)** | **(195)** | **Surplus or Deficit** | **(20)** | **(11,670)** | **(11,690)** |
| **12,226** | | | **Opening General Fund and HRA balances at 1 April** | **10,962** | | |
| **(1,264)** | | | **Less/Plus Surplus or (Deficit) on General Fund and HRA Balance in Year** | **20** | | |
| **10,962** | | | **Closing General Fund and HRA Balance at 31 March** | **10,982** | | |

### Adjustments between Funding and Accounting Basis

| **Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts** | **Adjustments for Capital Purposes £'000** | **Net change for Pensions Adjustments £'000** | **Other Statutory Adjustments £'000** | **Total Adjustments £'000** |
|---|---|---|---|---|
| **2025/26** | | | | |
| Housing | 0 | 11 | 0 | **11** |
| Business Growth | 3,286 | 70 | 0 | **3,356** |
| Community Safety | 1,014 | 49 | 0 | **1,063** |
| Health | 286 | (549) | 0 | **(263)** |
| Environment | 1,352 | 197 | 0 | **1,549** |
| Revenues, Benefits & Customer Services | 0 | 46 | 0 | **46** |
| Resources | 195 | (595) | 0 | **(400)** |
| ICT & Business Transformation | 241 | 19 | 0 | **260** |
| Local Authority Housing (HRA) | 5,602 | 190 | 0 | **5,792** |
| **Net Cost of Services** | **11,976** | **(562)** | **0** | **11,414** |
| Other income and expenditure from the Expenditure and Funding Analysis | (22,713) | (763) | 392 | **(23,084)** |
| **Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services** | **(10,737)** | **(1,325)** | **392** | **(11,670)** |
| **2024/25** | | | | |
| Housing | 0 | 4 | 0 | **4** |
| Business Growth | 1,175 | 31 | 0 | **1,206** |
| Community Safety | 994 | 21 | 0 | **1,015** |
| Health | 196 | 229 | 0 | **425** |
| Environment | 1,151 | 80 | 0 | **1,231** |
| Revenues, Benefits & Customer Services | 0 | 21 | 0 | **21** |
| Resources | 277 | (249) | 0 | **28** |
| ICT & Business Transformation | 149 | 7 | 0 | **156** |
| Local Authority Housing (HRA) | 4,035 | 80 | 0 | **4,115** |
| **Net Cost of Services** | **7,977** | **224** | **0** | **8,201** |
| Other income and expenditure from the Expenditure and Funding Analysis | (8,075) | (436) | (1,149) | **(9,660)** |
| **Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services** | **(98)** | **(212)** | **(1,149)** | **(1,459)** |

**Adjustments for Capital Purposes**

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

- Other operating expenditure - 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.

**Net Change for Pensions Adjustments**

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

- For Services this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.

- For Financing and investment income and expenditure –- the net interest on the defined benefit liability is charged to the CIES.

**Other Statutory Adjustments**

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.

## 4. Short Term Debtors

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| 729 | Trade Receivables | 867 |
| 362 | Prepayments | 449 |
| 5,511 | Other Receivable Amounts | 5,277 |
| 0 | Local Taxation | 0 |
| 373 | Council Tax | 467 |
| 256 | Non Domestic Rates | 450 |
| **7,231** | **Total** | **7,510** |

## 5. Cash and Cash Equivalents

| 2024/25 £'000 | | 2025/26 £'000 |
|---|---|---|
| 1,140 | Bank current accounts | 1,252 |
| 12,335 | Money Market Funds | 11,387 |
| **13,475** | **Total** | **12,639** |

## 6. Short Term Creditors

| 2024/25 £'000 Reclassified | | 2025/26 £'000 |
|---|---|---|
| (3,387) | Trade Payables | (4,344) |
| (1,985) | Receipts in Advance | (2,488) |
| (3,618) | Other Payables | (1,880) |
| **(8,990)** | **Total** | **(8,712)** |

## 7. Retirement Benefits

Retirement benefits to all employees within the Group are provided by the Local Government Pension Scheme. This is a defined benefit scheme. A pension liability of £0m at 31 March 2026 (£0m at 31 March 2025) in respect of Liberty Leisure has been consolidated within the Group Accounts.

## 8. Cash Flow Statement

The cash flows in respect of Liberty Leisure Limited have been consolidated within a cash flow statement for the group. All Liberty Leisure Limited's cash flows in 2024/25 and 2025/26 arose from operating activities. There were no investing or financing activities.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROXTOWE BOROUGH COUNCIL

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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# GLOSSARY OF TERMS

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

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

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

Accounting policies do not include estimation techniques but define the process whereby transactions and other events are reflected in financial statements.

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

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

**ASSET**
An asset is something the Council owns. Assets can be either current or non-current. A current asset is one that will be used or cease to have a material value by the end of the next financial year. A non-current asset provides a benefit to the Council for a period greater than one year.

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

**BILLING AUTHORITY**
Broxtowe Borough Council is classed as a Billing Authority as it has the responsibility of collecting the Council Tax and non-domestic rates. It collects the Council Tax on behalf of the County Council, Fire, Police and Crime Commissioner and Parish Councils and the non-domestic rates on behalf of the central government.

**BUDGET**
A statement defining the Council's policies over a specified period of time which is expressed in financial terms.

**CAPITAL CHARGES**
A charge to service revenue accounts to reflect the cost of fixed assets used in the provision of services.

**CAPITAL EXPENDITURE**
Expenditure on the acquisition or improvement of assets which will have a long-term value to the Council, e.g. land, buildings, furniture, equipment, etc. Definitions are set out in Section 40 of the Local Government and Housing Act 1989. Any expenditure that does not fall within the definition must be charged to a service revenue account.

**CAPITAL PROGRAMME**
The capital projects an authority proposes to undertake over a set period of time.

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

**CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)**
The professional accountancy body concerned with local authorities and the wider public sector.

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

**COMMUNITY ASSETS**
These are assets that the local Council intends to hold in perpetuity, which have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historic buildings not used in the direct provision of services.

**CONTINGENCY**
An amount set aside to meet unforeseen items of expenditure or shortfalls in income.

**CONTINGENT LIABILITIES AND ASSETS**
A contingent liability/asset is either: a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council’s control, or a present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount cannot be measured with sufficient reliability.

**CORPORATE AND DEMOCRATIC CORE (CDC)**
The Corporate and Democratic Core is defined by the Service Reporting Code of Practice and consists of two elements, Democratic Representation and Management (DRM) and Corporate Management.

Democratic Representation and Management includes all aspects of members' activities including corporate programme and service policy making, together with officer time in support of these functions. Examples of costs charged to DRM include all members' allowances and expenses.

Corporate Management concerns those activities and costs which allow services to be provided, whether by the authority or not, and the information which is required for public accountability. Costs properly charged to this heading include time spent in allocating corporate resources and producing the annual accounts, treasury management activities and external audit fees for the statutory audit.

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

The Council Tax Base of an area is based upon the number of band D equivalent properties. To work this out, the Council counts the number of properties in each band and works out an equivalent number of band D properties. For example, one band H property is equivalent to two band D properties because it pays twice as much tax.

There are eight council tax bands. The amount of council tax each household pays depends on the value of the dwellings. The bands are set out below.

| | Value of home estimated at April 1991 | Proportion of the tax due relative to a band D property |
|---|---|---|
| Band A | Under £40,000 | 6/9 |
| Band B | £40,001-£52,000 | 7/9 |
| Band C | £52,001-£68,000 | 8/9 |
| Band D | £68,001-£88,000 | 9/9 |
| Band E | £88,001-£120,000 | 11/9 |
| Band F | £120,001-£160,000 | 13/9 |
| Band G | £160,001-£320,000 | 15/9 |
| Band H | Over £320,001 | 18/9 |

Discounts are available to people who live alone and owners of homes that are not anyone's main home. Council Tax is not charged for certain properties, known as exempt properties, such as those lived in only by students.

**DEPRECIATION**
The measure of the cost or revalued amount of the benefits of a fixed asset that are consumed during a particular period. Consumption includes the wearing out, using up or other reduction in the useful life of the asset.

**DIRECT REVENUE FINANCING**
The financing of capital expenditure directly from revenue. The Council may determine that certain capital projects should be financed in this way or, alternatively, may include in the revenue budget a prescribed sum for this purpose.

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

**EXTERNAL AUDIT**
The independent examination of the activities and accounts of local authorities to ensure that the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure that the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

**FEES AND CHARGES**
In addition to income from the government, local authorities charge for numerous services including the use of leisure facilities and provision of car parks.

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

**FINANCIAL INSTRUMENT**
A contract which gives rise to a financial asset for one organisation and to a financial liability for another organisation.

**FINANCIAL REGULATIONS**
The rules within which the Council's financial affairs are operated.

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

**GENERAL FUND**
The main revenue fund of the Council with the exception of council housing, all day to day spending and receipts are met from or paid into this fund. Spending and receipts with regard to council housing are charged to a separate Housing Revenue Account (HRA).

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)**
GAAP is the standard framework of guidelines for financial accounting. It includes the standards, conventions and rules accountants follow in recording and summarising transactions and in the preparation of financial statements.

**GOVERNMENT GRANTS**
Payments by central government towards the cost of local authority services. These are either for particular purposes or services (specific grants) or in aid of local services generally (non-specific).

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

**HERITAGE ASSETS**
Heritage assets are those assets that are intended to be preserved for future generations because of their cultural, environmental or historical associations. They include historical buildings, archaeological sites, civic regalia, museum and gallery collections and works of art.

**HOUSING BENEFIT**
This scheme provides financial assistance towards the domestic rent payments of tenants in council or privately owned accommodation, whose incomes fall below prescribed amounts.

The borough council effects such assistance by offsetting amounts due from council tenants with the appropriate amounts of benefit (rent rebate). In the case of private tenants, a payment (rent allowance) is made to the tenant or to the landlord if requested by the claimant.

The borough council is reimbursed by the government for the cost of housing benefits. The government also contributes towards the costs of administering the scheme. Some authorities choose to operate a ‘local scheme’ whereby allowances in excess of the standard payments are granted.

**HOUSING REVENUE ACCOUNT (HRA)**
The statutory account into which are charged the revenue costs of providing, maintaining and managing council house dwellings. These are financed by rents charged to tenants.

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

**INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**
Accounting standards adopted from 1 April 2010 for local government bodies.

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

**INTANGIBLE ASSETS**
These are identifiable non-monetary assets without physical substance that are expected to produce future economic benefits or which have service potential. The most common class of intangible asset is computer software.

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

**INVESTMENTS**
Deposits with approved institutions.

**JOINT COMMITTEE**
Two or more local authorities may make arrangements to discharge any of their functions through a Joint Committee. Joint arrangements may be set up under the Local Government Act 1972, the financing arrangements being determined by the participating authorities. A Joint Committee of this authority and Erewash Borough Council run Bramcote Crematorium.

**LEASING**
A method of financing capital expenditure where a rental charge for an asset is paid for a specific period. There are two forms of lease arrangement. “Finance leases” are where the risks and rewards of ownership are transferred to the lessee. All other leases are “operating leases”.

**MEDIUM TERM FINANCIAL STRATEGY**
This is a statement of the Council’s policies for more than one year expressed in financial terms. The objective is to enable proactive management of the budget and enable better forecasting and long term financial planning.

**MINIMUM REVENUE PROVISION**
The minimum annual provision from revenue towards a reduction in the Council’s overall borrowing requirement.

**NET EXPENDITURE**
Gross expenditure less specific service income, but before deduction of central government grants and council tax.

**NON-DOMESTIC RATES (NDR)**
The Council collects Non Domestic Rates for its area based on local rateable values multiplied by a national uniform rate. With the introduction of the Business Rates Retention Scheme on 1 April 2013, billing authorities act as agents and collect non domestic rates on behalf of the major preceptors and central government, as principals for themselves.

**NON-OPERATIONAL ASSETS**
Assets that are held by the Council but are not directly use or consumed in the delivery of its services. This includes assets that are held for sale and surplus assets.

**OPERATIONAL ASSETS**
Assets that are held by the Council and used or consumed in the delivery of its services.

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

**OUTTURN**
Actual income and expenditure.

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

**PRECEPT**
This is the amount of council tax income county councils, police authorities, fire authorities and parish councils need to provide their services. The amounts for all local authorities providing services in an area appear on one council tax bill, which comes from the billing authority.

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

**PROVISIONS**
These are amounts set aside for specific future expenses that are likely or certain to be incurred but uncertain as to the amounts or dates they will arise.

**PRUDENTIAL CODE**
The Prudential Framework for Capital Finance requires local authorities to have regard to the Prudential Code for Capital Finance, developed by CIPFA, when carrying out their capital budgeting and treasury management activities.

The Code allows local authorities to borrow without government restriction as long as capital investment decisions are affordable, prudent and sustainable and provide value for money. Local authorities are required to calculate and monitor a number of prudential indicators to ensure that the objectives of the code are being met.

**PUBLIC WORKS LOAN BOARD (PWLB)**
A government agency that provides long-term loans to local authorities at interest rates slightly higher than those at which the Government itself can borrow.

**RATEABLE VALUE**
A value placed on all non-domestic properties subject to rating to which a uniform rate poundage is applied to arrive at rates payable. The value is based on a notional rent that property could be expected to yield after deducting the cost of repairs.

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

**REVENUE EXPENDITURE**
This is expenditure mainly on recurring items and consists principally of salaries and wages, capital charges and general running expenses.

**REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)**
This is expenditure of a capital nature for which there is no asset acquired by the Council. This would include capital grants or renovation grants to private persons.

**SOFT LOANS**
A "soft loan" is where a loan has been made for policy reasons, rather than as a financial instrument. These loans may be interest free or at rates below prevailing market rates.

**SPECIFIC GRANTS**
Government grants to local authorities in aid of particular projects or services, e.g. collection of non-domestic rates.

**STANDING ORDERS**
Rules and procedures determined by the Council to assist in the efficient performance of its activities.

**SUPPORTING PEOPLE**
Local Authorities and other social housing providers have provided specific support services such as warden services and community alarms to address the needs of vulnerable tenants as part of their housing service. From 1 April 2003 these services and their funding were brought together under the Supporting People regime to ensure that co-ordinated services are in place. All services for Supporting People are now operated and funded via contracts with the County Council.

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

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

**VOIDS**
An amount of rent or rates not collectable because for part of the financial year the property was not occupied.