



Bassetlaw
DISTRICT COUNCIL
— North Nottinghamshire —

**DRAFT
STATEMENT OF
ACCOUNTS
2025/26**

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District Council

THE NARRATIVE REPORT

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Introduction

Councillor Preface

As Portfolio Holder for Corporate and Financial Services, I would like to welcome you to the Bassetlaw District Council 2025/26 Statement of Accounts.

The 2025/26 financial year has been another challenging one for Bassetlaw District Council. The continued economic global and political uncertainty during the year coupled with the continuing cost of living crisis has meant the cost of goods and demand for services has remained high. This has created pressures for the Council, and many of our residents continue to be impacted by the cost-of-living crisis.

Since the period of austerity began all local authorities have seen significant reductions in the level of support from government. Recent funding settlements, while increasing in cash terms, have not kept pace with service demand and inflationary pressures, leading to a downward spiral. The Local Government Finance Settlement that was announced early in 2026 will result in more redistribution of funding within the local government sector than any other for at least the last 25 years.

It is to our credit then, that this council has maintained a sure footing throughout this period and the financial statements demonstrate that the Council remains a financially stable organisation, delivering for the residents of Bassetlaw. We have employed good financial management disciplines, processes, and procedures during the year, and we continue to strive for ongoing improvement and excellence by providing good services within budget, whilst working towards bold ambitions for the district.

Bassetlaw District Council continues to take decisive action, including where we can invest to save money, work proactively with partners to provide better and more cost-effective solutions, and manage our reserves carefully. Though the financial context seems ever more challenging, this Council has an excellent track record of identifying and delivering significant savings, and for annual expenditure to be broadly in line with the agreed budget, all within a framework of effective financial planning and sound internal control.

We are aware of the future challenges that Bassetlaw District Council faces. Listening to our residents must always be the council's driving ambition. A Budget Conversation was carried out in the Autumn of 2025, asking for opinions on council spending and what our priorities should be. We will continue to tackle the district's challenges and continue delivering and maintaining high quality services. As can be shown in this report, we can demonstrate value for money, linking spend to priorities and performance, and a sound financial landscape going forward.

I would like to highlight the work that the Council has undertaken during 2025/26, and which continues into 2026/27.

Having adopted the Local Plan in May 2024 we are now able to secure biodiversity net gain, management and maintenance initiatives through new development proposals to deliver new infrastructure across the district including additional health, education, road and cycling infrastructure.

The Council has continued to commit to the green agenda. We have implemented an Emissions Strategy and are making excellent progress in reducing the Council's operational emissions to net zero by 2030, which includes the completion of programme to upgrade the heating systems in our main offices. Working with partners we are finalising a green Local Area Energy Plan for Bassetlaw, enabling controlled growth of energy generation projects across the district. We have delivered a 'One-Stop Shop' for free advice and grants for small businesses seeking to boost renewable energy use and lower carbon emissions. We are also continuing decarbonisation work to reduce carbon emissions from Worksop and Retford Leisure Centres. These planned works are vital as we look to achieve our vision of making Bassetlaw the greenest, most sustainable district in which to live and work.

In the past 12 months work has progressed on the Council's regeneration projects. The Priory Centre project took a major step forward in March 2026 when the demolition phase of the project began. As activity increases over the coming months, people will begin to see the transformation of the site take shape as a new building is constructed to host exciting facilities, including an indoor adventure play area, and a bowling alley. The Worksop Together Board was established which has a long-term vision for Worksop, and we are working with local partners to drive forward the £20m Pride in Place initiative. Work has progressed at pace during the year on the construction of a modern, purpose-built Health and Wellbeing Hub in Worksop. Tilbury Douglas have been transforming the long vacant site on Newgate Street, which is owned by the council and will be leased to the NHS and operated by Newgate Medical Group. Completion is expected in the Summer of 2026, enhancing healthcare provision for residents by improving accessibility and capacity. We have been selected as a national early adopter for the High Street Rental Auction initiative which aims to bring vacant premises back to use and improve vacant shop fronts on our high streets, making them more attractive to tenants.

We have continued to build relations with the Spherical Tokamak for Energy Production (STEP) team from the UK Atomic Energy Authority (UKAEA). We have taken a lead on progressing and promoting the STEP Fusion project as a flagship development in Bassetlaw. Work is in hand to turn the 550 acre site into a premier fusion energy and business location. Building on this opportunity we have also taken a lead on the development of the Trent Valley Super Cluster vision which looks at the opportunities provided by the former coal fired power stations sites along the Trent Valley. The Fusion Energy Café, located within the Bridge Skills Hub, Worksop, aims to raise awareness and increase knowledge of fusion energy in a welcoming setting. A Town Centre Trail event took place during half term in October 2025 across Worksop Town Centre and Local Skills Outreach programmes have taken place during the year. These events are part of a broader effort to engage the local community in the programme, which will create skills development opportunities and jobs for local people.

In December 2024, Central Government announced plans for the biggest reorganisation of local government in England in over 50 years. The reorganisation aims to change the structure and responsibilities of local councils across the whole of England. In Nottingham and Nottinghamshire, local services are currently delivered under what is known as a 'two-tier' council structure. LGR means we will move to a single-tier system of unitary councils where just one council will deliver all the services you receive. In November 2025 3 proposals were submitted to Government for the creation of new unitary councils to replace the current nine. Bassetlaw District Council will continue to work collaboratively with the eight other councils in Nottingham and Nottinghamshire, to ensure the best outcome for residents and businesses.

It just leaves me to say that I am confident that the Council can maintain good financial health and financial sustainability. The Council is well-placed to address all the future challenges it faces.

As always, I would like to conclude by recognising the hard work and dedication shown by the Council's finance team throughout the year. Along with colleagues across the Council, they have worked diligently to support the provision of essential Council services during these challenging times.

Alan Rhodes

Portfolio Holder for Corporate and Financial Services



Introduction by s151 Officer

I am pleased to present Bassetlaw District Council's Statement of Accounts for the financial year ended 31st March 2026. The published accounts are an important element of the overall arrangements for demonstrating the Council's financial stewardship of public money. Whilst by their very nature the accounts are backward-facing, they provide the context for the challenging financial position the Council continues to operate within.

The Council's 2025/26 financial outturn demonstrates that the Council has delivered its financial plans effectively, maintaining control of expenditure and achieving a surplus position despite increased demand for services. This performance reflects strong financial management, clear prioritisation and proactive decision-making throughout the year. The outturn provides a robust evidence base to assess financial performance and informs the ongoing development of the Medium-Term Financial Plan.

Our Medium-Term Financial Plan for the period 2026/27 to 2028/29 was approved at Council on 26th February 2026 and this sets out the Council's assumptions on expenditure, income and financing in order to ensure the delivery of the Council's vision and corporate objectives.

The provisional local government finance settlement was announced on 17th December 2025 followed by the final settlement on 9th February 2026. This followed consultations on a Business Rates reset and Fair Funding 2.0 launched in the summer. This is a three-year settlement, which gives certainty to authorities in the second and third year of the settlement. Each of these latter two years will still be subject to an annual settlement process, but any changes will be upwards, with the three-year settlement representing a minimum level of funding.

This settlement will result in more redistribution of funding within the local government sector than any other for at least the last 25 years. The distribution of resources between authorities will be very different by 2028/29 than it is now.

The past few years has seen unprecedented financial challenges predominantly through increased demand and high levels of inflation, although recently these have returned to levels more in line with the Government's inflationary targets. The medium-term financial position remains very challenging, and the Council must continue to develop and deliver further transformation to help create a smarter, faster and fairer public services, delivering quality, cost effective services for the benefit of its residents, and meeting the challenges that Local Government Reorganisation will bring.

The preparation of the 2025/26 accounts in a timely manner enables the Council to finalise its consideration of the financial position for the year and to move on to address the challenges that 2026/27 and later years will bring. The purpose of these accounts is to present a true and fair view of the financial results of our activities for the year and the value of our assets and liabilities at the end of the financial year. The Statement of Accounts has been prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA). It aims to provide information so that the reader can:

- Understand the overarching financial position of the Council and the outturn for 2025/26;
- Have confidence that public money has been used and accounted for in an appropriate manner; and
- That the financial position of the Council is sound and secure.

The style and format of the accounts complies with these CIPFA standards and is by necessity, technical and very complex, hence the length of the accounts. The aim of this narrative report is not only to provide readers with a wider overview of the Council's financial position for the year ending 31st March 2026 but also to provide information about Bassetlaw and enable an understanding of the key issues.

I would like to thank all of my team and other officers who have supported the process and have worked so hard to meet this challenging target. In addition, my thanks also go to the team and services who have managed the budgets throughout the year in order to bring actual expenditure in at the year-end under budget whilst delivering on service promises.

This narrative report is set out in five parts:

Part one – provides an introduction to the area of Bassetlaw;

Part two – provides an introduction to Bassetlaw District Council;

Part three – provides a summary of our performance against the priorities outlined in the Council Plan;

Part four – relates to our financial performance for the year to March 2026 and summarises the information in the main Statement of Accounts document; and

Part five – looks forward, outlining the impact of the current economic climate and the risks we face on our resources and the services we provide

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

Public inspection

It is important that members of the public have the opportunity to provide comment and question our Statement of Accounts. Therefore, the draft Statement of Accounts for 2025/26 will be made available on the Council's website for inspection.

Michael Wildman CPFA ACMA

Assistant Chief Executive, Director of Corporate Resources (s.151 Officer)
Bassetlaw District Council



Part 1 - Introduction to Bassetlaw Area

Bassetlaw is a great place to live, work and visit with historic town centres, a patchwork of villages and parishes, stunning countryside and superb connectivity.

Characterised by an abundance of green open space, our historic market towns of Worksop and Retford, and their surrounding villages, offer residents and visitors a wide range of leisure, heritage and cultural facilities: from Creswell Crags, Clumber Park and the Welbeck Estate to the Chesterfield Canal, Mayflower Pilgrims Gallery, and Bassetlaw's Green Flag Award winning parks.

The growing town of Harworth and Bircotes offers easy access to South Yorkshire and the north of England via the A1 and M18 road networks along with Retford, which is less than two hours from London, Birmingham, Manchester and Newcastle by train.

Our unique location gives access to the economies of both the Midlands Engine and the Sheffield City Region which makes Bassetlaw a very attractive place to do business. Well-established manufacturing, warehousing and logistics providers already call Bassetlaw their home, in addition to multi-national businesses such as Laing O'Rourke, DHL, Cerealto, Brunton Shaw and Trelleborg which all have operations in the district.

Bassetlaw was once a heartland of coal-fired energy production with three power stations within its borders. And now, with the siting of the STEP energy fusion project at West Burton in East Bassetlaw, it will be at the forefront of developing clean energy technologies for net zero Britain. The multi-billion project will provide new opportunities for residents and businesses in research and development, green technologies, and advanced manufacturing and engineering.

Bassetlaw is a district full of potential. With over 124,900 residents, our population continues to grow with a notable increase in the number of under 15-year-olds, providing the workforce of the future.

The vast majority of the working age population in Bassetlaw has at least one qualification (94.1%), with GCSE attainment in Maths and English by age 19 being high at 77.6%. Just under a third of residents are educated to degree level and above. We have a strong culture of apprenticeships dating back to the coal-fired power stations of the 1960s.

As a result, 1078 new apprenticeships were started in 2023/24. Bassetlaw has approximately 56,000 homes spread across 63,688 hectares of stunning countryside and benefits from over 10,000 acres of woodland. People are generally happy (7.4 out of 10) and satisfied with life (7.4 out of 10).

Overall satisfaction with the local area as a place to live is good at 64.0% and we aspire to raise this further. Housing growth in Bassetlaw continues to progress, with the Local Plan setting out a requirement for 11,195 new homes by 2038. Much of this need has already been met through completed developments, existing planning permissions, or sites identified in Neighbourhood Plans. This leaves a remaining requirement of 2,387 homes to be allocated by 2038.

Bassetlaw is also a great place to do business with two business forums and a Business Improvement District (BID) in place. We have 4,255 enterprises in Bassetlaw and our three-year business survival rate is 58.3%. We have an economic activity rate of 75.6% and the average annual salary is £29,434. We aim to raise these indicators over the life of this plan.

Our vision is for Bassetlaw to become the greenest, most sustainable district in which to live and work, building on its legacy of energy production, manufacturing and logistics to power the net zero economy.

To deliver this vision, we have identified six strategic 'pillars' (or foundations) on which the Bassetlaw of 2040 should be built.

- Identity - We will build a stronger sense of identity for Bassetlaw as a place to live and work, rooted in its commitment to powering the net zero economy.
- Skills - We will develop the skills that will be needed to power the UK's manufacturing industry and green economy, using wage growth to address deprivation and inequality.
- Business - We will become a great place to 'do business' by proactively investing in offices, connectivity and supporting infrastructure.
- Environment - We will mitigate the impacts of climate change through green energy planning, improving building efficiency and enhancing natural environments.
- Facilities for all - We will promote partner investment in high-quality education, health, and other facilities which should be easy for everyone to access.
- Healthy district - We will encourage sustainable living and promote good mental and physical health for all Bassetlaw residents.

Part 2 - Introduction to Bassetlaw District Council

How the Council Works

The Council is made up of 48 Councillors who are elected every four years, with the next full elections to be held in May 2027. The political balance of the Council on 31st March 2026 was 35 Labour, 6 Reform, 4 Conservative and 3 Independent Groups.

The Council operates under the Leader and Cabinet Executive Arrangements model. The Council elects the Leader (who is the Leader of the majority party), and the Leader appoints the other members of the Cabinet. Each Cabinet member holds a separate portfolio.

Decisions may be delegated to the individual members or taken by the Cabinet as a whole. These decisions are scrutinised by the Council's Overview & Scrutiny Committee. The Leader and Cabinet are responsible for policies, plans, and strategies, which must be within the budget adopted by the full Council. These will be reported to the overall Council, which is convened as a whole, at regular Council meetings.

The principle executive decisions taken by the Council as a whole are to appoint the Leader, to approve the Leader's budget, to adopt development plan documents, and to agree on the Council's Constitution.

On the 31st March 2026, the Council's Cabinet consisted of the following Councillors:

Leader of the Council and Cabinet Member for Strategy and Communications, Cllr Julie Leigh.

Deputy Leader and Cabinet Member for People and Transformation, Cllr Jonathan Slater.

Cabinet Member for Business and Skills, Cllr Charles Adams.

Cabinet Member for Governance, Cllr June Evans.

Cabinet Member for Neighbourhoods, Cllr Darrell Pulk.

Cabinet Member for Corporate and Financial Services, Cllr Alan Rhodes.

Cabinet Member for Identity, Planning and Place, Cllr Steve Scotthorne.

Cabinet Member for Housing and Estates, Cllr Lynne Schuller.

The work of Councillors is supported by Council Officers. The Chief Executive has overall responsibility for the services supported by two Directors and eight Heads of Services. The Directorate of Corporate Resources comprises the functional areas of Finance and Property Services, Growth and Economic Prosperity, Performance and Engagement, and Legal and Governance. The Directorate of Regeneration and Neighbourhoods comprise the functional areas of Planning & Place, Neighbourhoods, and Housing. The Council employed 492 full time staff and 142 part time staff as of 31st March 2026.

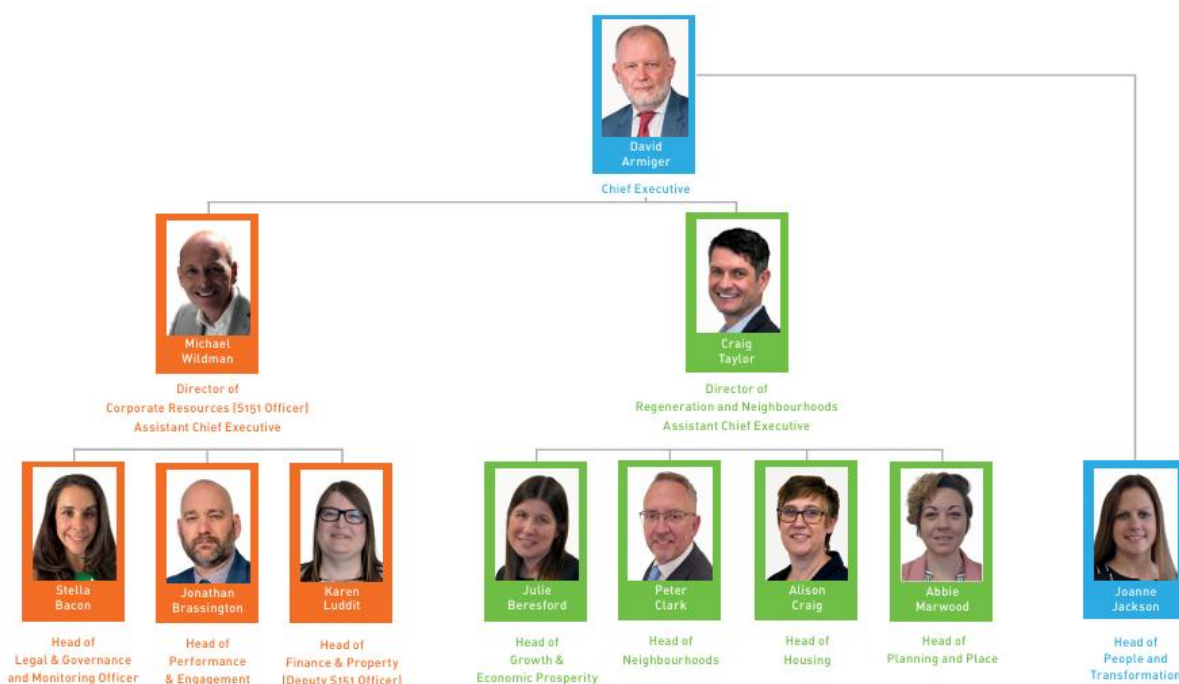
The Council also has a number of committees, with membership determined on the basis of the political balance:

- Overview and Scrutiny Committee
- Housing Scrutiny Sub-Committee
- Audit and Governance Committee
- Standards Sub-Committee
- Licensing Committee
- Licensing Sub-Committee
- Planning Committee
- Appeals Committee
- Appointments Committee
- Company Governance Sub-Committee
- Chief Officers' Investigating Committee
- Health and Safety Committee
- Introductory Tenancies Appeal Board
- Joint Employee Council

Senior Management Structure of the Council

The Council's structure is as shown below. The Chief Executive Officer leads a Corporate Leadership Team including two Directors and a Corporate Management Team of eight Heads of Service each with a portfolio of services to manage and deliver.

Corporate Management Team 2026



Part 3 – The Council Plan: Vision 2040

In December 2022, the Council approved the development of a new vision for Bassetlaw to 2040, aligning with the project delivery dates of the STEP fusion energy project. Known as Vision 2040, this aspires:

For Bassetlaw to become the greenest, most sustainable District in which to live and work, building on its legacy of energy production, manufacturing and logistics to power the net zero economy.

As part of Vision 2040, six strategic pillars formed the basis of our Council Plan actions:

- Identity
- Skills
- Business
- Environment
- Facilities for all
- Healthy District

In December 2025 the Council refreshed Vision 2040 and the Council Plan actions to reflect progress achieved, changes in the national and local context, and emerging strategic priorities. The refresh updated and strengthened the existing vision statement by adding a mission statement and corporate values, updating actions, improving progress monitoring, and introducing a new “Transformation” pillar focused on efficiency, technology, and performance improvement.

Progress against these priorities is set out below:

Identity - We will build a stronger sense of identity for Bassetlaw as a place to live and work, rooted in its commitment to powering the net zero economy.

Identity: We delivered

- We have taken a lead on progressing and promoting the STEP Fusion project as a flagship development in Bassetlaw. Work is in hand to turn the 550 acre site into a premier fusion energy and business location. Building on this opportunity we have also taken a lead on the development of the Trent Valley Super Cluster vision which looks at the opportunities provided by the former coal fired power stations sites along the Trent Valley.
- We provided a wide variety of local community voluntary organisations and arts and heritage groups with over £400k of government Shared Prosperity grant funding and invested £207k to improve green spaces in Bassetlaw
- We established Worksop Together Board which has a long-term vision for Worksop and we are working with local partners to drive forward the £20m Pride in Place initiative in Worksop.
- We have been selected as a national early adopter for the High Street Rental Auction initiative which aims to bring vacant premises back to use and improve vacant shop fronts on our high streets, making them more attractive to tenants.

- Significant progress has been made on developing a strong brand and identity to market the district. We have launched the Visit Bassetlaw website and a “Rediscover your own backyard” campaign to promote the best that Bassetlaw has to offer to our residents and visitors.

Skills - We will develop the skills that will be needed to power the UK’s manufacturing industry and green economy, using wage growth to address deprivation and inequality.

Skills: We delivered

- We have undertaken a district-wide Skills Audit to identify emerging skills gaps so we can support local businesses to improve their productivity, as well as helping education providers shape their curriculum offer to meet employer demand.
- We continue to work to ensure new inward investment into Bassetlaw is tied to apprenticeship and skills training.
- We have established an education outreach taskforce to bring stakeholders together and support schools with access to high quality student placement opportunities for young people.
- We are in the process of setting-up ‘Bassetlaw Apprenticeships’ to manage the quality and quantity of apprenticeships across the district.
- In partnership with the UK Atomic Energy Authority we have opened the world’s first Fusion Energy Café which acts as a base for our STEP outreach education programme.

Business - We will become a great place to ‘do business’ by proactively investing in offices, connectivity and supporting infrastructure.

Business: We delivered

- We have ensured the principals of initiatives such as the Trent Valley Supercluster are embedded in regional and national strategic plans.
- Delivery of UK Shared Prosperity Fund projects are in-progress in coordination with the East Midlands Combined County Authority to secure future regional investment into Bassetlaw to support local businesses to grow, innovate and reduce their carbon footprint while supporting social inclusion.
- Supported services for small and micro-businesses to encourage growth and help with start-up and marketing costs.
- Implementing our commercial strategy to generate income, support frontline services, and embed a more commercial minded approach across the council.

Environment - We will mitigate the impacts of climate change through green energy planning, improving building efficiency and enhancing natural environments.

Environment: We delivered

- Working with partners we are finalising a green Local Area Energy Plan for Bassetlaw, enabling controlled growth of energy generation projects across the district.
- We have implemented an Emissions Strategy and are making excellent progress in reducing the Council's operational emissions to net zero by 2030, which includes the completion of programme to upgrade the heating systems in our main offices.
- The Retford and Worksop Leisure Centre decarbonisation projects are projected to save over £40k and 700 tCO₂ each year.
- Having adopted the Local Plan, we are now able to secure biodiversity net gain, management, and maintenance initiatives through new development proposals.
- We have delivered a 'One-Stop Shop' for free advice and grants for small businesses seeking to boost renewable energy use and lower carbon emissions.

Facilities for all - We will promote partner investment in high-quality education, health and other facilities which should be easy for everyone to access.

Facilities for all: We delivered

- The adopted Local Plan means we are now able to deliver new infrastructure across the district including additional health, education, road and cycling infrastructure.
- Using funding from central government we have continued work to set up community hubs in town centres to bring a range of services together to support our local communities.
- Through the new District Design Code and as part of the Local Plan, we promote small public and / or shared transport schemes to improve rural connectivity.
- We have pushed for the improvement of the district's digital infrastructure by working with digital and telephony providers.
- Introduced a new Armed Forces Plan for the council, building on our Armed Forces Covenant Gold Award to ensure key services are accessible to serving personnel and their families.

Healthy district - We will encourage sustainable living and promote good mental and physical health for all Bassetlaw residents.

Healthy district: We delivered

- We have continued to invest in the council's leisure facilities to maintain high quality local exercise options.
- We have encouraged residents to be more active in green spaces through walking, cycling and physical activity in the council's parks and open spaces by running outdoor activities and events in local parks to promote physical and mental wellbeing.
- We have promoted health and wellbeing programmes and initiatives, working with local health and education partners.
- Through the adopted Local Plan, we have established the requirement for a health impact assessment to be completed as part of residential development proposals of 50 or more units, to ensure each scheme promotes healthy place-making.
- We have produced a new Community Safety Strategy for the district, focused on prevention, early intervention and enforcement, safeguarding and support, and collaborative working.
- We have continued to work with partners through the Cost of Living forum to find ways to minimise the impacts of the rising cost of living on Bassetlaw residents.
- We have supported the local Voluntary, Community and Social Enterprise community in securing ongoing funding through the Nottinghamshire Integrated Care Board.
- We have worked in close partnership with health colleagues to deliver a new health practice in Worksop enhancing the reach of GP and other services.
- We have been working hard alongside partners in the health and voluntary sector to support the delivery of healthy hubs / diagnostic units in prominent public locations to take health and wellbeing services to the public.

Transformation - to help build a modern, resilient, and forward-looking council that delivers on Vision 2040 embracing innovation, regeneration, and inclusive growth while getting the basics right every day.

Transformation: We delivered

- Ensuring the Council is well placed to take advantage of the opportunities that will come with the STEP Fusion and Super Cluster projects.
- We have made significant changes that ensured we are able to recruit and retain the staff we need to deliver our vision.
- We have also developed and rolled out the concept of the Bassetlaw Manager through a management development programme.
- Pro-actively submitting high quality bids for sources of external funding.
- Expand the council tax base through the delivery of new housing development.
- Increasing the business rates baseline by attracting new businesses to the area.
- Increasing business rates and council tax collection rates to help fund the council's priorities.
- We have updated the operating model of S80 Partnership Limited to ensure it operates within a strict legal framework with robust governance controls.

Part 4 - Financial Performance & Management 2025/26

Economic Performance

From 2026/27, the government has pledged to fundamentally improve the way councils are funded and direct funding to where it is most needed, based on an up-to-date assessment of need and local resources.

Over the past decade significant reductions in central government funding have shifted the burden onto council tax, intensifying financial pressures. High inflation and growing demand for services have further strained council budgets, prompting many authorities to seek additional financial support from central government. These challenges have not been evenly distributed across the sector. Persistent delays in reforming the national funding formula have led to regional disparities, with many deprived areas receiving less funding than their assessed needs. Councils such as Bassetlaw, which serve communities with higher levels of deprivation and low-income levels for our residents, have consistently faced disproportionate pressures and financial risk.

The provisional local government finance settlement was announced on 17th December 2025 followed by the final settlement on 9th February 2026. This followed consultations on a Business Rates reset and Fair Funding 2.0 launched in the summer. This is a three-year settlement, which gives certainty to authorities in the second and third year of the settlement. Each of these latter two years will still be subject to an annual settlement process, but any changes will be upwards, with the three-year settlement representing a minimum level of funding.

This settlement will result in more redistribution of funding within the local government sector than any other for at least the last 25 years. The distribution of resources between authorities will be very different by 2028/29 than it is now.

The Council's medium term financial plan was approved in February 2026. To ensure a smooth transition to the new unitary authority, the strategy prioritises building financial resilience through planned increases in reserves during 2026/27 and 2027/28. These additional reserves will provide the flexibility required to manage the considerable costs associated with LGR, including implementation, organisational redesign, and transitional arrangements, while maintaining continuity of essential services throughout the process. The medium-term financial plan is designed to achieve a balanced budget by 2028/29, helping to position the new authority on a sustainable footing beyond the proposed vesting day on 1st April 2028

With the regard to the impact on capital, the Council has a modest, whilst ambitious programme and there were significant underspends due to delays in key schemes as costs increased due to the inflated costs of goods and services resulting from the difficult financial environment the Council operates in. The Council's Asset Management Plan, approved in February, reinforced the principles brought in for the 2026/27 budget setting process regarding a comprehensive review of the authority's assets.

Whilst useable revenue reserves remain relatively low when compared to others, this has been the case historically and increases in useable revenue reserves in recent years is reducing this gap. Revenue underspends in the General Fund in 2025/26 has resulted in increased levels of useable reserves, strengthening the Council's financial resilience.

Cash Flow Management

The Council has in place an annual cash flow forecast that covers both weekly and monthly incomings and outgoings during the financial year. We have been closely monitoring this over the year to understand any significant impacts. Investments are placed across a number of different products including notice accounts and money market funds that both provide access to more liquid funds, ensuring a greater balance is available for urgent cash flow requirements which might arise. All controls and prudential indicators were maintained in accordance with the approved Treasury Management Strategy.

The General Fund Revenue

The General Fund supports the day-to-day running of the Council's services (excluding housing). The Council set its budget for the 2025/26 financial year on 27th February 2025. This showed a net revenue budget of £24.8m.

During the year, the budget position for the net cost of services changed. The main factors contributing to this increase were in respect of statutory accounting adjustments charged to services that are subsequently reversed back out through the movement in reserves statement to eliminate any impact on the level of Council Tax charged.

The financial standing of the Council is very robust, with sound and improving financial management and practices. The outturn position for the Council's General Fund was an under spend of circa £250k that was transferred to reserves. A report was presented to Cabinet in June 2026. The Council's Assistant Chief Executive, Director of Corporate Resources, in his role as Chief Finance Officer, has a duty under the Local Government Act 2003 in setting the budget to comment on the robustness of the estimates and the adequacy of the reserves. This requires that effective budget monitoring procedures are set in place to monitor expenditure and income against the budget and careful consideration is given to determining the level of reserves. The Working Balance has remained at £1.0m in 2025/26.

There are a number of financial pressures and uncertainties which could affect the council's financial position, and the deliverability of the proposed budget. These risks include the financial impact of the recovery from the cost-of-living crisis in future years, savings plans may not deliver projected savings to expected timescales, assumptions and estimates, such as inflation and interest rates, may prove inaccurate and funding from central government may fall below projections. Collectively these indicate significant financial pressure on the Council's resources. The forward projections have been subject to sensitivity analysis in light of the potential risks. These do indicate potential wide fluctuations in any year that could see the likely surplus/deficit being substantially different to that expected. This emphasises both the high level and impact of the risks that face the Council's finances in the future. In recognition of the significance of these risks there are risks contained within the Council's corporate risk register relating to financial resilience.

The Housing Revenue Account (HRA)

The HRA is a ring-fenced landlord's account for the running of the Council's housing stock. The budget for 2025/26 was approved by Council on 27th February 2025.

Any over-achievement of income is reinvested into the Council's housing stock over several years to ensure properties are maintained to an appropriate standard and to continue to grow the stock of houses to ensure the Council meets the needs of the district.

The 2025/26 outturn position for the HRA was a small deficit of £12k which has been transferred from the HRA Reserve. This outturn position is worse than the expected 2025/26 surplus that was assumed as part of the HRA 2025/26 budget setting process (£800k) due to increased spending on repairs and maintenance.

The transfer from reserves decreases the balance on the HRA Reserve from £3.55m as at 1st April 2025 to £3.54m on 31st March 2026. Whilst the budgeted transfer to reserves was not made, the balance remains above the new prudent level of HRA balances of £3m that was agreed as part of the 2026/27 budget setting process.

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

Overall Outcome

The Comprehensive Income and Expenditure Statement shows the Council's outturn on an accounting basis (to include notional entries such as depreciation and impairment).

Charts 2 and 3 below show the details of the total spend and income in 2025/26 as shown in the Expenditure and Funding Analysis (EFA) (Notes 7 and 8)

Chart 2 – Total Expenditure

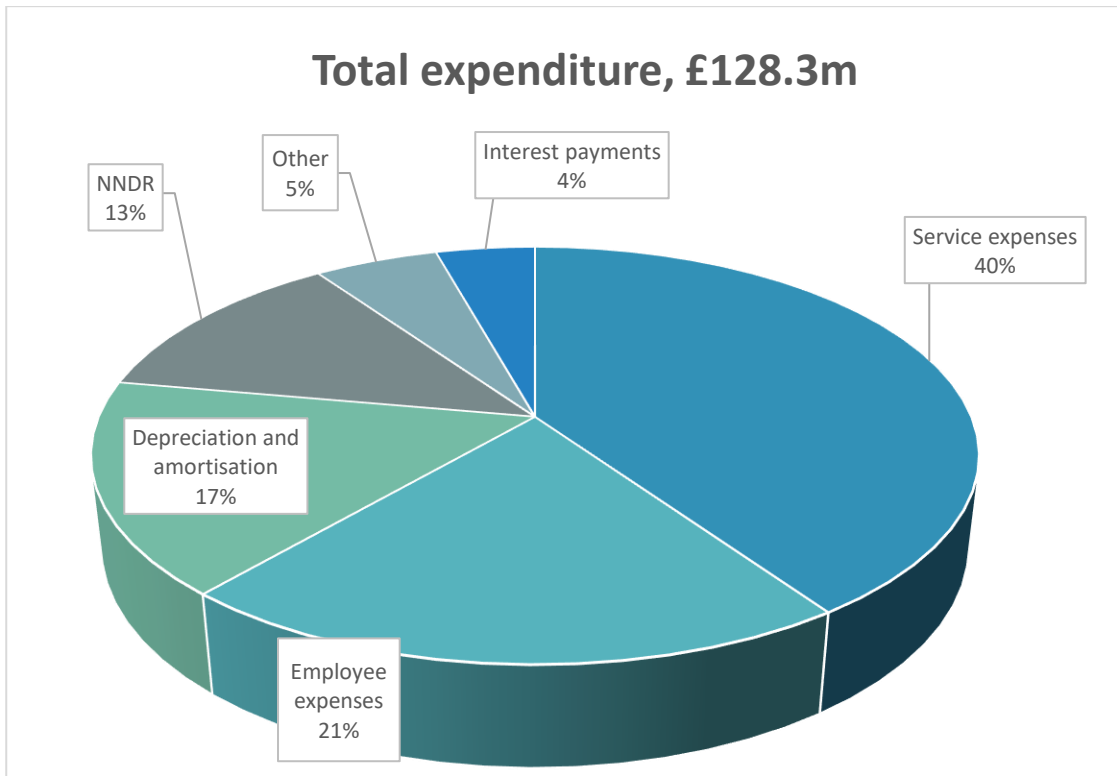
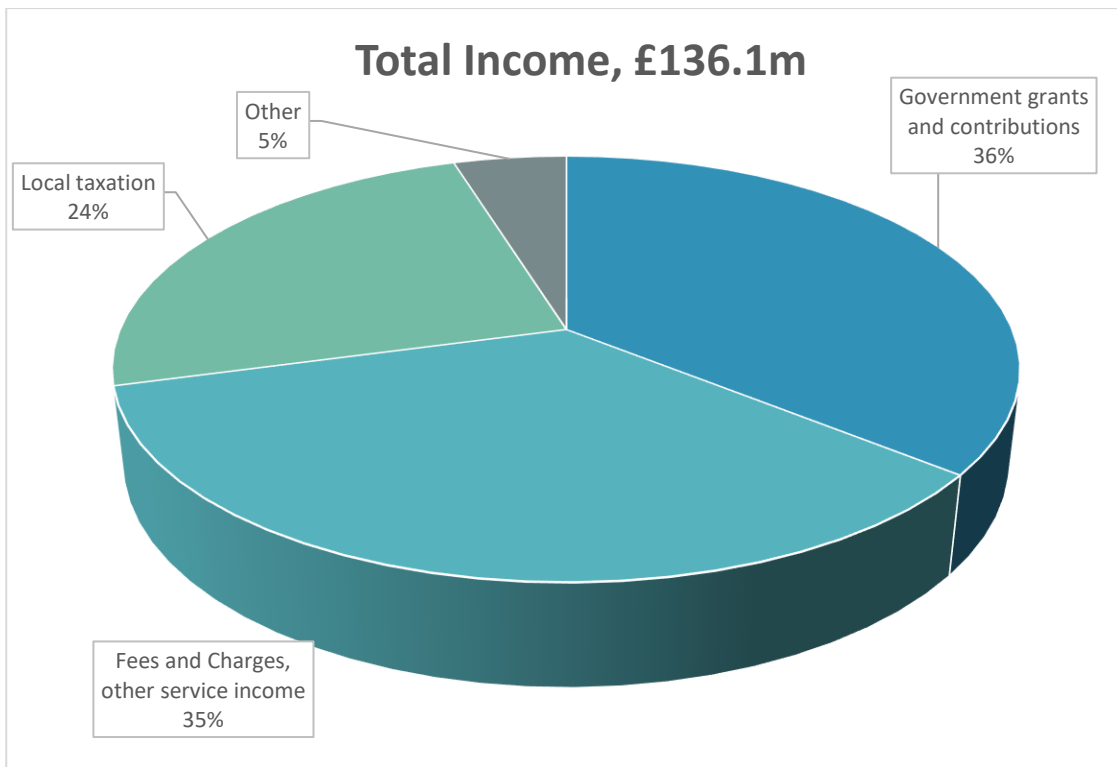


Chart 3 – Total Income



The main source of income is grants and contributions (£48.7m), fees and charges, including other service income (£47.7m) and local taxation (council tax and business rates) (£33.2m). The main area of spend was the direct costs of providing council services (£51.6m or 40%)

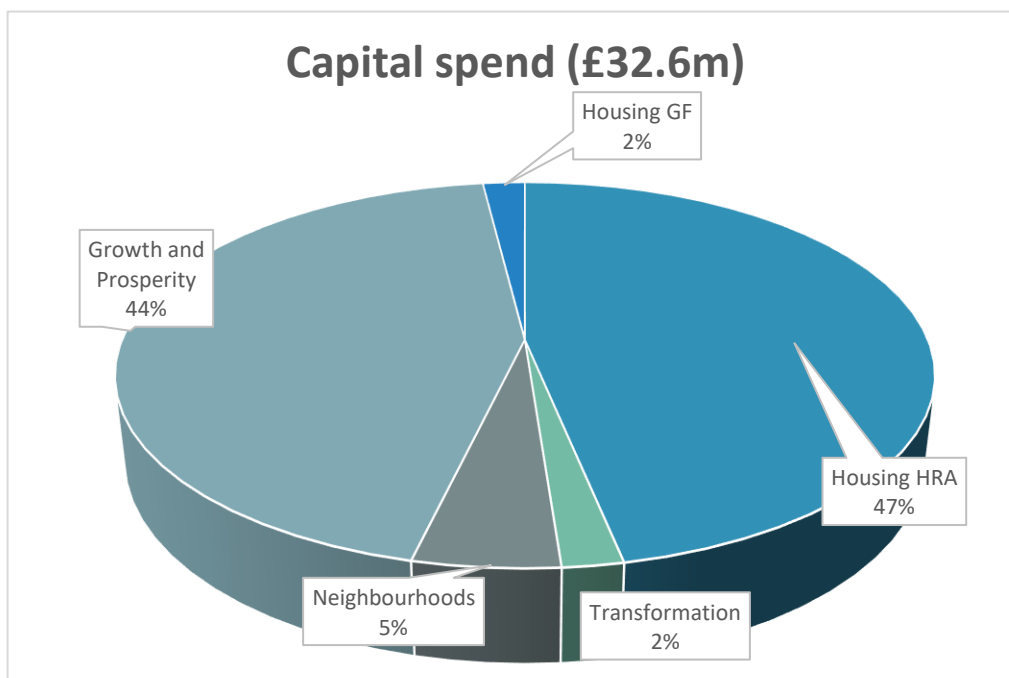
The EFA shows the Council's outturn on a funding basis and hence shows the actual increase in the general reserve (held for unforeseen circumstances) and the Housing Revenue Account reserve (HRA), as opposed to appropriations to unusable reserves (as certain transactions are statutorily not allowed to be charged against the general reserve).

Capital Spending

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

During 2025/26 the Council spent £32.6m on capital works.

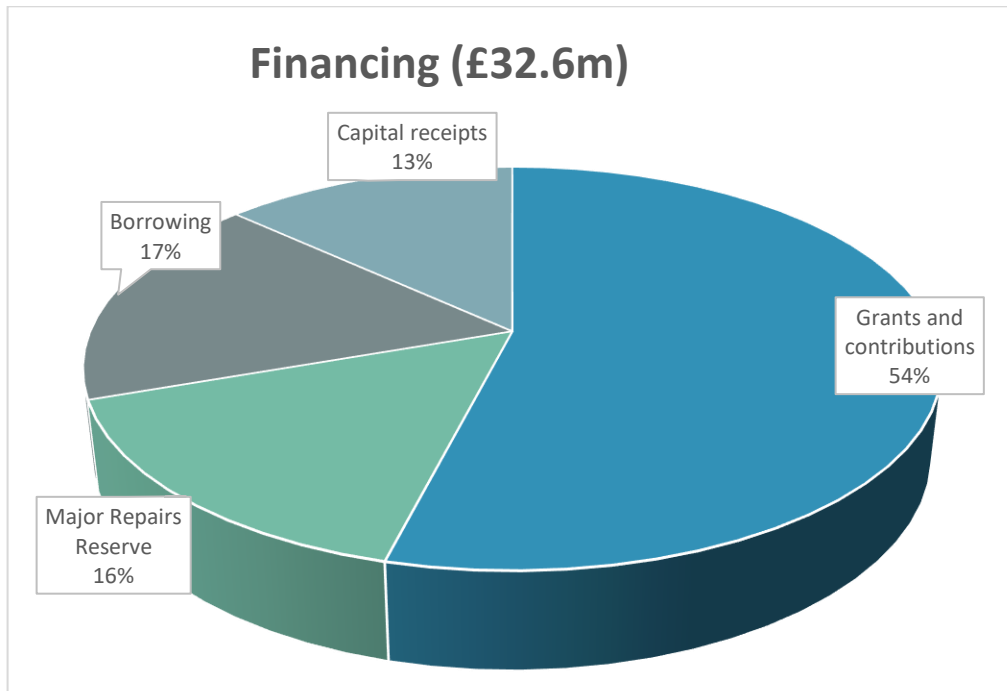
Chart 4 – Capital Expenditure



The spend was split relatively evenly between the General Fund and Housing Revenue Account (53%/47%). Major General Fund projects during the year included Newgate Street Surgery (£7.7m), the redevelopment of the Priory Centre (£1.4m) and public sector decarbonisation works (£2.3m). Major Housing Revenue Account projects included Kitchen and Bathroom replacements (£1.7m), fire safety works (£2.3m), property acquisitions (£2.5m), and electrical testing and safety works (£1.3m).

The programme spend was mainly financed through the use of the capital grants and contributions (£17.6m), Borrowing (£5.6m), Capital Receipts (£4.3m) and Major Repairs Reserve (£5.1m).

Chart 5 – Capital Financing



The Balance Sheet

Provisions

The Council's most significant provisions relate to the [Business Rates valuation appeals](#). Following Business Rates localisation, introduced in 2013, the Council has had to set aside a provision for any future successful ratepayer appeals against rateable valuations. The current balance is £1.0m

Assets

The value of the Council's Property, Plant and Equipment (PPE) at 31st March 2026 has increased to £467.2m (from £443.9m as at 31st March 2025). This is mainly due to revaluation adjustments to and additions to the asset portfolio which includes Newgate Medical Centre.

Cash Flow

The Council's cash position at 31st March 2025 is £21.3m, this is an increase compared to the previous year's balance of £12.5m.

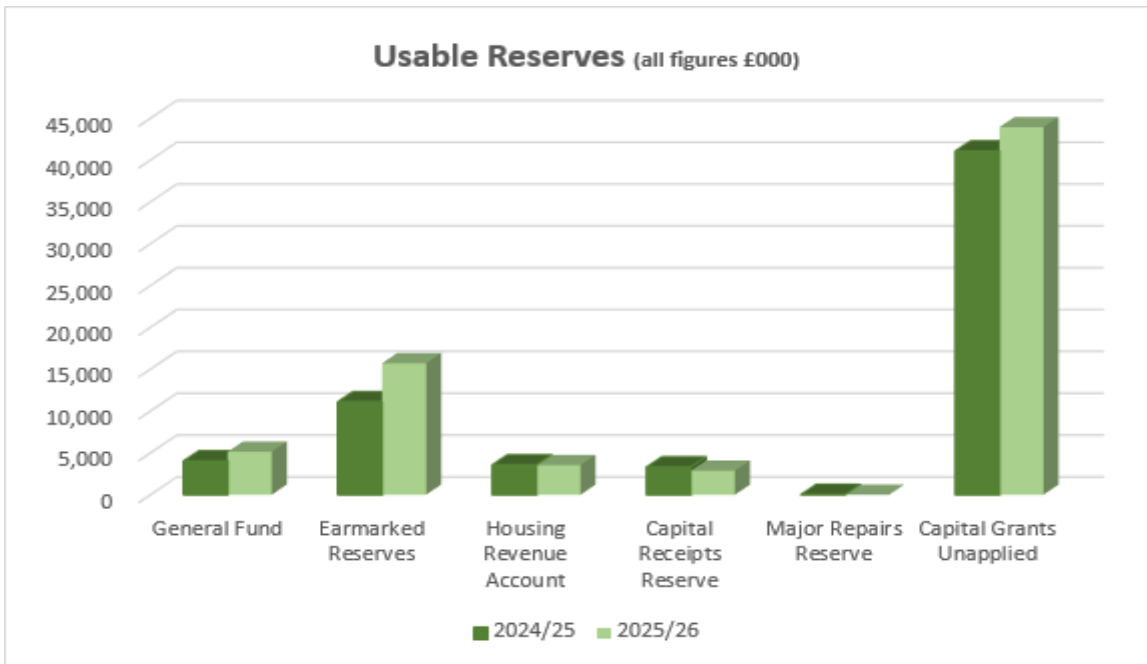
Pension Fund

The value of the Council's Pension Liability has reduced to £1.8m (£9.8m as at 31st March 2025).

Reserves

Usable reserves are £71.2m as at 31st March 2026 (£63.0m as at 31st March 2025). Both minimum working balances for both General Fund and the Housing Revenue Account remain intact.

Chart 6 – Usable Reserves



Unusable reserves have remained stable and have increased slightly to £334.8m (from £312.3m).

Part 5 - Looking Forward

General Fund Revenue – 2026/27 and beyond

Inflation: The 2026/27 budget has been developed in an unstable financial and economic environment.

Over the past year, inflation has eased considerably from its peak. In October 2022, the Consumer Prices Index (CPI) hit a 40-year high of 11.1%. As of December 2025, CPI has dropped significantly to 3.4% (but up from 3.2% in November 2025). This was released by the Office for National Statistics on 21st January 2025. The next update will be on 18th February 2026. Notably, September 2025 recorded CPI of 3.8%, the figure used by central government when uprating core funding streams. Looking ahead, the Bank of England projects CPI to be 2.2% by December 2026, and 1.8% by December 2027 (below its long-term target of 2%).

Although inflation has retreated from the October 2022 peak, households continue to face rising costs. While inflation is slowing, prices remain higher than before. This sustained inflation is impacting Council operations and our stakeholders - residents, local businesses, and service users. In financial terms, we're seeing increased unit costs across energy, fuel, and utilities, plus inflation-linked rises in contractual expenses. We also need to consider a fair and affordable staff pay offer. On top of these cost pressures, demand for many services continues to increase.

Interest Rates: The Bank of England base rate currently stands at 3.75%, reflecting a cautious approach to monetary policy amid ongoing economic uncertainty. While rates are expected to remain stable in the short term, forecasts indicate a gradual downward trend, with a reduction to 3.5% anticipated by December 2026 and stability at that level through at least December 2027. However, the pace of cuts is likely to be measured, constrained by persistent inflationary pressures and the need to maintain economic stability. These conditions create challenges for financial planning, particularly in managing borrowing costs and investment strategies. The next official update on interest rates is scheduled for 30th July 2026, and any deviation from current projections could have significant implications for local authority budgets and medium-term financial strategies.

Corporate Risk

The Council's updated Risk Management Strategy & Framework was considered and approved by the Audit & Governance Committee on 14th November 2024 - [Corporate Risk Management Strategy and Framework](#) and the last update of risks to Audit and Governance Committee was on 4th June 2026 - Corporate Risk Management Quarter 4 2025-26

The purpose of the Strategy and Framework is to define how risks are managed by the Council. It provides guidance on the processes, procedures, roles and responsibilities for risk, and it sets out the context on how risks are to be managed.

The Corporate Risk Register is a key enabler of the Strategy and Framework and provides assurance on the key risks identified as Corporate Risks. Operational and service delivery risks are identified and managed by the individual service areas and overseen by the Heads of Service and the Directors. These risks are reported routinely on a quarterly basis through the Audit & Governance Committee.

Statement of Responsibilities 2025/26



Statement of Responsibilities for the Statement of Accounts

Responsibilities of the Council

The Council is required to:

- Make sure that one of our officers is responsible for managing our financial affairs. In this Council, the Section 151 Officer is responsible for this;
- Manage our affairs to make sure we use our resources efficiently and effectively and protect our assets; and
- Approve the Statement of Accounts.

Responsibilities of the Section 151 Officer

The Section 151 Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code). In this Council, the Section 151 Officer is the Assistant Chief Executive, Director of Corporate Resources.

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

- Selected suitable accounting policies and applied them consistently;
- Made reasonable and prudent judgements and estimates;
- Followed the Chartered Institute of Public Finance and Accountancy/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code)
- Kept proper accounting records which are up to date; and
- Taken reasonable steps to prevent and detect fraud and other irregularities.
- assessed the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- used the going concern basis of accounting on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future; and
- maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Statement of Accounts presents a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31st March 2026.



Michael Wildman, CPFA ACMA
Asst. Chief Executive & Director of Corporate Resources (Section 151 Officer)

THE CORE FINANCIAL STATEMENTS

Comprising of:

- The Comprehensive Income and Expenditure Statement (CIES)
- The Movement in Reserves Statement (MiRS)
- The Balance Sheet
- The Cash Flow Statement (CFS)



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 (or rents). Authorities raise taxation (and rents) to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

2024/25			2025/26				
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Service Area	Note	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
1,948	-581	1,367	Chief Executive		1,936	-451	1,485
29,734	-23,688	6,046	Finance and Property Services		25,677	-20,361	5,316
10,981	-3,326	7,655	Growth and Economic Prosperity		7,084	-2,453	4,631
2,421	-1,198	1,223	Housing Services		2,312	-1,526	786
1,602	-763	839	Legal and Governance		1,930	-882	1,048
11,291	-3,346	7,945	Neighbourhoods		12,288	-4,489	7,799
853	-254	599	People and Transformation		1,250	-270	980
2,691	-936	1,755	Performance and engagement		3,098	-1,324	1,774
2,734	-2,342	392	Planning and Place		3,376	-2,644	732
42,247	-32,652	9,595	Housing Revenue Account		40,584	-32,809	7,775
106,502	-69,086	37,416	Cost of Services		99,535	-67,209	32,326
4,475	-1,703	2,772	Other Operating Expenditure	11	6,669	-3,888	2,781
6,201	-3,190	3,011	Financing and Investment Income and Expenditure	12	6,150	-2,579	3,571
18,764	-60,166	-41,402	Taxation and Non-Specific Grant Income and Expenditure	13	15,909	-62,440	-46,531
135,942	-134,145	1,797	Surplus (-) or Deficit on Provision of Services		128,263	-136,116	-7,853
			Items that will not be reclassified to the Surplus (-) or Deficit on the Provision of Services:				
		-6,270	Surplus (-) or Deficit on Revaluation of Non-Current Assets	22a			-16,306
		-166	Re-measurements of the Net Defined Benefit Liability (Asset)	35b			-6,565
		-6,436	Other Comprehensive Income and Expenditure				-22,871
		-4,639	Total Comprehensive Expenditure				-30,724

The accompanying notes form part of these financial statements - Figures for income, gains and surpluses are shown as negative (-) above

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Council, 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 Council’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.

2025/2026	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Council's Total Reserves £'000
Balance at 31 March 2025 brought forward	-15,098	-3,550	-3,293	0	-41,062	-63,003	-312,280	-375,283
Movement in Reserves during 2025/26								
Total comprehensive Income and Expenditure	-20,032	12,179	0	0	0	-7,853	-22,871	-30,724
Adjustment between accounting basis & funding basis under regulations (Note 9)	14,284	-12,167	426	0	-2,859	-316	316	0
Increase (-) /Decrease in 2025/26	-5,748	12	426	0	-2,859	-8,169	-22,555	-30,724
Balance at 31 March 2026 carried forward	-20,846	-3,538	-2,867	0	-43,921	-71,172	-334,836	-406,008

The General fund balance consists of general reserves of £5.137m and earmarked reserves of £15.709m (see note 10 Movements in Earmarked reserves for further analysis)

2024/2025	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Council's Total Reserves £000
Balance at 31 March 2024 brought forward	-13,299	-1,905	-3,131	0	-31,616	-49,951	-320,692	-370,643
Movement in Reserves during 2024/25								
Total comprehensive Income and Expenditure	-12,019	13,815	0	0	0	1,796	-6,436	-4,640
Adjustment between accounting basis & funding basis under regulations (Note 9)	10,220	-15,460	-162	0	-9,446	-14,848	14,848	0
Increase (-)/Decrease in 2024/25	-1,799	-1,645	-162	0	-9,446	-13,052	8,411	-4,641
Balance at 31 March 2025 carried forward	-15,098	-3,550	-3,293	0	-41,062	-63,003	-312,280	-375,283

The General fund balance consists of general reserves of £4.011m and earmarked reserves of £11.088m (see note 10 Movements in Earmarked Reserves for further analysis).

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to any statutory limitations on their use (for example the capital receipts reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council 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		Notes	31 March 2026 £'000
443,941	Property, Plant & Equipment	14	467,162
314	Heritage Assets		314
327	Intangible Assets		546
110	Long Term Investments	15	110
3,858	Long Term Debtors	16	3,663
448,550	LONG TERM ASSETS		471,797
10,340	Assets Held for Sale	18	8,226
133	Inventories		75
21,160	Short Term Debtors	16	21,900
12,538	Cash and Cash Equivalents	17	21,254
44,171	CURRENT ASSETS		51,455
-3,474	Short Term Borrowings	15	-16,173
-13,151	Short Term Creditors	19	-15,975
-895	Provisions Short Term	20	-937
-68	Short Term Liabilities – ROU Assets		-3
-993	Grants Receipts in Advance – Revenue	29	-1,239
-18,581	CURRENT LIABILITIES		-34,327
-3,377	Long Term Creditors	19	-2,969
-1,098	Provisions Long Term	20	-1,023
-84,513	Long Term Borrowing	15	-77,016
-84	Long Term Liabilities – ROU Assets		-81
-9,784	Long Term Liabilities	14/35	-1,828
-98,856	LONG TERM LIABILITIES		-82,917
375,284	NET ASSETS		406,008
-63,003	Usable Reserves	21	-71,172
-312,281	Unusable Reserves	22	-334,836
-375,284	TOTAL RESERVES		-406,008

This balance sheet was completed and authorised for issue on 30th June 2026, the date to which events after the balance sheet date have been considered. These accounts present fairly the financial position of Bassetlaw Council as at 31st March 2026.

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities (day to day costs) 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 Council. 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 Council.

2024/25 £'000	CASH FLOW STATEMENT	Note	2025/26 £'000
-1,796	Net Surplus/Deficit (-) on the Provision of Services	CIES	7,853
22,192	Adjustments to Surplus or Deficit on the Provision of Services for Non-Cash Movements	23a	26,210
-1,685	Adjustments for Item Included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	23a	-24,556
18,711	Net Cash Flows from Operating Activities		9,507
-13,525	Net cash flows from Investing Activities	23b	-5,996
-5,958	Net cash flows from Financing Activities	23c	5,205
-772	Net Increase or Decrease (-) in Cash and Cash Equivalents		8,716
13,310	Cash and Cash Equivalents at the Beginning of the Reporting Period	17	12,538
12,538	Cash and Cash Equivalents at the End of the Reporting Period	17	21,254

The accompanying notes form part of these financial statements

EXPLANATORY NOTES TO THE

ACCOUNTS

INDEX TO THE EXPLANATORY NOTES TO THE ACCOUNTS

Note No.	Note description
1	<u>Accounting Policies</u>
2	<u>Accounting Standards Issued that have not yet been Adopted</u>
3	<u>Critical Judgements in Applying Accounting Policies</u>
4	<u>Assumptions Made about the Future & Other Major Sources of Estimation Uncertainty</u>
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1. STATEMENT OF ACCOUNTING POLICIES

This section summarises the accounting rules and conventions we have used in preparing these financial statements.

A. General Principles

The Statement of Accounts summarises the Council's transactions for the 2025/26 financial year and its position at the year-end of 31st March 2026. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The accounts are prepared on a going concern basis; that is, on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. In the case of a pending local government reorganisation, where assets and liabilities are due to be redistributed, the Council would still account on the basis of going concern as the provision of services would continue in another Council.

Figures within the Statement of Accounts may be adjusted by up to £2,000 to take account of rounding differences arising due to reporting figures in thousands (£000s).

B. 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 of 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.

C. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments 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.

D. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the authority's financial position or financial performance. Where a change is made, it is normally applied retrospectively (unless not material or stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Exceptionally, the 2025/26 Code provides that changes to the valuation of non-investment assets as set out in the Code will be applied prospectively, with no restatement of prior year figures.

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

E. 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 to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement (equal to an amount calculated on a prudent basis determined by statutory guidance). Depreciation, revaluation and impairment losses and amortisations are therefore replaced by this contribution (the Minimum Revenue Provision or MRP) in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

F. Council Tax & Non-Domestic Rates

The Council as a billing authority acts as agent, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and as Principal, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and NDR

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

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

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

G. 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 wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date, or the officer's decision to accept voluntary redundancy. These costs are charged on an accrual basis to the Non Distributed Costs in the CIES when the Council is committed to the termination or makes an offer to encourage voluntary redundancy. When these involve enhancement of pensions the General Fund is required to be charged with the amount payable, however this is adjusted (in line with regulations) in the Movement in Reserves Statement to reflect the cash paid rather than the liability incurred under accounting standards.

Post-employment Benefits

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

The Local Government Pension Scheme

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 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 the projections of projected earnings of current employees.

Liabilities are discounted to their value at current prices, using an appropriate discount rate based on the indicative rate of return on the high quality corporate bond.

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 liability is analysed into the following components:

- current service costs – 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 arising from current year decisions 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 the Finance and Property segment.
- Net interest on the defined benefit liability (asset), i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit liability (asset) at the beginning of the period – taking into account the changes in the net defined liability (asset) during the period as a result of contribution and benefit payments.
- Re-measurements comprising:
 - The return on plan assets – excluding amounts included in the net interest on the net defined benefit liability (asset) charged to the Pension Reserve as other comprehensive income and expenditure.
 - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

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

Discretionary Benefits

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

H. 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; and
- 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.

I. Financial Instruments

Financial Liabilities

Financial liabilities 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 and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) 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 of the life of the instrument to the amount at which it was originally recognised.

For most of borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principle repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

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

Financial Assets

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

- Amortised cost
- Fair value through profit or loss (FVPL)
- Fair value through other comprehensive income (FVOCI)

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

Financial Assets Measured at Amortised Cost

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

However, the Council has from time to time made a number of loans to voluntary organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in lower amortised cost than the outstanding principal.

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

Any gains and losses that arise on the de-recognition of an asset are credited/debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

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

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

Financial assets measured at fair value through other comprehensive income.

Financial assets that are measured at FVOCI are recognised on the balance sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in other comprehensive income.

Financial assets measured at fair value through profit of loss.

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

Fair value measurements of financial assets

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

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

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

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

Any gains and losses that arise on the de-recognition of the asset are credited or debited to the financing and investment income and expenditure line in the comprehensive income and expenditure statement.

J. Government Grants and Other Contributions

Whether paid on account, by instalments or in arrears, Government Grants and third-party contributions and donations are recognised in the Comprehensive Income and Expenditure Statement once the Council has reasonable assurance that the conditions of entitlement will be satisfied, and the grant or contributions will be received.

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

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

Business Improvement Districts (BID)

A BID scheme applies across the whole of the district. The scheme is funded by a BID levy paid by non-domestic ratepayers. The Council acts as Principal under the scheme and accounts for income received and expenditure incurred (including contributions to the BID project) within the relevant services within the CIES.

Community Infrastructure Levy (CIL)

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

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

K. Interests in Companies and Other Entities

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

L. Long-term Contracts

Long-term contracts are accounted for on the basis of charging the surplus or deficit on the provision of services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

M. Leases

The authority 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, 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 authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise
- 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 a Lessor

i) Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant or Equipment, or Asset Held for Sale) is written off to the Other Operating Expenditure line in the comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement 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 is 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.

ii) Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (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 of the lease term on the basis as rental income.

N. Overheads and Support Services

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

O. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or service, 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. Individual assets acquired above a de-minimis level of £10,000 are capitalised as are collective assets where the following criteria are met:

- broadly simultaneous purchase dates;
- anticipated to have simultaneous disposal dates and
- under single managerial control.

Measurement

Assets are initially measured at cost, comprising;

- the purchase price.
- any costs associated with 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.

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

- Infrastructure, community assets and assets under construction – depreciated historical cost.
- Dwellings – fair value, determined using the basis of existing use value for social housing (EUVS-H).
- Other Land and Buildings – current value, determined as the amount that would be paid for the asset in its existing use. (EUVS)
- Surplus Assets – fair value, determined by the highest and best use of the asset.

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.

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. Where authorities cannot obtain indices without undue cost or effort, authorities revalue those assets using a quinquennial revaluation, with a desktop revaluation in year three.

Increases in valuations are matched by credits to the revaluation reserve to recognise unrealised gains. Exceptionally, gains might be credited to the surplus or deficit on the provision of services where they arise from the 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

Impairment

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

Where impairment losses are identified, they are accounted for as follows:

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

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

Depreciation

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

Depreciation is calculated on the following basis:

- Dwellings and other buildings – straight line allocation over the useful life of the property as estimated by the valuer (typically up to 100 years, components up to 75 years).
- Vehicles, plant furniture and equipment – straight line allocation over the estimated useful life (typically Plant and Equipment up to 40 years and fixtures and fittings up to 25 years).
- Infrastructure – straight line allocation over the estimated useful life (typically up to 100 years)
- Land is not depreciated.

When an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as and Asset held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of the carrying amount and fair value less costs to sell. Where there is a subsequent decrease to the 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 Assets Held for Sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Asset 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 or 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 loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals (75% for dwellings and 50% for land and other assets, net of statutory deductions and allowances) is payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to the Capital Receipts 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, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

P. 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 probable requires settlement by 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 offer 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 at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or where 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 are expected to be recovered from another party (e.g. from 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 its obligation.

Contingent Liabilities

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

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

Q. Revenue Expenditure Funded from Capital Under Statute

Expenditure that may be capitalised under the statutory provisions but does not result in the creation of non-current assets, i.e. a grant or expenditure on property not owned by the Council, and which does not result in the expenditure being carried on the Balance Sheet as a non-current asset, will be charged as revenue expenditure to the relevant service account in 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 Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

R. 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 Balance in the Movement in Reserve 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 Balance in the Movement in Reserves Statement so that there is no net charge against the council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employment benefits and do not represent useable resources for the authority – these reserves are explained in the relevant policies.

S. Value Added Tax (VAT)

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

2. ACCOUNTING STANDARDS ISSUED THAT HAVE NOT YET BEEN ADOPTED

The Code requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2025/26 Code.

The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would result in an impact on disclosures spanning two financial years.

Accounting changes that are introduced by the 2026/27 Code are as follows.

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

These changes are not expected to have a material impact on the Council's single entity statements or group statements.

3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies as set out in Note 1, the Council has had to make certain judgments, estimates and assumptions about complex transactions or those involving uncertainty about future events. The critical judgements made in the statement of accounts are as follows:

- Judgement is applied to decisions concerning the Council's property, plant and equipment in matters such as determining the classification of each asset and the appropriate basis for valuation and indexation. Assets are classified according to their characteristics, after comparing them to the guidelines set out within the Code, with these classifications kept under review. Valuations are made by a professional with appropriate and relevant qualifications at intervals not exceeding five years with indexation applied in interim years.
- Appeals lodged against Business Rates assessments may succeed, resulting in the need to refund all or part of the Business Rates paid by the business concerned. The Authority has considered the potential effect of the appeals outstanding as at 31 March 2026 and has made a reasoned judgement of the potential effect of these appeals.
- The Council has considered the nature of its relationship with the companies in which it holds interest. Details of the Council's relationship with other companies and investments in companies are detailed in note 30. Group accounts have been prepared on this basis.

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 which are otherwise uncertain. Estimates are made considering historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

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

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	<p>Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets.</p> <p>The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.</p>	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.</p> <p>It is estimated that the annual depreciation charge for buildings would increase by £0.101m for every year that useful lives have to be reduced.</p>
Pension Scheme Liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used; the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.</p> <p>A firm of consulting actuaries is engaged by Nottinghamshire County Council and assurance is placed on the use of these qualified professionals to provide expert advice about the assumptions to be applied.</p> <p>When a net pension asset is calculated, there is a restriction on the recognition of that asset to the estimated future benefit from that asset in reduced pension contributions. The calculation of this net pension asset ceiling is also subject to actuarial assumptions</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the discount rate assumption would result in an increase in the pension liability of £1.816m and a 1 year reduction in mortality would result in a decrease of £5.316m. However, the assumptions interact in complex ways. During 2025/26, the Council's actuary advised that the net pension liability had decreased by £7.956m</p> <p>For the 2025/26 Statement of Accounts, the actuary has advised that a rate of 6.05% is appropriate. Application of this rate has resulted in a decrease in liabilities measured at today's prices of £6.560m, adjusted for by an increase in actuarial losses recognised for the year in the Comprehensive Income and Expenditure Statement in the Other Comprehensive Income and Expenditure part of the statement.</p>

Fair Value Estimations	<p>The Council's internal valuers use valuation techniques to determine the fair value of surplus assets and assets held for sale.</p> <p>This involves developing estimates and assumptions consistent with how market participants would price the property. The valuers base their assumptions on observable data as far as possible, but this is not always available. In that case, the valuers use the best information available.</p>	<p>The Council uses combination of indexation techniques, beacon valuations and discounted cash flow (DCF) models to measure the fair value of its Surplus Assets and Assets Held for Sale under IFRS13 depending on which technique it considers most appropriate. The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, occupancy levels, floor area repairs backlogs, beacon classifications and others.</p> <p>Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for these assets.</p>
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5. MATERIAL ITEMS OF INCOME AND EXPENDITURE

There are no material items of income and expense that have not been disclosed elsewhere in the accounts.

6. EVENTS AFTER THE BALANCE SHEET DATE

The Statement of Accounts was authorised for issue by the Section 151 Officer on 30th 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 at 31st March 2026, the figures in the financial statements and notes would be adjusted in all material respects to reflect the impact of this information.

The financial statement and notes would not be adjusted for events which took place after 31st March 2026 if they provide information that is relevant to an understanding of the Council's financial position, but do not relate to conditions at that date. However, where a category of events would have a material effect, disclosure would be made in the notes of the nature of the events and their estimated financial effect.

The Council has not identified any post Balance Sheet events as at 30th June 2026.

7. EXPENDITURE AND FUNDING ANALYSIS

The purpose of the Expenditure and Funding Analysis (EFA) is to demonstrate how the funding available to the Council, i.e. grants, rents, council tax and business rates) for the year have been used in providing services in comparison to those resources consumed and earned by the Council in accordance with generally accepted accounting practices. The EFA also shows how this expenditure is allocated for decision-making purposes between the Council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the CIES.

2024/25				2025/26		
Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments (See Note 7a)	Net Expenditure in the CIES		Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments (See Note 7a)	Net Expenditure in the CIES
£'000	£'000	£'000		£'000	£'000	£'000
			Summary of Revenue Spending			
1,344	23	1,367	Chief Executive	1,404	81	1,485
3,338	2,708	6,046	Finance and Property Services	2,561	2,755	5,316
2,575	5,080	7,655	Growth and Economic Prosperity	2,540	2,091	4,631
475	748	1,223	Housing Services	261	525	786
883	-44	839	Legal and Governance	1,136	-88	1,048
6,925	1,020	7,945	Neighbourhoods	6,801	998	7,799
619	-20	599	People and Transformation	1,017	-37	980
1,809	-54	1,755	Performance and engagement	1,893	-119	1,774
436	-44	392	Planning and Place	859	-127	732
-11,078	20,673	9,595	Housing Revenue Account	-9,343	17,118	7,775
7,326	30,090	37,416	Net Cost of Services	9,129	23,197	32,326
-10,769	-24,850	-35,619	Other Income and Expenditure	-14,865	-25,314	-40,179
-3,443	5,240	1,797	Surplus (-) or Deficit	-5,736	-2,117	-7,853
15,204			Opening Balance	18,648		
3,444			Surplus or (-) Deficit in year	5,748		
18,648			Closing Balance at 31 March*	24,384		

*For a split of this balance between the General Fund and the HRA – see the Movement in Reserves Statement.

7a. NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

This note provides a reconciliation of the main adjustments between accounting and funding basis, to the net expenditure chargeable to the General Fund and HRA balances to arrive at amounts in the CIES.

2024/2025					2025/2026			
Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Total Adjustments		Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Total Adjustments
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
80	-48	-9	23	Chief Executive	164	-82	-1	81
3,270	-273	-289	2,708	Finance and Property Services	1,643	-340	1,452	2,755
5,145	-74	9	5,080	Growth and Economic Prosperity	2,233	-136	-6	2,091
784	-37	1	748	Housing Services	599	-78	4	525
0	-50	6	-44	Legal and Governance	0	-87	-1	-88
1,224	-230	26	1,020	Neighbourhoods	1,381	-426	43	998
0	-26	6	-20	People and Transformation	12	-49	0	-37
8	-63	1	-54	Performance and engagement	0	-118	-1	-119
1	-50	5	-44	Planning and Place	1	-132	4	-127
20,870	-208	11	20,673	Housing Revenue Account	17,506	-383	-5	17,118
31,382	-1,059	-233	30,090	Net Cost of Services	23,539	-1,831	1,489	23,197
-25,267	417	0	-24,850	Other income and expenditure from the Expenditure and Funding Analysis	-25,754	440	0	-25,314
6,115	-642	-233	5,240	Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	-2,215	-1,391	1489	-2,117

The following provides details of the adjustments made:

Adjustments for Capital Purposes

This column adds in depreciation, 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, that is 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 the Pensions Adjustments

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

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

Other Differences

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

- For **Financing and investment income and expenditure** - the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts
- The charge under **Taxation and non-specific grant income and expenditure** - represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.
- This column includes the removal of recharges / transactions between segments, which are not permitted to be shown on the face of the CIES.

8. EXPENDITURE AND INCOME ANALYSED BY NATURE

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

2024/25 £'000		2025/26 £'000
	Expenditure	
24,490	Employee expenses	26,821
54,882	Other services expenses	51,610
27,131	Depreciation, amortisation, impairment	21,298
2,718	Developers Contributions Payments	-288
5,784	Interest payments	5,515
16,045	Non Domestic Rates Tariff & Deficit	16,198
2,495	Precepts and levies	2,693
421	Payments to Housing Capital Receipts Pool	0
417	Interest Cost of Pensions	440
1,559	Net Book Value on the disposal of assets	3,976
135,942	Total Expenditure	128,263
	Income	
-41,402	Fees, charges and other service income	-47,706
-3,190	Interest received	-2,580
-36,204	Income from council tax & NDR	-33,237
-1,703	Proceeds from sale of Non-Current Assets	-3,888
-51,646	Government grants and contributions	-48,705
-134,145	Total Income	-136,116
1,797	Surplus (-) or Deficit on the Provision of services	-7,853



9. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

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

The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance

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

Housing Revenue Account Balance

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

Major Repairs Reserve

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

Capital Receipts Reserve

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

Capital Grants Unapplied

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



	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000
2025/26					
<u>Adjustments to the Revenue Resources</u>					
<i>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:</i>					
Pensions costs (transferred to (or from) the Pensions Reserve)	1,109	282	0	0	0
Financial instruments (transferred to the Financial Instruments Adjustments Account)	3	0	0	0	0
Council tax and NDR (transfers to or from Collection Fund)	-1,455	0	0	0	0
Holiday pay (transferred to the Accumulated Absences Reserve)	-41	5	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):	9,786	-21,481	0	0	0
Total Adjustments to Revenue Resources	9,402	-21,194	0	0	0
<u>Adjustments between Revenue and Capital Resources</u>					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	0	3,976	-3,976	0	0
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	0	-69	69	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	5,120	0	-5,120	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	422	0	0	0	0
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	28	0	0	0	0
Total Adjustments between Revenue and Capital Resources	450	9,027	-3,907	-5,120	0
<u>Adjustments to Capital Resources</u>					
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	4,263	0	0
Use of the Major Repairs Reserve to finance capital expenditure	0	0	0	5,120	0
Application of capital grants to finance capital expenditure	0	0	0	0	1,573
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	4,432	0	0	0	-4,432
Cash payments in relation to deferred capital receipts	0	0	70	0	0
Total Adjustments to Capital Resources	4,432	0	4,333	5,120	-2,859
Total Adjustments	14,284	-12,167	426	0	-2,859

PREVIOUS YEAR COMPARISON

	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000
2024/25					
<u>Adjustments to the Revenue Resources</u>					
<i>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:</i>					
Pensions costs (transferred to (or from) the Pensions Reserve)	532	110	0	0	0
Financial instruments (transferred to the Financial Instruments Adjustments Account)	162	0	0	0	0
Council tax and NDR (transfers to or from Collection Fund)	120	0	0	0	0
Holiday pay (transferred to the Accumulated Absences Reserve)	-38	-11	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):	8,658	-22,387	0	0	-11,034
Total Adjustments to Revenue Resources	9,434	-22,288	0	0	-11,034
<u>Adjustments between Revenue and Capital Resources</u>					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	70	1,615	-1,685	0	0
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	0	-34	34	0	0
Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	-421	0	421	0	0
Posting of HRA resources from revenue to the Major Repairs Reserve	0	5,247	0	-5,247	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	303	0	0	0	0
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	834	0	0	0	0
Total Adjustments between Revenue and Capital Resources	786	6,828	-1,230	-5,247	0
<u>Adjustments to Capital Resources</u>					
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	1,068	0	0
Use of the Major Repairs Reserve to finance capital expenditure	0	0	0	5,247	0
Application of capital grants to finance capital expenditure	0	0	0	0	1,589
Cash payments in relation to deferred capital receipts	0	0	0	0	0
Total Adjustments to Capital Resources	0	0	1,068	5,247	1,589
Total Adjustments	10,220	-15,460	-162	0	-9,445

10. TRANSFER TO/FROM EARMARKED RESERVES

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2025/26

GENERAL FUND RESERVES	Balance 31.03.24 £'000	Transfers out £'000	Transfers in year £'000	Balance 31.03.25 £'000	Transfers out £'000	Transfers in year £'000	Balance 31.03.26 £'000
Developers Revenue Contributions	-815	0	0	-815	0	-714	-1,529
Insurance	-221	0	0	-221	0	0	-221
Job Evaluation	-60	60	0	0	0	0	0
Revenue Grants & Contributions	-3,292	2,286	-654	-1,660	362	-970	-2,268
Donations	-48	36	0	-12	0	0	-12
Retained Business Rates Reserve	-567	0	-673	-1,240	747	-2055	-2,548
General Fund Earmarked Reserves	-1,450	985	-280	-745	380	-597	-962
Business Rate Volatility Reserve	-599	599	0	0	0	0	0
Business Rates Pooling Reserve	-437	407	0	-30	30	0	0
Invest to Save	-503	0	0	-503	503	0	0
Building Assets Improvements	-48	48	0	0	0	0	0
Financial Resilience Reserve	-890	250	-2,821	-3,461	1,347	-1,680	-3,794
Cost of Living Earmarked Reserve	-136	136	0	0	0	0	0
Planning Earmarked Reserve	-180	0	-480	-660	63	0	-597
Strategic Development Fund	-1,800	59	0	-1,741	28	-500	-2,213
Local Government Reorganisation Service Transformation and Improvement	0	0	0	0	0	-1,315	-1,315
	0	0	0	0	0	-250	-250
Total	-11,046	4,866	-4,908	-11,088	3,460	-8,081	-15,709

Developers Revenue Contributions Reserve

These are sums gifted to the Council by developers as a condition of planning permission, usually under Section 106 agreements Town and Country Planning Act 1990. They have no conditions in terms of their use or timescale.

Insurance Reserve

This is a self-insurance reserve. The reserve is reviewed annually to ensure the level of reserve is sufficient.

Job Evaluation Reserve

This is an amount set aside to cover the costs of protection and increased salaries resulting from the corporate introduction of job evaluation and associated equal pay legislation.

Revenue Grants and Contributions

The Council receives a number of grants and contributions. If the grant/contribution has no conditions attached or the conditions have been met, but expenditure has not been incurred at the Balance Sheet date then the balances are transferred to an earmarked reserve until required.

Donations Reserve

These are sums of money donated by the public for Museums, Shop mobility, Sports Development and towards the Bassetlaw Games. Monies are available for use to support the service area for which they have been donated during the year if required, the remainder has been set aside for future use.

Local Area Mortgage Scheme Default Reserve (LAMS)

During 2013/14 the Council entered into a Local Authority Mortgage Scheme with both Lloyds bank and Mansfield Building Society. The Council has set aside interest monies in the event that an applicant defaults on their mortgage repayments.

Local Government Reorganisation Reserve

A reserve to provide funding for transitional costs, including programme delivery, systems integration, and workforce changes, ensuring financial resilience and service continuity during reorganisation to unitary structures.

Retained Business Rates Reserve

The Business Rates Retention scheme was introduced in April 2013. The scheme allows Councils to retain their share of Business Rates income. However, the accounting arrangements for the scheme are complex and different income streams have to be accounted for under different legislative arrangements. This can lead to deficits or surpluses within General Fund. This reserve has been set up to help smooth these variances. Due to the complexity of the estimates this reserve is also used to mitigate any Volatility in Business rate income.

General Fund Earmarked Reserve

Various reserves set up to support specific Service requirements.

Business Rates Pooling Reserve

Bassetlaw is a member of the Nottinghamshire Pool for retained Business Rates. This reserve has been created to recognise the Council's share of redistributed growth generated from not paying over the individual Council levies to Central Government as a result of the pooling arrangements.

Planning reserve

A reserve established to provide funding towards the costs of specific planning purposes.

Strategic Development Fund

A reserve established to fund the Council's strategic objectives.

Financial Resilience Reserve

A reserve established in 2023/24 to smooth the impact of service pressures over the financial planning period.

Service Transformation and Improvement Reserve

A reserve to support service redesign and organisational change, improving efficiency, resilience, and customer outcomes while enabling sustainable service delivery.

11. OTHER OPERATING INCOME AND EXPENDITURE

The following table contains corporate items of income and expenditure that cannot reasonably be allocated or apportioned to specific services:

	2024/25 £'000	2025/26 £'000
Parish Council Precepts	1,602	1,758
Levies	893	934
Payments to the Government Housing Capital Receipts Pool	421	0
Gains/Losses (-) on the disposal of non-current assets	-144	89
Total	2,772	2,781

12. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

The following table contains corporate items of income and expenditure arising from the Council's Involvement in financial instruments and similar transactions involving interest:

	2024/25 £'000	2025/26 £'000
Interest payable and similar charges	5,784	5,512
Net interest on the net defined benefit liability (asset)	417	440
Interest receivable and similar income	-3,190	-2,576
Impairment losses on financial assets	0	195
Total	3,011	3,571

13. TAXATION AND NON-SPECIFIC GRANT INCOME AND EXPENDITURE

The following table consolidates all the grants and contributions receivable that cannot be identified to particular service expenditure:

	2024/25 £'000	2025/26 £'000
Council Tax Income	-9,358	-9,673
Non-Domestic Rates (NDR)	-10,801	-12,071
Non-ring-fenced Government grants	-2,027	-3,596
Capital grants & contributions	-19,216	-21,191
Total	-41,402	-46,531

14. PROPERTY PLANT AND EQUIPMENT

	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
Movements in 2025/26	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
At April 2025	333,225	87,225	23,115	485	1,640	10,109	455,799
Additions	14,378	2,715	1,963	0	0	9,294	28,350
Revaluation increases/decreases (-) recognised in the Revaluation Reserve	13,266	-5,412	0	37	0	0	7,891
Revaluation increases/decreases (-) recognised in the Surplus/Deficit on the Provision of Services	-11,883	-75	-1	0	0	0	-11,959
Derecognition – Disposals	0	0	0	0	0	0	0
Derecognition – Other	0	-328	0	0	0	0	-328
Reclassification	-1,825	0	0	0	0	-180	-2,005
At 31 March 2026	347,161	84,125	25,077	522	1,640	19,223	477,748
Accumulated Depreciation & Impairment							
At April 2025	0	3,107	14,083	0	8	-14	17,184
Depreciation charge	4,525	1,362	1,281	0	0	0	7,168
Depreciation written out to the Revaluation Reserve	-4,525	-2,488	0	0	0	0	-7,013
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0
Impairment losses/reversals (-) recognised in the Revaluation Reserve	0	0	0	0	0	0	0
Impairment losses/reversals (-) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0
Derecognition – Disposals	0	0	0	0	0	0	0
Derecognition – Other	0	-88	0	0	0	0	-88
At 31 March 2026	0	1,893	15,364	0	8	-14	17,251
Net book value at 31 March 2026	347,161	82,232	9,713	522	1,632	19,237	460,497
Net book value at 31 March 2025	333,225	84,118	9,032	485	1,632	10,123	438,615

PRIOR YEAR COMPARISON

	Council Dwellings £'000	Other Land & Buildings £'000	Vehicles, Plant & Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total Property, Plant & Equipment £'000
Movements in 2024/25							
Cost or Valuation							
At April 2024	343,528	80,615	22,312	27	1,628	19,662	467,772
Additions	11,555	1,686	1,401	43	2	1,699	16,386
Revaluation increases/decreases (-) recognised in the Revaluation Reserve	-10,876	6,981	0	169	102	-294	-3,918
Revaluation increases/decreases (-) recognised in the Surplus/Deficit on the Provision of Services	-10,915	-4,557	0	0	-92	0	-15,564
Derecognition – Disposals	0	0	-598	0	0	0	-598
Derecognition – Other	0	0	0	0	0	0	0
Reclassification	-67	2,500	0	246	0	-10,958	-8,279
At 31 March 2025	333,225	87,225	23,115	485	1,640	10,109	455,799
Accumulated Depreciation & Impairment							
At April 2024	0	1,694	14,681	0	8	31	16,414
Depreciation charge	5,247	1,745	0	0	0	0	6,992
Depreciation written out to the Revaluation Reserve	-5,259	-229	0	0	0	-8	-5,496
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	-135	0	0	0	0	-135
Impairment losses/reversals (-) recognised in the Revaluation Reserve	0	0	0	0	0	0	0
Impairment losses/reversals (-) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0
Derecognition – Disposals	0	0	-598	0	0	0	-598
Derecognition – Other	12	32	0	0	0	-37	1
At 31 March 2025	0	3,107	14,083	0	8	-14	17,184
Net book value at 31 March 2025	333,225	84,118	9,032	485	1,632	10,123	438,615
Net book value at 31 March 2024	343,528	78,921	7,631	27	1,620	19,631	451,358

Infrastructure Assets

Movements on balances

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets [Local Government Circular 09/2022] this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

	2024/25	2025/26
	£'000	£'000
Cost or Valuation		
Net book value (modified historical cost) At 1st April	5,096	5,173
Additions	387	1,696
De-recognition	0	0
Depreciation charge	6	-267
impairment losses / (reversals) recognised in the Surplus/ Deficit on the Provision of Services	0	-24
Assets reclassified (to)/from PPE	-316	0
Net Book Value 31st March	5,173	6,578

Reconciliation of Infrastructure assets, Right of Use assets and PPE assets to the Balance Sheet total:

	2024/25	2025/26
	£'000	£'000
Infrastructure assets	5,173	6,578
IFRS 16 Right of Use Assets	153	87
Other PPE assets	438,615	460,497
Net Book Value 31st March	443,941	467,162

Where the Authority replaces a component of an infrastructure asset, for the purposes of determining the carrying amount to be derecognised in respect of that component, the Authority calculates an amount to be derecognised based on the retail price index.

Depreciation

Depreciation is provided for on all Property, Plant & Equipment with a finite useful life according to the accounting policies.

The Council charges depreciation based on the valuers estimate of their useful economic life, as shown below:

- Council Dwellings and other Land and Buildings - up to 100 years
- Plant & Equipment – up to 40 years
- Infrastructure – up to 100 years

Capital Commitments

At 31 March 2026 the Council had entered into a number of contracts for the construction or enhancement of property, plant and equipment in 2026/27 and future years with a total capital programme budget of £79m (£95m revised budget for 2025/26). The major contracts in place as of 31 March 2026 were as follows (with commitments of up to £44m):

- Alfred Bagnall and Sons - Pre-Paint Joinery, painting and associate works for Council properties: £0.846m
- Bamford Doors - Communal Doors and Door entry upgrades at specific sites: £2.280m
- Boxxe LTD - Core compute, San, Backup and DR Solution Replacement: £0.542m
- Equans Regeneration - Void works to BDC properties: £1.360m
- GF Tomlinson Building - Priory Centre Redevelopment: £14.370m
- Hugh LS McConnell - Whole house works and major voids: £1.267m
- Miller Freeman - Works for Retford/Worksop leisure centres: £1.084m
- NEC Software Solutions - Housing Software Solutions: £0.586m
- Penningtons Choices - Housing Stock Condition Surveys: £0.535m
- Pete Burton Building Contractors - Planned and Responsive Repairs to Council Dwellings: £0.693m
- Phoenix Gas Services - Install and manage retrofit installations for Warm Home Grant Scheme: £1.917m
- Sentry Doors - Supply and installation of new fire doors to individual dwellings: £2.500m
- Specialist Security Consultants - CCTV service and maintenance/supply and installation: £1.290m
- United Infrastructure - Property improvement works in the Bassetlaw District: £12.500m
- Westville Group - EPC Improvement as part of the WHSF Warm Wave 3: £2.613m

Revaluations

In accordance with the Code of Practice, the Council carries out a rolling programme ensuring that all Property, Plant and Equipment required to be measured at current value is revalued at least every five years. In the interim years, indexation will be applied to relevant assets.

Valuations of land and buildings were carried out in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors (RICS). The Valuation basis i.e. Depreciated Replacement Cost is based on a depreciated modern equivalent asset (excluding borrowing costs), market value and fair value is based on estimated price agreed between willing parties and based on local comparable information.

The table below shows the gross book value of the asset valuations at 31st March 2026.

	Council Dwellings £'000	Other Land & Buildings £'000	Vehicles, Plant, Equipment £'000	Surplus Assets £'000	Other PPE Assets £'000	Total £'000
Carried at historical cost (e.g. short life / low value)	2,739	3,118	25,077	135	26,912	57,981
<u>Carried at current value:</u>						
Assets formally revalued as at 31 st March 2026	0	12,515	0	0	0	12,515
Assets subject to annual indexation	344,422	68,492	0	1,505	0	414,419
Total Cost or Valuation	347,161	84,125	25,077	1,640	26,912	484,915

Valuation Techniques used to Determine Level 2 and 3 Fair Values for Surplus Assets

Significant Observable Inputs – Level 2

The fair value for the residential properties and developable land has been based on the market approach using current market and recent sales prices and other relevant information for similar assets in Local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the assets being categorised at level 2 in the fair value hierarchy.

Significant Unobservable Inputs – Level 3

The ground leases and other long lease hold properties/land have been valued on income approach basis using the information available from the Council's own records and the officers' investigations with professional colleagues and using their professional judgement. The Council's ground leases and other long leasehold properties/land are therefore categorised as level 3 in the fair value hierarchy as the measurement techniques use significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions). Other assets have been valued using the market approach for similar assets within the Local Authority area and an application of professional judgment.

Valuation techniques

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

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

Where a professional valuation has been carried out during the year, these have remained in line with the RICS Valuation – Professional Standards (Red Book).

Information on the indexation applied in 2025/26 are summarised below:

	Council Dwellings	Other Land & Buildings - Garages	Other Land & Buildings – Housing	Other Land & Buildings – Operational Land	Other Land & Buildings – Other	Surplus Assets – Land
Index Applied	UK House Price Index (Bassetlaw)	Index of Retail Prices	UK House Price Index	3-year desktop valuation	BCIS All-in TPI	3-year desktop valuation
Index (Opening)	108.2	393.7	108.2	N/A	399	N/A
Index (Closing)	111.8	408.7	111.8	N/A	410	N/A
Indexation Value (£'000)	11,085	46	358	0	1,208	0

Fair Value Hierarchy

Details of the Council's surplus assets and information about the fair value hierarchy as at 31st March 2026 is as follows:

	Quoted Prices in active markets for identical assets (Level 1) £'000	Other significant observable inputs (Level 2) £'000	Significant unobservable inputs (Level 3) £'000	Fair Value at 31 March 2025 £'000
Residential Properties and Developable Land	0	1,572	0	1,572
Other	0	0	60	60
Total	0	1,572	60	1,632

Previous Year Comparison

	Quoted Prices in active markets for identical assets (Level 1) £'000	Other significant observable inputs (Level 2) £'000	Significant unobservable inputs (Level 3) £'000	Fair Value at 31 March 2024 £'000
Residential Properties and Developable Land	0	1,572	0	1,572
Other	0	0	60	60
Total	0	1,572	60	1,632

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between levels 1-3 during the year.

Reconciliation of Fair Value Measurements (Using Significant Unobservable Inputs) Categorised within Level 3 Valuation Process for Surplus Assets

The fair value of the Council's surplus assets is measured annually at each reporting date. All valuations are carried out in accordance with the methodologies and bases for estimation set out in the Royal Institution of Chartered Surveyors. Gains or losses arising from changes in the fair value of Surplus Assets are recognised within the Net Cost of Services.

15. FINANCIAL INSTRUMENTS

a) Categories of Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments and therefore have been excluded from the table below.

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

Financial Assets	Non-Current				Current				Total	
	Investments		Debtors		Investments		Debtors		Total	
	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fair Value Through Profit or Loss	0	0	0	0	0	0	0	0	0	0
Amortised Cost	110	110	3,845	3,650	0	0	9,272	11,100	13,227	14,860
Deposits in Money Market Funds	0	0	0	0	12,280	21,285	0	0	12,280	21,285
Cash at bank / in transit	0	0	0	0	258	-31	0	0	258	-31
Total Financial Assets	110	110	3,845	3,650	12,538	21,254	9,272	11,100	25,765	36,114

Financial Liabilities	Non-Current				Current				Total	
	Borrowings		Creditors		Borrowings		Creditors		Total	
	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Amortised Cost	84,513	77,016	0	0	3,474	16,173	8,586	11,457	96,573	104,646
Total Financial Liabilities	84,513	77,016	0	0	3,474	16,173	8,586	11,457	96,573	104,646

Fair Value - the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Amortised cost - typically consists of the outstanding principal (plus accrued interest) payable or receivable and in the case of financial assets, any allowances made for potential credit losses.

Effective interest rate - the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the amount at which it was originally recognised.

Material Soft Loans Made by the Council

There have been no material soft loans made by the Council.

b) 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:

Measured at Amortised Cost:	2024/25			2025/26		
	Financial Liabilities £'000	Financial Assets £'000	Total £'000	Financial Liabilities £'000	Financial Assets £'000	Total £'000
Interest expense	5,784	0	5,784	5,507	0	5,507
Finance lease Interest	0	0	0	0	0	0
Reductions in fair value	0	0	0	0	0	0
Impairment losses	0	0	0	0	195	195
Fee expense	0	0	0	0	0	0
Total expense in Surplus (-) or Deficit on the Provision of Services	5,784	0	5,784	5,507	195	5,702
Interest income	0	-3,193	-3,193	0	-2,579	-2,579
Total income in Surplus (-) or Deficit on the Provision of Services	0	-3,193	-3,193	0	-2,579	-2,579
Gains/Loss on revaluation	0	0	0	0	0	0
Net gain(-)/loss for the year	5,784	-3,193	2,591	5,507	-2,384	3,123

Financial Assets	2024/25		2025/26	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
Financial Assets held at amortised cost:				
Cash & Cash Equivalents	12,538	12,538	21,254	21,254
Long Term Investments	110	110	110	110
Long term debtors	3,845	3,845	3,650	3,455
Total Financial Assets	16,493	16,493	25,014	24,819

c) The Fair Values of Financial Assets and Financial Liabilities that Are Not Measured at Fair Value (but for which Fair Value Disclosures Are Required)

Except for the financial liabilities and assets carried at fair value (described in the table above), all other financial liabilities and financial assets held by the authority are carried in the Balance Sheet at amortised cost. The fair values calculated are as follows: -

Financial Liabilities	2024/25		2025/26	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
Financial Liabilities held at amortised cost:				
PWLB debt	63,363	55,538	55,863	47,726
Non-PWLB debt	20,800	17,805	20,800	16,965
Short term borrowing	3,474	3,474	16,173	16,173
Total Financial Liabilities	87,637	76,817	92,836	80,863

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

The fair value of the cash & cash equivalents is equal to the carrying amount because the authority's portfolio of investments currently only includes short-dated investments (95 days or fewer) where the fair value is the same as the principal plus accrued interest.

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

16. DEBTORS

	2024/25			2025/26		
	Gross Debtors	Less Expected Credit Loss	Net Debtors	Gross Debtors	Less Expected Credit Loss	Net Debtors
	£'000			£'000		
Trade Receivables	11,931	-2,542	9,389	13,334	-1,901	11,433
Local Taxation (NNDR and Council Tax)	10,301	-1,181	9,120	10,298	-1,329	8,969
Other Receivables	1,333	0	1,333	166	0	166
Payment In Advance	1,318	0	1,318	1,331	0	1,331
Short Term Debtors	24,883	-3,723	21,160	25,130	-3,230	21,900
Trade Receivables	3,858	0	3,858	3,858	-195	3,663
Long Term Debtors	3,858	0	3,858	3,858	-195	3,663
Total Debtors	28,741	-3,723	25,018	28,988	-3,425	25,563

The following table identifies the breakdown of debtors owing the Council.

17. CASH AND CASH EQUIVALENTS

The balance of cash and cash equivalents is made up of the following elements:

	2024/25	2025/26
	£'000	£'000
Cash held by the Council	0	0
Bank current accounts	258	-31
Short-term liquid deposits	12,280	21,285
Total Cash and Cash Equivalents	12,538	21,254

18. ASSETS HELD FOR SALE

	2024/25	2025/26
	£'000	£'000
Balance outstanding at start of year	3,439	10,340
Assets newly classified as held for sale:		
Property, plant and equipment	8,418	1,824
Revaluation gains	0	38
Assets sold	-1,517	-3,976
Balance outstanding at year-end	10,340	8,226

19. CREDITORS

The following table identifies a breakdown of the Council's creditors:

	Current		Non-Current	
	2024/25	2025/26	2024/25	2025/26
	£'000		£'000	
Trade Payable	4,821	5,026	3,377	2,969
Local Taxation (NNDR And Council Tax)	2,852	2,592	0	0
Other Payables	373	929	0	0
Capital Creditors	3,089	4,463	0	0
Receipts In Advance	2,017	2,965	0	0
Total Creditors	13,151	15,975	3,377	2,969

20. PROVISIONS

The Council has the following provisions:

	Insurance Claims £'000	Business Rates £'000	Other Provisions £'000	Total £'000
Short Term Balance at 1 April 2025	558	0	337	895
Additional provisions made in year	0	0	297	297
Amounts used in year	0	0	0	0
Transfer from Long Term	0	0	0	0
Unused amounts reversed in year	0	0	-255	-255
Short Term Balance at 31 March 2026	558	0	379	937
Long Term Balance at 1 April 2025	0	1,098	0	1,098
Additional provisions made in year	0	770	0	770
Amounts used in year	0	-845	0	-845
Transfer to Short Term	0	0	0	0
Unused amounts reversed in year	0	0	0	0
Long Term Balance at 31 March 2026	0	1,023	0	1,023

Insurance Claims

All insurance claims are individually insignificant, however, they relate to claims where the Council is alleged to be at fault. Provision is made for those claims where it is deemed probable that the Council will have to make a settlement, based on past experience of court decisions about liability and the amount of damages payable. All outstanding claims are expected to be settled within 12 months. The Council may be reimbursed by its insurers, but until claims are actually settled no income is recognised as the insurers will only reimburse amounts above a £15,000 excess.

Business Rates Appeals

This provision sets aside sums for the Council's element of anticipated appeals that may arise in respect of Business Rates. The Council's proportion being 40% of the total provision, which is £1.023m (1.098m in 2024/25).

Other Provisions

All other provisions are individually insignificant.

21. USABLE RESERVES

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement. A summary of the General Fund, HRA and capital usable reserves is shown below:

USABLE RESERVES	2024/25	2025/26
	£'000	£'000
General Fund Balance	4,011	5,137
Earmarked Reserves	11,088	15,709
Housing Revenue Account	3,550	3,538
Capital Receipts Reserve	3,293	2,867
Capital Grants Unapplied	41,061	43,921
Total Usable Reserves	63,003	71,172

22. UNUSABLE RESERVES

The table below shows the unusable reserves held by the Council:

UNUSABLE RESERVES	2024/25	2025/26
	£'000	£'000
Revaluation Reserve	222,766	239,015
Capital Adjustment Account	98,301	98,070
Financial Instruments Adjustment Account	-323	-321
Pensions Reserve	-9,784	-1,828
Deferred Capital Receipts Reserve	16	86
Collection Fund Adjustment Account	1,566	111
Accumulated Absences Account	-261	-297
Total Unusable Reserves	312,281	334,836

A). 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:

- re-valued 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 1st April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

REVALUATION RESERVE	2024/25	2025/26
	£'000	£'000
Balance at 1 April	216,479	222,766
Upward revaluations of assets	8,658	20,695
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	-2,371	-4,389
Surplus or deficit (-) on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	6,287	16,306
Difference between fair value depreciation and historical cost depreciation	0	0
Accumulated gains on assets sold or scrapped	0	-57
Amount written off to the Capital Adjustment Account	0	-57
Balance at 31 March	222,766	239,015

B). Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to historical cost basis). The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

This account also contains revaluation gains accumulated on Property, Plant and Equipment before April 2007, the date that the Revaluation Reserve was Statutory created to hold such gains.

Note 9 provides details of the source of all the transactions posted to this account, apart from those involving the Revaluation Reserve.

CAPITAL ADJUSTMENT ACCOUNT	2024/25 £'000	2025/26 £'000
Balance at 1 April	114,041	98,301
Reversal of items relating to capital expenditure debited or credited to the CIES		
Charges for depreciation and impairment of non-current assets	-22,683	-19,501
Revaluation losses on Property, Plant and Equipment	-4,514	-1,601
Amortisation of intangible assets	0	0
Donated Assets	0	0
Revenue expenditure funded from capital under statute	-4,298	-2,487
Amounts of non-current assets written off on disposal or sale as part of the gain (-) / loss on disposal to the CIES	-1,517	-3,976
	-33,012	-27,565
Adjusting amounts written out of the Revaluation Reserve	0	57
Expected credit loss allowance	0	-195
Net written out amount of the cost of non-current assets consumed in the year	-33,012	-27,702
Capital financing applied in the year:		
Use of Capital Receipts Reserve to finance new capital expenditure	1,068	4,263
Use of Major Repairs Reserve to finance new capital expenditure & repayment of debt	5,247	5,120
Capital grants and contributions credited to the CIES that have been applied to capital financing	3,988	15,820
Applications of grants to capital financing from the Capital Grant Unapplied Account	5,767	1,819
Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	368	422
Capital expenditure charged against the General Fund and HRA balances	834	28
	17,272	27,472
Adjustment between Capital Adjustment Account and Revaluation Reserve for depreciation that relates to the revaluation balance rather than historic cost	0	0
Balance at 31 March	98,301	98,070

C). Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account (FIAA) 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 (for example premiums / discounts on the early redemption of loans and changes to the effective interest rate for stepped interest loans).

Premiums / Discounts:

Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred but reversed out of the General Fund Balance to the FIAA in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance and HRA in accordance with statutory arrangements for spreading the burden on council tax. In the Council's case, this period is the unexpired term that was outstanding on the loans when they were redeemed.

Stepped Interest Loans:

An adjustment is posted to the Comprehensive Income and Expenditure Statement each year to reflect the difference between the interest payable under the loan agreement and the amount determined by the effective interest rate calculation. These adjustments are then reversed out of the General Fund Balance to the FIAA in the Movement in Reserves Statement, in accordance with statutory arrangements for spreading the burden on council tax. The cumulative adjustments are reflected in the carrying amount of the loan, which is why the carrying amount of the Council's non-PWLB debt is much higher than the outstanding principal.

FINANCIAL INSTRUMENTS ADJUSTMENT ACCOUNT	2024/25	2025/26
	£'000	£'000
Balance at 1 April	-485	-323
Differences between statutory debits/credits and amounts recognised as income and expenditure in relation to financial instruments	162	2
Balance at 31 March	-323	-321

D). 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 Pension 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.

PENSION RESERVE ACCOUNT	2024/25	2025/26
	£'000	£'000
Balance at 1 April per Statement of Accounts	-10,593	-9,784
Re-measurements of the net defined benefit liability/(asset)	0	6
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	0	-8
Balance at 1 April per Actuary Report	-10,593	-9,786
Re-measurements of the net defined benefit liability/(asset)	166	6,560
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	-3,554	-3,089
Employers pensions contributions and direct payments to pensioners payable in the year	4,197	4,487
Timing difference	0	0
Balance at 31 March	-9,784	-1,828

E). Deferred Capital Receipts Reserve

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

DEFERRED CAPITAL RECEIPTS RESERVE	2024/25	2025/26
	£'000	£'000
Balance at 1 April	16	16
Transfer of deferred capital receipt repayable credited as part of the gain / loss(-) on disposal to the CIES	0	-45
Transfer to Capital Receipts Reserve	0	115
Balance at 31 March	16	86

F). 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 rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

COLLECTION FUND ADJUSTMENT ACCOUNT	2024/25	2025/26
	£'000	£'000
Balance at 1 April	1,445	1,566
Amount by which council tax income and non-domestic rating income credited to the CIES is different from council tax and non-domestic rating income calculated for the year in accordance with statutory requirements	121	-1,455
Balance at 31 March	1,566	111

G). Short Term Compensated Absences Adjustment Account

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

SHORT TERM COMPENSATED ABSENCES ADJUSTMENT ACCOUNT	2024/25	2025/26
	£'000	£'000
Balance at 1 April	-212	-261
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-49	-36
Balance at 31 March	-261	-297

23. CASH FLOW STATEMENTS

A). Cash Flow Statement – Operating Activities

The cash flows for Operating Activities include the following items:

	2024/25 £'000	2025/26 £'000
Interest received	-1,578	-2,842
Interest paid	4,171	5,707
	2,593	2,865

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

	2024/25 £'000	2025/26 3000
Depreciation	6,851	19,501
Impairment and downward valuations	20,280	1,601
Amortisation		
Increase/Decrease(-) in Creditors	-1,086	2,662
Increase/Decrease(-) in Debtors	-2,951	-465
Increase/Decrease(-) in Inventories	-14	58
Contributions to/from Provisions	0	0
Movement in Pension Liability	-707	-1,396
Other non-cash items charged to the net surplus or deficit on the provision of services	-173	273
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	0	3,976
	22,200	26,210

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

	2024/25 £'000	2025/26 £'000
Proceeds from the sale of property, plant and equipment	-1,685	-4,091
Any other items for which the cash effects are investing or financing cash flows	0	-20,465
	-1,685	-24,556

Cash Flow Statement - Investing Activities

	2024/25 £'000	2025/26 £'000
Purchase of Property, Plant and Equipment	-15,210	-30,101
Other payments for investing activities	0	0
Proceeds from the sale of Property, Plant and Equipment	1,685	4,021
Other receipts from investing activities	0	20,084
Net cash flows from investing activities	-13,525	-5,996

Cash Flow Statement - Financing Activities

	2024/25 £'000	2025/26 £'000
Repayments of short and long term borrowings	-5,958	5,202
Other payments for financing activities	0	3
Net cash flows from financing activities	-5,958	5,205

24. ACQUIRED AND DISCONTINUED OPERATIONS

There have been no acquired or discontinued operations during the financial year.

25. AGENCY INCOME AND EXPENDITURE

The Council acts as an agent for Nottinghamshire County Council, Nottinghamshire Police and Crime Commissioner and Nottinghamshire Fire and Rescue Authority in respect of the collection of Council Tax. In addition, the Council acts as agent for the Government in the collection of National Non-Domestic Rates. All relevant disclosures are contained within the notes of the Collection Fund.

26. EXPENDITURE ON MEMBERS' ALLOWANCES

The Council makes payment to Councillors for work undertaken in the course of their duties. The following amounts were paid to members of the Council during the year:

	2024/25 £'000	2025/26 £'000
Basic Allowance	237	246
Special Responsibility Allowance	107	113
Travelling & Subsistence Allowance	4	5
Total	348	363

27. OFFICERS' REMUNERATION AND TERMINATION BENEFITS

The Remuneration paid to the Council's senior employees is as follows:

2025/26	Notes	* Salary, Fees & Allowances £	Bonus £	Expense Allowances £	Compensation for Loss of Office £	Pension contributions £	Total £
Chief Executive		140,690	0	913	0	27,482	169,085
Assistant Chief Executive & Director of Regeneration and Neighbourhood Services	a	85,476	0	18	0	17,352	102,846
Director of Regeneration and Neighbourhood Services	b	19,895	0	250	0	3,903	24,047
Assistant Chief Executive and Director of Corporate Resources	a	84,567	0	0	0	17,167	101,734
Director of Corporate Resources	b	18,735	0	0	0	3,803	22,538
Head of Neighbourhood Services		78,676	0	0	0	15,971	94,647
Head of Legal and Governance	a	65,468	0	490	0	13,290	79,249
Monitoring Officer	b	13,833	0	0	0	2,662	16,494
Head of Performance and Engagement	a	57,621	0	390	0	11,697	69,708
Head of Growth and Economic Prosperity		76,462	0	507	0	15,444	92,412
Head of Housing		78,885	0	0	0	16,014	94,899
Head of People and Transformation	c	35,442	0	0	0	7,195	42,637
Head of Finance and Property Services (Deputy Section 151)		73,484	0	405	0	14,917	88,806
Head of Local Government Reorganisation	d	53,571	0	265	0	10,559	64,395
Head of Planning and Place	e	67,728	0	387	0	13,749	81,864

Notes:

- a. New post with effect from 11/06/25
- b. Ended 10/06/25
- c. New post with effect from 01/10/25
- d. Ended 28/11/25
- e. Ended 09/01/26. New Postholder from 02/03/26

PREVIOUS YEAR COMPARISON

2024/25	Notes	Salary, Fees & Allowances £	Bonus £	Expense Allowances £	Compensation for Loss of Office £	Pension contributions £	Total £
Chief Executive		132,079	0	353	0	26,404	158,836
Director of Regeneration & Neighbourhoods		96,502	0	59	0	19,559	116,121
Director of Corporate Resources		93,842	0	0	0	19,050	112,892
Head of Finance & Property (Deputy Section 151)	a	41,479	0	0	0	8,334	49,813
Head of Housing		76,236	0	0	0	15,476	91,712
Head of Planning and Place	b	48,086	0	87	0	9,687	57,860
Head of People & Culture	c	58,624	0	40	0	11,857	70,521
Head of Neighbourhood Services		74,533	0	0	0	14,965	89,498
Head of Corporate Services		76,356	0	207	0	15,476	92,039
Head of Growth and Economic Prosperity		70,575	0	0	0	14,327	84,902
Monitoring Officer		64,842	0	81	0	13,015	77,938

NOTES:

- a. Ended 22/04/24. New postholder with effect from 16/09/24
- b. Ended 07/05/24. New postholder with effect from 16/09/24
- c. Ended 06/01/25.

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

Remuneration band	Number of Employees	
	2024/25	2025/26
£50,000-£54,999	7	8
£55,000-£59,999	3	9
£60,000-£64,999	2	2
£65,000-£69,999	1	0
Total	13	19

The above table excludes the senior employees and posts shown in the preceding tables, whose remuneration for 2024/25 and 2025/26 is shown in the senior officer remuneration analysis.

TERMINATION BENEFITS

There were two voluntary redundancies during the financial year, the exit packages were not material, the values have not been disclosed due to data protection concerns.

28. EXTERNAL AUDIT COSTS

From 1st April 2015 the appointment of External Auditors to Local Authorities has been undertaken by Public Sector Audit Appointments Limited (PSAA), an independent company limited by guarantee and incorporated by the Local Government Association in August 2014. With effect from 1st April 2018 Forvis Mazars LLP became the appointed auditor for the Council. The fees incurred relating to external audits and statutory inspections carried out by Forvis Mazars LLP is shown in the table below, the in year fees presented reflect the total fees reported by the PSAA.

	2024/25	2025/26
	£'000	£'000
Fees payable with regard to external audit services carried out by the appointed auditor for the year (Forvis Mazars LLP)	174	187
Additional fees incurred in relation to prior years annual audit (Forvis Mazars LLP)	12	6
Other services provided by Forvis Mazars LLP during the year	0	18
Total	186	211

29. GRANT INCOME

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

	2024/25	2025/26
	£'000	£'000
Credited to Taxation and Non-Specific Grant Income & Expenditure:		
New Homes Bonus Grant	933	1,126
Revenue Support Grant	448	494
Business Rates S31	4,976	4,704
Other Revenue Grants	646	1,976
Capital Related:		
Developers Contributions	3,007	1,068
Other Capital grants	19,075	20,084
Total	29,085	29,452

Credited to Services:		
Housing Benefits Subsidy	18,816	15,858
Business Rates - Collection Allowance	174	176
Homelessness Grants	263	562
National Lottery Grants	70	0
Flooding Grants	22	2
Other revenue grants	3,214	2,655
Total	22,561	19,253

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 require the monies or property to be returned to the giver. The balances at year-end are as follows.

	2024/25	2025/26
	£'000	£'000
Revenue grants receipts in advance:		
Pilgrims Roots Project HLF Grants	15	15
Tackling Alcohol and HLF Grants	18	18
Other Grants	959	1,206
Total revenue grants receipts in advance	992	1,239
Developer contributions receipts in advance:		
Short-Term Creditor	3	827
Long-Term Creditor	3,377	2,969
Total receipts in advance	3,380	3,796

30. RELATED PARTIES

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

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 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 and Housing Benefits). Grants received from government departments are shown in Note 29 Grant Income.

Members of the Council

Members of the Council have a direct control over the Council's financial and operating policies. The total members' allowances paid are shown in Note 26. The Council, in accordance with the Members Code of Conduct, maintains a register of pecuniary and non-pecuniary interests disclosed by members which is open to public inspection and is accessible via the Council's website. The Council's 2025/26 Fact Book is also accessible on the internet and details role-based Member appointments made to Outside Organisations. Transactions have occurred with the following organisations:

Outside Organisation	Payments £'000	Receipts £'000	Role based appointment
Isle of Axholme Internal Drainage Board	253	0	Cllr H Brand and Cllr D Pulk
Trent Valley Internal Drainage Board	665	0	Cllr S Fielding, Cllr D Pulk, and Cllr S Richardson
Bassetlaw Citizens Advice Bureau	107	0	Cllr J Evans
Bassetlaw Community and Voluntary Service	283	0	Cllr C L Adams and Cllr L Schuller

Senior Officers - there are no significant related parties that need to be disclosed.

Other Public Bodies – Material transactions have occurred with the following parties:

- A) **Nottinghamshire County Council**
 - Pension Fund as disclosed in Note 35
 - Preceptor as disclosed in the Collection Fund Note A.
 - Nottinghamshire Parking Partnership
- B) **Nottinghamshire Police and Crime Commissioner and Nottinghamshire Fire and Rescue Authority** – preceptors as disclosed in the Collection Fund Note A.
- C) **Parish Councils** – precepts as disclosed in Note 11
- D) **Welland Procurement** – provides procurement services to the Council. The annual fee for this service is £51,500.
- E) **East Midland Combined Authority** – the Council made a payment of £155,000 in respect of the description, design and delivery of a community engagement strategy to support the Trent Clean Energy Super cluster project.

Entities controlled or significantly influenced by the Council.

The Council wholly owns the following companies:

- Bersahill Ltd. The company is now wholly owned by the Council. The company commenced trading in 2020/21, creating construction and employment opportunities through the direct delivery of developments in the local area. As at 31 March 2026 the company owed Bassetlaw Council £3.201m in long term loans.
- S80 Partnership Limited. This is the Council's trading company set up in October 2017 to pursue activities to generate additional income from our assets from commercial activities.

31. CAPITAL EXPENDITURE AND FINANCING

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

	2024/25	2025/26
	£'000	£'000
Opening Capital Financing Requirement	135,410	141,086
Capital Investment:		
Property, Plant and Equipment	16,744	30,046
Intangible Assets	10	55
Revenue Expenditure Funded from Capital Under Statute (REFCUS)	4,298	2,486
Sources of Finance		
Capital Receipts	-1,068	-4,263
Grants and Contributions	-7,858	-17,638
Major Repairs Reserve (MRR)	-5,247	-5,120
Other Reserves	-834	-28
Sums set aside from Revenue (includes MRP)	-369	-422
Closing Capital Financing Requirements	141,086	146,202
Explanation of Movements in Year		
Increase in underlying need to borrow (unsupported by Government financial assistance)	6,045	5,538
Less set aside MRP	-369	-422
Increase/ (-) Decrease in Capital Financing Requirement	5,676	5,116
Split on Capital Financing Requirement between General Fund and Housing Revenue Account		
General Fund	32,747	32,325
Housing Revenue Account	108,339	113,877
	141,086	146,202

32. LEASES

Bassetlaw District Council as Lessee

At the inception of a contract, the arrangement is assessed as to whether it contains a lease if it conveys the right to control the use of an identified asset for a period of time. If the contract is assessed to contain a lease, then the right of use asset is capitalised on the balance sheet, with a corresponding lease liability. The payment of the lease is split between an interest expense in the comprehensive income and expenditure statement and a write down of the lease liability in the balance sheet.

The Council has applied IFRS16 leases from 1 April 2024. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability would be brought into the balance sheet. Details of the Council's right-of-use assets are set out in note 14 – property, plant and equipment.

Bassetlaw District Council as a Lessor

Operating Leases

The Council leases out land and property under operating leases for the following purposes:

- For the provision of community services, such as sports facilities, tourism services and community centres; and
- For economic development purposes to provide suitable affordable accommodation for local businesses.

The Council as “lessor” retains the assets in its in its Balance Sheet and the rental income is credited to revenue as it becomes due.

The minimum lease payments receivable in future years are as shown in the table below:

	2024/25 £'000	2025/26 £'000
Not later than one year	41	29
Later than one year and not later than five years	82	67
Later than five years	640	626
Total future minimum lease payments receivable	763	722

33. IMPAIRMENT LOSSES

The Council is required to disclosure by class of assets the amounts for impairment losses and impairment reversals charged to the surplus or deficit on the provision of services and to other comprehensive income and expenditure. These disclosures are consolidated in [note 14](#) reconciling the movement over the year in the property, plant and equipment balances.

HRA impairment losses of £12.123m were recognised in 2025/26 (£10.915m in 2024/25), mainly in connection with the expenditure incurred on Council Dwellings which did not lead to a pound for pound increase in the relevant assets (Note 6 to the Housing Revenue Account refers).

	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant and Furniture £'000	Infrastructure Assets £'000	Total Assets £'000
HRA	11,883	240	0	0	12,123
Total	11,883	240	0	0	12,123

34. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Council’s activities expose it to a variety of financial risks:

THE KEY RISKS ARE:	
CREDIT RISK	The possibility that other parties might fail to pay amounts due to the Council;
LIQUIDITY RISK	The possibility that the Council might not have funds available to meet its commitments to make payments;
RE-FINANCING RISK	The possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms;
MARKET RISK	The possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates movements.

Overall procedures for managing risk

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

Risk management is carried out by a central treasury team, under policies 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 risk, credit risk and 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 Management

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution located in each category. The annual Treasury Management Strategy which incorporates the prudential indicators for 2025/26 was approved by Full Council on 27 February 2025.

The Council's maximum exposure to credit risk in relation to its investments in financial institutions is assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments.

The following analysis summarises the Council's potential maximum exposure to credit risk on other financial assets based on experience of default. No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to its deposits.

Borrower	Principal £'000	Interest	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default	Expected Credit Loss £'000
CCLA Money Market Fund	1,000	3.74%	MMF	AAAm	N/A	0
DWS Deutsche Money Market Fund	1,990	3.81%	MMF	AAAm	N/A	0
Fidelity Money Market Fund	8,585	3.79%	MMF	AAAm	N/A	0
Goldman Sachs Money Market Fund	9,710	3.71%	MMF	AAAm	N/A	0
Total	21,285	-	-	-	-	0

**AAAm is the highest credit rating available for money market funds and is an indication of very strong credit quality with extremely low risk.*

The Council has no material shares or equity investments therefore these are held on the Balance sheet at cost (as a proxy for Fair Value). A review of the outstanding loan balance from Bersahill has been undertaken, which has required the Council to make an impairment loss allowance of £195k. This takes account of the loan principal and interest repayable as well as the expected sale proceeds from the remaining plots at Madison Court.

Counterparty / Institution	Gross Carrying Amount £'000	Credit Rating
S80 Partnership Limited	40	N/A
Bersahill Limited	3,501	N/A
Aurora	120	N/A
Total	3,661	-

Credit Risk – Trade Receivables

Customers for goods and services are assessed, considering 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 its customers, but some of the current balance is past its due date for payment. The current overdue amounts owed by customers can be analysed by age as follows:

	31 March 2025	31 March 2026
Trade Receivables	£'000	£'000
Less than three months	1,281	879
Three to six months	469	1,039
Six months to one year	499	407
More than one year	1,765	3,361
Total	4,014	5,686

Liquidity risk

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

The Council has ready access to borrowings from the money markets to cover any day to day cash flow need, and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

Refinancing and Maturity Risk

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets. The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk.

The Council approved treasury and investment strategies address the main risks and the Treasury Management team address the operational risks within the approved parameters. This includes:

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

The maturity analysis of financial liabilities is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period.

	Approved Minimum Limits	Approved Maximum Limits	Approved Maximum Limits	Actual 31-Mar-25	Actual 31-Mar-26
	%	%	£'000	£'000	£'000
Less than 1 year	0%	50%	46,082	3,000	15,500
Between 1 and 2 years	0%	50%	46,082	7,500	7,000
Between 2 and 5 years	0%	50%	46,082	12,500	5,500
Between 5 and 10 years	0%	50%	46,082	9,500	9,500
More than 10 years	0%	100%	92,163	54,663	54,663
Total				87,163	92,163

The Council has £11.5m (2024/25: £11.5m) of "Lender's option, borrower's option" (LOBO) loans where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty. Due to current low interest rates, in the unlikely event that the lender exercises its option, the Council is likely to repay these loans. The maturity date is therefore uncertain. The table above is prepared on the basis of their contractual end dates as opposed to their next call date.

Interest rate risk

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

- **Borrowings at variable rates** – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise;
- **Borrowings at fixed rates** – the fair value of the borrowing will fall (no impact on revenue balances);
- **Investments at variable rates** – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- **Investments at fixed rates** – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. 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. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in the Other Comprehensive Income and Expenditure Statement.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The Treasury Management team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns, similarly the drawing of longer term fixed rates borrowing would be postponed.

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

	£'000
Increase in interest payable on variable rate investments	0
Increase in interest receivable on variable rate investments	-213
Impact on Surplus (-) or Deficit on Provision of Services	-213
Share of overall impact debited to the HRA	0
Decrease in fair value of fixed rate investment assets	0
Impact on Other Comprehensive Income and Expenditure	0
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	5,442

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used in the Note 15 – Fair value of Assets and Liabilities carried at Amortised Cost.

Price risk

The Council, excluding the Nottinghamshire County Council Pension Fund, does not generally invest in equity shares or marketable bonds.

Foreign exchange risk

The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

Market risk

The Council has shareholdings in Bersahill and S80 – the shares in these companies are not traded in an active market and fair value has been based on valuation techniques that are not based on observable current market transactions or available market data. The assets are held on the Balance Sheet at amortised cost as a proxy for fair value.

35. DEFINED PENSION BENEFIT SCHEME

a). Participation in Pension Scheme:

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

The Council participates in the Local Government Pension Scheme, administered locally by Nottinghamshire County Council - this is a funded defined benefit statutory scheme and currently provides benefits based on career average revalued salary and length of service on retirement. This means that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

The Actuary, Barnett Waddingham, have prepared their figures in accordance with their understanding of the International Accounting Standard IAS 19 (2011). Further information can be found in the Annual Report of the County Council Pension Fund, which is available upon request from Nottinghamshire County Council, County Hall, West Bridgford Nottingham, NG2 7QP."

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme.

In addition, as many unrelated employers participate in the Nottinghamshire County Council Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit the Employer e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers. These are mitigated to a certain extent by the statutory requirements to charge the General Fund and Housing Revenue Account the amounts required by statute as described in the Accounting Policies note 1 (G).

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). The view of HM Treasury is that the relevant amendments in the LGPS would have been made by legislation – and therefore would remain valid until revoked or repealed by subsequent legislation, or declared void by a court. On the 5th June 2025 the DWP announced plans to introduce legislation to address issues arising from the case. At this point in time there is insufficient information to assess the potential impact, so it is not included in these accounts.

The latest available membership data is shown in the table below:

	Number	Salaries / Pensions £000	Average Age
Active members	561	16,595	47
Deferred pensioners	648	1,564	52
Pensioners	933	6,377	73
Unfunded pensioners	84	226	82

b). Transactions Relating to Post-employment Benefits:

The cost of retirement benefits in the reported cost of services is recognised 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 is based on the cash payable in the year, so the real costs of post-employment/retirement benefits is reversed out of the General Fund and Housing Revenue Account via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

	2024/25	2025/26
	£000	£000
Comprehensive Income and Expenditure Statement		
Cost of Services:		
Current Service cost	3,069	2,561
Past Service costs	0	0
(gain)/loss from settlements	0	0
Administration expenses	76	88
Financing and Investment Income and Expenditure:417		
Net interest expense	417	440
Total charged to the Surplus / Deficit on the Provision of Services	3,562	3,089
<i>Other Post-employment benefits charged to the CIES:</i>		
Re-measurement of the net defined benefit liability comprising:		
Return on plan assets	4,787	-9,544
Changes in demographic assumptions	-387	4,944
Changes in financial assumptions	-18,732	-4,620
Experience loss/(gain) on defined benefit obligation	61	8,847
Other actuarial gains & losses	0	643
Changes in effect of asset ceiling	14,099	-6,830
Total charged to Other Comprehensive Income and Expenditure	-172	-6,560
Total charged to the Comprehensive Income and Expenditure Statement	3,390	-3,471

Movement in Reserves Statement -

Reversal of net charges made to the Surplus or Deficit on the Provision of Services	-3,562	-3,089
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Actual amount charged against the General Fund Balance for pensions:

Employers' contributions payable to the Scheme	3,253	3,494
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Actual amount charged against the HRA for pensions in the year:

Employers' contributions payable to the Scheme	944	993
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c). Assets and Liabilities in Relation to Post-Employment Benefits

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

	2024/25	2025/26
	£'000	£'000
Present value of the defined benefit obligation	-133,077	-145,390
Fair value of plan assets	149,992	168,121
Fair value of plan assets	-26,699	-24,559
Net liability arising from the defined benefit obligation	-9,784	-1,828

During 2025/26 the Council made a one-off payment to the Pension Fund of £0.583m to cover future deficit liabilities (£0.446m General Fund and £0.137m Housing Revenue Account). In 2024/25 the £0.695m one off payment was split £0.533m General Fund and £0.162m Housing Revenue Account

The following table provides a reconciliation of the present value of the schemes liabilities (defined benefit obligation) for the Council:

	2024/25	2025/26
	£'000	£'000
Opening balance at 1 April per Statement of Accounts	-149,116	-133,077
Re-measurement Gains/Losses (-)		
Change in financial assumptions	0	24
Experience loss/(gain) on defined benefit obligation	0	-190
Opening balance at 1 April per Actuary Report	-149,116	-133,243
Current service cost	-3,069	-2,561
Interest cost	-7,137	-7,525
Contribution by scheme participants	-1,215	-1,133
Re-measurement Gains/Losses (-)		
Change in financial assumptions	18,708	4,620
Change in demographic assumptions	387	-4,944
Experience loss/(gain) on defined benefit obligation	129	-8,847
Gains/Losses (-) on curtailments	0	0
Benefits paid	8,033	8,048
Unfunded pension payments	203	195
Liabilities extinguished on settlements	0	0
Closing Defined Benefit Obligation	-133,077	-145,390

The table below provides a reconciliation of the movements in the Fair Value of the Scheme (Plan) Assets:

	2024/25	2025/26
	£'000	£'000
Opening fair value of scheme assets per Statement of Accounts	153,365	149,992
Return on Assets less Interest	0	3,141
Administration expenses	0	-8
Opening fair value of scheme assets per Actuary Report	153,365	153,125
Interest income	7,447	8,806
Re-measurement Gain/Loss (-)		
Return on Assets less Interest	-7,928	9,544
Other Actuarial Gains/Losses (-)	0	-643
Contributions from employer	4,197	4,487
Contributions from employees into the scheme	1,215	1,133
Benefits paid	-8,236	-8,243
Administration expenses	-68	-88
Settlement prices received / (paid)	0	0
Closing Fair Value of Scheme Assets	149,992	168,121

The table below provides a reconciliation of the Asset Ceiling:

	2024/25	2025/26
	£'000	£'000
Opening impact of asset ceiling per Statement of Accounts	-14,842	-26,699
Actuarial Gains ()/Losses	0	-2,969
Opening impact of asset ceiling per Actuary Report	-14,842	-29,668
Interest on impact of asset ceiling	-727	-1,721
Actuarial Gains ()/Losses	-11,130	6,830
Closing impact of asset ceiling	-26,699	-24,559

The expected return on scheme assets and interest expense on scheme liabilities is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

d). 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 mortality rates, salary levels etc. Both the Local Government Pension Scheme and discretionary benefits liabilities have been estimated by Barnett Waddingham an independent firm of Actuaries, estimates for the County Council Fund being based on the latest full valuations of the scheme as at 1st April 2025. The significant assumptions used by the actuary have been:

	2024/25	2025/26
	%	%
<u>Mortality Assumptions</u>		
Longevity at 65 for current pensioners:		
Male	20.4	21.2
Female	23.3	24.2
Longevity at 65 for future pensioners:		
Male	21.7	22.8
Female	24.7	25.9
<u>Financial Assumptions</u>	%	%
Rate of inflation – CPI	2.9	2.9
Rate of increase in salaries	3.9	3.9
Rate of increase in pensions	2.9	2.9
Rate for discounting scheme liabilities	5.8	6.05

Assets

The return on the Fund (on a bid value to bid value basis) for the year to 31st March 2026 is estimated to be 12.1% (1.75% as at 31st March 2025). The actual return on Fund assets over the year may be different. The estimated asset allocation for the Council is shown in the table below and represents approximately 2.07% (2.11% as at 31 March 2025) of the Fund's total assets.

Asset Share	2024/25		2025/26	
	£'000	%	£'000	%
Asset Share				
Equity Instruments	79,378	52	91,579	54
Gilts	12,715	8	13,937	8
Other Bonds	9,851	7	8,318	5
Property	15,697	10	13,733	8
Cash/temporary investments	8,339	5	12,221	7
Inflation Plus	10,593	7	11,172	7
Infrastructure	11,221	7	11,407	7
Private Equities	5,331	4	5,754	4
	153,125	100	168,121	100

Additional Assumptions:

- Members will exchange pension to get 50% of the maximum available cash on retirement. For every £1 of pension that members commute, they will receive a cash payment of £12 as set out in the Regulations.
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age.
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

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

The assumptions in longevity, for example assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some of the assumption 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 method.

The Inflation expectation approach is the same as at the previous accounting date, with the exception of the derivation of CPI inflation from the Bank of England implied inflation yield curve. An assumed a gap of 0.2% between market-implied inflation from the Bank of England inflation curve and CPI for the post-2030 period. This results in an assumed gap between the two inflation measures of between 0.35% p.a. and 0.75% p.a. depending on the term of the liabilities (for terms ranging from 30 years down to 5 years). This has been updated from the assumption at 31 March 2025, where the post-2030 market implied inflation as our CPI assumption, to reflect the latest views of long-term inflation expectations, informed by recent market developments and evolving economic insights.

All other methods and types of assumptions used in preparing the sensitivity analysis below did not change from methods and types of assumptions used in the previous period.

Impact on the Defined Benefit Obligation on the Scheme

	Increase in Assumption	Decrease in Assumption
	£'000	£'000
Longevity (increase or decrease in 1 year)	150,932	140,074
Rate of increase in salaries (increase or decrease by 0.1%)	145,474	145,306
Rate of increase in pensions (increase or decrease by 0.1%)	147,231	143,977
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	143,612	147,206

e). Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant rate as possible. The County Council has agreed a strategy with the schemes actuary to achieve a funding level of 100% over the next 3 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31st March 2028.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England Wales and the other main existing public service schemes may not provide benefits in relation to service after 31st March 2014. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The liabilities show the underlying commitments that the Council has in the long run to pay for post-employment (retirement) benefits. The total liability of £145,390m (£133.077m in 2024/25 has a substantial impact on the net worth of the Council, as recorded in the Balance Sheet, resulting in a positive overall balance of £1.828m (£9.784m in 2023/24).

However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. The deficit on the Local Government scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme Actuary. Finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

The total contributions expected to be made to the Local Government Pension Scheme by the Council in the year to 31st March 2026 is £3.242m.

Projected Pension Expenditure

The projected pension expenses for the year to 31st March 2027 are:

Projection for Year to 31 March 2027	£'000
Service cost	2,525
Net Interest on the defined liability (asset)	8
Administration expenses	87
Total	2,620
Employer contributions	3,242

These figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31st March 2026. The projections are based on the assumptions as at 31st March 2026, as described in the Barnett Waddingham Actuary report.

36. CONTINGENT LIABILITIES

The Council is committed to an equal pay review, which is subject to agreement with the Trade Unions. The total cost is unknown at this stage and the timing of any payments would be subject to as and when claims occur.

In 1992, Municipal Mutual Insurances Ltd (MMI) fell below the minimum regulatory solvency requirement and went into run off. The company's creditors entered into a Scheme of Arrangement whereby the company would continue to meet claims whilst ever it had sufficient funds to do so. However, if at any time the company were unable to meet claims, creditors would be liable for payment of 28% of total claims to date over a £50k threshold. The Council has received no further indication that any additional levies would be imposed.

37. CONTINGENT ASSETS

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent assets are not recognised in the Balance Sheet but are disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

The case of fraudulent refunds of Business Rates which happened in 2019/20 is still on going and it is not certain as to how much the Council will be able to recover.

SUPPLEMENTARY FINANCIAL STATEMENTS

The Supplementary Financial Statements are:

- **The Housing Revenue Account (HRA)**
Separately identifies the Council's statutory landlord function as a provider of social housing under the Local Government and Housing Act 1989.
- **The Collection Fund**
Summarises the collection of Council tax and business rates and the redistribution of some of that money to other organisations that the Council collects these taxes on behalf of
- **Consolidated Group Accounts**
This section shows the consolidation of Bassetlaw District Council Statement of Accounts with Bersahill Limited Statement of Account to produce a Group Financial Statement
- **Glossary of Terms**
This section explains some of the more complicated terms that have been used in this document.
- **The Annual Governance Statement (AGS)**
Explains how the Council has complied with the Local Code of Corporate Governance and provides a review of the effectiveness of its systems of internal control.

REVENUE ACCOUNT (HRA)

The Housing Revenue Account summarises the transactions relating to the provision, maintenance and management of the Council's housing stock. The account has to be self-financing and cannot be subsidised by the General Fund.

The HRA Income and Expenditure statement below shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants.

The Council charges rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis upon which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

HOUSING REVENUE ACCOUNT			
2024/25	INCOME AND EXPENDITURE STATEMENT	NOTE	2025/26
£'000			£'000
	Expenditure		
10,338	Repairs and maintenance		11,143
3,648	Supervision and management		3,861
1,900	Special Services		2,161
569	Rents, rates, taxes and other charges		909
20,870	Depreciation, impairment & revaluation losses of non-current assets	5,6	17,506
0	Debt management costs		0
146	Movement in the allowance for bad debts	8	134
37,470	Total Expenditure		35,714
	Income		
-30434	Dwelling rents	1	-30,277
-290	Non dwelling rents	2	-295
-1,927	Charges for services and facilities	3	-2,255
-32,651	Total Income		-32,827
4,819	(-) Net income or expenditure for HRA Services as included in the Council's Comprehensive Income and Expenditure Account		2,887
4,679	HRA Services' share of Corporate and Democratic Core		4,887
98	HRA share of other amounts included in the whole authority cost of services but not allocated to specific services		0
9,596	Net Income (-) or Expenditure of HRA Services		7,774
	HRA share of the operating income and expenditure included in the Council's CIES:		
-74	Gain or loss (-) on sale of HRA non-current assets		89
4,740	Interest payable and similar charges	7	4,569
-544	HRA Interest and Investment Income	7	-354
98	Net interest on the net defined benefit liability(asset)	9	101
0	Capital grants and contributions		0
13,816	(-) Surplus or deficit for the year on HRA services		12,179

Movement on the HRA Statement

The statement below 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	MOVEMENT ON THE HRA STATEMENT	2025/26 £'000
-1,905	Balance on the HRA at the end of the previous year	-3,549
13,816	Surplus or deficit on the HRA Income and Expenditure Statement	12,179
-15,460	Adjustments between accounting basis and funding basis under statute (<i>see table below for details</i>)	-12,167
-1,644	Net (-) increase or decrease before transfer to/from Reserves	12
0	Transfers to or (from) reserves	0
-1,644	(-) increase or decrease in year on the HRA	12
-3,549	Balance on the HRA at the end of the current year	-3,537

Revaluation gains and losses are charged under "HRA share of the operating income and expenditure included in the CIES" and included within the surplus or deficit on the HRA for the year. The revaluation amounts are reversed out of the HRA Income and Expenditure Statement through the Movement on the HRA Statement so that it does not impact on the rent chargeable for dwellings.

The table below provides a breakdown of the adjustments between accounting basis and funding basis in accordance with statute;

2024/25 £'000	NOTE TO THE MOVEMENT ON THE HRA STATEMENT	2025/26 £'000
	Items included in the HRA Income and Expenditure Statement but excluded from the Movement on the HRA Statement for the year:	
-20,870	Charges for depreciation and impairment of non-current assets	-17,506
0	Capital grants and contributions applied	0
-11	Holiday Pay (transfer to the Accumulated Absence Reserve)	5
98	Capital grants and contributions unapplied credited to the CIES	0
98	Gain/Loss on Sale of HRA Non-Current Assets	0
-834	Reversal of items relating to retirement benefits debited or credited to the CIES	-711
944	Employer's contribution payable to NCC pension fund and retirement benefits payable direct to pensioners	993
-20,673		-17,219
	items not included in the HRA Income and Expenditure Statement but included within the movement on the HRA Statement for the year:	
-34	Capital expenditure funded by the HRA	-68
5,247	Transfer to Major Repairs Reserve	5,120
0	Voluntary set aside for debt repayment	0
5,213		5,052
-15,460	Net additional amount required by statute	-12,167

NOTES TO THE HOUSING REVENUE ACCOUNT

(1) Dwelling Rents

This represents the total rent due from Council Tenants excluding any empty properties.

	2024/25	2025/26
Dwelling Rents	£30.434	£30.277m
Average Weekly (52-week basis) rent per dwelling	£91.47	£94.06
Number of Voids (Empty Properties)	226	388
Voids as a percentage of the total Council's housing stock	3.47%	5.95%

(2) Non-dwelling Rents

This represents rent received from the other HRA non-current assets which are not defined dwellings, such as shops and garages.

	2024/25 £'000	2025/26 £'000
Non-Dwelling Rents	290	295

(3) Charges for Services and Facilities

This includes charges for services provided by the Council in connection with the provision of property for occupancy and comprises of:

	2024/25 £000	2025/26 £000
Charges for services and facilities	674	670
Reimbursement of Costs	819	1107
Other Charges	434	478
Total	1,927	2,255

(4) Sums directed by the secretary of state

The Secretary of State has not directed that any other items should be charged to the Housing Revenue Account.

(5) Depreciation and Capital Charges

The Housing Revenue Account includes a depreciation charge. Council buildings, including Council dwellings, are depreciated over the remaining useful life of the buildings.

	2024/25 £000	2025/26 £000
Council Dwellings	5,247	4,525
Non-Current Assets (Other land and buildings)	0	412
Equipment & Vehicles	0	175
Amortisation of intangible assets	0	0
Total	5,247	5,112

(6) Impairment

During 2025/26 £12,393k was charged to the Housing Revenue Account for impairment and revaluation losses, the majority of which in relation to Council Dwellings, where there had either been a general fall in the value of the asset or whereby the Council incurred spend on the assets for which the value of that expenditure did not lead to a pound for pound increase in that asset. For example the work undertaken on Council dwellings to ensure the decent homes standards are maintained, such as new kitchens and bathrooms, improve the property but do not increase the value of the property, as such these costs have been impaired.

Impairment and revaluation losses are charged directly to services within the net cost of HRA services where there is no balance or an insufficient balance of accumulated gains on the Revaluation Reserve for the relevant assets. However, there is no impact on the HRA overall balances as this is a statutory accounting adjustment and is reversed out.

(7) Capital Charges

The HRA receives a proportion of the interest received by the Council in respect of its cash management. There is a statutory calculation (Item 8 Credit) which determines the amount received.

Conversely, the HRA also pays a proportion of the interest owed by the Council for loans that have been taken out, which forms part of the Item 8 Debit.

From 1st April 2012, Local Authorities are allowed to determine how they calculate the level of interest charged to the Housing Revenue Account for pooled loans (that is, all loans prior to the Housing Self Financing Reform which were held in the General Fund and for which there was a year-end charge for interest payable). Under the new arrangements, Local Authorities are required to ensure that the methodology for charging the Housing Revenue is fair and equitable. The Council has based the calculation on the average debt interest rate for all pooled loans against the HRA Capital Financing Requirement (loans which have been taken out in the past for HRA capital schemes, which are still outstanding).

	2024/25 £000	2025/26 £000
Interest Payable:		
Item 8 Debit		
Internal borrowing - interest payable	1,447	1,332
Self-financing loan interest payable	3,294	3,237
Total	4,741	4,569
Interest Receivable:		
Item 8 Credit	(544)	(354)

The Council does not hold any premiums or discounts in relation to the rescheduling of HRA Debt.

(8) Rent Arrears

The arrears outstanding at the 31st March 2026 for rent not paid to the Council are shown in the table below. The figures in respect of rent due are shown separately to the debts outstanding in respect of the charges relating to court fees and for the provision of services and facilities.

	31-Mar-25 £'000	31-Mar-26 £'000
Rent Arrears	678	656
Court Costs	20	16
Service and Facilities Arrears		
Total	698	672

Outstanding debts as a proportion of gross rent due - Rent only	2.23%	2.17%
Amount of debts written off during the year:	146	154
Amount of impairment allowance for all debts:	630	610

(9) Contribution to Pension Reserves

The cost of retirement benefits is recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

Therefore the following transactions have been made in the Housing Revenue Account and the Housing Revenue Fund Balance via the Movement in Reserves Statement during the year.

LOCAL GOVERNMENT PENSION SCHEME	2024/25 £'000	2025/26 £'000
Comprehensive Income and Expenditure Statement		
Cost of Services:		
Current Service Cost	720	588
Past Service Cost	0	0
(Gain)/Loss from Settlements	0	0
Administration expenses	16	22
Financing and Investment Income and Expenditure:		
Net Interest Expense	98	101
Total Post-employment Benefit charged to the Surplus or Deficit on the Provision of Services	834	711
Movement in HRA Reserves Statement:		
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the code	(834)	(711)
Actual amount Charged Against the HRA for pensions in the year:		
Employer's contribution payable to the scheme	944	993

(10) Housing Stock

The number and type of dwelling in the Council's Housing stock is shown in the table below:

Total 2024/25 No.		Total 2025/26 No.
5,001	Houses and bungalows	4,974
896	Low-rise flats and Maisonettes	926
625	Medium and high-rise flats	625
6,522	Total	6,525

(11) Vacant Possession Value

The value of Council Dwellings assuming vacant possession (Open Market Value) as at 31 March 2026 is £813.8m (31st March 2025 was £794.3m). This does not compare to the Balance Sheet, which shows the Existing Use Value, the difference being an indication of the economic and social costs of providing Council housing at less than market rent.

(12) Capital Receipts

Capital Receipts received from the sale of HRA non-current assets were as follows:

	2024/25	2025/26
	£'000	£'000
Disposal of land and other property	0	0
Sale of Council Dwellings	1,632	3,956
Other	0	0
	1,632	3,956

(13) Major Repairs Reserve (MRR)

This reserve is credited with depreciation charged to the HRA and any revenue contributions made towards capital from the HRA. The Reserve is only available for funding major repairs to the housing stock or the repayment of HRA Debt. Any sums unspent are carried forward for use in future years.

	2024/25	2025/26
	£'000	£'000
Balance as at 1 April	0	0
Depreciation on HRA Assets	5,247	5,120
Revenue Contributions to Capital	0	0
Financing of Capital Expenditure	-5,247	-5,120
Balance as at 31 March	0	0

(14) HRA Capital Financing

The table below shows the total amount of capital expenditure incurred in the year together with the resources that have been used to finance it:

	2024/25	2025/26
	£'000	£'000
HRA Capital Expenditure Financed by:		
Borrowing	6,076	5,538
Grants and Contributions	259	401
Usable Capital Receipts	844	4,151
Revenue Contributions	0	0
Major Repairs Reserve	5,247	5,120
Total	12,426	15,210

(15) Revenue Expenditure Funded from Capital under Statute (REFCUS)

REFCUS is created when expenditure has been incurred on items that are not capitalised as fixed assets and have been financed from capital resources. No HRA expenditure met this definition in 2025/26 (£nil in 2024/25).

(16) Exceptional Items or Prior Year Adjustments

There were no exceptional items in 2025/26.

THE COLLECTION FUND

EXPLANATORY NOTES TO THE COLLECTION FUND

The Collection Fund is an agent's statement that reflects the statutory obligation of billing authorities, such as Bassetlaw District Council to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers of Council Tax and Non-Domestic Rates (NDR) and its distribution to local government bodies and the Government.

The Council has a statutory requirement to operate a Collection fund as a separate account to the General Fund. The purpose of the Collection Fund, therefore, is to isolate the income and expenditure relating to Council Tax and Non-Domestic Business Rates. The administration costs associated with the collection process are charged to the General Fund.

With effect from 1st April 2013, the local government finance regime was revised with the introduction of the retained business rates scheme. The main aim of the scheme is to give Councils a greater incentive to grow businesses in the district. It does, however, also increase the financial risk due to non-collection and the volatility of the NDR tax base.

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

This new arrangement provides a direct link between business rates growth and the amount of money local authorities have to spend on services. Local authorities can keep a proportion of their NDR collected in their area after certain contributions to (levy payments) and from (safety net payments) the Government have been made. The Council's share is 40% with the remainder paid to precepting bodies. For Bassetlaw District Council the NDR precepting bodies are Central Government (50% share), Nottinghamshire County Council (9% share) and Nottinghamshire Fire Authority (1% share).

The national code of practice followed by Local Authorities in England stipulates that a Collection Fund Income and Expenditure account is included in the Council's accounts. The Collection Fund balance sheet meanwhile is incorporated into the Council's consolidated balance sheet. The balance of the Collection Fund is disaggregated at the year-end to attribute relevant amounts to the precepting authorities (shown as debtors or creditors in the Balance Sheet) and the billing Council (Bassetlaw District Council).

THE COLLECTION FUND STATEMENT

2024/25				2025/26		
Business Rates	Council Tax	Total	Income/Expenditure	Business Rates	Council Tax	Total
£'000	£'000	£'000		£'000	£'000	£'000
INCOME						
	-94,113	-94,113	Council Tax Receivable		-99,035	-99,035
-52,015		-52,015	Business Rates Receivable	-55,117		-55,117
-52,015	-94,113	146,128		-55,117	-99,035	-154,152
Apportionment of Previous Year Surplus or (Deficit)						
2,260	0	2,260	Central Government	-475	0	-475
1,808	411	2,219	Bassetlaw District Council	-380	-164	-544
407	3,017	3,424	Nottinghamshire County Council	-85	-1,223	-1,308
45	157	202	Nottinghamshire Fire and Rescue Authority	-9	-62	-71
0	471	471	Nottinghamshire Police and Crime Commissioner	0	-191	-191
4,520	4,056	8,576	Surplus or (deficit) balance carried forward	-949	-1,640	-2,589
EXPENDITURE						
PRECEPTS, DEMANDS AND SHARES						
25,389	0	25,389	Central Government	26,975	0	26,975
20,312	9,160	29,472	Bassetlaw District Council	21,580	9,666	31,246
4,570	68,310	72,880	Nottinghamshire County Council	4,855	72,766	77,621
508	3,486	3,994	Nottinghamshire Fire and Rescue Authority	539	3,733	4,272
	10,666	10,666	Nottinghamshire Police and Crime Commissioner		11,372	11,372
50,779	91,622	142,401		53,949	97,537	151,486
CHARGES TO THE COLLECTION FUND						
0	0	0	Write offs of uncollectable amounts	0	0	0
0	0	0	Interest charged to the collection fund	54	0	54
289	564	853	Increase /Decrease (-) in Impairment Allowance	410	1,412	1,822
-536	0	-536	Increase /Decrease (-) in Provision for Appeals	-189	0	-189
174	0	174	Allowance for Cost of Collection	176	0	176
1,558	0	1,558	Disregarded amounts	1,975	0	1,975
-1,083	0	-1,083	Transitional Protection Payment to Central Govt	-131	0	-131
402	564	966		2,295	1,412	3,707
3,686	2,129	5,815	Surplus (-)/Deficit arising in year	178	-1,726	-1,548
-3,709	-212	-3,921	Surplus (-)/Deficit b/fwd 1 April	-23	1,917	1,894
-23	1,917	1,894	Surplus (-)/Deficit c/fwd 31 March	155	191	346

NOTES TO THE COLLECTION FUND ACCOUNT

(A) NON-DOMESTIC RATES (NDR)

Income from Business Ratepayers

Non-Domestic Rates (NDR) or Business Rates are paid by businesses. The Council collects Business Rates for its area based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by a uniform business rate set nationally by Central Government. Businesses pay an annual bill calculated by multiplying the rateable value of their premises by this annual rate; there are a number of reliefs available, for example to small businesses and charities.

	31-Mar-25	31-Mar-26
Total Rateable Value (£'000)	128,935	129,280
Non Domestic Rating Multiplier	54.6p	55.5p
Small Business Multiplier	49.9p	49.9p

The Council collects and distributes business rates from ratepayers to the main preceptors and central government. The table below shows the NDR income collectable in 2025/26 after reliefs was £55.116m (£52.037m in 2025/26).

NET AMOUNT COLLECTED

	2024/25	2025/26
	£'000	£'000
Non-Domestic Rate Income		
Gross Amount Due	67,884	67,686
Less Reliefs	-15,847	-12,570
Net Amount Collectable	52,037	55,116

The Council receives an allowance from the Collection Fund towards the collection of Business Rates, for 2025/26 this was £176k (2024/25 £174k)

The estimated year-end surplus or deficit on the Collection Fund non-domestic rates is shared between the billing and precept authorities. The calculation of the estimated surplus or deficit for the year has to be made on the 31st January each year. For 2025/26 a surplus of £1.491m was declared (a deficit of £1.640m in 2024/25).

The in-year balance on the business rates account at the 31st March 2026 is a deficit £0.155m (surplus of £0.023m in 2024/25) and this has been disaggregated for the purposes of these Accounts to attribute relevant amounts to the precept authorities' debtor/creditor accounts and the billing authority as follows:

	Surplus at 31.03.25	Deficit in year	Deficit at 31.03.26
	£'000	£'000	£'000
Bassetlaw District Council	-9	71	62
Central Government	-12	89	77
Nottinghamshire County Council	-2	16	14
Nottinghamshire Fire and Rescue Authority	0	2	2
Balance at 31 March	-23	178	155

Business Rates Appeals

Under the Business Rates Retention Scheme, local authorities are required to provide for the potential loss of business rates as a result of businesses successfully appealing against the rateable valuation of property occupied. The provision is funded from the Collection Fund and the cost shared between the Members of the Business Rates pool. The total of the appeals provision is £2.556m (2024/25 £2.745m) with the Council being responsible for £1.023m (2024/25 £1.098m). The £1.098m provision for appeals is included within the Council's disaggregated share of the collection fund balances held in the consolidated balance sheet.

(B) COUNCIL TAX

Council Tax income derives from charges raised according to the value of residential properties that have been classified into 9 bands, based on valuations as at 1st April 1991. Individual charges are calculated by estimating the amount of income required from the Collection Fund by Nottinghamshire County Council, Nottinghamshire Police Authority/Police and Crime Commissioner, Nottinghamshire Fire and Rescue Authority and this Council, and dividing this total figure by the Council Tax Base. (I.e. the equivalent number of Band D dwellings).

The Council Tax base for the 2025/26 financial year was 38,408 and was calculated as shown below:

Valuation Band	Ratio to Band D	No of Dwellings in Valuation List		Number of Band D Equivalent Dwellings	
		24/25	25/26	24/25	25/26
Band A-	5/9	133	133	74	74
Band A	6/9	24,286	24,523	16,191	16,349
Band B	7/9	7,878	8,131	6,128	6,324
Band C	8/9	6,356	6,485	5,650	5,764
Band D	9/9	6,510	6,608	6.510	6.608
Band E	11/9	3,276	3,323	4,003	4,061
Band F	13/9	1,607	1,637	2,321	2,364
Band G	15/9	683	695	1,138	1,159
Band H	18/9	47	48	93	96
Total		50,774	51,583	42,106	42,799
Reduction due to Council tax reduction scheme				-3,413	-3,561
Adjustments for growth				278	358
Less Collection adjustment				-1,169	-1,188
Council Tax Base (Band D equivalent)				37,802	38,408

The Council set a Council Tax (excluding local precepts) at Band D of £2,493.75 in 2025/26 compared to £2,381.36 in 2024/25. This is broken down as follows:

Band D Council Tax	2024/25 £	2025/26 £
Bassetlaw District Council	199.92	205.90
Nottinghamshire County Council	1,542.66	1,593.98
Nottinghamshire County Council Adult Social Care	264.42	300.56
Nottinghamshire Police and Crime Commissioner	282.15	296.10
Nottinghamshire Fire and Rescue Authority	92.21	97.21
Total Council Tax Income	2,381.36	2,493.75

The year-end surplus or deficit on Council Tax Account is shared between the billing and the precept authorities on the basis of estimates made on the year-end balance. The calculation has to be made on the 15th January each year. For 2025/26 a deficit of £1.297m was declared.

The balance at the 31st March 2026, a deficit of £0.191m has been disaggregated for the purpose of these accounts to attribute relevant amounts to the precept authorities' debtor/creditor account and the billing authority as follows:

	Deficit at 31.03.25 £'000	Surplus in year £'000	Deficit at 31.03.26 £'000
Bassetlaw District Council	192	-173	19
Nottinghamshire County Council	1,429	-1,285	144
Nottinghamshire Police and Crime Commissioner	223	-202	21
Nottinghamshire Fire and Rescue Authority	73	-66	7
Balance at 31 March	1,917	-1,726	191

CONSOLIDATED GROUP ACCOUNTS

Consolidated Group Accounts

In order to provide a full picture of the Council's economic activities and financial position, the accounting statements of the Council and its wholly owned company, Bersahill Ltd have been consolidated. These statements, together with those explanatory notes that are considered necessary in addition to those accompanying the Council's single entity accounts, and accounting policies, are set out in the following pages.

Bersahill is a limited company solely owned and controlled by the Council. Bersahill has been consolidated by combining like items of assets, liabilities, equity, income, expenses and cash flows of the Council with those of Bersahill and eliminating in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transaction between entities of the group.

GROUP MOVEMENT IN RESERVES STATEMENT

2025/2026	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Council's Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2025 bought forward	-18,437	-3,550	-3,293	0	-41,062	-66,342	-312,280	-378,622
Movement in Reserves during 2025/26								
Total comprehensive Income and Expenditure	-20,007	12,179	0	0	0	-7,828	-22,871	-30,699
Adjustment between accounting basis & funding basis under regulations (Note 9)	14,284	-12,167	426	0	-2,859	-316	316	0
Increase/Decrease (-) in 2025/26	-5,723	12	426	0	-2,859	-8,144	-22,555	-30,699
Balance at 31 March 2026 carried forward	-24,160	-3,538	-2,867	0	-43,921	-74,486	-334,835	-409,321

GROUP MOVEMENT IN RESERVES STATEMENT

2024/2025	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Council's Total Reserves
	£0	£0	£0	£0	£0	£0	£0	£0
Balance at 31 March 2024 brought forward	-16,632	-1,905	-3,131	0	-31,616	-53,284	-320,692	-373,976
Movement in Reserves during 2024/25								
Total comprehensive Income and Expenditure	-12,025	13,815	0	0	0	1,790	-6,436	-4,646
Adjustment between accounting basis & funding basis under regulations (Note 9)	10,220	-15,460	-162	0	-9,446	-14,848	14,848	0
Increase/Decrease (-) in 2024/25	-1,805	-1,645	-162	0	-9,446	-13,058	8,411	-4,647
Balance at 31 March 2025 carried forward	-18,437	-3,550	-3,293	0	-41,062	-66,342	-312,280	-378,622

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2024/25				2025/26			
Gross Expenditure	Gross Income	Net Expenditure		Note	Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000	Service Area		£'000	£'000	£'000
1,948	-581	1,367	Chief Executive		1,936	-451	1,485
30,534	-24,560	5,974	Finance and Property Services		25,700	-20,361	5,339
10,981	-3,308	7,673	Growth and Economic Prosperity		7,084	-2,453	4,631
2,421	-1,198	1,223	Housing Services		2,312	-1,526	786
1,602	-763	839	Legal and Governance		1,930	-882	1,048
11,291	-3,346	7,945	Neighbourhoods		12,288	-4,489	7,799
853	-254	599	People and Transformation		1,250	-270	980
2,691	-936	1,755	Performance and engagement		3,098	-1,324	1,774
2,734	-2,342	392	Planning and Place		3,376	-2,644	732
42,247	-32,652	9,595	Housing Revenue Account		40,584	-32,809	7,775
107,302	-69,940	37,362	Cost of Services		99,558	-67,209	32,349
4,475	-1,703	2,772	Other Operating Expenditure	11	6,669	-3,888	2,781
6,201	-3,149	3,052	Financing and Investment Income and Expenditure	12	6,150	-2,579	3,571
18,764	-60,159	-41,395	Taxation and Non-Specific Grant Income and Expenditure	13	15,909	-62,438	-46,529
136,742	-134,951	1,791	Surplus (-) or Deficit on Provision of Services		128,286	-136,114	-7,828
			Items that will not be reclassified to the Surplus (-) or Deficit on the Provision of Services:				
		-6,270	Surplus (-) or Deficit on Revaluation of Non-Current Assets	22			-16,306
		-166	Re-measurements of the Net Defined Benefit Liability (Asset)	35b			-6,565
		-6,436	Other Comprehensive Income and Expenditure				-22,871
		-4,645	Total Comprehensive Expenditure				-30,699

GROUP BALANCE SHEET

31-Mar 2025 £'000	Group Balance Sheet	Notes	31-Mar 2026 £'000
443,941	Property, Plant & Equipment	14	467,162
314	Heritage Assets		314
327	Intangible Assets		546
110	Long Term Investments	15	110
133	Long Term Debtors	16	18
444,825	LONG TERM ASSETS		468,152
10,340	Assets Held for Sale	18	8,226
2,904	Inventories		2,846
20,748	Short Term Debtors	16	21,490
13,154	Cash and Cash Equivalents	17	21,845
47,146	CURRENT ASSETS		54,407
-3,474	Short Term Borrowings	15	-16,173
-13,223	Short Term Creditors	19	-16,041
-895	Provisions Short Term	20	-937
-68	Short Term Liabilities – ROU Assets		-3
-993	Grants Receipts in Advance – Revenue	29	-1,239
-18,653	CURRENT LIABILITIES		-34,393
-3,377	Long Term Creditors	19	-2,969
-1,098	Provisions Long Term	20	-1,023
-84,513	Long Term Borrowing	15	-77,016
-84	Long Term Liabilities – ROU Assets		-81
-9,784	Long Term Liabilities	14/35	-1,828
-98,856	LONG TERM LIABILITIES		-82,917
374,462	NET ASSETS		405,249
-62,181	Usable Reserves	21	-70,413
-312,281	Unusable Reserves	22	-334,836
-374,462	TOTAL RESERVES		-405,249

GROUP CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Group during the reporting period. The statement shows how the Group 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 (day to day costs) is a key indicator of the extent to which the operations of the Group are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Group'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 Group.

2024/25 £'000	GROUP CASH FLOW STATEMENT	Note	2025/26 £'000
-1,790	Net Surplus/Deficit (-) on the Provision of Services	CIES	7,828
22,192	Adjustments to Surplus or Deficit on the Provision of Services for Non-Cash Movements	23a	26,210
-1,685	Adjustments for Item Included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	23a	-24,556
18,717	Net Cash Flows from Operating Activities		9,482
-13,525	Net cash flows from Investing Activities	23b	-5,996
-5,958	Net cash flows from Financing Activities	23c	5,205
-766	Net Increase or Decrease (-) in Cash and Cash Equivalents		8,691
13,920	Cash and Cash Equivalents at the Beginning of the Reporting Period	17	13,154
13,154	Cash and Cash Equivalents at the End of the Reporting Period	17	21,845

Note 1. General

The Group Accounts should be read in conjunction with the Bassetlaw District Council single entity accounts. Only notes to the accounts that are materially different from the single entity accounts are produced for the group accounts. These accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the aim of the Group Accounts is to provide the reader with an overall view of the material economic activities that the Council controls.

The Council is required to prepare group accounts where it has any interests in Subsidiaries, Associates, and any Joint Ventures, subject to consideration of materiality and using uniform Accounting Policies. Each year assessments are made of the Council's relationship with its partners and where an external body is assessed as having a group relationship (in accounting terms), group accounts are prepared.

Bersahill Ltd

In September 2017 the Council established a company called Bersahill. Bersahill was a joint venture between the Council and Woodhead Regeneration Limited with each party holding 50% of the shares. Bersahill is an innovative public private joint venture, designed to reinvigorate the area by creating construction and employment opportunities, through the direct delivery of developments in the local area. The company commenced trading during 2020/21 and the Council has provided £3.725m in loans/contributions towards the project in accordance with the terms of any contractual agreements. Bassetlaw District Council is now the sole owner of the building development company Bersahill Ltd, after Woodhead Regeneration Ltd withdrew their interest from the company.

Note 2. Group Boundary

The Council has an interest in a wholly owned trading company Bersahill Ltd which is consolidated into these accounts.

The overall impact of the companies on the financial performance, financial position and cash flows of the group is relatively low. However, there are some significant differences between classifications of assets in the balance sheet. These differences result from the capital investment the Council has made in the company.

Note 3. Accounting Policies

In preparing the Group Accounts the Council has aligned the accounting policies of the company with those of the Council and made consolidation adjustments where necessary; has consolidated the financial statements of the company with those of the Council on a line by line basis; and has eliminated in full balances, transactions, income and expenses between the council and its subsidiary.

Note 4. Material Items of Income and Expenditure

During 2024/25 there was no material items of Income and Expenditure other than those disclosed in the single entity accounts.

Note 5. Group Cash Flow

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

	2024/25 £'000	2025/26 £'000
Depreciation	6,851	19,501
Impairment and downward valuations	20,280	1,601
Amortisation	0	0
Increase/Decrease(-) in Creditors	-1,028	2,668
Increase/Decrease(-) in Debtors	-2,951	-383
Increase/Decrease(-) in Inventories	568	58
Contributions to/from Provisions	0	0
Movement in Pension Liability	-707	-1,396
Other non-cash items charged to the net surplus or deficit on the provision of services	-813	185
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	0	3,976
	22,200	26,210

GLOSSARY OF TERMS

ACCOUNTING PERIOD

The period of time to which the statement of accounts relates, normally a 12-month period beginning on 1 April and ending on 31 March of the following year.

ACCOUNTING POLICIES

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

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

Accounting policies do not include estimation techniques. Accounting policies define the process whereby transactions and other events are reflected in financial statements. For example, an accounting policy for a particular type of expenditure may specify whether an asset or loss is to be recognised, the basis on which it is to be measured, and where in the revenue account or Balance Sheet it is to be presented.

ACCRUALS

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

AGENCY SERVICES

A service delivered by a local authority on behalf of another authority that is legally responsible for the service, with the responsible authority reimbursing the agent for the costs incurred.

AMORTISATION

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

BALANCES

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

BALANCE SHEET

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

BILLING AUTHORITIES

Those authorities that set and collect the Council Tax and collect the Council Tax and Non-Domestic Rates. Bassetlaw District Council is a billing authority.

CAPITAL ADJUSTMENT ACCOUNT

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

CAPITAL CHARGES

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

CAPITAL EXPENDITURE

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

CAPITAL PROGRAMME

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

CAPITAL RECEIPTS

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

CASH

Comprises cash on hand and demand deposits.

Cash Equivalents

These are short term, highly liquid investments that are readily convertible to known amounts of cash.

CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)

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

COLLECTION FUND

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

COMMUNITY ASSETS

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

CONTINGENT LIABILITIES

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

COUNCIL TAX

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

COUNCIL TAX BASE

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

CREDITORS

Amounts owed by the Council for goods received, work carried out, or services provided during the accounting period, for which payment has not yet been made.

CURRENT EXPENDITURE

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

DEBTORS

Amounts owed to the Council relating to the accounting period, for which payment has not yet been received.

DEFERRED CAPITAL RECEIPTS

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

DEFERRED CREDITORS

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

DEPRECIATION

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

EARMARKED RESERVES

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

EMOLUMENTS

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

EXTERNAL AUDIT

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

FAIR VALUE

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FEES AND CHARGES

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

FINANCE LEASE

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

FINANCIAL INSTRUMENT

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

FINANCIAL INSTRUMENT ADJUSTMENT ACCOUNT

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

FINANCIAL YEAR

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

FIVE YEAR VALUATION CYCLE

A valuation approach introduced in the 2025/26 Code under which property, plant and equipment are professionally revalued once every five years, with values updated using appropriate indices in the intervening years.

FIXED ASSET

Tangible asset that yields benefits to the Council and the services it provides for a period of more than one year.

GAAP

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

GENERAL FUND

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

GENERAL RESERVES

The amounts put aside, but not allocated to meet, any future spending commitments. The Council's main general reserves are its General Fund and Housing Revenue Account Balances.

GROSS EXPENDITURE

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

HERITAGE ASSETS

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

HISTORIC COST

The value of the costs incurred in acquiring or creating the asset, comprising the consideration paid plus transaction costs.

HOUSING BENEFIT

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

HOUSING REVENUE ACCOUNT

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

IMPAIRMENT

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

INDEXATION

Adjusting an asset's carrying value between formal valuations using a suitable price index to reflect changes in market conditions, rather than undertaking a full professional revaluation.

INFRASTRUCTURE ASSETS

A class of property, plant and equipment assets upon which expenditure is only recoverable by continued use, i.e., there is no prospect of sale or alternative use. Typical examples include roads, footpaths, bridges, sewers and coastal defences. Such assets are held at depreciated historical cost.

INTANGIBLE ASSETS

Identifiable non-monetary assets without physical substance, which are controlled by the authority as a result of past events, and from which future economic benefits or service potential are expected to flow to the authority.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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

INTERNAL AUDIT

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

INVESTMENTS

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

LONG TERM DEBTORS

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

MATERIALITY

Information is material if its omission or misstatement could influence the decisions or assessments of users on the basis of the financial statements.

MINIMUM REVENUE PROVISION (MRP)

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

NON-DOMESTIC RATE (NDR)

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

NET BOOK VALUE

The amount at which fixed assets are valued in the balance sheet, i.e. their historic value or current valuation less depreciation.

NET EXPENDITURE

Gross expenditure less gross income.

NET REALISABLE VALUE

The estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

NON-OPERATIONAL ASSET

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

OPERATIONAL ASSET

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

OPERATIONAL LEASE

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

PENSION FUND

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

PRECEPT

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

PRECEPTING AUTHORITIES

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

PROPERTY, PLANT AND EQUIPMENT

Tangible assets used by the Council in the provision of services that yield benefits to the Council for a period of more than one year.

PROVISIONS

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

PUBLIC WORK LOANS BOARD (PWLB)

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

RELATED PARTIES

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

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

Examples of related parties of a Council include:

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

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

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

REMUNERATION

All sums paid or payable to employees and members in return for services rendered, including salaries, wages, bonuses, fees, allowances, and employer pension contributions.

RESERVES

The accumulation of surpluses, deficits, and appropriations from previous financial years. Revenue reserves are available for use and may be spent or earmarked at the discretion of the Council, whereas certain capital reserves, such as the Revaluation Reserve, cannot be used to meet current expenditure.

REVALUATION RESERVE

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

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

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

REVENUE SUPPORT GRANT (RSG)

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

SOFT LOANS

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

STATEMENT OF ACCOUNTS

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

STATEMENT OF RECOMMENDED PRACTICE (CODE)

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

TOTAL COST

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

TRADING SERVICES

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

USABLE CAPITAL RECEIPTS

Amounts available to finance capital expenditure in future years.

USABLE RESERVES

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

UNUSABLE RESERVES

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

Draft
Annual Governance Statement
2025/26



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Executive Summary

- 1.1 The Annual Governance Statement considers the effectiveness of the Council's governance arrangements throughout 2025/26. It is an objective and honest appraisal of the Council's governance framework which identifies those areas where further development and improvement is required.
- 1.2 Having considered the review of governance arrangements carried out by senior management, the Chief Executive and Chair of the Audit & Governance Committee (AGC) are satisfied that:
 - a) appropriate governance arrangements are in place, and
 - b) the actions set out in the table below will address the areas for improvement identified through the Council's review of effectiveness

Issue	Commentary / Actions Required
Procurement	<p>Ongoing review work will take place to assess the processes in place for ensuring that goods and services are procured in line with the Council's Contract Procedure Rules (CPR) and compliance with the Procurement Act 2023.</p> <p>A review will take place to assess how the Council manages the Service Level Agreement with their external procurement provider, Welland Procurement.</p>
Implementation of Internal Audit Recommendations	<p>To ensure continuous improvement in governance, risk management, and internal control, the Council will strengthen arrangements for the timely and effective implementation of internal audit recommendations.</p> <p>This will be achieved through enhanced monitoring including regular reporting of progress to Corporate Management Team. Progress against recommendations will also be monitored by Follow Up audits.</p>
Cyber Risk and Network Security	<p>Although good progress has been made on implementing the recommendations that were made as part of an advisory audit on IT Incident Management and Security, the ever changing IT environment means that there is still work to be completed to manage the inherent risks.</p> <p>Continue work to review and upgrade compliance with the Cyber Assessment Framework (CAF) will be undertaken.</p> <p>The Cyber Incident Response Plan will be finalised and presented to the Council's Corporate Leadership Team for adoption.</p> <p>We will continue to work with the Cyber Warning Centre and East Midlands WARP to receive and share up-to-date advice on information security threats.</p>

Local Government Reorganisation	Engaging with government and working closely with the other Nottinghamshire local authorities to plan for future delivery of services, joint working arrangements and shared outcomes.
Management review processes (statutory reporting)	<p>A number of recommendations have been made by external audit to address weaknesses in the management review processes in respect of the Council's statutory reporting.</p> <p>These include sufficient review processes being established and put in place to support the preparation of draft financial statements to ensure sufficient quality review procedures are set up to support accurate statutory financial reporting that this is reflective of the underlying transactions.</p>

1.3 The implementation of these actions will be monitored throughout the coming financial year and summarised as part of the next annual review.

Signed on behalf of Bassetlaw District Council:

Mr David Armiger, Chief Executive

Cllr Robyn Carrington-Wilde,
Chair of Audit and Governance
Committee

Introduction and Scope of Responsibility

2.1 Bassetlaw District Council is responsible for ensuring that:

- Its business is conducted in accordance with legal requirements and proper standards;
- public money is safeguarded and properly accounted for, and
- resources are used economically, efficiently and effectively

2.2 The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

2.3 At its Full Council meeting on 22nd July 2021¹, Bassetlaw District Council approved and adopted a Local Code of Corporate Governance (Local Code), based on the CIPFA² /SOLACE³ framework "*Delivering Good Governance in Local Government*" first published in 2007. The framework is designed to help councillors and officers to identify emerging risks to governance, and to tackle them proportionately. The framework is not something that needs to be adopted by councils and does not operate as a checklist or process that can be used to evaluate governance risk. Instead it provides a way for

people within the Council to talk about and reflect on governance, and to think about what steps need to be taken to act on emerging governance risks.

2.4 The Annual Governance Statement explains how the Council has complied with the Local Code and meets the requirements of Regulation 6(1) (a) of the Accounts & Audit (England) Regulations 2015. This requires an authority to conduct a review at least once a year of the effectiveness of its system of internal control and include a statement reporting on the review with the published Statement of Accounts.

3. The Governance Framework

3.1 In conducting its business, Bassetlaw District Council is fully committed to the key principles of good governance as established by the Nolan Committee on Standards in Public Life.

These key principles are to:

- Focus on the organisation’s purpose and on outcomes for citizens and service users
- Promote values for the whole organization and demonstrate good governance through behaviour
- Perform effectively in clearly defined functions and roles
- Take informed, transparent decisions and manage risk
- Develop the capacity and capability of the governing body to be effective
- Engage stakeholders and make accountability real.

3.2 The CIPFA/SOLACE framework for good governance adapts these core principles for the local authority context. The seven core principles of good governance as recognised by the CIPFA/SOLACE framework adopted by the Council are set out below:

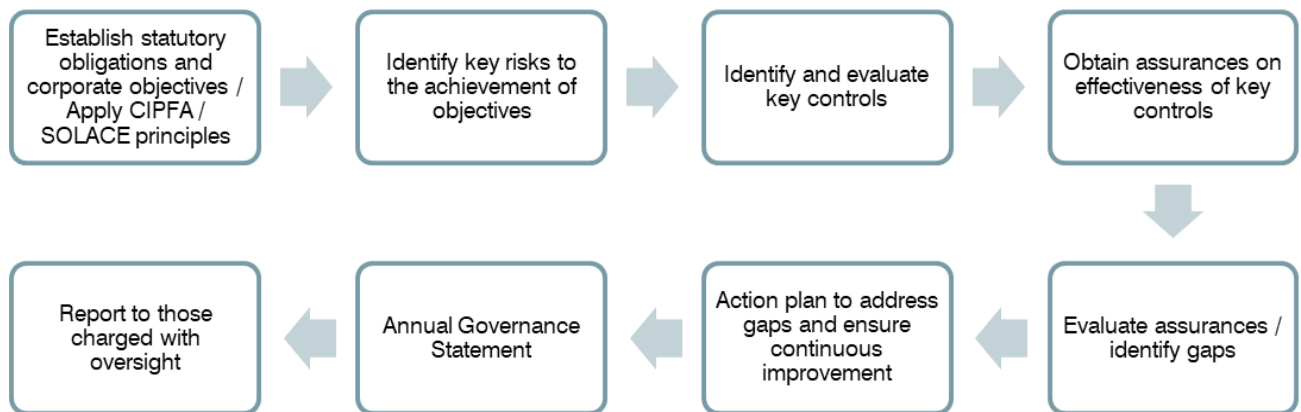
CORE PRINCIPLES OF GOOD GOVERNANCE	
A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
B	Ensuring openness and comprehensive stakeholder engagement
C	Defining outcomes in terms of sustainable economic, social, and environmental benefits
D	Determining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

3.3 For details of how the Council will seek to apply each of the seven core principles above, please refer to the Council’s latest Local Code of Corporate Governance⁴.

4. Review of Effectiveness

- 4.1 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the authority (who have responsibility for the development and maintenance of the governance environment), the Head of Internal Audit's annual report and comments made by the external auditors or other review agencies and inspectorates.
- 4.2 The Council takes its corporate governance arrangements seriously and as a result has put in place a rigorous process of reviewing the arrangements on a regular basis. An overview of this process is provided overleaf (for more details please refer to the Council's latest Local Code of Corporate Governance).

Review Process:



Oversight:

Corporate Governance Working Group	Monitoring Officer, s.151 Officer, deputies, Portfolio Holder. Meet monthly to review the Council's governance and risk management arrangements and identify a work programme for ensuring these arrangements remain robust and up to date Issues escalated to the Head of Paid Service and reported directly to the Audit and Governance Committee
Corporate Risk Management	Chief officers, Risk owners, Director of Corporate Resources Manage and update the Council's Corporate Risk Register and identify new and emerging risks on a quarterly basis Issues escalated to the Chief Executive and reported to Audit and Governance Committee
Audit and Governance Committee	Elected members, Director of Corporate Resources, Head of Finance and Property Meet every six weeks and have overall responsibility for the Council's governance and risk management arrangements (the main elected member view) Recommendations made to the Council
Full Council	Elected members Meet quarterly and have responsibility to act upon the recommendations made by the Audit and Governance Committee in relation to governance and risk management policy

Governance Arrangements

The Council satisfies itself as to the effectiveness of its system of internal control through a governance assurance framework. This takes as its starting point the Council's principal statutory and organisational objectives as set out in the Council Plan. From this are identified the key risks to the achievement of the Council's objectives as set out within the Council's corporate, directorate and service risk registers.

4.3 The framework identifies the main sources of assurance on the controls in place to manage those risks, and it is the evaluation of those assurances that is the basis of this Annual Governance Statement.

4.4 The following documents establish these policies, aims and objectives at a strategic level:

- The Council Plan;
- The Community Safety Partnership Strategy;
- The Local Development Framework;
- The Annual Budget and Performance Management Framework;
- The Capital Strategy and Asset Management Plan;
- The Financial Strategy;
- The Treasury Management Strategy;
- The Internal Audit Strategy;
- The Risk Management Strategy;
- The Housing Strategy;
- The Corporate Equalities Scheme;
- The CCTV Code of Practice; and
- The Anti-Fraud & Anti-Corruption Strategy and Policy.

4.5 These high-level plans are further supported by Service Delivery Plans. The Constitution provides clear guidance on how the Council operates, how decisions are made and the procedures and protocols to ensure that decisions and activities are efficient, transparent and accountable to local citizens. Some of these processes are required by law, whilst others are determined by the Council for itself.

4.6 The Council acknowledges its responsibility to ensure that it operates an effective system of internal control to maintain and operate controls over its resources. This system of internal control can only provide reasonable (not absolute) assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are prevented or would be detected within a reasonable period. A key element of the Council's internal control system is the work of the Audit and Governance Committee, undertaking the core functions as identified in CIPFA guidance.

4.7 Governance training has been provided to all key officers and Members, including induction training, and arrangements are in place for the ongoing continuation of that training.

- 4.8 The Council undertakes an annual review of the effectiveness of its corporate governance framework, including signed Assurance Statements from each of the Heads of Service and Directors.

Financial Management

- 4.9 Ensuring that there is an effective system of internal financial control is the responsibility of the Section 151 Officer. The systems of internal financial control provide reasonable, assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities either are prevented or would be detected within a timely period.
- 4.10 Internal financial control is based on a framework of management information that includes the Financial, Contract and Procurement Procedure Rules and administration procedures, adequate separation of duties, management supervision, and a system of delegation and accountability.
- 4.11 The Council has produced comprehensive procedure notes/manuals for all key financial systems, and these are regularly reviewed. The controls created by management are evaluated to ensure:
- Council objectives are being achieved;
 - The economic and efficient use of resources;
 - Compliance with policies, procedures, laws, rules and regulations;
 - The safeguarding of Council assets; and
 - The integrity and reliability of information and data.
- 4.12 In 2016, CIPFA issued an updated statement on ***“the Role of the Chief Financial Officer in Local Government”*** which covered five key principles. The Council can demonstrate how it conforms to these governance requirements as the Section 151 Officer:
- is a key member of the Corporate Leadership Team, helping it to develop and implement strategy and to resource and deliver the Council’s strategic objectives sustainably and in the public interest. The Chief Executive is also a CIPFA qualified accountant which strengthens this further.
 - is actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the Council’s financial strategy.
 - leads the promotion and delivery by the whole Council of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.
 - leads and directs a finance function that is resourced to be fit for purpose.
 - is professionally qualified and suitably experienced.

4.13 In 2019, CIPFA issued an updated statement on “**The Role of the Head of Internal Audit in Public Service Organisations**” which again covered five key principles. The Council can demonstrate how it conforms to these governance requirements as the Head of Internal Audit:

- objectively assesses the adequacy and effectiveness of governance and management of risks, giving an evidence based opinion on all aspects of governance, risk management and internal control.
- champions best practice in governance and comments on responses to emerging risks and proposed developments.
- is a Partner at RSM and has regular and open engagement across the Council, particularly with the Corporate Leadership Team and with the Audit & Risk Scrutiny Committee.
- leads and directs an internal audit service that is resourced appropriately, sufficiently and effectively.
- is professionally qualified and suitably experienced.

5. Assurance from Internal and External Audit

5.1 One of the key assurance statements the Council receives is the annual report and opinion of the Head of Internal Audit. The Audit Manager’s Internal Audit Annual Report for 2025/26 was considered at Audit and Governance Committee on 4th June and includes their overall assurance rating as below:

For the 12 months ended 31st March 2026, the Head of Internal Audit opinion for Bassetlaw District Council is as follows:

“The organisation has an adequate and effective framework for risk management, governance and internal control. However our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.”

❖ **Governance –**

“We have taken into consideration the governance and oversight related elements of each of the reviews undertaken as part of the 2025/26 internal audit plan when forming our opinion on Governance at the Council.

There is an adequate governance framework in place, and we have observed that the Audit & Governance Committee is effective in monitoring and challenging management and holding them to account.”

❖ **Risk Management –**

“Risk management is reviewed at the Audit and Governance Committee. We have attended all Audit and Governance Committee meetings throughout the year and confirmed the council’s risk management arrangements continued to operate effectively in this forum and were adequately reported to and scrutinised by committee members; with regular updates provided and the risk register shared and reviewed, with appropriate oversight and challenge.

Our risk management opinion is also informed by our observation of risk management systems and processes throughout the course of all audits within the internal audit plan, which is driven by and linked to the council’s risks.”

❖ **Internal Controls –**

“We undertook nine internal audit reviews in 2025/26 which resulted in an assurance opinion. From two reviews (22%) we concluded that substantial assurance could be taken, and in seven reviews (78%) we concluded that reasonable assurance could be taken in relation to the design and application of the control frameworks in place.

During the year we agreed a total of 150 management actions across assurance, advisory, continuous assurance, and follow up reviews. Of the actions agreed: 53 (35%) were ‘medium’ priority, 76 (51%) were ‘low’ priority, and 21 (14%) were ‘advisory’ priority or recommendations. During the year, we agreed a total of 135 management actions across assurance, advisory and follow up reviews. Of the 124 actions agreed: 9 (7%) were ‘high’ priority, 48 (35%) were ‘medium’ priority, 78 (58%) were ‘low’ priority.”

Furthermore, the implementation of agreed management actions agreed during the course of the year are an important contributing factor when assessing the overall opinion on control. We have performed four follow up reviews during the year to follow up all actions raised as part of the 2024/25 internal audit plan, which resulted in two reasonable progress opinions (positive) one little progress (negative) opinion, and one poor progress (negative) opinion.”

- The External Auditor's (Forvis Mazars) Value for Money Conclusion for 2024/25 concluded:

Overall view on arrangements in relation to financial sustainability - "As a result of the programme of work performed, there is no evidence of a significant weakness in the Council's arrangements in relation to financial sustainability for the year ended 31 March 2024"

Overall view on arrangements in relation to governance - "Except for the matter relating to financial reporting, as a result of the programme of work performed, we are satisfied the Council's arrangements in relation to governance are adequate"

Overall view on arrangements for improving economy, efficiency and effectiveness - "As a result of the programme of work performed, we are satisfied the Council's arrangements in relation to improving economy, efficiency and effectiveness are appropriate to secure value for money"

- 5.2 As a result of the external audit work, a weakness in the Council's arrangements to secure economy, efficiency and effectiveness in its use of resource was identified.
- 5.3 A number of recommendations were made. These include sufficient management review processes being established and put in place to support the preparation of draft financial statements to ensure sufficient quality review procedures are set up to support accurate statutory financial reporting that this is reflective of the underlying transactions. This forms part of the 2024/25 action plan for improvement.

6. Governance Issues and Action Plan

- 6.1 The issues set out within this section are those identified via the Council's risk management, governance, internal audit and other internal control processes as being relevant to the preparation of the Annual Governance Statement. These issues are included to highlight the Council's awareness of emerging issues through its proactive and holistic approach to governance.
- 6.2 Whilst recognising our improvements to date, the emphasis going forward is to address identified issues and to put in place improvement actions to not only address those areas of concern but also seeking to embrace continual improvement to areas where there are no issues. We have made sound progress in implementing the actions from 2024/25 as noted below with any outstanding issues being carried forward into the 2025/26 Action Plan. We are satisfied that these steps will address any 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 and through regular updates to the Audit and Governance Committee.

Actions from the Annual Governance Statement for 2024/25

- 6.3 The table below summarises the governance issues identified during the 2024/25 financial year and the actions agreed in order to address these issues:

Issue	Actions agreed and status
Procurement	<p>Ongoing review work will take place to assess the processes in place for ensuring that goods and services are procured in line with the Council's Contract Procedure Rules (CPR) and compliance with the new Procurement Act (Complete)</p> <p>.</p> <p>A review will take place to assess how the Council manages the Service Level Agreement with their external procurement provider, Welland Procurement (Progressing as planned)</p>
Asset Review	<p>Work will continue on the disposal of surplus land held by the Council by continuing to identify and dispose of specific sites for development for affordable housing, for private residential development or other regenerative purposes (Complete)</p> <p>The Council will continue to work with S80 Partnership Limited ('S80'), to pursue activities to generate additional income from our assets from commercial activities. To assist in this work, the Council will fully implement a new property and asset management system (Complete)</p> <p>A Car Parking Strategy will be finalised and presented to Cabinet (Complete)</p> <p>.</p>
Cyber Risk and Network Security	<p>Work to review and upgrade compliance with the Cyber Assessment Framework (CAF) will be undertaken (Progressing as planned)</p> <p>The Cyber Incident Response Plan will be finalised and presented to the Council's Corporate Leadership Team for adoption (Progressing as planned)</p>

Issue	Actions agreed and status
Local Government Reorganisation	<p>We will continue to work with the Cyber Warning Centre and East Midlands WARP to receive and share up-to-date advice on information security threat (Progressing as planned)</p> <p>The English Devolution White Paper published on 16th December 2024 set out the government’s vision for simpler local government structures. Following the publication of the White Paper, the Minister of State for Local Government and English Devolution wrote to all councils in remaining two-tier areas and neighbouring small unitary authorities to set out plans for a joint programme of devolution and local government reorganisation. Work to prepare for Local Government Reorganisation will include building capacity and allocating sufficient resources to the process, working collaboratively with the other Nottinghamshire Authorities to develop LGR (Complete)</p>
Management Review Processes	<p>A number of recommendations have been made by external audit to address weaknesses in the management review processes in respect of the Council’s statutory reporting. These include sufficient review processes being established and put in place</p> <p>to support the preparation of draft financial statements to ensure sufficient quality review procedures are set up to support accurate statutory financial reporting that this is reflective of the underlying transactions. (Progressing as planned)</p>
Partial Assurance Audit recommendations	<p>Four Partial Assurance internal audit reports have been issued relating to the controls and processes in place during the 2024/25 financial year. These reports were in respect of Procurement, Landlord Licensing, Sickness Absence and Safeguarding.</p> <p>Since the completion of the audits, management have agreed all the recommendations made and have either already implemented or are in the process of implementing these. Progress against these recommendations will be monitored as part of a follow up review. Procurement has also been separately identified as a significant governance issue within the Annual Governance Statement (Complete)</p>

Government issues and Action Plan for 2025/26

6.4 The table below summarises the governance issues and areas of risk identified during 2025/26 financial year and the actions required in order to address these issues

Issue	Commentary / Actions Required
Procurement	<p>Ongoing review work will take place to assess the processes in place for ensuring that goods and services are procured in line with the Council's Contract Procedure Rules (CPR) and compliance with the Procurement Act 2023.</p> <p>A review will take place to assess how the Council manages the Service Level Agreement with their external procurement provider, Welland Procurement.</p>
Implementation of Internal Audit Recommendations	<p>To ensure continuous improvement in governance, risk management, and internal control, the Council will strengthen arrangements for the timely and effective implementation of internal audit recommendations.</p> <p>This will be achieved through enhanced monitoring including regular reporting of progress to Corporate Management Team. Progress against recommendations will also be monitored by Follow Up audits.</p>
Cyber Risk and Network Security	<p>Although good progress has been made on implementing the recommendations that were made as part of an advisory audit on IT Incident Management and Security, the ever changing IT environment means that there is still work to be completed to manage the inherent risks.</p> <p>Continue work to review and upgrade compliance with the Cyber Assessment Framework (CAF) will be undertaken.</p> <p>The Cyber Incident Response Plan will be finalised and presented to the Council's Corporate Leadership Team for adoption.</p> <p>We will continue to work with the Cyber Warning Centre and East Midlands WARP to receive and share up-to-date advice on information security threats.</p>
Local Government Reorganisation	<p>Engaging with government and working closely with the other Nottinghamshire local authorities to plan for future delivery of services, joint working arrangements and shared outcomes.</p>
Management review processes (statutory reporting)	<p>A number of recommendations have been made by external audit to address weaknesses in the management review processes in respect of the Council's statutory reporting.</p> <p>These include sufficient review processes being established and put in place to support the preparation of draft financial statements to ensure sufficient quality review procedures are set up to support accurate statutory financial reporting that this is reflective of the underlying transactions.</p>

7. Conclusions

- 7.1 The Council has a responsibility for conducting an annual review of the effectiveness of its governance framework including the system of internal control. The results of the annual review of the effectiveness of the key elements of the Council's governance processes during 2025/26 are set out in this Annual Governance Statement.
- 7.2 The Council's governance and risk management arrangements enable it to deal openly and effectively with situations such as those highlighted. The nature of the organisation means that there will always be difficult situations to deal with, but the internal control mechanisms ensure that actions are taken appropriately and promptly, and the organisation is accountable for those actions.
- 7.3 The Council acknowledges that governance processes should be subject to continuous review and a number of areas have been identified for scrutiny and improvement. These are summarised in paragraph 6.4 above.
- 7.4 The Audit and Governance Committee will continue to play a key role in obtaining relevant assurances, questioning and challenging the material before it. Together with the work carried out by the Overview and Scrutiny function, the triangulation of financial, ethical and service performance should seek to give early warning of any risks to good governance in the future.
- 7.5 Having considered the review of governance arrangements carried out by senior management, the Chief Executive and Chair of the Audit & Governance Committee (AGC) are satisfied that appropriate governance arrangements are in place. However, we propose over the coming year to take steps to address the matters identified above to enhance our governance arrangements.

The Independent auditor's report to the members of Bassetlaw District Council will be included here when available.