Rushcliffe
Borough Council

Statement of Accounts

2025 - 2026













Rushcliffe
Borough Council

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A. NARRATIVE STATEMENT

Introduction

As the Council's Chief Finance Officer, I have pleasure in presenting the Narrative Statement to Rushcliffe's 2025/26 Statement of Accounts. The Statement of Accounts is required by law and provides statutory and other information in line with professional best practice. In doing so, the Financial Statements continue to accord with International Financial Reporting Standards (IFRS) ensuring consistency with accounts produced by organisations in other sectors of the economy.

The Narrative Statement summarises the accounts, highlighting key events, their financial impact, performance against corporate priorities and key risks. It also provides context on the challenges faced during the year and explains how Council Tax and other income fund a wide range of services. Together with the Annual Governance Statement and the Auditor's report, it forms part of the Council's Financial Report for 2025/26.

The financial environment remains volatile. Although inflation has largely normalised, geopolitical pressures continue to create fluctuations. Any further increases place additional strain on an already inflated base budget, particularly in relation to fuel, workforce pay and index-linked contracts and have a knock-on effect on the Council's income streams as the cost-of-living crisis continues to affect residents and businesses. The biggest challenge facing most councils is Local Government Reorganisation (LGR). In July 2026 the Government announced their decision, with the Nottingham City option including boundary changes being chosen. A further announcement on 7 September has placed a pause on implementation. Once this resumes there will be a rise in demand on resources and other factors including recruitment and retention of staff are a risk. Revised timescales are yet unknown. Other commitments including, carbon offsetting, simpler recycling and Artificial Intelligence (AI) place further demands on time and budget. The first 3-year settlement in a decade was released for 2026/27 which has given increased certainty of funding, however due to Business Rates Reset and Fairer Funding reviews a reduction in core spending power has increased the challenges of achieving a balanced budget. The Council has produced the Medium-Term Financial Strategy focussing on maintaining quality services for its residents. The Council strives to grow the Borough despite the challenging economic environment. The Council Corporate Priorities below remain a focus for the Council:

- Supporting economic growth to ensure a sustainable, prosperous and thriving local economy.
- Maintaining and enhancing our residents' quality of life.
- Transforming the Council to enable the delivery of efficient high-quality services.
- Playing our part in protecting the environment today and enhancing it for future generations.

Should you have any queries regarding these accounts or suggestions as to how we could improve the information provided please forward them to me at finance@rushcliffe.gov.uk.

Peter Linfield

Deputy CEO and Director - Finance and Corporate Services

i. The Statement of Accounts

The Director (Finance and Corporate Services) is the statutory officer responsible for the proper administration of the Council's financial affairs (sometimes referred to as the Chief Finance Officer or S151 Officer). They are required by law to confirm that the Council's system of internal controls can be relied upon to produce an accurate Statement of Accounts. To do so, the Chief Finance Officer ensures that the Council maintains proper and up to date accounting records and takes all reasonable steps to prevent and detect fraud and any other irregularities. The Council's Statement of Assurance for 2025/26 (known as the Statement of Responsibilities for the Statement of Accounts) appears on Page 1 of the Statement of Accounts.

The Statement of Accounts has been produced in accordance with The Code of Practice on Local Authority Accounting ('the Code') developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Council's Accounting Policies, which are written in accordance with the Code, and are outlined on pages 50 to 67 of the Statement of Accounts.

The map below shows some key statistics for the borough of Rushcliffe



Rushcliffe
Borough Council

ii. Delivery of the Corporate Strategy

The progress on delivery of the Corporate Strategy 2024-27 is reported quarterly to the Council's Corporate Overview Group. The Corporate Strategy was approved by Council 7th December 2023.

The Council has ambitions to deliver major projects that align outcomes with four corporate themes:

- Supporting economic growth to ensure a sustainable, prosperous and thriving local economy
- Maintaining and enhancing our residents' quality of life
- Transforming the Council to enable delivery of efficient high-quality services
- Playing our part in protecting the environment today and enhancing it for future generations.

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Last year we supported over 30 organisations including small businesses, community groups and parish councils with over £440,000 of grants



Rushcliffe Oaks Crematorium continued to give families comfort and support in their time of need



Over 8,000 people attended Proms in the Park to celebrate Armed Forces Day



Further investment in refurbishments and energy efficient improvements at local leisure centres



Supported nearly 1,000 elderly or vulnerable people to live independently with one of our home alarms.



Typically collection rates are amongst the highest in the country. For council tax 99.1% and business rates 98.8%



Another very popular Lark in the Park attracts thousands of families



Celebrating Rushcliffe Awards receives record number of nominations



Continuing to deliver hundreds of measures through the new Warm Homes Local Grant scheme for another 2 financial years.



Continued to maximise Pension Credit take up providing much needed support to residents



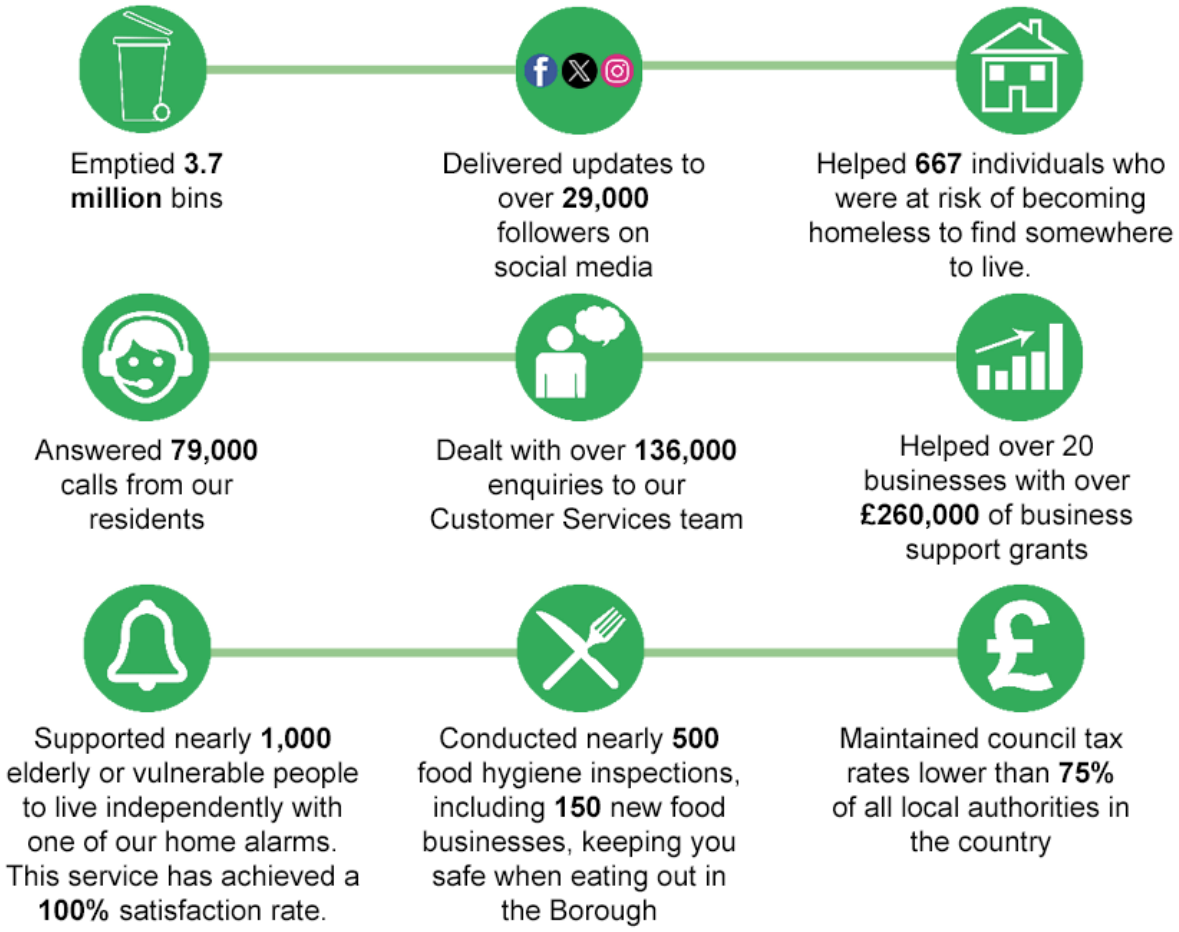
Investment in playgrounds, refurbishing popular existing play areas and introducing new inclusive features continued



Three sites retained their Green Flag awards, including a 19th consecutive award for Rushcliffe Country Park

Rushcliffe

As well as achieving all of this, the Council also:



iii. Risk Management

The Council's 2026-2029 Risk Management Strategy was approved by Governance Scrutiny Group February 2026. Reports to Governance Scrutiny Group contain updates on the risk management arrangements, and the Group's responsibility is "to oversee and scrutinise the effective management of risk by officers". The strategy is reviewed every three years by the Risk Management Group (RMG) and Governance Scrutiny Group provides scrutiny of risk registers. Training was provided to the group by internal audit (BDO) at the February meeting.

The Executive Management Team has met as the Council's RMG in order to oversee the management of risk across the organisation and review, where necessary, strategic, operational and opportunity risk. The number of risks within the registers will fluctuate throughout the year as active risk management is undertaken.
Changing pressures facing local government and the proactive work of managers to identify risks as they emerge, will continue to influence new risks added to the register. This demonstrates the Council's aim to be proactive to mitigate risk as soon as possible after identification.

The RMG met in January 2026, when the registers contained 36 corporate risks, 21 operational risks and 3 opportunity risks. Risks are reviewed annually through the Service Planning process, with any proposed changes referred to the RMG for approval.

- **No new risks added** – No additional risks were added to the registers at this meeting.
- **Risks increased**
    - Five-year housing supply – likelihood increased from 2 to 3 because land supply fell to 5.2 years.
    - Asylum relocation schemes – impact increased from 2 to 3 due to high numbers of notifications from Serco relating to potential HMOs arising from the asylum dispersal scheme.
- **Risks reduced**
    - Inflation – likelihood reduced from 3 to 2 as inflation has been falling and the impact is being managed through the MTFS.
    - Carbon Management Plan – risk reduced due to significant progress against the carbon reduction action plan.
    - CCTV cameras – likelihood reduced from 3 to 2 following action taken.
- **Risks removed**
    - Central Government funding – removed as a high risk because a three-year settlement is now in place and funding reform has been issued for implementation from 2026/27.

The Council's Medium-Term Financial Strategy highlights key financial risks; the higher rated risks are as follows:

Risk	Likelihood	Impact	Action
Central Government policy changes e.g. Fairer Funding, ceasing NHB and Business Rates reset leading to reduced revenue; or increased demand on resources for example environmental policy changes with regards to waste will create future financial risk (Extended Producer Responsibility (EPR) and weekly food collections); changes to DFG allocations.	Medium	Medium	Engagement in consultation in policy creation and communicating to senior management and members the financial impact of changes via the MTFS. Budget at baseline plus renewables for business rates in years of uncertainty. Inclusion of demand and/or income in the MTFS and Capital Programme, and calculations to understand the impact of any proposals.
Impact on resources to transition to a new authority as part of LGR	High	High	Engage in relevant working groups and report back to Cabinet or Full Council. LGR reserve created.
Lifespan of this MTFS likely to be curtailed, for example 2027/28 could be the last year for this Borough Council's budget	High	High	To update the MTFS in future years and report to Full Council
Environmental carbon reduction and bio-diversity net gain (BNG) commitments leading to greater pressure on revenue and capital budgets.	High	Medium	Climate Change Reserve being replenished (including for potential land acquisition for carbon reduction), ongoing review of significant projects and outcome of scrutiny review. A vehicle replacement reserve which will help fund, for example, electric vehicles. Apply for external funding where possible.
The Council is unable to balance its budget, and the budget is not sustainable in the longer term as a result of increased inflation and other risks.	Medium	Medium	S151 Officer s25 Statement which is presented with the budget. Going concern report presented to Governance Group to confirm that the Council has sufficient reserves to withstand the short-term financial shocks. Budget set to include latest assumptions on inflationary increases.

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iv. Revenue Expenditure and Income

The Council receives money from various sources. The income comes primarily from local residents in the form of Council Tax, and local businesses as Business Rates. Each year the Council spends its money on key services, delivered in accordance with our local priorities and legal requirements.

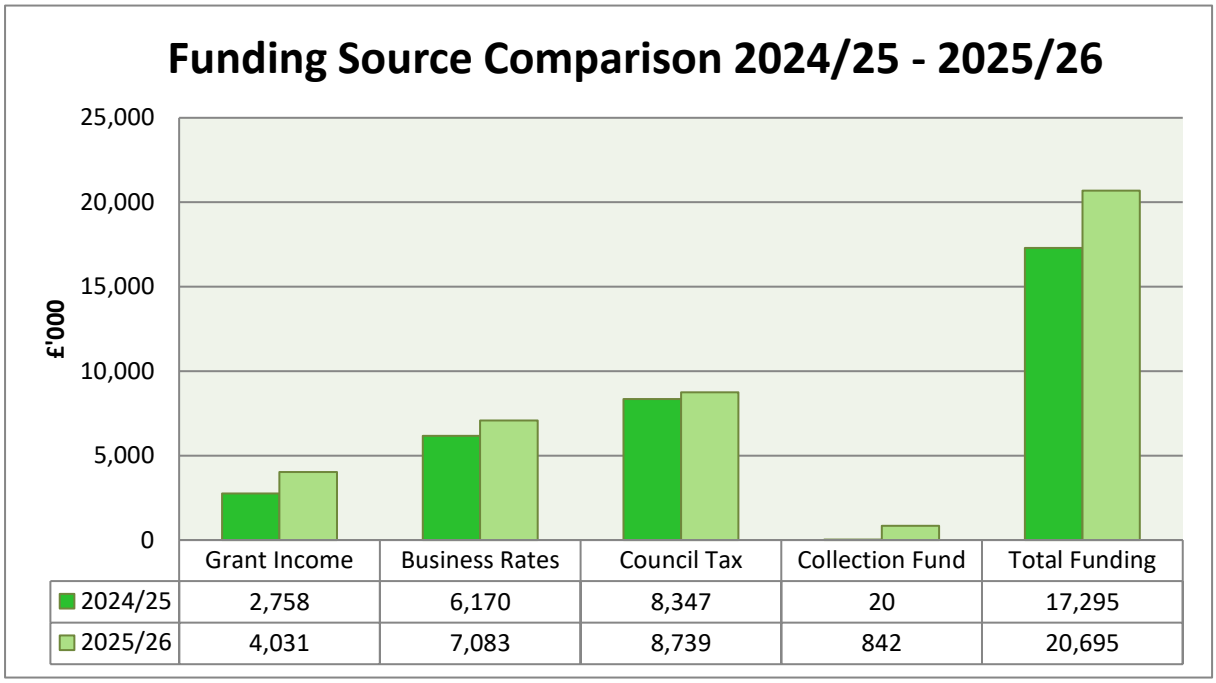
The following table demonstrates where money was spent in 2025/26, showing a net underspend on direct costs of £1.876m against budget.

Interest rates remained high during the year, delivering £0.671m of additional interest. Additional efficiencies include; unrequired contingency (£0.340m), Rushcliffe Oaks Crematorium (£0.231m) which includes £0.1m of income above budget, Streetwise insourcing (£0.324m), sporting facility hire (£0.140m), Glass credits (£0.191m), savings due to refuse round not yet operational (£0.210m) and renegotiation of utilities in the leisure facilities (£0.165m). Main overspends include £0.260m in planning due to reduced income and costs of appeals £0.128m this offset by a release from the Planning Appeals Reserve.

This net efficiency is increased by additional grant income of £0.792m including; securing planning grants (£0.251m) and LGR Government grant (£0.123m), to give an overall efficiency of £2.682m. This is earmarked to meet ongoing service pressures, challenges and opportunities most notably LGR, Simpler Recycling and inflationary pressures.

2025/26	Original Budget £'000	Revised Budget £'000	Outturn £'000	Variance £'000
Chief Executive	1,613	1,611	1,703	92
Finance and Corporate	4,892	5,155	4,343	(812)
Development and Economic Growth	467	531	674	143
Neighbourhoods	7,939	7,361	6,069	(1,292)
Sub Total	**14,911**	**14,658**	**12,789**	**(1,869)**
Capital Accounting Reversals	(1,895)	(1,895)	(1,895)	0
Minimum Revenue Provision	1,174	1,666	1,659	(7)
Total Net Service Expenditure	**14,190**	**14,429**	**12,553**	**(1,876)**
Grant Income (including New Homes Bonus)	(3,239)	(3,239)	(4,031)	(792)
Business Rates (including SBRR)	(7,076)	(7,076)	(7,083)	(7)
Council Tax	(8,739)	(8,739)	(8,739)	0
Collection Fund (Surplus)/Deficit	(835)	(835)	(842)	(7)
Total Funding	**(19,889)**	**(19,889)**	**(20,695)**	**(806)**
Net Transfer to/(from) Reserves	**5,699**	**5,460**	**8,142**	**2,682**

The main sources of revenue funding are detailed below. The table demonstrates the Council's reliance on local taxation to fund net council expenditure. Of the grants funding, £1.478m is New Homes Bonus, which was extended for an additional year, this has been used to cover Minimum Revenue Provision (MRP) payments, this is a requirement by legislation to make a charge to the revenue budget for the recovery of internal borrowing for capital expenditure. The remaining grant income is Minimum Funding Grant £0.101m, Revenue Support Grant £0.123m, Employers National Insurance Grant £0.123m and Extended Producer responsibility grant £1.407m; and other grants not ringfenced for specific purposes but include £0.251m for of planning grants which will be carried forward to spend in 2026/27 and £0.123m LGR Government grant which has been used towards expenditure incurred as part of the LGR proposal. The Collection Fund surplus represents Rushcliffe Borough Councils share of the estimated surplus/deficit at 31 March 2026 (see page 71-73 for full details of the Collection Fund).



	Grant Income	Business Rates	Council Tax	Collection Fund	Total Funding
2024/25	2,758	6,170	8,347	20	17,295
2025/26	4,031	7,083	8,739	842	20,695

Source: Financial Outturn Report 2025/26

Business Rates includes the levy and surplus relating to the Nottinghamshire Business Rates Pool. 2025/26 is the final year of the pool, which has been dissolved by agreement of all member authorities following the Business Rates reset, as the potential downside risks now outweigh the benefits. This is consistent with most if not all similar pools across the country.

The Movement in Reserves Statement (MIRS) on page 3, demonstrates prudent financial management throughout the year, with the Council having had few reasons to call on its reserves. The original planned net transfer to reserves of £5.699m was adjusted to £5.460m to reflect carry forward commitments. At the end of the year there was a net transfer to reserves of £8.142m (an increase of £2.682m) in addition £3.030m was utilised on capital projects giving a net transfer of £4.375m. Details of reserve balances can be seen in Note 4 to the accounts.

General Fund Reserve Balance therefore remains unchanged from 2024/25 at £2.604m. Reserves are available to meet future cost pressures thus:

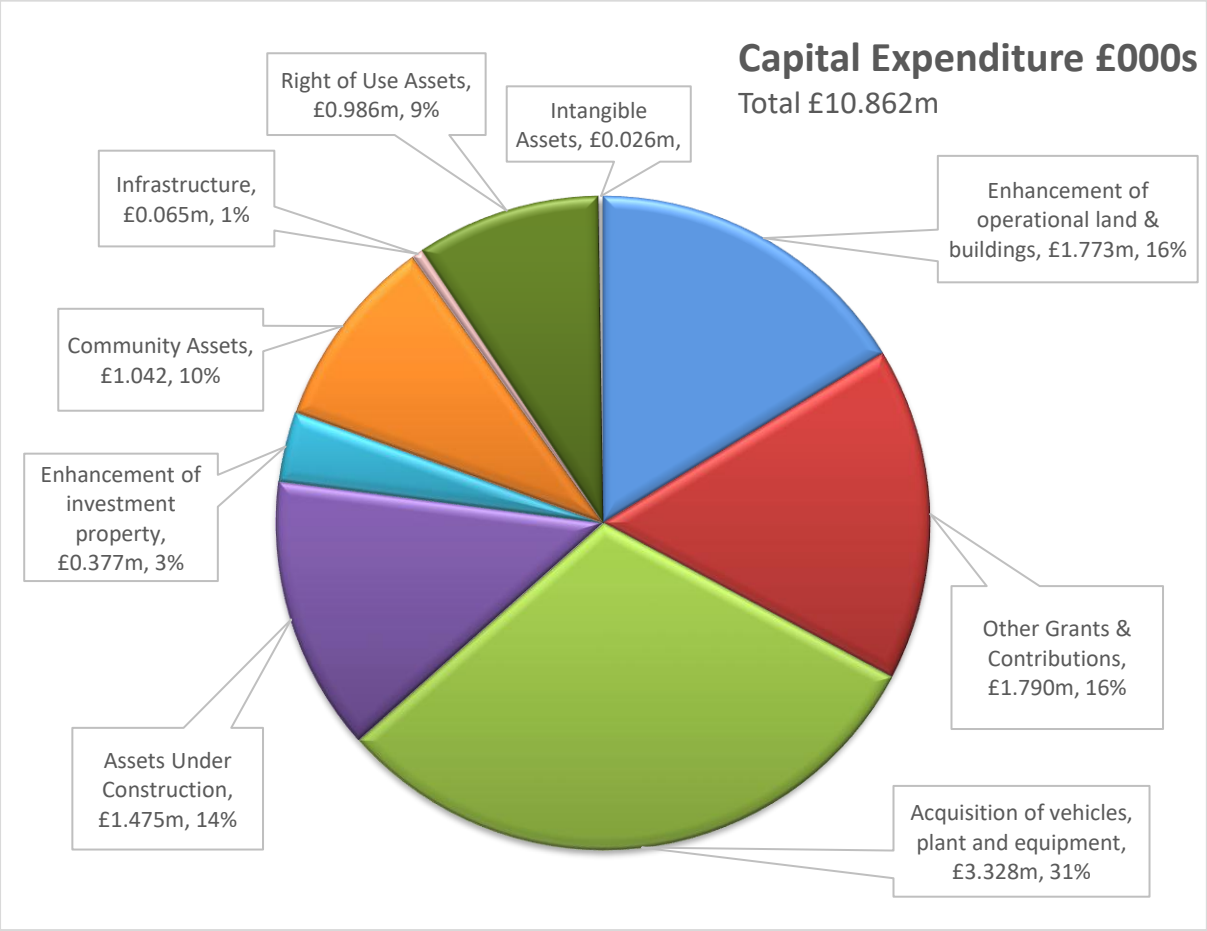
- Enabling delivery of the transformation programme by which the Council will balance future budgets and continue to deliver high quality services;
- Smoothing saving requirements between financial years;
- Enabling the Council to minimise the impact of Government Policy such as LGR, Extended Producer Responsibility for Packaging and Simpler Recycling;
- Funding capital expenditure including enhancement of property, plant and equipment and vehicle replacement;
- Ensuring the Council's IT infrastructure and equipment is of sufficient quality to facilitate the delivery of modern services;
- Ensuring the Council is equipped to deal with unforeseen reductions in income or increased spending pressures such as the current cost of living; and
- Allowing the Council to facilitate growth and pursue opportunities.

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v. Capital Expenditure and Income

The Council must ensure its Capital Programme is affordable and sustainable. In 2025/26 the Council spent £10.862m (£10.928m including the IFRS 16 ROU assets) compared to an overall Capital Programme of £14.874m giving rise to a variance of £4.011m. This is mainly due to carry forward commitments, a net total of £3.145m. The most significant of which is £1.2m for Support for Registered Housing Providers for 21 units of affordable housing to be completed in 2026/27, other carry forwards include £0.279m for landscaping, air conditioning and energy efficiency works at Rushcliffe Oaks Crematorium, £0.240m for enhancements at Edwalton Golf Course and £0.237m for highways verge improvement works.

The following chart shows the breakdown of Capital Expenditure in 2025/26:



Source: Capital Expenditure and Financing (Note 29) (this excludes £0.066m relating to IFRS16 adjustments which is included in note 29 as offsetting income and expenditure)

As well as delivering day to day services, the Council also spends money on capital works, creating or enhancing assets which are shown on the balance sheet primarily as Property, Plant and Equipment, or as Investment Property. The chart above shows the breakdown of capital expenditure. Key areas of capital expenditure in 2025/26 comprise:

Vehicle, Plant and Equipment - £3.328m 31%. The majority of which relates to the vehicle replacement programme £1.449m, mainly to purchase 4 new refuse/recycling vehicles. £1.056m expenditure has been incurred for recycling bins relating to Simpler Recycling requirements.

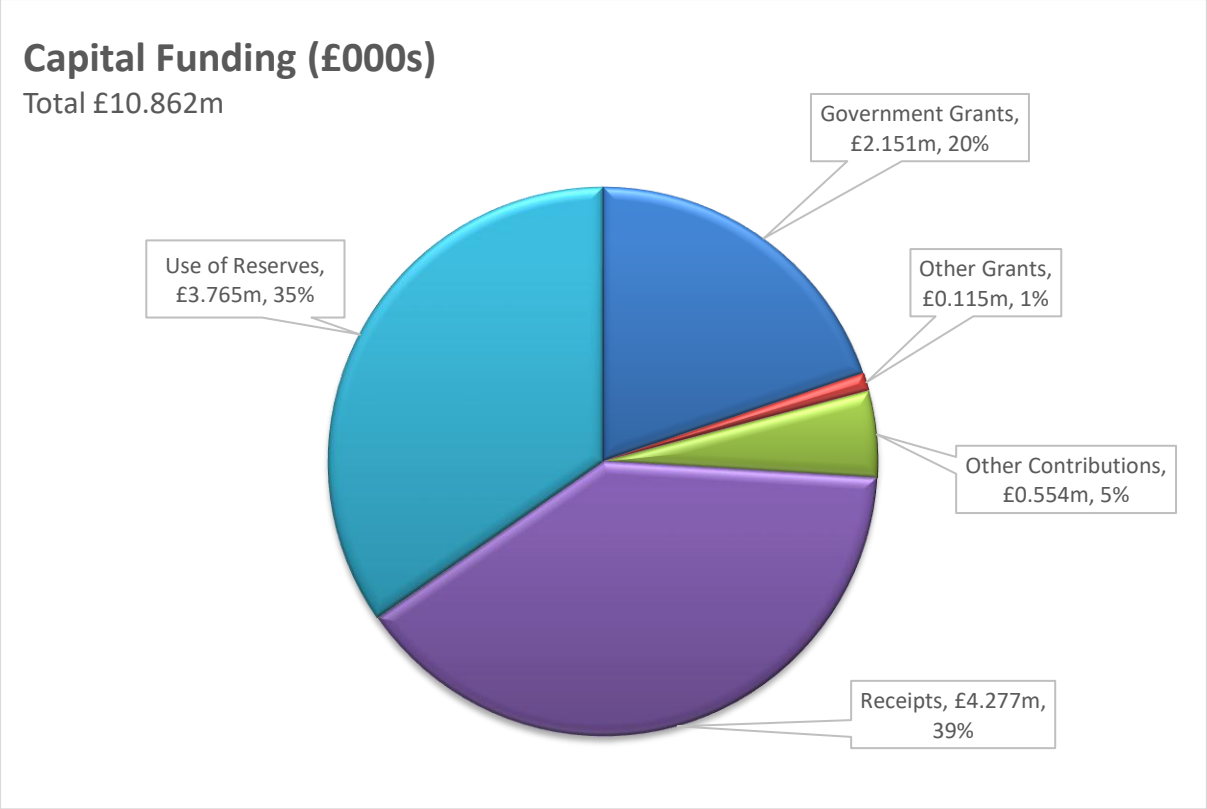
Other Grants and Contributions - £1.790m 16%. Monies released to finance capital assets owned by third parties. Primarily this expenditure was on Disabled Facilities and Better Care Funding Grants £1.167m, UKSPF and REPF grants to Businesses £0.4m and Warm Home Grants £0.150m.

Enhancement of Operational Land and Buildings - £1.773m 16%. The majority of which relates to West Park enhancements £0.668m comprising extensive refit and redecoration and energy efficiency works and Keyworth Leisure Centre enhancements £0.581m for refurbishment of entire centre, including expansion of the gym, reconfiguring the café and viewing areas and replacing the changing cubicles and toilets.

Right of Use Assets (ROU)

IFRS16 accounting standards became mandatory in 2024/25, creating a new class of assets. Any expenditure on these leased assets is now shown separately as Right of Use Assets (ROU) in the above chart.

The chart below shows the breakdown how Capital Expenditure in year was funded.



Source: Capital Expenditure and Capital Financing - Note 29 (excluding £0.066m relating to IFRS16 adjustments and MRP £1.659m which are included in note 29)

Capital resources available in 2025/26 allowed for all capital expenditure to be met without recourse to external borrowing. The key elements of funding comprise:

Capital Receipts - £4.277m 39% of expenditure: £1.263m for Keyworth Leisure Centre, £0.483m West Park enhancements, £0.470m Sharphill Community Facility and £0.457m vehicle replacement are the main areas funded by capital receipts.



Enhancement and decarbonisation work at Keyworth Leisure Centre

Use of Reserves - £3.765m 35% of expenditure: £1.516m for recycling vehicle and bins from the Simpler Recycling Reserve, £1.042m for land purchase for carbon offsetting from the Climate Change reserve; and £0.500m for vehicle replacements from Vehicle Replacement Reserve.

Government Grants - £2.151m 20% of expenditure, of this, £0.977m awarded to the Council under the 'Better Care Funding' arrangements used specifically to fund Disabled Facilities Grants; UKSPF and REPF funding £0.4m supporting local business grants and £0.25m on RBC capital projects a further £0.271m from the Department for Energy Security and Net Zero via East Midlands Combined County Authority was utilised to install solar panels at Rushcliffe Arena.

When the Council uses internal resources (internal borrowing) to temporarily finance capital projects (Rushcliffe Arena, Bingham Arena, Cotgrave Masterplan, and Rushcliffe Oaks Crematorium), Government legislation requires the Council to make a charge to its revenue budget over time (Minimum Revenue Provision or MRP), to replenish the Council's resources. The charge for 2025/26 was £1.659m, which includes voluntary MRP of £0.750m until the balance of internal borrowing on Rushcliffe Arena is recovered. (See the Capital Financing Requirement note 29). The MRP charge to the revenue budget has been offset by the release of New Homes Bonus reserves to offset any impact for Taxpayers for the internal borrowing on schemes identified above.

At 31 March 2026, the balance in the Usable Capital Receipts Reserve stood at £2.386m (2024/25 £5.762m). The Council can generate resources through the planned disposal of assets deemed surplus; preserved rights to proceeds from sales of ex-Council House Stock;

repayment of capital loans, and vehicle disposals. During 2025/26 £0.902m of capital receipts were received, comprising right to buy clawbacks £0.680; repayment of loans £0.119m; and vehicle disposals £0.102m. This gave a total for capital receipts of £6.663m. Of this, £4.277m was used to fund the 2025/26 capital programme giving a balance of £2.386m to fund future capital expenditure.

Looking ahead, the Council has approved a Capital Programme for 2026/27 of £7.098m which includes vehicle replacement and the purchase of new fleet to fulfil Simpler Recycling duties £1.868m. Other significant schemes include: £1m for Radcliffe-on-Trent Masterplan; £0.920m Disabled Facilities Grants; £0.535m Warm Homes Grants; £0.450m enhancements to Rushcliffe Arena; and £0.395m to upgrade Hound Lodge Hostel. The Council intends to support this expenditure through the continued application of Capital Receipts, use of Reserves, Government and Other Grants and Contributions. As the available capital resources are depleted, there may be a need to undertake some further 'internal borrowing' in the future (no internal borrowing is anticipated for 2026/27). If necessary, it will increase the MRP. Going forward, the level of 'internal borrowing' and the potential need to undertake external borrowing will be dependent upon future capital income streams and receipt of monies that can be set aside into reserves versus future capital expenditure demand.

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vi. Major Service Developments and Future Challenges

The Council has been proactive in its focus to tackle challenges ahead, planning to significantly invest in assets and delivery to provide excellent services to residents whilst keeping its environmental and quality of life priorities.

With over £24m planned in an ambitious capital programme projects over the next five years, the Council still remains one of the few Councils nationally to be debt free, so money goes rightfully towards services and not debt repayment.

In 2025/26, the Council continued to make the most of available opportunities despite ongoing pressures from rising inflation and costs. Against the backdrop of Local Government Reorganisation (LGR), the Council is adapting its short- to medium-term approach and working collaboratively, responding quickly and effectively to change.

Through prudent financial management and strong stewardship, the Council can freeze Council Tax for 2026/27, providing support to residents as cost-of-living and inflationary pressures continue to impact household income. This approach also enables the Council to manage financial constraints across both revenue and capital budgets, while continuing to deliver its Corporate Priorities.

Income streams have remained largely resilient to help offset employment costs pressures in recent years linked to a combination of recruiting and retaining staff and implementing national pay agreements such as the National Living Wage.

Despite ongoing financial pressures, the Council has been able to continue to drive forward its environmental focus, acquiring over 70 acres of land across two sites to offset its carbon from its operations with the planting of over 40,000 trees and shrubs in the coming years.

This has been matched with over £5m investment in local leisure centres in Cotgrave and Keyworth, enhancing facilities and driving forward decarbonisation.

£0.4m has been set aside for reinvigorating leisure centres, sports facilities and local parks and open spaces and is complemented by supporting economic growth in the borough so Rushcliffe remains a great place to live. This remains a priority with its tourism and sporting charters seeking to build on an ever-growing focus on the Borough's visitor experience and its role in the emerging 'Trent Arc' a developing strategic corridor along the River Trent that brings together councils and partners to support coordinated economic growth, regeneration, tourism and infrastructure across the wider Nottinghamshire and Derbyshire area.

Master planning work continues in Radcliffe on Trent and West Bridgford, with East Leake, Keyworth and Ruddington also receiving tailored support from the Institute of Place Management as they work toward long term visioning to ensure the Borough's town centres continue to thrive.

Going forward the Council is aware there are further significant financial challenges that lie ahead with the implications including the potential impact of LGR, implementation of further stages of Simpler Recycling, inflationary pressures and risks from volatility to income streams.

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Quality of Life

The Council continues to balance the demands and opportunities for growth in the borough and providing excellent services against a backdrop of rising costs. Achievements include:

- Thousands of residents once again attended Council events such as Lark in the Park, the new combined Film and Food Festival, and Proms in the Park, which attracted over 8,000 visitors on a sparkling summer's day.

- All 2025/26 events received positive feedback including the annual Christmas Lights Switch-on in West Bridgford with its first indoor Christmas market at the Council-owned Lutterell Hall to attract newer audiences. The third Lunar New Year event at Rushcliffe Arena engaged hundreds of residents including the Borough's emerging Hong Kong communities.

- The annual Celebrating Rushcliffe Awards recognises unsung local heroes, volunteers, businesses and sports stars across the Borough. The 2025 awards hosted by the Council in conjunction with Parkwood Leisure honoured shortlisted nominees and winners across a number of categories including the new RBC Lord-Lieutenant award and was capped by the prestigious Pride of Rushcliffe award.



Recognising local heroes - Celebrating Rushcliffe Awards 2025

- Rushcliffe Oaks Crematorium further established itself in the sector with exceptional feedback from families of loved ones who continue to comment on its serenity, peace and connection with nature in their time of need.

- The Councils home alarms service which was recently upgraded to roll out the latest digital alarms, provides touch of the button assurance to homeowners and private tenants and their families. For the tenth year the service has received a 100% satisfaction rating.

- Rushcliffe Country Park remains a leisure focal point of the Borough and again welcomed hundreds of thousands of visitors and celebrated its 18th consecutive Green

Flag Award. Sharphill Wood near Edwalton received its third Green Flag and the Hook Nature Reserve in Lady Bay in West Bridgford its second. This builds on the Council seeking to empower and support local volunteers with the advice on standards and opportunities to maintain these brilliant local open spaces.

- Construction of the Sharphill Community Hall is well underway and is planned to open in 2026/27 providing a focal point for the residents of the new housing estates in Edwalton and modern facilities for community groups.

- East Leake Leisure Centre underwent refurbishment work in 2025/26 and more play areas in Radcliffe on Trent and West Bridgford have also benefitted from creation of multi-use games areas and teen parks to reach out to even more demographics, including accessible, inclusive features. Outdoor gym equipment at Abbey Park has also seen exercise groups for over age groups develop further.

- Local groups have been supported via the Rushcliffe Community Wellbeing Fund with grants between £500 and £5,000. The Council awarded over £35,000 to 15 projects that are helping to tackle cost of living, loneliness and isolation across the Borough.



Rushcliffe Community Wellbeing Fund – supporting local projects

- The Council has strengthened its partnership with Nottinghamshire County Cricket Club, agreeing a 25-year lease for the use of the facilities at West Park. This will offer a wider range of opportunities including women's matches and spark the growth of future generations of cricketers. Less than a mile away from the world-famous Trent Bridge Cricket Ground, the modern facilities boast the newly refurbished Sir Julien Cahn Pavillion, a ten-wicket grass pitch, single artificial wicket and a five-lane fully enclosed non-turf practice area.

- Sports Grants were awarded to 20 elite athletes in the Borough and workforce grants were awarded to local clubs to support training, development and retention of the club's workforce.

- Investment for 2026/27 includes £0.4m to develop and enhance equipment and facilities in leisure centres, sports facilities, local parks and open spaces. This will be in the form of match funding for 3G pitches, changing rooms and pavilion enhancements for sports clubs across the borough in line with the Leisure and Playing Pitch Strategy.

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Efficient Services

The Government's final settlement was announced in February 2026 including the long-awaited Fair Funding review and Business Rates Reset. Despite a 2.25% reduction in core spending over the next three years the Council has agreed a balanced budget supported by prudent assumptions in the Medium-Term Financial Strategy and a healthy level of reserves.

Detailed budget proposals for 2026/27 included an ongoing commitment to deliver efficiencies through the Transformation and Efficiency Plan (TEP), with £0.386m of savings included in the 2026/27 budget and a further £1.612m by 2030/31. Emerging technologies, including artificial intelligence, may offer future opportunities to enhance customer experience and generate efficiency savings, and the Council is committed to exploring their potential.

Over the five-year period the budget shows a net £0.815m deficit which can be accommodated by the Organisational Stabilisation Reserve; however, it is likely that LGR will impact during this time. Inflationary pressures continue to affect budgets, a standard rate of inflation of 3% has been assumed with some variation for specific contracts, however, continued global conflict has increased volatility and potential rises in inflation pose a risk. An assumption of 3% growth in staffing costs has been included for 2026/27 due largely to the impact of the rising minimum national living wage impacting national wage settlements. Rising inflation presents a risk to the MTFS and £0.446m has been appropriated to reserves from 2025/26 efficiencies to mitigate this. These pressures demonstrate the cost-of-living challenges facing residents, businesses and the Council, despite this the Council remains debt free with no expectation to borrow in the medium term.

- For the fifth consecutive year the Council received a 'good' (previously labelled 'substantial') overall opinion in its annual internal audit report (for 2025/26) which is the highest level of assurance and is rarely awarded. The Council's external auditors have approved the 2024/25 accounts and, in their assessment of the Council's arrangements for securing Value for Money, found no evidence of any significant weaknesses.

- Strong financial stewardship means the Council has been able to freeze the Rushcliffe element of Council Tax for 2026/27 and this remains the lowest in Nottinghamshire and amongst the lowest in the country. The budget report for 2026/27 also proposed the introduction of terminally ill council tax discount from 1 April 2026 (subject to scrutiny) and reviewing the effectiveness of the second home premium.

- For residents there was vital refocus on pension credit take-up and the new Crisis and Resilience Fund replacing the previous Household Support Fund to provide emergency financial support and preventative aid to low-income households which will be promoted in conjunction with other agencies and councils.

- A callback function is now available to avoid waiting in queues and AI functions have been introduced to help Customer Service Advisors to access up to date information and respond to queries even faster.

- Implementation of Simpler Recycling has begun with kerbside glass now part of regular collections and food waste will follow in 2027/28. This places additional pressure on revenue and capital budgets and an additional £0.790m has been added to the Simpler Recycling Reserve from 2025/26 efficiencies.



New glass bin collections

- Thousands more residents signed up to Electronic Billing of Council Tax to further reduce printing and postal needs and improve the Council's carbon footprint. 15 long-term empty properties were successfully brought back into use, exceeding the annual target set out in the Council's Empty Homes Strategy.

- Further innovative digital projects to increase the number of self-serve actions that residents can complete on the website have also been identified to reduce waste and increase efficiency this is supported by a renewal of the Shaw Trust accreditation for website accessibility and inclusivity.

Sustainable Growth.

Rushcliffe continues to focus on sustainable growth, key achievements include:

- Adoption of a Design Code that is now a cornerstone on standards for developments Borough wide and a key milestone of the Greater Nottingham Strategic Plan that is now with the Secretary of State for examination and will focus further where new homes are built across the wider conurbation.

- The planning team issued 1,188 Planning Application decisions, 548 cases of pre-planning advice and resolved 181 alleged enforcement breaches.

- The Local Scheme of Validation was updated, Developer Contributions Supplementary Planning Document adopted, and Conservation Area Appraisals saw 15 reviewed and Colston Bassett and Screveton schemes adopted.

- Significant progress was also made with further implementation of Enterprise software to support officers in the management of cases within the team and meet the demands of a contemporary Planning Service.

- The Gamston Supplementary Planning Document was adopted with specialist consultees to ensure the project moves forward in line with the 2014 Local Plan. Nearby, planning permission for a key community centre and focal point for the large new development at Sharphill gathered pace and the site will be completed in the summer of 2026.

- Freeport proposals for East Midlands Airport, East Midlands Intermodal Park and Ratcliffe-on-Soar were progressed, including advancing a Local Development Order to support future modern industrial and energy uses.

- The UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF) is a central pillar of the UK government's Levelling Up agenda and a component of its support for places across the UK. As in previous years, there was successful delivery of this scheme during 2025/26, with over 40 organisations, community groups and parish councils supported with over £0.44m of grants and 20 businesses were also helped with over £0.26m of business support grants. The authority's securing of these UKSPF and REPF grants to benefit further residents and has now seen over £4.3m of funding allocated since 2022. 2025/26 is the final year of the funds, but completion of projects has been extended to September 2026 to allow all funding to be fully utilised.



The Environment.

The Council's target is carbon neutral by 2030 for its operations and for the whole Borough by 2050. It has a detailed action plan with the Climate Change Reserve helping achieve this target. One challenge will be the future funding of carbon reduction schemes given other competing priorities and as the Climate Change Reserve reduces.

As part of the Council's Carbon Clever projects, the Council used the Climate change Reserve to acquire over 70 acres of land across two sites to offset carbon from its operations. It will plant an incredible 40,000 trees and shrubs in the coming years, one of just a few councils nationally co-ordinating a project of its size. Wolds Wood near Kinoulton and Rushcliffe Woods in Upper Broughton are now being transformed into the new habitats that will play a major role in all operations reaching the carbon neutral 2030 target.



R*ushcliffe and Wolds Wood – keeping on track to achieve Carbon Neutral by 2030*

The Council expanded its range of summer pollinator sites, selected 'no-mow' areas were agreed with town and parish councils and residents to ensure greener habitats for wildlife over the warmer months. The Borough's remaining Air Quality Management Areas were also revoked from major traffic junctions, highlighting its work with partners to encourage motorists to switch to lower emission vehicles.

Simpler Recycling has been rolled out since September 2025, new purple lidded bins for six weekly kerbside glass collections were distributed and the Council have seen an increase in the tonnage of recycled glass. Residents also welcomed further items recycled in their kerbside blue bins from March 2026 including Tetra Pak, foil and more plastics. This will be complemented by further significant investment in infrastructure and recruitment for the national food waste scheme with all households receiving food caddies from October 2027.

Over £5m was invested in local leisure centres in Cotgrave and Keyworth in 2025/26. The former saw enhancement of its facilities and decarbonisation with a new low carbon air source heat pump unit. This delivered an innovative and pioneering application of heat pump and green technology, along with solar panels on the roof. Rushcliffe Arena, which house both the Council's headquarters and a leisure centre on the ground floor, has also seen solar panel investment, now able to produce up to half of the centre's energy requirements.

At Keyworth, a full refurbishment saw a modernised gym with larger layout, changing rooms with new lockers, relined pools, a repaired roof and upgraded ventilation and air conditioning and East Leake Leisure Centre also received improvements for its reception and sports changing rooms, benefitting customers and a neighbouring school.

90% of vehicles including the waste and Streetwise fleets now operate on electric or hydrogenated vegetable oil, cutting their carbon dioxide emissions by 90%.
Sharphill Woods and Edwalton Golf Club commissioned woodland management plans and allotment owners in West Bridgford, Keyworth Leisure Centre users and Compton Acres residents have also benefitted from land drainage improvement works

In partnership with the private sector, Waste Investigations Support Limited (WISE) have continued to enforce the full range of environmental crimes, keeping fly-tipping low and at zero cost to Council taxpayers. This builds on the approved Public Space Protection Order which ensures dog owners must carry a bag.

The Council again topped the recycling and composting league in Nottinghamshire, and the garden waste service continues to offer good value for money to over 30,000 subscribers.

The Council's grounds maintenance team Streetwise moved into national focus being shortlisted for the sector's MJ Awards 2026 as Best Council Services Team.



Streetwise shortlisted for Best Council Services Team

For the eighth year, a successful free tree scheme has seen the project supply over 1,000 free trees to local residents and community groups, meaning more than 13,000 have to date been distributed as part of the Council's strategy to provide sustainable environments.

In line with Government legislation RBC is also delivering further biodiversity plans to help protect habitats for wildlife in new developments and nature recovery. This year the Council also celebrated a 25-year partnership with Notts Wildlife Trust, continuing to ensure sites of local interest can maintain thriving habitats.

The Environmental Health team achieved high levels of customer satisfaction and intervened to take action in serious health and safety accidents and again ensured excellent food hygiene

intervention compliance of over 90% of businesses gaining three stars or more and contributed to a new National Power Outage Plan.

There was further participation in the regional East Midlands Combined County Authority (EMCCA) Homelessness task force to assist in mapping out options and development of a revised model for affordable housing negotiations and participation in roundtable events to identify affordable housing delivery options, including a national prototype clearing house service. This was supported by maintaining low numbers of homeless applications and Rushcliffe households living in temporary accommodation with an average stay of just 5 weeks in temporary accommodation for all households and achieved 82% customer satisfaction rating for Choice Based Lettings.



Greener habitats for wildlife - 'No Mow' areas extended across the Borough

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vii. Financial Statements

The financial activities of the Council can be split between revenue and capital, and in general terms, the definitions are as follows: -

Income and expenditure within the revenue accounts of the Council relate to items consumed within the year; and

Income and expenditure within the capital accounts relate to assets that will provide benefits over more than one year, such as acquiring, creating or enhancing property or equipment, and the associated receipts to finance this or sale on disposal of these assets.

The Council's accounts consist of:

Comprehensive Income and Expenditure Statement - CIES (Page 2) - The net cost of service has increased by £0.491m, due to LGR (part funded), system upgrades, audit fees and staffing, offset by improved performance at Rushcliffe Oaks Crematorium.

The increase in Financing and Investment Income and Expenditure £0.598m relates to the increase in capital value of the Council's Treasury Investments of £0.431m offset by a reduction in investment income of £0.098m as interest rates started to fall and favourable movements in Fair Value of Investment Properties of £0.327m.

There is a reduction in Taxation and Non-Specific Grants of £0.811m in 2025/26. A reduction in capital grants £2.193m (During 2024/25 the capital programme included updates to several play areas giving a higher balance of capital grants) is offset by a favourable movement of £1.304m in non-ringfenced revenue grants (EPR Grant).

The movements above have resulted in an overall surplus on the Provision of Services of £7.317m compared to a surplus of £7.272m in 2024/25.

The surplus/deficit on non-current assets shows a net gain of £1.708m compared to £3.038m in 2024/25. Under the new requirement of the CIPFA Code assets must now be revalued on a quinquennial basis (5 yearly) unless significant enhancements works have been undertaken, as such the only formal revaluations of the operational land and property during 2025/26 were Keyworth Leisure Centre and Sir Julien Cahn Pavilion, for all other assets, indexation has been applied instead. The largest indexation increases relate to Rushcliffe and Bingham Arenas £0.591m and £0.541m respectively. The next formal revaluations will take place in 2027/28 with indexation being applied in the intervening years.

There have been pension adjustments due to changes in actuarial assumptions (A net loss of £1.789m has been charged to the Comprehensive Income and Expenditure Statement in 2025/26 compared the £1.814m gain in 2024/25). While pension assets have performed well during the year generating a positive return for the fund, other judgements made by the actuary, including demographic assumptions and changes to the asset ceiling have offset that gain to produce a net increase to the pension liability.

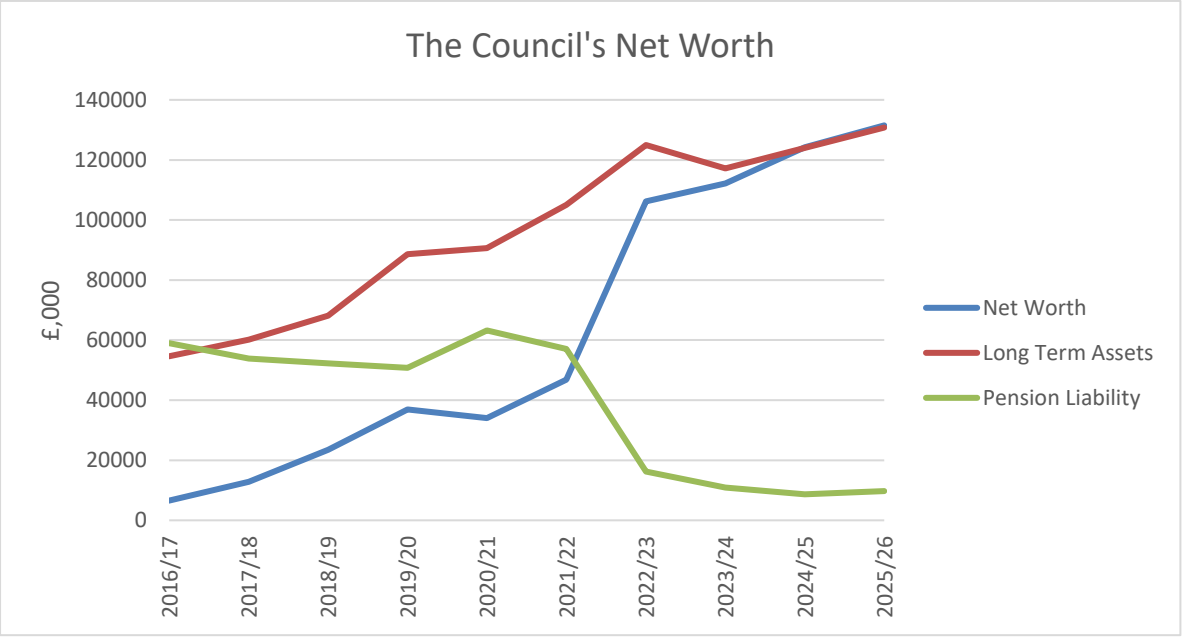
As mentioned above an asset ceiling calculation in-line with IAS19 and IFRIC 14 accounting standards has been applied to the calculations by the actuary, demonstrating the council's additional liability and that there is no unconditional right to a refund of pension surplus (see

note 32). For clarity, if this asset ceiling adjustment was not applied the fund would be showing a net asset position.

Movement in Reserves Statement (Page 3) – this shows the movement in the year of the different reserves held by the Council, analysed into 'usable reserves' (i.e., those that can be applied to fund expenditure) and 'unusable reserves' (those that an authority is not able to utilise to provide services).

Balance Sheet (Page 6) – This is a snapshot of the Council's Assets, Liabilities and Reserves at the year-end date (31st March). The Council's overall net worth has increased by £7.235m to £131.495m. In the year, the cash and cash equivalents have increased by £9.6m and short-term investments have decreased by £12.6m. PPE has increased by £5.9m (due primarily to the increase in asset valuations arising from indexation; enhancement works to Cotgrave and Keyworth Leisure Centres; the acquisition of new Community Assets with the land acquired for Carbon Offsetting; new build of Sharphill Community Facility; replacement of vehicles; and new investment in kerbside recyclables collection). Capital Grants received in advance has decreased by £5.5m this relates to the movement of Section 106 and CIL balances (£7.4m was released, mainly relating to Edwalton educational needs arising from new housing developments). The Pension Liability accounts reflect the valuations by the actuary and as mentioned above, a change in actuarial assumptions with a net increase of £1m in liabilities.

The following graph shows the change in the Council's net worth over the past ten years. Over the last ten years there has been a positive trend of an increase in net worth, the net worth has increased in 2025/26 to £131.495m. There is an inverse relationship between net worth and pension liability, in previous years (namely 2022/23) this is represented by a significant increase in net worth and a corresponding reduction in pension liability. The long-term assets reduced in 2023/24 due to the sale of Hollygate Lane and the subsequent increases are due to PPE as discussed above.



Source: Balance Sheet

Cash-flow Statement (Page 7) – this shows the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes**.**

Notes (Pages 9-49) – these provide supporting context to the above Statements.

Accounting Policies (Pages 50-70) – these explain the bases of the figures presented in the accounts.

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viii. Supplementary Financial Statements

Collection Fund (Pages 71-73) – this reflects the statutory requirement for the Council to maintain a separate account providing details of receipts of Council Tax and Business Rates and any associated payments to precepting authorities and central government. For 2025/26 there is a surplus of £0.447m on the Business Rates section of the Collection Fund (£3.057m 2024/25) and a surplus on Council Tax of £0.361m (£56k at the end of 2024/25) The surplus and deficit position fluctuates year on year as this is based on estimates for the year compared to the outturn position and the extent to which these differ.

ix. Summary

The Council's budget continues to face growing pressure. Previous high inflation has increased the base budget, and ongoing volatility continues to affect expenditure. In addition, the cost-of-living crisis presents a risk to Council income. A reduction in core spending power arising from the Business Rates Reset and Fair Funding Review adds further complexity, alongside Local Government Reorganisation (LGR), Simpler Recycling and the Council's commitment to achieving net zero. Although the Transformation and Efficiency Plan continues to deliver savings year on year, identifying further opportunities to reduce expenditure and increase income is becoming increasingly challenging.

Despite these pressures, the Council has delivered a five-year Medium Term Financial Strategy and remains committed to providing the services that residents value. It will continue to focus on economic growth and positive change across the Borough through delivery of its key strategies, while maintaining business as usual as far as possible during the transition to LGR. Rushcliffe's members and officers remain determined to meet these challenges while continuing to support both businesses and the wider community.

x. Further Information

Further information about the Statement of Accounts is available from the Financial Services section at the Rushcliffe Arena, Rugby Road West Bridgford, Nottinghamshire NG2 7YG, telephone 0115 9819911 or by e-mail: finance@rushcliffe.gov.uk. In addition, members of the public have a statutory right to inspect the accounts before the annual audit is completed. The availability of the accounts for inspection is advertised on our website at www.rushcliffe.gov.uk.

Peter Linfield

Director - Finance and Corporate Services

B. ANNUAL GOVERNANCE STATEMENT 2025/26

1. SCOPE AND PURPOSE

1.1 Scope of responsibility and Explanatory Foreword

Rushcliffe Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Rushcliffe Borough Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Rushcliffe Borough Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions which includes arrangements for the management of risk.

Rushcliffe Borough Council has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government (2016)*.



The seven principles (A-G) are highlighted at various points within the statement. This statement explains how Rushcliffe Borough Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006, 2011 and 2015, in relation to the publication of a statement on internal control.

In the recent past there have been no significant issues concerning governance at the Council. This Annual Governance Statement provides reassurance that despite the significant changes with funding reform and LGR, the governance framework and internal control environment at the Council remains effective. There is an Action Plan included which is both backward and forward looking confirming that in 2025/26 actions were completed and has similar actions for 2026/27 and also focuses on the reporting of progress regarding Local Government Reorganisation.

1.2 The purpose of the governance framework

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

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Rushcliffe Borough Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Rushcliffe Borough Council for the year ended 31 March 2026 and up to the date of approval of the statement of accounts.

2 THE GOVERNANCE FRAMEWORK

Principles C & D – *Defining outcomes in terms of sustainable benefits (economic, social and environmental) and determining interventions to achieve them*

2.1 Vision and priorities

Long term strategic planning has enabled Rushcliffe to address its immediate financial pressures, develop a medium-term financial strategy to 2030/31 to resource the Corporate Strategy covering the period 2024 to 2027. The document is a 'living strategy' – one which will grow and evolve over its lifespan to adapt to the change needs of the Council. The four key priorities, contained within the Strategy, are:

- Quality of Life
- Efficient Services
- Sustainable Growth
- The Environment.

The integration of service and financial planning continues year on year and is resourced by the financial strategy and capital programme.

The Council continues to work towards the delivery of its Transformation and Efficiency Strategy, its plan to address the financial pressures facing all public bodies. This outlines how the Council will meet its financial challenges until 2030/31. As Local Government Reorganisation (LGR) takes shape over the next 2 years Council transformation will be dominated by this as the Council moves to becoming part of a new council. The Transformation and Efficiency Strategy focuses upon three key elements – income generation, transformation and business cost reduction. The Council will continue to review its services to identify improved or alternative methods

of delivery which will enable it to meet its financial targets without eroding the high quality of service for which Rushcliffe is known.

All key tasks within the current service delivery plans and schemes within the approved capital programme are directly aligned to the Council's strategic objectives. Any emerging tasks and schemes must be supported by a business case with expected outcomes assessed against the corporate strategy to ensure continued strategic alignment. Any new business case will be subject to an assessment process to demonstrate value for money and procurement activity supports this objective with strict guidance on the tender process. Procurement performance will be reported annually and external audit provide an opinion on the Councils activities in respect of VFM.

Rushcliffe Borough Council is committed to openness and comprehensive stakeholder engagement, supported by arrangements to promote equality, diversity and inclusion. Equality considerations are embedded within decision-making through the use of Equality Impact Assessments and the routine inclusion of equality implications within reports presented to members.

2.2 **Improvement and Efficiency**

As with other public bodies, the Council continues to face significant financial pressures. The 2026/27 settlement, incorporating the Fair Funding Review and Business Rates reset, provides some financial certainty for the next three years. However, the Council has received one of the worst settlements nationally, with a reduction of 2.25% in Core Spending Power. This followed late changes to the business rates methodology resulting in a further reduction of £1.2m over the 3 years. Due to prudent budgeting in anticipation of a poor outcome from Business Rates reform, the Council was able to freeze its element of Council Tax for 2026/27 only.

The 2026/27 Medium Term Financial Strategy (MTFS) predicts a net budget deficit over 5 years of £0.815m taking into account, and the delivery of, the existing Transformation Strategy and using reserves to balance the relatively small deficit over the 5 years. The Council's priority will be to identify and deliver robust plans to transform processes and deliver efficiencies; and focus on opportunities to grow the Borough and manage the impact of growth and the changing socio-political, financial and environmental climate. LGR will increasingly require significant resource and will dominate business transformation moving forward. The Transformation Programme will be under constant review given the 'ebb and flow' in work LGR is expected to create.

From 1 April 2026, the Council adopted a new Procurement Strategy incorporating the requirements of the Procurement Act 2023 (PA23). The new code continues to require procurement activity to demonstrate value for money but also focuses upon the 'most advantageous' tender rather than lowest price and considers wider benefits including contribution to social value.

There remains international geo-political uncertainty with continuing global conflicts, escalating tensions in the middle-east and trade tariffs causing volatility and potential significant impact on the economic environment. This could particularly impact fuel and energy prices. However, with inflation running higher than the target rate, interest rates

are now predicted to remain higher for longer. On the one hand this provides an upside risk to the Council's treasury income levels which may partially mitigate the impact of rising costs. High levels of inflation have a negative impact on residents and subsequently presents a risk to the Council's income streams if households reduce discretionary spend. The Business Rates reforms effective from April 2026 has potentially negative consequences for occupation of premises in the borough, although the full impact of these may not be evident immediately. Other significant risks relate to changes in Government Policy, such as the impact of Simpler Recycling, Renters Reform and the Infrastructure and Planning Act over the next 2 years and beyond.

The salaries base budget has increased significantly over the past 5 years. This is a downside risk to the Council's budget position. The Council has a Contingency budget of £0.3m and will look to any further revenue budget efficiencies to support budget pressures. Other pay and service challenges arise from the ability to attract and retain staff particularly in the context of LGR. Already we are seeing the impact of staff turnover. Inflation also has an impact on council contracts which in turn impacts supplies and services, transport and premises budget lines.

A combination of cost control and income generation (including treasury income, additional grants and service demand being less than expected (eg delays in housing developments) has resulted in a projected budget efficiency position in 2025/26 at quarter 4 expected to be f £2.7m. Much of which is committed with carry forward requests to meet service challenges particularly as a result of government policy such as LGR and Simpler Recycling, both of which require funding above and beyond what the Government has provided. Going forward there remain significant financial risks, and these are commented on below. Use of both the Organisational Stabilisation and Local Government reserves will ensure the Council continues to deliver its main corporate objectives. The impact of ongoing high inflation linked to both rising employee and energy costs means the trajectory of wider economic recovery remains uncertain and will continue to be closely monitored along with the associated changes to the Council's projected financial position.

The budget will still focus on the following transformation thematic areas to be balanced in future years:

(a) Service Efficiencies – focusing on both the customer and streamlining services;

(b) Management Budget Control – challenging base budgets each year;

(c) Transformational Projects – projects such as a new community facility, vehicle replacement and energy efficiency improvements; and

(d) 'Thinking big' Reviews – mainly LGR focussed activity but incorporating the Leisure Contract and Net Zero targets

To secure a medium-term financial position, the Council will maintain progress and focus on managing budget reductions where appropriate (including benchmarking, process reviews and its digital-by-design programme), managing inflationary pressures on its operational costs, whilst increasing income to cover rising costs and deliver balanced budgets annually. External grant funding will be sought wherever possible.

The outcome of LGR was announced in July 2026 with Nottingham City Council's option chosen. On 7 September, Government announced a pause in the LGR process pending a legal review. If LGR goes ahead under the previously approved option, the

splitting of Rushcliffe to be part of two new unitary councils heightens risk both in terms of 'business as usual' and ensuring the new unitaries are 'safe, legal and operational'. The disaggregation of staff, processes, assets, and systems will be challenging, and the timescale is now unknown. The requirement for additional resources will be greater. Additional resource has been set-aside with the newly created LGR Reserve to help resource the significant transformation required.

The Council continues to promote a commercial culture, although the Council has taken the strategic decision to no longer invest in commercial assets for a financial return. The Council's Capital and Investment Strategy incorporates reporting on existing commercial investments. Over the term of the MTFS, the income generated from such investments is estimated to over £2m by 2030/31 (13.9% of fees and charges and other income) and performance is reported to Governance Scrutiny Group throughout the year.

2.3 **The Constitution**

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

The Council's constitution sets out the rules under which the Council must operate. This includes ensuring decisions are taken appropriately, by the correct body and with all relevant information presented.

The Council's constitution clearly sets out the defined structure for the Council's organisational arrangements based upon a Cabinet Executive model. In essence, the different roles can be summarised as follows:

- Council decides upon certain policies and other specialist functions that cannot be delegated elsewhere, including the setting of the council tax;
- Cabinet take Executive decisions and approve policies not reserved for consideration by Council. Cabinet and Council works to a Forward Plan of forthcoming decisions for up to three months ahead;
- The work of Cabinet has been supported by four scrutiny groups. The Council has a Corporate Overview Group, which manages corporate performance and financial control as well as the work programmes for the three additional scrutiny groups of Governance, Growth and Development, and Communities;
- Separate committees exist for Standards, Planning, Employment Appeals, Licensing, and Interviewing for senior and statutory roles; and
- Delegation arrangements to officers are set out in detail within the Constitution.

The Constitution also provides detailed guidance on standing orders, financial regulations, contract procedure rules and the conduct of meetings. In addition, it contains codes of conduct applying to members and officers as well as a protocol for councillor/officer relationships. The codes include reference to the need to declare any interests which may conflict with the individual's role at the Council. The registers for councillors and officers are maintained by the Council's Monitoring Officer and the Strategic Human Resources Manager respectively. The Council has

in place a confidential reporting code (Whistleblowing Policy) and any referrals under the policy are investigated.

The Constitution, as a whole, is reviewed when necessary and appropriate.

2.4 **Policies, Procedures, Laws and Regulations**

The Council has three statutory officer roles: the Head of Paid Service, the Section 151 Officer, and the Monitoring Officer. The Chief Executive is the Head of Paid Service and has overall corporate management and operational responsibility including overall management responsibility for all officers. The Chief Executive has the special responsibility to report if insufficient resources are available for the Council to discharge its legal duties. In December 2024 the Council appointed a new Chief Executive, Adam Hill, who commenced in the role in February 2025.

The Monitoring Officer ensures lawfulness and fairness in decision making and ensures the Constitution is current. The Monitoring Officer also has a statutory duty to report, actual or potential, illegality or maladministration. A member's register of interest is maintained, and declarations of interest must be made ahead of discussing agenda items. Officers and members are required to declare any gifts or hospitality, and members and senior officers are require to complete a related party declaration at the end of each financial year.

The Section 151 Officer is specifically responsible for the proper discharge of financial arrangements and must advise the Council where any proposal might be unlawful or where expenditure is likely to exceed resources.

The Council's financial management arrangements are expected to conform with the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer in Local Government (2010).

During 2025/26, the Council's financial management arrangements complied in all respects with the governance requirements of the aforementioned statement, in particular:

- During 2025/26, the Director Finance and Corporate Services held the post of Chief Finance Officer. The post holder is a professionally qualified accountant with direct access to the Chief Executive, Leader of the Council and other Cabinet members. The post holder also has direct access to the Governance Scrutiny Group and the Council's internal and external auditors.
- The Chief Finance Officer has a line of professional accountability for all finance staff and for ensuring that the finance function is 'fit for purpose'. The Council has established robust arrangements to manage its finances, including Financial Regulations, Anti-money laundering policy, a Medium-Term Financial Strategy, annual budget process, Contract Procedure Rules, Procurement Strategy (conflict of interest to be declared on procurement activity) and compliance with CIPFA's Codes and Guidance on the Prudential Framework for Capital Finance, Treasury Management and the management of reserves. The Council has an anti-fraud and corruption policy and periodic fraud training is delivered to staff and members with more frequent sector updates for high-risk roles.

- Internal audit services are provided to the Council by BDO. The effectiveness of this service is monitored by the Governance Scrutiny Group.
- The Chief Executive and three Directors are responsible for ensuring that legislation and policy relating to service delivery and health and safety are implemented in practice. Oversight of these arrangements is provided by the Director for Neighbourhoods.

The Council's Monitoring Officer and Chief Financial Officer, or their deputies, review all Council and Cabinet reports to ensure Council decision making is not ultra vires and follows relevant financial regulations and legal processes as required.

The Director of Development and Economic Growth and the Monitoring Officer left the Council in early 2026. A recruitment process has been undertaken and the position of Director of Development and Economic Growth has been appointed to and starts in September 2026. The Monitoring Offficer has been filled through an interim whilst a further recruitment process is undertaken It is acknowledged that there will be a period of time that the posts are unoccupied and interim arrangements have been put in place to maintain governance.

2.5 Risk Management

Principle F – *Managing risks and performance through robust internal control and strong public financial management*

The Council's risk and control environment is supported through established risk governance arrangements and regular reporting to members. The Governance Scrutiny Group approve the Risk Management Strategy and scrutinise progress twice yearly. The Council has a Risk Management Group that meets biannually to review the position on the risk register and to scrutinise and approve risks added and removed. In the last twelve months, the Governance Scrutiny Group reviewed the Risk Register twice, in September 2025 and February 2026. At the last meeting in February there were 36 corporate risks and 21 operational risks on the risk register. In addition, there were 3 opportunity risks.

The Council also reports on risk as part of its reporting framework to Full Council, Cabinet and Scrutiny.

Risk Management training was delivered to members in February 2025 where the revised risk strategy was subsequently approved by Governance Scrutiny Group. Officers received risk management training during 2024/25. Both sessions were delivered by the internal auditors BDO.

Alongside this, budget holders/lead specialists undertake monthly monitoring and reporting, amending the register when required. Internal controls include information governance measures (including an information asset register), asset management arrangements (including an asset register and periodic reporting), and strengthened procurement and contract management supported by expert advice and training (provided by Nottinghamshire County Council). Internal Audit operates in accordance with professional standards and focuses its activity on the Council's key risks, including

those specific to the local government sector. Internal Audit reports are reviewed by the executive directors and progress is reported quarterly to Governance Scrutiny Group with follow up activity on recommended actions.

The Council has complied with the CIPFA Financial Management Code (Appendix 1) and this was subject to a peer review in 2023/24.

Business Continuity is a critical activity to ensure that risks are minimised and services remain operational in the event of a disruptive incident. Departmental business continuity plans are reviewed and updated annually and the Council has an emergency planning officer (shared post with Nottinghamshire County Council). The Council periodically provides training to officers and regularly tests its ability to respond to simulated incidents. This includes testing the ability of the systems to be restored and services provided, for example, following a cyber-attack incident.

2.6 **Development and training needs**

Principle E – *Developing the council's capacity including the capability of council leadership and staff*

Clear roles, protocols and delegations support delivery, with senior statutory roles providing appropriate oversight of significant decisions and projects. Capacity is supported through member and corporate induction, workforce planning and a people strategy. Staff Wellbeing is enhanced by an organisation-wide employee assistance programme, mental health first-aiders, organised wellbeing sessions and social activities through the Wellbeing and Social Club. Staff development is supported through structured learning and development, apprenticeships and professional routes, leadership forums, and Performance Development Reviews that identify and deliver role-relevant training. This is supplemented by opportunities for staff to develop specific skills by undertaking recognised qualifications, attendance at sector-delivered events and by supporting continuing professional development. Further targeted training and development opportunities specifically addressing LGR will be delivered over the coming 2 years as part of the Let's Get Ready programme.

The Council has a cross-party Member Development Group (MDG) to oversee the development and delivery of Councillor learning and training. This Group meets to review the delivery of the annual training programme and looks at the Councillors' Community Grant Scheme before each election.

Learning and Development is an essential part of being a Councillor. The Council reviewed its approach to learning and development for Councillors during 2025/26 and adopted an updated Councillors' Learning and Development Policy in September 2025 (by Full Council).

The Council has an annual training programme with topics delivered in-person, virtually and via the Council's e-learning platform. Engagement with training activities has remained positive this year with over 50% of councillors attending in-person training events and 84% achievement in mandatory e-learning modules.

Specific in-person training has been delivered in Licensing, Planning, the Council's budget, Statement of Accounts, Treasury Management, Risk Management, Procurement, Standards Committee and Chairing Skills. All mandatory training (a prerequisite for acceptance of some committee positions) has been undertaken. Topics which are mandatory include planning, licensing and standards, together with courses on GDPR, understanding local government finance, risk management and motions at Council and scrutiny.

Councillor individual training records continue to be updated and periodically sent to each Councillor for their information. The MDG met once during the 2025/26 to review the Councillors' Learning and Development Policy.

2.7 **Communication**

Principle B - *Ensuring openness and comprehensive stakeholder engagement*

The Council maintains openness through accessible decision records and transparent reporting, with reports including relevant corporate priorities and equality impact information. Public engagement is supported through consultation activity and feedback routes (including surveys and events), alongside communication to residents through a range of channels. Budget setting processes are inclusive and include cross-party sessions with members and workshops with officers with strategic and/or budget responsibilities. Internal engagement has also been supported through LGR sessions with staff. Senior officers act as liaison with parish councils providing a forum to raise and discuss local issues and seek Council support or advice.

Rushcliffe Reports magazine – the Council's newsletter for residents – was circulated to over 55,000 households on two occasions keeping residents up to date on LGR and other council activity and events.

In an increasing hybrid and digital driven era, the Council has continued strong regular updates through developing effective relationships with the local media matched with tailoring relatable content on its social media channels to its key demographics to engage more subscribers across, passing 22,000 followers on all channels.

During 2025/26, the Council continued developing its electronic free subscription newsletter to stakeholders with a dedicated Garden Waste update to service users, another communication method that now sees over 26,000 residents receiving gardening hints, tips and updates on the service direct to their inbox.

Customer satisfaction surveys also continue with key customer facing services such as the Home Alarms service, averaging a remarkable 100% for the last 10 years and over 96% of customers satisfied with face to face service at the largest of the Customer Service Contact Points in West Bridgford.

The Council will continue to communicate to all stakeholders on LGR working with the other Nottinghamshire councils once Government updates all councils in summer 2026.

Partnerships

The Council has put in place strong governance arrangements around the major leisure services, depot services, and car parking contracts. The Council participates in a number of other partnerships for Building Control, Procurement and Payroll. Work continues with regards to the Freeport with the Leader of the Council sitting on the Board for the Freeport and the Nottinghamshire Councils have commenced collaborative arrangements ahead of the LGR decision and Structural Changes Order.

The impact of the decommissioning of Ratcliffe on Soar Power Station has largely been absorbed due to the prudent budgeting of the proportion of the overall business rates base, and to some degree the impact has been obscured by the Business Rates Reform effective from April 2026. Nonetheless the impact of both the above is a significant reduction in income for the Council from £6m to £2m. The role of the Freeport is critical with regards to this key gateway into the Borough. The East Midlands Freeport was approved by the Government on 30 March 2023. From 2026/27 the accountable body for the Freeport will be the East Midlands Combined County Authority (EMCCA), as reported to Cabinet in May 2026. The Freeport presents great opportunities for a world-class green and blue environmental investment programme with research and development in climate change and zero carbon technology and will enable employment opportunities and infrastructure investment.

The Council will aim to leverage funding from EMCCA where it can, working with other Derbyshire and Nottinghamshire authorities. A good example of this is attaining funding with regards to UKSPF and for a solar panel installation on the Arena building. Current arrangements mean Rushcliffe as a Borough retains its sovereignty (until LGR takes place). There is a clear direction of travel for Councils to work more collaboratively for the benefit of their local communities.

2.9 **Transparency**

Principle G – *Implementing good practice in transparency, reporting and audit to deliver effective accountability*

The Council supports accountability through transparent reporting, active scrutiny, and responsive engagement with internal and external audit. Assurance is strengthened through internal audit planning and follow-up on recommendations, peer review activity, and a range of evidence sources used to assess effectiveness (including performance reporting, benchmarking, risk reports and self-assessments against recognised frameworks). The Council publishes information in line with transparency requirements and provides public access to reports, minutes and other key accountability documents.

All reports to meetings of Council, Cabinet, Scrutiny Groups and other committees are publicly available on the Council's website. Minutes are also published providing a record of the meeting and any decisions taken, and the Council provides public access to audio and video recordings of meetings. Other forms of public accountability reporting include the Annual Statement of Accounts, the Council's Annual Report and in-year financial and performance monitoring reports which are reported to the Governance Scrutiny Group and Corporate Overview Group respectively. Reports from

the Council's internal auditors (BDO) and external auditors (Forvis Mazars) are published online, including their annual reports. Annual accounts to date have been published within statutory deadlines and the Council is proactive in its approach to changes to accounting standards, seeking the advice and guidance of audit to minimise post-publication adjustments.

The internal audit plan is aligned to corporate and sector risks and is agreed with officers and Governance Scrutiny Group. Progress on the plan is monitored regularly and actions arising form part of a follow-up review. At the end of each financial year the Head of Internal Audit issues an annual audit report and opinion on the adequacy of the internal control environment.

The Corporate Overview Group monitor performance against targets on a quarterly basis. BDO are compliant with the requirements of the Global Audit Standards and has direct access to councillors and staff in order to discharge their duties.

The Council publishes information in accordance with the Local Authorities Data Transparency Code and the requirements of the Procurement Act 2023. Each of the Councils scrutiny groups report to Council on the activity undertaken in the year and this report is available to the public.

3 REVIEW OF EFFECTIVENESS

3.1 Introduction

Rushcliffe Borough 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 senior managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates. This review is considered by the Governance Scrutiny Group.

3.2 The Council

The Council approves and keeps under regular review all the strategic policies which it reserves for its own consideration, including:

- The Constitution
- The Corporate Strategy
- The Capital Programme and Revenue Budget
- The Housing Strategy
- The Local Development Framework
- The Capital and Investment Strategy

3.3 The Cabinet

The Cabinet carries out the executive functions of the Council as required by the legislation and the Council's constitution. It accordingly:

- Takes key decisions
- Takes other executive decisions

- Approves policies other than those reserved for Council
- Recommends to Council policies and budgetary decisions.

3.4 **Scrutiny groups - Governance Scrutiny Group**

The Governance Scrutiny Group (GSG) is charged with governance and has a number of responsibilities including:

- Overseeing financial governance arrangements
- Overseeing strategic risk management
- Scrutinising the Annual Governance Statement
- Scrutinising the Statement of Accounts
- Reviewing the plans and work of Internal Audit
- Overseeing the review of the constitution
- Receiving reports from external audit in relation to the audit arrangements
- Scrutinising the Going Concern report.

During 2025/26 an Independent Person (IP) was appointed to GSG to strengthen the scrutiny and challenge of the key activities of the group. The appointed IP has been in post for the 2025/26 year and will continue for 2026/27.

3.5 **Other Scrutiny Groups**

The Corporate Overview Group reviews the performance of the Council against the approved targets. Other reports are taken to this group and include the diversity annual report, annual customer survey and the health and safety reports.

In addition to the Corporate Overview Group and Governance Scrutiny Group, the Council has two other scrutiny groups. The first, Communities, looks at areas that affect the community, topics covered include are as diverse as community facilities and the residents survey. The other group, Growth and Development, is tasked with looking at different aspects of growth within the Borough and has, this year for example, scrutinised reports in relation to the East Midlands Freeport, Infrastructure Delivery, Rushcliffe Oaks Crematorium, Accessible Housing, The Health of our Towns and Villages, and Management of Open Spaces on New Developments.

3.6 **Directors and Monitoring Officer**

The Chief Executive and Directors are responsible for ensuring proper standards of internal control within their service areas. Ongoing reviews are undertaken throughout the year. At the end of the financial year, the Chief Executive and Directors are required to confirm that they have reviewed the system of internal control and identify any areas where improvements are necessary.

The Monitoring Officer

The Monitoring Officer has a specific duty to ensure that the Council, Officers and Members maintain the highest ethical standards of conduct. The Monitoring Officer also:

- Monitors, reviews and maintains the Constitution

- Ensures lawfulness and fairness of decision-making
- Reports on potential illegal actions or maladministration
- Administrates the Councillor Complaints process and supports Standards Committee
- Undertakes the statutory Data Protection Officer role

As already stated the Council currently has an Interim Monitoring Officer due to the challenges in recruiting to the permanent role. A further recruitment process will be undertaken to recruit permanently to the role.

3.7 **Internal Audit**

Internal Audit is responsible for the review of the systems of internal control and for giving an opinion on both the corporate and service specific standards in place. An Audit Strategy has been developed covering all activities of the Council at a level and frequency determined using a risk management methodology.

An annual audit plan governs each year's activity and at the completion of each audit, a report is produced for management with recommendations for improvement. Regular reports covering internal audit activities are submitted to the Governance Scrutiny Group for scrutiny.

The Head of Internal Audit is required to provide an annual opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control, together with reasons if the opinion is unfavourable. In recent years we have received a substantial assurance rating which is a positive reflection for both officers and councillors alike.

3.8 **External Audit**

The external auditors, Forvis Mazars, review the Council's arrangements for:

- Preparing accounts in compliance with statutory and other relevant requirements;
- Ensuring the proper conduct of financial affairs and monitoring their adequacy and effectiveness in practice; and
- Managing performance to secure economy, efficiency and effectiveness in the use of resources.

The auditors give an opinion on the Council's accounts, corporate governance and performance management arrangements. The Council takes appropriate action where improvements need to be made. Forvis Mazars issued an unqualified audit opinion, expressing the view that the financial statements give a true and fair reflection of the financial position of the Council, and of its expenditure and income for the year. The accounts were signed-off in November 2025, which is a better position than many authorities with their financial statements being certified having invoked statutory 'back-stop' procedures. We continue to work with the auditors to ensure the end of January deadline is met (backstop date) although the completion of the audit is currently planned for September to November. A positive Value for Money conclusion was given by Forvis Mazars in their September report.

The deadline for the draft statement of accounts and their sign-off by external audit were put back to support the measures to resolve the national audit issues. The 30 June 2026 is the deadline for a draft set of accounts to be published. Whilst the deadline for the publication of final audited accounts is up until 31st January 2027 for 2025/26 accounts the expectation is we will aim for these to be presented to September 2026 GSG.

4 IMPORTANT GOVERNANCE ISSUES

4.1 Budget and Ongoing Pressures, Local Government Reorganisation and other issues

Current budget position

2026/27 budgets are again under pressure due to funding reforms, expenditure pressures in relation to energy and fuel, pay inflation and other key risks mentioned below. We are anticipating budget efficiencies for 2025/26 of around £2.7m mainly due to additional treasury management investment income, service efficiencies and obtained external grants (in areas such as planning). This is not unexpected and will meet service pressures and additional demands such as in relation to Simpler Recycling and planning appeals and to further increase the reserve to support costs of LGR and the potential adverse impact of higher-than-expected inflation.

Local Government Reorganisation (LGR)

As already stated the Council is now working towards the Nottingham City option Bii. Because of disaggregation of services this option creates both additional work and consequently comes with more risk. Cabinet and the Executive Management Team are aware that these risks will have to be carefully managed and it is essential the Council continues with 'business as usual' for its Councillors, employees, residents and businesses. This will be more challenging given the additional workload to deliver option Bii.

Other Issues

Despite the challenges linked to rising inflation and significantly reduced funding, the Council has been able to freeze the Council element of Council Tax for 2026/27 and balance its budget. The Government continues to focus on redirecting funding to authorities with low deprivation levels and the three-year settlement confirms this with a significantly reduced level of funding for the Council. This has been reflected in the Council's MTFS. 2026/27 requires £0.386m (£1.998m over the 5-year period) of budget efficiencies which will be monitored as part of the Council's ongoing finance and performance monitoring and due diligence to both Cabinet and Corporate Overview Group. The Transformation Strategy and supporting programme identifies the Council's approach to meeting its efficiency requirements Whilst the expectation is pay and utility inflation will reduce, the base budget is already substantially inflated. pay inflation is linked largely to government policy on the national minimum living wage but also labour market pressures generally affecting recruitment. There is also a knock-on effect on supplies and service costs, and we are already aware of cost pressures arising above and beyond those already in the budget. Fortunately, the Council's robust current financial position, enables some mitigation regarding such cost pressures.

Going forward, there will also be service based pressures linked to statutory changes in relation to planning (Planning and Infrastructure Act) and waste services (Simpler Recycling) and the Renters Rights Act. Whilst funding has been made available to support new burdens, there remains a net budget pressure of £0.879m regarding Simpler Recycling. The financial burden arising from Renters Rights is still to be determined but is expected to require additional revenue costs in excess of any funding received.

The Council is still committed to having a commercial ethos and maximising value for money for the benefit of its residents. The Council has a range of income streams and manages such risks proportionately and sensibly. Under CIPFA guidance it cannot borrow to fund commercial activity. Projects continue to be delivered with an ambitious capital programme of £24m over the next 5 years, to both maintain and enhance the Council's assets and improve council services (for example continuing to invest in leisure facilities and its vehicle fleet).

The external auditors have noted a number of risks in their Audit Strategy Memorandum 2025/26 (which are similar to their 2024/25 Memorandum), namely:

- Appropriate controls are in place to prevent 'management override';
- The completeness and accuracy regarding the Council's valuation of property, plant and equipment; and
- The Local Government Pension Scheme and the risk that the data is inaccurate and the impact of these inaccuracies on the financial accounts.
- Valuation of Investment Properties

The CIPFA/LASAAC Code has introduced mandatory indexation of non-investment assets for 2025/26 accounts. The Council has worked closely with Forvis Mazars to understand the impact and ensure compliance with the code, therefore minimising any potential adjustments required later.

The Council commenced work on upgrading to a new cloud-based finance system in Spring 2025. There have been some unavoidable delays in the project implementation which has postponed the go-live date. There is a risk when moving to any new system that processes do not work as expected and the Council fully recognise that priority must be given to fully testing and gaining assurance over meeting deadlines. The project continues to progress and a new go-live will be agreed when operation of the system has been tested thoroughly. The financial systems are fundamental to the operation of Council services and are reviewed annually by both the Council's internal and external auditors. Any issues arising ultimately form part of their reporting,

It is recognised that ICT threats and opportunities continue to evolve, it is imperative that the Borough Council has a clear understanding of how these impact on our day-to-day operations, particularly in the light of recent global cyber security threats. The Council continues to look at ensuring systems are hosted in 'the cloud' to mitigate such risks.

Significant progress has been made towards achieving carbon neutrality from Council operations by 2030, with emissions reduced by 71% from the 2008/09 baseline by 2024/25. This has been driven by fleet decarbonisation, including the use of alternative

fuels and electric vehicles, electrification of operational sites, and major building decarbonisation projects across leisure and community facilities. The Climate Change Reserve has played a key role in enabling delivery, supporting priority schemes and providing match funding to secure substantial external grant income. During 2025/26, the Reserve also funded land acquisition for local carbon offsetting, providing capacity to offset residual emissions beyond 2030. Remaining balances are earmarked to support renewable energy and other priority projects, ensuring the Council is financially positioned to deliver the final measures required to meet its net zero commitment.

The Climate Change Reserve is forecast to fall to around £1.35 million in 2025/26 after commitments and is expected to be replenished to around £2.43 million by 2031.

Based on our review of the governance framework, the following significant issues will be addressed in 2026/27. There is also commentary on their achievement (where applicable) in 2025/26.

Issue	Reporting to	Methodology	Timescale	2025/26
Monitor the delivery of the Transformation Strategy and ongoing budget position covering risks and opportunities arising	Reports to EMT, Scrutiny and Cabinet	On-going financial reports	At least quarterly reporting	Yes, financial and operational performance reported. Separate scrutiny reports regarding Open Spaces, Affordable Housing and Asylum dispersal.
Monitor the delivery of the capital programme	Reports to Corporate Overview Group and Cabinet	On-going financial and performance reports	Quarterly	Yes
Monitor Business Rates and the outcome of Fair Funding and its ongoing impact	Reports to Cabinet and Full Council	Included as part of the Medium-Term Financial Strategy reporting; update to CGG as part of the AGS	By March 2027	Yes - updated assumptions in the MTFS
Monitor the position with regards to significant external opportunities regarding EMCCA and the Freeport	Reports to Cabinet and Full Council	On-going governance reports	By March 2027	Yes, although both organisations are in the early stages of their development. Regarding

				EMCCA UKSPF funding will be reported separately to Cabinet (Q4 outturn update)
Progress regarding Local Government Reorganisation	Reports to Cabinet/Full Council, and updates to the Member Working Group and communiques from the Chief Executive on progress.	On-going reports, news releases and any specific update sessions for all councillors	March 2027	Reported to Cabinet and Council in November 2025 and Cabinet in March 2026

5 STATEMENT OF THE CHIEF EXECUTIVE AND THE LEADER OF THE COUNCIL

We have been advised of the implications of the result of the review of the effectiveness of the governance framework by the Governance Scrutiny Group. The arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed, and those to be specifically addressed with new actions planned, are outlined above.

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

Signed: Signed:

A Hill (Chief Executive) Councillor N Clarke (Leader)

Date: September 2026 Date: September 2026

Appendix 1

Standard Reference	Financial Management Standard	Evidence and Comments	Risk Rating
Section 1: The Responsibilities of the Chief Finance Officer and Leadership Team			
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money.	Audit conclusion on 2024/25 accounts was the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025. General Fund reserve levels have been maintained above the minimum required level and the balance on other usable reserves is expected to remain at circa £24m over the medium term. The Council continues to look for efficiencies to balance increasing costs and has delivered on the Transformation Plan targets for 2025/26. Inflation remains a challenge due to global conflict particularly affecting fuel and utilities but despite this, in year budgets 2025/26 are projected to deliver an underspend which will be used to mitigate risks going forward. The Head Of Internal Audit's audit conclusion is taken into consideration and comments included in the AGS if necessary. We comply with the requirements of the code	
B	The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government.	CFO is CIPFA qualified with 36 years of local government experience; and reports to CEO; CFO role detailed in the Constitution; CFO sits on Executive Management Team, influencing material decisions and ensuring financial implications are provided in all reports. The CFO leads on corporate fraud. Through the Finance team treasury performance is monitored and reported to Governance Scrutiny Group throughout the year.	

Section 2: Governance and Financial Management Style

C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.	BDO (internal audit report for 2024/25) The organisation has a substantial assurance framework for risk management, governance and internal control. Statement in the AGS and in the STAC for 2025/26 demonstrating compliance. Accounts up to 2024/25 signed off by audit within timeframe.	
D	The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016).	The Governance Scrutiny Group scrutinise Constitution changes and reviews the adequacy of Governance arrangements, such as risk management and approving the Annual Governance Statement which has been updated to reflect the updated CIPFA/SOLACE guidance. The Head Of Internal Audit's audit conclusion is taken into consideration and comments included in the AGS if necessary.	
E	The financial management style of the authority supports financial sustainability.	The Council has developed a Transformation Programme and made in excess of £6.8m in budget efficiencies with a further £2m planned. The Council monitors its Transformation and Efficiency Plan as part of monthly budget monitoring but this is also reported to COG and Cabinet as part of quarterly performance indicators and financial monitoring. It maintains a portfolio of commercial assets that generates just under £2m of income receipts annually. There are a sustained level of reserves commensurate with its risk appetite.	

Section 3: Long to Medium-Term Financial Management

F	The authority has carried out a credible and transparent financial resilience assessment.	Budget setting for 2026/27 includes a statement from CFO that the estimates are robust. Budgets were set in conjunction with senior managers and members and appropriate challenge made. Key upcoming operational and financial challenges are considered and provisions made. Where significant future and unknown budget pressures are identified, reserves are established to mitigate financial impact. Budgets are balanced and reserves healthy and we have an achievable Transformation and efficiency plan monitored monthly. External and internal auditors are satisfied with the Council's management of its finances and its responses to audit recommendations generally.	
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.	Despite the impact of Local Government Reorganisation, we have continued to report a 5 year MTFS and we have reported the Council's position as a Going Concern. The Risk Register is constantly evolving and is updated as new risks emerge. Horizon scanning and discussions at Risk Management Group ensure that wider risks are considered.	
H	The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.	Capital Strategy shows that plans are affordable prudent and sustainable – all PI's are set and monitored, MRP is set to repay debt. The position on investments are reported to Governance Scrutiny Group quarterly.	
I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.	5 year MTFS in place, projects and outcomes linked to corporate plan and proposals are scrutinised against the corporate plan and these feed into the departmental service plans. Capital appraisals must include the revenue impact of proposed schemes. The Council will aim to review its capital plans over a longer time period to ensure future budgets are robust.	

Section 4: The Annual Budget

J	The authority complies with its statutory obligations in respect of the budget setting process.	The Council complies with its statutory obligations in respect of the budget setting process as set out in the Local Government Finance Act (1992). A legal and balanced budget and corresponding Council Tax levels have been set by Council by the statutory deadline of 11 March and assurance has been provided by the CFO regarding the robustness of estimates and adequacy of reserve levels.	
K	The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.	The budget setting report comments upon the expenditure plans, reserves and risk and includes a statement from the CFO giving a positive assurance that the budget is balanced, robust and affordable	

Section 5: Stakeholder Engagement and Business Plans

L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.	Budget was made available to residents via Cabinet agenda prior to approval at Council. The MTFS resources the corporate Strategy which has been out for consultation to the residents of the Borough. Elected members given the opportunity to scrutinise and comment upon. Member workshops involve members at budget setting. We consult with Stakeholders on key projects e.g. Bingham Car Parking and the Crematorium.	

M	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.	For capital investment appraisals and business cases the Council uses the agreed approach outlined in the Capital and Treasury Strategy and are subject to approval by Asset Investment Group. Projects that do not satisfy the set criteria (Net Present Value, Internal Rate of Return and impact on the General Fund and assessment matrix of non-financial criteria) are not approved in their current form. Specific appraisals are reported to Governance Scrutiny Group. Financial comments are required on reports to highlight and demonstrate consideration of financial impact and allow scrutiny of, and challenge to the proposals. The Council considers the impact on the climate of any investment or development proposals and actively seeks to ensure these are positive for the environment such as the new Crematorium and improvements to its Leisure Centres.	

Section 6: Monitoring Financial Performance

N	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	Monthly reports are considered by budget holders, which is in turn reported to and scrutinised by Assistant Directors. Issues identified and current concerns are reported to EMT. Quarterly Finance and performance reports are presented to Cabinet and COG. Reports include a section on financial implications, performance and risk. Monthly reports are sent to EMT on aged debt and outstanding items of concern. TM reports are taken quarterly and at year end to GSG and more detailed meetings are held monthly in the finance team. The finance officers involved in TM undertake regular training and treasury advisors deliver annual training for members	
O	The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.	EMT are actively involved in budget workshops which demonstrates the position on Revenue, Capital and Reserves and are present at Full Council when the budget is approved. Quarterly finance and performance reports are reviewed by EMT.	

Section 7: External Financial Reporting

P	The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the Code of Practice on Local Authority Accounting in the United Kingdom.	The CFO's responsibilities are set out in the "Statement of Responsibilities" within the STAC. This statement clearly sets out that the CFO is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom. The annual audit letter confirms that the 2024/25 STAC has been prepared in accordance with the code.	
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.	The outturn figures are reviewed by EMT before being reported to Cabinet and included in the narrative sections of the statement of accounts. Variances are clearly identified including highlighting those that are 'accounting adjustments'. Use of underspends are clearly identified in the report, including carry forward requests and these are approved by Cabinet. Capital budget movements are clearly identified in quarterly reports.	

Rushcliffe Borough Council

C. INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF RUSHCLIFFE BOROUGH COUNCIL

Independent auditor's report to the members of Rushcliffe Borough Council

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Rushcliffe Borough Council ("the Council") for the year ended 31 March 2026, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow statement, the Collection Fund Statement and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Council as at 31st March 2026 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director (Finance and Corporate Services)'s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Council's ability to continue as a

going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director (Finance and Corporate Services) with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required

to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Director (Finance and Corporate Services) for the financial statements

As explained more fully in the Statement of the Director (Finance and Corporate Services)'s Responsibilities, the Director (Finance and Corporate Services) is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, and for being satisfied that they give a true and fair view. The Director (Finance and Corporate Services) is also responsible for such internal control as the Director (Finance and Corporate Services) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Director (Finance and Corporate Services) is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 and prepare the financial statements on a going concern basis on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. The Director (Finance and Corporate Services) is responsible for assessing each year whether or not it is appropriate for the Council to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Council we considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015.

We also considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, procurement regulation, data protection, corruption and anti-bribery.

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

- gaining an understanding of the legal and regulatory framework applicable to the Council, the environment in which it operates, and the structure of the Council, and considering the risk of acts by the Council which were contrary to the applicable laws and regulations, including fraud;

- inquiring with management and the Governance Scrutiny Group, as to whether the Council is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;

- inspecting correspondence, if any, with relevant licensing or regulatory authorities;

- reviewing relevant meeting minutes in the year;

- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and

- considering the risk of acts by the Council which were contrary to applicable laws and regulations, including fraud.

In addition, we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

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

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

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud, rests with both management and the Governance Scrutiny Group.

As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

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

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

Matter on which we are required to report by exception

We are required to report to you if, in our view we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2026.

We have nothing to report in this respect.

Responsibilities of the Council

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

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

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

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in March 2026.

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

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

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

We have nothing to report in these respects.

Use of the audit report

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

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have received confirmation from the National Audit Office that the group audit of the Whole of Government Accounts has been completed and that no further work is required to be completed by us.

Signed by:
Mark Surridge
D6A6AF908BD047D...

Mark Surridge, Key Audit Partner For and on behalf of Forvis Mazars LLP (Local Auditor)

3 Chamberlain Square, Birmingham B3 3AX

11 November 2026

Statement of Accounts

2025 – 2026

D. STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE COUNCIL'S RESPONSIBILITIES

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Deputy CEO and Director (Finance and Corporate Services) hereafter called the Director.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts.

THE DIRECTOR (FINANCE AND CORPORATE SERVICES) RESPONSIBILITIES

The Director (Finance and Corporate Services) is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices, as set out in the Chartered Institute of Public Finance and Accountancy's "Code of Practice on Local Authority Accounting in the United Kingdom" ("the Code of Practice").

In preparing this Statement of Accounts, the Director (Finance and Corporate Services) has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Code of Practice

The Director (Finance and Corporate Services) has also:

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

The Director (Finance and Corporate Services) should sign and date the Statement of Accounts, stating that it gives 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 31 March 2026.

CERTIFICATE

I hereby certify that the following Statement of Accounts gives a true and fair view of the financial position of Rushcliffe Borough Council at 31 March 2026 and its income and expenditure for the financial year ended 31 March 2026.

Date: 4 November 2026	Date 4 November 2026
Peter Linfield, Deputy CEO and Director	Councill D Simms
Finance and Corporate Services	Chair – Governance Scrutiny Group

E. THE FINANCIAL STATEMENTS

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR 1 APRIL 2025 TO 31 MARCH 2026

This statement shows the accounting cost in the year of providing services in accordance with International Financial Reporting Standards (IFRS), rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2024/25				Note	2025/26		
Gross Exp	Income	Net Exp			Gross Exp	Income	Net Exp
£'000	£'000	£'000			£'000	£'000	£'000
1,476	(21)	1,455	Chief Executive		1,606	(19)	1,587
6,037	(3,618)	2,419	Development and Economic Growth		5,482	(3,272)	2,210
18,260	(13,305)	4,955	Finance and Corporate		17,164	(11,656)	5,508
16,562	(8,388)	8,174	Neighbourhoods		17,060	(8,871)	8,189
42,335	**(25,332)**	**17,003**	**Net Cost of Services**		**41,312**	**(23,818)**	**17,494**
		3,444	Other Operating Expenditure	5			2,695
		(3,318)	Financing and Investment Income and Expenditure	6			(3,916)
		(24,401)	Taxation and Non-Specific Grant Income	7			(23,590)
		(7,272)	**(Surplus)/Deficit on Provision of Services**				**(7,317)**
		(3,038)	(Surplus)/Deficit on Revaluation of Non-Current Assets				(1,708)
		(1,814)	Actuarial (Gains)/Losses on Pension Assets / Liabilities	32			1,789
		(4,852)	**Other Comprehensive Income and Expenditure**				**81**
		(12,124)	**Total Comprehensive Income and Expenditure**				**(7,236)**

E. THE FINANCIAL STATEMENTS

MOVEMENT IN RESERVES STATEMENT (MIRS)

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

E. THE FINANCIAL STATEMENTS

MOVEMENT IN RESERVES STATEMENT (MIRS) FOR THE PERIOD 1 APRIL 2025 TO 31 MARCH 2026

		Total Usable Reserves						
		General Fund Balance	Earmarked GF Reserves (Note 4)	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves (Note 19)	Total Reserves
	Note	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2025		**2,604**	**24,287**	**5,762**	**142**	**32,795**	**91,465**	**124,260**
Movement in Reserves during the year								
Surplus/(Deficit) on the provision of services		7,317	0	0	0	7,317	0	7,317
Other Comprehensive Income and Expenditure		0	0	0	0	0	(82)	(82)
Other Recognisable Gains/(Losses)		0	2	(1)	0	1	(1)	0
Total Comprehensive Income and Expenditure		**7,317**	**2**	**(1)**	**0**	**7,318**	**(83)**	**7,235**
Adjustments between accounting basis & funding basis under regulations	(3)	(2,942)	0	(3,375)	(69)	(6,386)	6,386	0
Net Increase/(Decrease) before Transfers to Earmarked Reserves		**4,375**	**2**	**(3,376)**	**(69)**	**932**	**6,303**	**7,235**
Transfers to/from Earmarked	(4)	(4,375)	4,375	0	0	0	0	0
Increase (Decrease) in year		**0**	**4,377**	**(3,376)**	**(69)**	**932**	**6,303**	**7,235**
Balance as at 31 March 2026		**2,604**	**28,664**	**2,386**	**73**	**33,727**	**97,768**	**131,495**

MOVEMENT IN RESERVES STATEMENT (MIRS) FOR THE PERIOD 1 APRIL 2024 TO 31 MARCH 2025

		Total Usable Reserves						
		General Fund Balance	Earmarked GF Reserves (Note 4)	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves (Note 19)	Total Reserves
	Note	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2024		**2,604**	**20,947**	**3,422**	**98**	**27,071**	**85,064**	**112,135**
Movement in Reserves during the year								
Surplus/(Deficit) on the provision of services		7,272	0	0	0	7,272	0	7,272
Other Comprehensive Income and Expenditure		0	0	0	0	0	4,852	4,852
Other Recognisable Gains/(Losses)		0	2	0	(1)	1	0	1
Total Comprehensive Income and Expenditure		**7,272**	**2**	**0**	**(1)**	**7,273**	**4,852**	**12,125**
Adjustments between accounting basis & funding basis under regulations	(3)	(3,934)	0	2,340	45	(1,549)	1,549	0
Net Increase/(Decrease) before Transfers to Earmarked Reserves		**3,338**	**2**	**2,340**	**44**	**5,724**	**6,401**	**12,125**
Transfers to/from Earmarked Reserves	(4)	(3,338)	3,338	0	0	0	0	0
Increase (Decrease) in year		**0**	**3,340**	**2,340**	**44**	**5,724**	**6,401**	**12,125**
Balance as at 31 March 2025		**2,604**	**24,287**	**5,762**	**142**	**32,795**	**91,465**	**124,261**

E. THE FINANCIAL STATEMENTS

BALANCE SHEET

AS AT 31 MARCH 2026

This shows the value 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 the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve 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		Note	31 March 2026 £'000
84,918	Property, Plant and Equipment	8	90,791
140	Heritage Assets		133
23,474	Investment Property	9	24,179
69	Intangible Assets	10	165
13,929	Long Term Investments	12	14,251
1,443	Long Term Debtors	13	1,264
123,973	**Long Term Assets**		**130,783**
43,570	Short Term Investments	12	31,000
8,144	Short Term Debtors	13	4,798
18,252	Cash and Cash Equivalents	12,15	27,816
69,966	**Current Assets**		**63,614**
(10,487)	Short Term Creditors	16	(8,877)
(10,487)	**Current Liabilities**		**(8,877)**
(784)	Long Term Provisions	17	(483)
(227)	Long Term Creditors	16	(251)
(47,668)	Capital Grant Receipts in Advance	27	(42,192)
(1,848)	Other Long Term Liabilities	30	(1,385)
(8,665)	Pension Liabilities	32	(9,714)
(59,192)	**Long Term Liabilities**		**(54,025)**
124,260	**Net Assets**		**131,495**
5,762	Usable Capital Receipts Reserve	MIRS	2,386
2,604	General Fund Balance	MIRS	2,604
24,287	Earmarked Reserves	4	28,664
142	Capital Grants Unapplied	MIRS	73
32,795	**Usable Reserves**	MIRS	**33,727**
91,465	**Unusable Reserves**	19	**97,768**
124,260	**Total Reserves**		**131,495**

E. THE FINANCIAL STATEMENTS

CASH FLOW STATEMENT

AS AT 31 MARCH 2026 (INDIRECT METHOD)

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as: operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or 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 Council'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.

31 Mar 2025 £'000		Note	31 Mar 2026 £'000
(7,272)	Net (surplus) or deficit on the provision of services		(7,317)
48	Adjustments to net surplus or deficit on the provision of services for non - cash movements	20	(7,240)
452	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	20	854
(6,772)	**Net cash flow from Operating Activities**	20	**(13,703)**
16,228	Investing Activities	21	1,834
(1,219)	Financing Activities	22	2,305
8,237	**Net (increase) or decrease in cash and cash equivalents**		**(9,564)**
(26,489)	Cash and cash equivalents as at 1 April	15	(18,252)
(18,252)	**Cash and cash equivalents as at 31 March**	15	**(27,816)**

E. THE FINANCIAL STATEMENTS

EXPENDITURE AND FUNDING ANALYSIS AND NOTES FOR THE YEAR 1 APRIL 2025 TO 31 MARCH 2026

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by authorities compared to resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's service areas. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2024/25				2025/26		
Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis (Note 3)	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis (Note 3)	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
1,541	(86)	1,455	Chief Executive	1,704	(117)	1,587
2,295	124	2,419	Development and Economic Growth	2,511	(301)	2,210
4,897	57	4,954	Finance and Corporate	5,604	(97)	5,507
5,601	2,573	8,174	Neighbourhoods	4,323	3,867	8,190
14,334	**2,668**	**17,002**	**Net Cost of Services**	**14,142**	**3,352**	**17,494**
(17,673)	(6,602)	(24,275)	Other Income and Expenditure	(18,519)	(6,293)	(24,811)
(3,339)	**(3,934)**	**(7,273)**	**(Surplus) or Deficit**	**(4,377)**	**(2,941)**	**(7,317)**
2,604			Opening General Fund Balance	2,604		
3,339			Surplus/(Deficit) on General Fund in Year	4,377		
(3,339)			Transfer (to)/from Earmarked Reserves	**(4,377)**		
2,604			**Closing General Fund Balance at 31 March**	**2,604**		

F. NOTES TO THE ACCOUNTS

1. NOTES TO THE EXPENDITURE AND FUNDING ANALYSIS

2025/26 Adjustments between Funding & Accounting Basis				
Adjustments from General Fund to arrive at the Comprehensive Income & Expenditure Statement amounts	**Adjustments for Capital Purposes (Note 1a)**	**Net change for the Pensions Adjustments (Note 1b)**	**Other Differences (Note 1c)**	**Total Adjustments**
	£000	**£000**	**£000**	**£000**
Chief Executive	0	(117)	0	(117)
Development and Economic Growth	264	(566)		(302)
Finance and Corporate Services	176	(273)		(97)
Neighbourhoods	4,080	(213)		3,867
Net Cost of Service	**4,520**	**(1,169)**	**0**	**3,351**
Other income and expenditure from the Expenditure & Funding Analysis	(7,832)	428	1,111	(6,293)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement surplus or deficit on the provision of services	**(3,312)**	**(741)**	**1,111**	**(2,942)**

Note 1a Adjustments for Capital Purposes

Net cost of services Line – this column adds in depreciation and impairment and revaluation gains and losses.

Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

Financing and investment income and expenditure – the statutory charges for capital financing i.e., Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Note 1b 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 authority as allowed by statute and the replacement with current service costs and past service costs.

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

Note 1c Other Differences

For Services Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute i.e., Accumulated Absences.

Financing and investment income and expenditure – statutory reversal of fair value gains and losses on diversified/pooled investments.

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.

2. INCOME AND EXPENDITURE ANALYSED BY NATURE

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

2024/25 £'000		2025/26 £'000
	Expenditure	
13,266	Employee Benefit Expenses	13,972
25,902	Other Services Expenses	23,418
3,622	Depreciation, amortisation, impairment	4,375
471	Interest Payments	428
3,149	Precepts and Levies	3,347
109	Loss in fair value of diversified investment	0
0	Loss recognised from changes in the fair value of properties	0
399	Loss on the Disposal of Assets	0
46,918	**Total Expenditure**	**45,540**
	Income	
(9,185)	Fees, Charges and Other Service Income	(10,235)
(26,174)	Government Grants and Contributions	(22,255)
(14,588)	Income from Council Tax, NDR	(15,079)
0	Gain on the Disposal of Assets	(652)
(123)	Gain recognised from changes in the fair value of properties	(322)
0	Gain in fair value of diversified investment	(327)
(4,121)	Interest and Investment Income	(3,987)
(54,191)	**Total Income**	**(52,857)**
(7,273)	**(Surplus)/Deficit on Provision of Services**	**(7,317)**

3. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total Comprehensive Income and Expenditure Statement 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 set against:

General Fund Balance

The General Fund is the statutory fund into which all the receipts of a Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice.

The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on the capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year.

Capital Receipts Reserve

This 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. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year end.

Capital Grants Unapplied

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

Note 3. Adjustments between accounting basis and funding basis under regulations.

2024/25					2025/26			
Usable Reserves					Usable Reserves			
General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Movements in Unusable Reserves £'000		General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Movements in Unusable Reserves £'000
Adjustments primarily involving the Capital Adjustment Account:								
				Reversal of items debited or credited to the CIES:				
(3,552)	0	0	3,552	Charges for depreciation and impairment of non-current assets	(3,726)	0	0	3,726
(9)	0	0	9	Revaluation losses on Property Plant and Equipment	(608)	0	0	608
123	0	0	(123)	Movements in the market value of Investment Properties	327	0	0	(327)
(61)	0	0	61	Amortisation of intangible assets	(41)	0	0	41
5,609	0	0	(5,609)	Capital grants and contributions applied	2,680	0	0	(2,680)
0	0	0	0	Income in relation of Donated Assets	0	0	0	0
(2,311)	0	0	2,311	Revenue expenditure funded from capital under statute	(1,790)	0	0	1,790
(805)	0	0	805	Amounts of Non Current Assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(131)	0	0	131
				Insertion of items not debited or credited to the CIES:				
1,652	0	0	(1,652)	Statutory provision for the financing of capital investment	1,659	0	0	(1,659)
1,402	0	0	(1,402)	Capital expenditure charged against the General Fund	3,765	0	0	(3,765)
Adjustments primarily involving the Capital Grants Unapplied Account:								
44	0	(44)	0	Capital grants and contributions unapplied credited to the CIES	71	0	(71)	0
0	0	(1)	1	Application of grants to capital financing transferred to the CAA	0	0	140	(140)
Adjustments primarily involving the Capital Receipts Reserve:								
407	(523)	0	116	Transfer of cash sale proceeds credited as part of gain/loss on disposal to the CIES	783	(902)	0	119
0	1,783	0	(1,783)	Capital Receipts applied	0	4,277	0	(4,277)
0	0	0	0	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the CIES	0	0	0	0
0	(3,600)	0	3,600	Transfer (from)/to the Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0
Adjustments primarily involving the Financial Instruments Adjustment Account:								
0	0	0	0	Amount by which finance costs charged to the CIES are different from statutory requirements	0	0	0	0
Adjustments primarily involving the Pensions Reserve:								
(2,248)	0	0	2,248	Reversal of items relating to retirement benefits debited or credited to the CIES	(1,879)	0	0	1,879
2,686	0	0	(2,686)	Employer's pensions contributions and direct payments to pensioners payable in the year	2,619	0	0	(2,619)
Adjustments primarily involving the Collection Fund Adjustment Account:								
1,106	0	0	(1,106)	Amount by which council tax & business rate income credited to the CIES is different from statutory requirements	(1,111)	0	0	1,111
Adjustments primarily involving the Accumulated Absences Account:								
0	0	0	0	Amount by which officer remuneration charged to the CIES on an accruals basis is different from statutory requirements	0	0	0	0
Adjustments primarily involving the Pooled Fund Investment Account:								
(108)	0	0	108	Change in revaluation of value of investments not charged to the Surplus/Deficit on the Provision of Services	324	0	0	(324)
3,935	**(2,340)**	**(45)**	**(1,550)**	**Total Adjustments**	**2,942**	**3,375**	**69**	**(6,386)**

4. TRANSFERS TO/(FROM) EARMARKED RESERVES

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

	Balance at 31 March 2025 £'000	Additions in Year £'000	Used in Year £'000	Balance at 31 March 2026 £'000
Investment Reserves				
Regeneration and Community Projects	4,281	463	(86)	4,658
Investment Properties	882	200	(378)	704
New Homes Bonus	8,153	1,478	(1,248)	8,383
Corporate Reserves				
Organisation Stabilisation Reserve	3,907	4,641	(427)	8,121
Climate Change	2,492		(1,042)	1,450
Treasury Capital Depreciation	1,310			1,310
Risk and Insurance	100			100
Planning Appeals	424	263	(128)	559
Elections	101	50		151
Flood Grant & Resilience	22			22
Simpler Recycling	1,250	2,197	(1,788)	1,659
LGR Reserve	661	758	(220)	1,199
Operating Reserves				
Planning	56	29	(85)	0
Leisure Centre Maintenance	43	15		58
Vehicle Replacement Reserve	605	185	(500)	290
Total	**24,287**	**10,279**	**(5,902)**	**28,664**

INVESTMENT RESERVES

- Regeneration and Community Projects – to provide funding to support capital improvement projects across the Borough including some special expense schemes.
- Investment Properties – to fund improvements.
- Economic Growth Reserve (New Homes Bonus)– to help facilitate economic growth within the Borough, not ring-fenced solely for housing projects.

CORPORATE RESERVES

- Organisation Stabilisation Reserve – to be used to provide resilience against risks surrounding the Medium-Term Financial Strategy. (The prior year closing balance included £0.661m set aside for LGR related costs, this has been split out for transparency in the opening balance of the table above, as at the 31 March 25)
- Climate Change Reserve – To support projects that contribute to the Council's ambitions to protect and enhance the environment.
- Treasury Capital Depreciation Reserve – To provide funding to reduce the impact on the general fund from reductions in the capital value of treasury investments.

- Risk and Insurance – to provide funding to be used to reduce the risk of loss or injury in the provision of services, with the objective of reducing future insurance costs.
- Planning Appeals – to provide funding to cover potential legal and other cost in respect of large applications.
- Elections – to provide funding for the future costs of the four yearly Borough Council elections.
- Flood Grant & Resilience – To cover the cost of flooding when this arises.
- Simpler Recycling – To meet the costs of the new kerbside collection requirements from 2025.
- LGR – to meet the costs associated with Local Government Reorganisation.

OPERATING RESERVES

- Planning - to provide funding for one off revenue costs of the planning service, for example, legal costs, specialist advice and consultancy.
- Leisure Centre Maintenance – to support any emerging enhancement requirements which are over and above in-year maintenance provision.
- Vehicle Replacement Reserve – to support the replacement of the Council's vehicle fleet to ensure services remain efficient and to support costs of replacement with potential new technology.

5. OTHER OPERATING EXPENDITURE

The composition of the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement is detailed below:

2024/25 £'000		2025/26 £'000
2,702	Parish Council Precepts	2,900
447	Internal Drainage Board Levies	447
295	(Gain) or Loss on the disposal of non-current assets	(652)
3,444	**Total**	**2,695**

6. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

The composition of the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement is detailed below:

2024/25 £'000		2025/26 £'000
152	Interest payable and similar charges	133
471	Pensions interest cost and expected return on pension assets	428
109	Movement in the fair value of property/diversified income	(322)
(2,169)	Interest receivable and similar income	(2,052)
(1,881)	Income and Expenditure in relation to Investment Properties and changes in their fair value	(2,103)
(3,318)	**Total**	**(3,916)**

7. TAXATION AND NON-SPECIFIC GRANT INCOME AND EXPENDITURE

The composition of the Taxation and Non-Specific Grant Income line in the Comprehensive Income and Expenditure Statement is detailed below. Capital grants are £2.2m lower in 2025/26 due to IFRS 16 adjustments £0.749m and higher application of Section 106 funding in 2024/25.

The detailed breakdown of Grants is shown in Note 27.

2024/25 £'000		2025/26 £'000
(11,042)	Council Tax income	(11,676)
(3,546)	Business Rates income	(3,404)
(3,756)	Business Rates Sec 31 Grants	(3,374)
(3,299)	Capital grants and contributions (Note 27)	(1,106)
(1,509)	New Homes Bonus (Note 27)	(1,478)
(1,249)	Non-ring-fenced government grants (Note 27)	(2,552)
(24,401)	**Total**	**(23,590)**

8. PROPERTY, PLANT AND EQUIPMENT

Movements on Balances 2025/26

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Assets Under Construction	Right of Use (ROU) Asset Note 30	Total
Cost or Valuation							
At 1 April 2025	**73,250**	**10,538**	**2,911**	**339**	**214**	**3,522**	**90,774**
Additions/Asset Merge	1,773	3,328	65	1,042	1,475	1,052	8,735
Transfers	52	202	337		(702)		(111)
Revaluation (+/-) recognised in the Revaluation Reserve	(694)					36	(658)
Revaluation (+/-) recognised in the Surplus/Deficit on Provision of Services	(31)					(626)	(657)
Derecognition - Disposals	(95)	(1,150)	(24)				(1,269)
At 31 March 2026	**74,255**	**12,918**	**3,289**	**1,381**	**987**	**3,984**	**96,814**
Accumulated Depreciation or Impairment							
At 1 April 2025	**(391)**	**(4,323)**	**(628)**	**0**	**0**	**(514)**	**(5,856)**
Depreciation charge	(1,998)	(1,072)	(116)			(530)	(3,716)
Depreciation Written out to the Suplus/deficit on Provision of Services						46	46
Depreciation written out to the Revaluation Reserve	2,365						2,365
Derecognition - Disposals		1,114	24				1,138
At 31 March 2026	**(24)**	**(4,281)**	**(720)**	**0**	**0**	**(998)**	**(6,023)**
Net Book Value at 31 March 2026	**74,231**	**8,637**	**2,569**	**1,381**	**987**	**2,986**	**90,791**
Net Book Value at 31 March 2025	**72,859**	**6,215**	**2,283**	**339**	**214**	**3,008**	**84,918**

Movements on Balances 2024/25

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Assets Under Construction	Right of Use (ROU) Asset Note 30	Total
Cost or Valuation							
At 1 April 2024	**67,633**	**9,708**	**2,891**	**329**	**1,271**	**0**	**81,832**
Opening Balance Adjustment (IFRS16)						3,522	3,522
Adjusted Opening Balance 1 April 2024	**67,633**	**9,708**	**2,891**	**329**	**1,271**	**3,522**	**85,354**
Additions/Asset Merge	3,072	1,239	20		214	0	4,545
Transfers	1,265	6		10	(1,271)		10
Revaluation (+/-) recognised in the Revaluation Reserve	1,460						1,460
Revaluation (+/-) recognised in the Surplus/Deficit on Provision of Services	(9)						(9)
Derecognition - Disposals	(171)	(415)					(586)
At 31 March 2025	**73,250**	**10,538**	**2,911**	**339**	**214**	**3,522**	**90,774**
Accumulated Depreciation or Impairment							
At 1 April 2024	**(181)**	**(3,647)**	**(512)**	**0**	**0**	**0**	**(4,340)**
Depreciation charge	(1,882)	(1,035)	(116)			(514)	(3,547)
Depreciation written out to the Revaluation Reserve	1,577						1,577
Derecognition - Disposals	95	359					454
At 31 March 2025	**(391)**	**(4,323)**	**(628)**	**0**	**0**	**(514)**	**(5,856)**
Net Book Value at 31 March 2025	**72,859**	**6,215**	**2,283**	**339**	**214**	**3,008**	**84,918**
Net Book Value at 31 March 2024	**67,452**	**6,061**	**2,379**	**329**	**1,271**	**0**	**77,492**

8. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Depreciation

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

- Buildings 5-100 years
- Vehicles, Plant Furniture and Equipment 3-30 years
- Infrastructure 3-50 years

Capital Commitments

At 31 March 2026 the Council was contractually committed to works totalling £4.006m for the acquisition, construction, and enhancement of: property; vehicles. plant, and equipment, and grants to third parties in 2026/27. Significant items of contract and other costs comprise: Vehicle Replacement Programme £1.673m; Support for Registered Housing Providers £1.214m; Arena Solar Panels £0.349m; Disabled Facilities Grants £0.333m; and FMS Replacement System £0.151m.

Revaluations

In accordance with the Code of Practice, the Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value are re-valued at least every five years applying indexation in the intervening years to ensure that asset values remain materially up to date. The Council, therefore, will be revaluing a fifth of its Land and Buildings portfolio every year.

Valuations of land and buildings were carried out in accordance with the Royal Institution of Chartered Surveyors Valuation Standards (Red Book) 9th Edition. Every fair value valuation was carried out using the assumptions as set out in the Red Book. Where assumptions additional to those which are set out in the Red Book have been made these are stated on the relevant valuation certificates. The Senior Property Estates Surveyor is responsible for revaluation of property assets, currently signed off by the Council's Director – Development and Economic Growth, MRICS qualified. An impairment review is carried out annually on the Land and Buildings portfolio.

Valuations of vehicles, plant, furniture and equipment are based on depreciated historic cost as a proxy for current prices. These assets have short depreciable lives.

All valuations were carried out internally. The following table shows the progress of the Council's three-year rolling programme for the revaluation of fixed assets. These figures are shown at gross book value.

	Operational Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Assets Under Construction	Right of Use Asset (ROU) IFRS16 (note 30)	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at Historical Cost	**328**	**12,918**	**3,288**	**1,381**	**987**	**0**	**18,902**
Valued at fair value as at:							0
31-Mar-23	3,660					622	4,282
31-Mar-24	4,772						4,772
31-Mar-25	63,978						63,978
31-Mar-26	981					3,326	4,307
Indexation applied to above valuations	538					36	574
Total Cost or Valuation	**74,257**	**12,918**	**3,288**	**1,381**	**987**	**3,984**	**96,815**

9. INVESTMENT PROPERTIES

The following items have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

2024/25 £'000		2025/26 £'000
(2,141)	Rental and Service Charge Income from Investment Property	(2,080)
269	Direct Operating Expenses arising from Investment Property	320
(1,872)	**Net (Gain)/Loss**	**(1,760)**

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's rights to the remittance of income and the proceeds of disposal.

The Council has no contractual obligations to repair, maintain or enhance investment properties.

The following table summarises the movement in the fair value of investment properties during 2025/26 and 2024/25.

9. INVESTMENT PROPERTIES CONTINUED

2024/25 £000		2025/26 £000
23,789	**Balance at start of the year**	**23,474**
146	Enhancements	377
(574)	Disposals	0
123	Net gains/(losses) from fair value adjustments	327
(10)	Transfers (to)/from PPE	0
23,474	**Total**	**24,178**

All of the Council's Investment Properties are treated as operating leases.

Valuation Process for Investment Properties

Valuations of Investment Properties are carried out annually in accordance with the Code of Practice and with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards (Red Book) 9th Edition. Every Fair Value valuation was carried out using the assumptions as set out in the Red Book. A Market Valuation technique has been used for all Investment Properties, and they are all based on the level 2 input hierarchy. This means that values have been arrived at using evidence (other than quoted prices) in an active market and that this evidence is directly or indirectly observable. The inputs used include the following market analyses: rents, yields, lease terms, research on farmland values, and other market evidence and comparative data. Where assumptions additional to those which are set out in the Red Book have been made, these are stated on the relevant valuation certificates. Nick Berry, the Senior Property Surveyor completed the valuation exercise, and this was subsequently reviewed and signed off by the Director – Development and Economic Growth: Leanne Ashmore MRICS. An impairment review is carried out annually on the Investment Property portfolio.

10. INTANGIBLE ASSETS

The Council accounts for its software as intangible assets. All software is given a finite useful life, based on assessments of the period that the software is expected to be of use.

The useful lives assigned to the major software suites used by the Council are three years.

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £41k in 2025/26 (£61k 2024/25) was charged to the Information Technology cost centre within Finance and Corporate Service Area.

Movements on Intangible Fixed Assets

2024/25 £'000		2025/26 £'000
	Balance at start of year	
274	Gross carrying amount	279
(149)	Accumulated amortisation	(210)
125	**Net carrying amount at start of year**	**69**
5	Purchases	25
0	Transfers into the group	112
0	Disposals	(96)
	Amortisation	
(61)	Amortisation for the period	(41)
0	Amortisation on disposals	96
69	**Net carrying amount at end of year**	**165**
	Comprising:	
279	Gross carrying amounts	320
(210)	Accumulated amortisation	(155)
69	**Balance Sheet amount at 31 March**	**165**

The Council had no contractual commitments for the acquisition of Intangible Assets at 31/03/2026

11. ASSETS HELD FOR SALE

In accordance with IFRS 5, Property, Plant, and Equipment (PPE) assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

CIPFA code of Practice specifies that Investment Properties, which meet the classification criteria for assets held for sale, must continue to be accounted for as Investment Property and these are held at Fair Value. The Council has not elected to have a separate category within Investment Property for sale assets. At the Balance Sheet date, the Council does not hold any assets for sale.

12. FINANCIAL INSTRUMENTS

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

Long-Term 31-Mar-25	Current 31-Mar-25	Total 31-Mar-25		Long-Term 31-Mar-26	Current 31-Mar-26	Total 31-Mar-26
£000	£000	£000		£000	£000	£000
			Investments			
	61,822	61,822	Loans and Receivables		58,816	58,816
2,008		2,008	CCLA Property	2,008		2,008
1,825		1,825	CCLA Diversified	1,721		1,721
1,016		1,016	Enhanced Cash Plus	1,019		1,019
4,561		4,561	Aegon	4,937		4,937
4,518		4,518	Ninety-One	4,565		4,565
13,928	**61,822**	**75,750**	**Total Investments**	**14,250**	**58,816**	**73,066**
			Debtors			
1,308	6,402	7,710	Loans and Receivables *	1,176	2,848	4,024
1,308	**6,402**	**7,710**	**Total Debtors**	**1,176**	**2,848**	**4,024**
			Borrowings			
0	0	0	Financial Liabilities at Amortised Cost	0	0	0
0	**0**	**0**	**Total Borrowing**	**0**	**0**	**0**
			Creditors			
(47,820)	(4,470)	(52,290)	Financial Liabilities at Amortised Cost	(42,352)	(4,729)	(47,081)
(47,820)	**(4,470)**	**(52,290)**	**Total Creditors**	**(42,352)**	**(4,729)**	**(47,081)**

Valuation Assumptions

Investments held at 31 March 2026 amounted to £72.598m, consisting of £31m of fixed term investments where the instrument carries the same interest rate for the whole term, £27.347m of deposits in the Money Market and Call Account funds where, in general, the rate only alters with movements in the Bank rate, and £14.251m in funds valued at bid price for the shares which the Council holds. Cash and Bank included in total current investments are £0.470m. No formal calculation of the effective interest rate (EIR) is necessary, and the carrying amount is a reasonable approximation of the fair value.

Debtors and creditors, both of which are instruments of short duration, with no formal effective interest rate (EIR) are at fair value.

An assessment has been made whether any impairment write-down or provisions previously made need to be reversed, or if any new ones need to be made. A full review of impairment provisions has been completed and appropriate adjustments to the provisions have been made on the age analysis of debtors involved.

Long Term Investments

The Council holds £14.250m in pooled fund investments. These are externally managed funds that invest in such things as equities, bonds, property, with different strategies, this adding diversification to RBCs portfolio.

These assets have to be held on the balance sheet at fair value reflecting instability in the financial market and volatility in net asset value (NAV). The pooled investments are held for the long-term, so any losses are not realised, for this reason, the Council does not classify pooled fund investments as cash and cash equivalents.

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. They must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value (IAS 7 Paragraph 6).

Pooled fund investments do not meet this definition. They are not used for the purpose of meeting cash flow commitments and are accordingly treated as long-term investments.

13. DEBTORS

2024/25			2025/26	
Short Term £'000	Long Term £'000		Short Term £'000	Long Term £'000
636	0	Trade	808	0
459	135	Prepayment	940	89
8,001	1,308	Other	4,108	1,175
(952)	0	Expected Credit Losses	(1,058)	0
8,144	**1,443**	**Total Debtors**	**4,798**	**1,264**

14. DEBTORS FOR LOCAL TAXATION

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

2024/25 £'000		2025/26 £'000
707	Council Tax	825
517	Non-Domestic Rates	477
1,224	**Total Debtors for Local Taxation**	**1,302**

15. CASH AND CASH EQUIVALENTS

2024/25 £'000		2025/26 £'000
1	Cash Held by the Council	1
(376)	Bank Current Accounts	468
18,627	Short Term Deposits	27,347
18,252	**Total Cash and Cash Equivalents**	**27,816**

16. CREDITORS

2024/25			2025/26	
Short Term £'000	Long Term £'000		Short Term £'000	Long Term £'000
4,135	0	Trade Creditors	2,155	0
6,352	227	Other Creditors	6,722	251
10,487	**227**	**Total**	**8,877**	**251**

17. PROVISIONS

2024/25 Long Term NDR Appeals £'000		2025/26 Long Term NDR Appeals £'000
890	**Balance at 1 April**	**784**
(18)	Change in provisions in year	420
(88)	Amount utilised in year	(721)
784	**Balance at 31 March**	**483**

NDR Appeals

This provision sets aside sums for the Council's element of anticipated appeals that may arise in respect of Business Rates. The full liability is expected to be approximately £1.207 million with Rushcliffe's share at 40% and the difference is to be met by major preceptors - Central Government (50%), Nottinghamshire County Council (9%) and Fire Authority (1%).

18. USABLE RESERVES

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement (MIRS) Page 3. There is a breakdown of Earmarked Reserves in note 4.

19. UNUSABLE RESERVES

Balance at 31 March 2025 £'000		Balance at 31 March 2026 £'000
26,510	Revaluation Reserve	27,528
73,465	Capital Adjustment Account	80,589
(8,665)	Pension Reserve	(9,714)
0	Deferred Capital Receipts	0
1,280	Collection Fund Adjustment Account	169
(54)	Accumulated Absences Account	(54)
(1,071)	Pooled Funds Adjustment Account	(749)
91,465	**Total Usable Reserves**	**97,769**

Revaluation Reserve

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

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

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

Balance at 31 March 2025 £'000		Balance at 31 March 2026 £'000
24,169	**Balance at 1 April**	**26,510**
3,291	Upward revaluation of assets	2,467
(254)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(759)
27,206	**Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services**	**28,218**
(696)	Difference between fair value depreciation and historical cost depreciation	(690)
0	Accumulated gains on assets sold or scrapped	0
(696)	**Amount written off to the Capital Adjustment Account**	**(690)**
26,510	**Balance at 31 March**	**27,528**

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 postings from the Revaluation Reserve to convert fair values to a 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. The Account contains accumulated gains and losses on Investment Properties that have yet to be consumed by the Council and also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date the Revaluation Reserve was created to hold such gains.

Balance at 31 March 2025 £'000		Balance at 31 March 2026 £'000
68,953	**Balance at 1 April**	**73,465**
	Reversal of items relating to capital expenditure debited or credited to the CIES:	
(3,552)	Charges for depreciation and impairment of non-current assets	(3,726)
(9)	Revaluation losses on Property, Plant and Equipment	(608)
(61)	Amortisation of intangible assets	(41)
(2,310)	Revenue expenditure funded from capital under statute (net of Grants and Contributions)	(1,790)
(707)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(130)
696	Adjusting amounts written out of the Revaluation Reserve	690
(114)	Write down Long-term Debtors	(119)
(6,057)	Net written out amount of the cost of non-current assets consumed in the year	**(5,724)**
	Capital financing applied in the year:	
1,783	Use of Capital Receipts to finance new capital expenditure	4,277
6,358	Capital grants and contributions credited to the CIES that have been applied to capital financing	2,680
0	Application of grants to capital financing from the Capital Grants Unapplied Account	140
1,652	Statutory provision for the financing of capital investment charged against the General Fund	1,659
1,402	Capital expenditure charged against the General Fund	3,765
11,195		**12,521**
123	Movements in the market value of Investment Properties debited or credited to the CIES	327
(749)	Movement in the donated assets account credited to the Comprehensive Income & Expenditure Statement*	0
(626)		**327**
73,465	**Balance at 31 March**	**80,589**

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. General Fund balance to be charged with the amount payable by the Council to the pension fund in the year. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

Balance at 31 March 2025 £'000		Balance at 31 March 2026 £'000
(10,917)	**Balance at 1 April**	**(8,665)**
1,814	Remeasurement of the net defined benefit liability/(asset)	(1,788)
(2,248)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services	(1,879)
2,686	Employer's pensions contributions and direct payments to pensioners payable in the year	2,618
(8,665)	**Balance at 31 March**	**(9,714)**

Deferred Capital Receipts Reserve

This 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 capital receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

Balance at 31 March 2025 £'000		Balance at 31 March 2026 £'000
3,700	**Balance at 1 April**	**0**
(100)	Transfer (to)/from the CIES deferred sale proceeds	0
(3,600)	Transfer to the Capital Receipts Reserve on receipt of cash	0
0	**Balance at 31 March**	**0**

Collection Fund Adjustment Account

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

Balance at 31 March 2025 £'000		Balance at 31 March 2026 £'000
174	**Balance at 1 April**	**1,280**
1,106	Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements	(1,111)
1,280		**169**

Accumulated Absences Account

The Accumulated Absences Account absorbs differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, for example, annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to/from the Account. The differences in amounts accrued are not deemed to be material and therefore no transactions have been made in 2025/26.

Balance at 31 March 2025 £'000		Balance at 31 March 2026 £'000
(54)	**Balance at 1 April**	**(54)**
0	Settlement or cancellation of accrual made at the end of the preceding year	0
0	Amounts accrued at the end of the current year	0
0	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0
(54)	**Balance at 31 March**	**(54)**

Pooled Funds Adjustment Account

The Pooled Funds Adjustment Account contains the gains or losses made by the Council arising from changes in the value of its investments that are measured at fair value through Profit and Loss. The balance is reduced when investments with accumulated gains are:

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

The Council invested £15m in pooled investments which as at 31 March 2026 was valued at £14.251m. The Council is using the temporary statutory override agreed by MHCLG to account for any changes in the fair value on its pooled investments currently £0.749m. The statutory override is due to end 1 April 2029. Any gain or losses at the end of the override period will be charged to the Net Cost of Services in the Revenue Accounts. The Council currently hold a Treasury Capital Depreciation Reserve (£1.310m) to mitigate the potential impact (Note 4).

Balance at 31 March 2025 £'000		Balance at 31 March 2026 £'000
(961)	**Balance at 1 April**	**(1,071)**
48	Upward Revaluation of Investments	426
(158)	Downward Revaluation of Investments	(104)
	Change in Impairment Loss Allowances	
(1,071)		**(749)**
0	Accumulated gains or losses on assets sold and maturing assets written out to the CIES as part of Other Investment Income	0
(1,071)	**Balance at 31 March**	**(749)**

20. CASHFLOW STATEMENT – OPERATING ACTIVITIES

2024/25 £'000		2025/26 £'000
(7,272)	**Net (Surplus) or Deficit on the Provision of Services**	**(7,317)**
	Adjust for Non-Cash Movements	
(3,552)	Depreciation/Lease Liability write-down (IFRS16)	(3,726)
(9)	Impairment and downward valuations	(609)
(61)	Amortisation	(41)
190	(Increase)/decrease in loss allowances	105
(2,141)	(Increase)/decrease in creditors	(564)
2,998	Increase/(decrease) in debtors	(3,966)
438	Movement in pension liability	740
(706)	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(130)
106	Movement in Provisions	301
2,785	Other non-cash items charged to the net surplus or deficit on the provision of services	650
48	**Net surplus/(deficit) on provision of services for non cash movements**	**(7,240)**
	Adjust Net Surplus or Deficit for items that are Investing or Financing Activities	
44	Capital Grants credited to the Surplus/Deficit on Provision of Services	71
408	Proceeds from sale of property, plant and equipment, investment property and intangible assets	783
452	**Net surplus/(deficit) on provision of services for Investing & Financing activities**	**854**
(6,772)	**Net Cashflows from Operating Activities**	**(13,703)**

20. CASHFLOW STATEMENT – OPERATING ACTIVITIES CONTINUED

The cash flows for operating activities include the following items:

2024/25 £'000		2025/26 £'000
(1,269)	Interest received	(1,832)
152	Interest paid	132
(655)	Dividends received	(674)
(1,772)	**Total**	**(2,374)**

21. CASHFLOW STATEMENT – INVESTING ACTIVITIES

2024/25 £'000		2025/26 £'000
5,756	Purchase of property, plant and equipment, investment property and intangible assets	9,446
63,570	Purchase of short-term and long- term investments	26,000
3	Other payments for investing activities	16
(4,107)	Proceeds from sale of property, plant equipment, investment property and intangible assets	(337)
(51,000)	Proceeds from short-term and long-term investments	(38,570)
2,128	Capital Grants Received (Government)	5,405
(122)	Other receipts from investing activities	(126)
16,228	**Net cash flow from investing activities**	**1,834**

22. CASHFLOW STATEMENT – FINANCING ACTIVITIES

2024/25 £'000		2025/26 £'000
(1,671)	Other payments for financing activities	1,885
452	Finance lease capital repayments	420
(1,219)	**Net cash flow from Financing activities**	**2,305**

23. MEMBERS' ALLOWANCES

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

2024/25 £'000		2025/26 £'000
302	Basic Allowances	312
97	Special Responsibility Allowances	104
4	Other Expenses	4
403	**Total Expenditure**	**420**

24. OFFICERS' REMUNERATION

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

Post Title	Year	Salary, Fees & Allowances	Compensation for Loss of Office	Pension Contribution	Total
Chief Executive	2025/26	142,319	0	26,322	168,641
	2024/25 (Restated)	113,907	0	20,836	134,743
Chief Executive (1)	2024/25 (Restated)	22,158	0	4,099	26,257
Director - Finance & Corporate Services	2025/26	108,585	0	20,048	128,633
	2024/25	105,375	0	19,443	124,818
Director - Neighbourhoods	2025/26	105,453	0	19,470	124,923
	2024/25	104,344	0	18,883	123,227
Director - Growth & Economic Development	2025/26	103,743	0	19,192	122,935
	2024/25	99,072	0	18,328	117,400
Assistant Director Chief Executive Department (Role includes Borough Solicitor & Monitoring Officer duties) (2)	2025/26	77,893	0	15,029	92,922
	2024/25	43,380	0	8,021	51,400
Service Manager Executive Department (Role includes Borough Solicitor & Monitoring Officer duties) (2&3)	2024/25	29,324	0	5,425	34,750

(1) Rushcliffe Borough Council had a change of Chief Executive during 2024/25, Note 24 from the 2024/25 year only included the pay for the outgoing Chief Executive

(2) Rushcliffe Borough Council had a change of Assistant Director Chief Executive Department during 2024/25

(3) Job Title changed from Service Manager Executive Department to Assistant Director Chief Executive Department

The Council's other employees receiving more than £50,000 remuneration for the year (Excluding Pension Costs) are as follows:

No of Employees 2024/25	Remuneration Band	No of Employees 2025/26
5	£50,000 - £54,999	4
10	£55,000 - £59,999	12
0	£60,000 - £64,999	2
0	£65,000 - £69,999	0
6	£70,000 - £74,999	1
0	£75,000 - £79,999	4
21	**Total**	**23**

25. EXIT PACKAGES AND TERMINATION BENEFITS

The Council terminated 2 contracts in 2025/26 (0 contract terminated in 2024/25).

2025/26				
Exit Package Cost Band	Number of Compulsory Redundancies	Number of other departures agreed	Total Exit Packages	
			No.	£000
£0 - £20,000	2	0	2	9
£20,001 - £40,000	0	0	0	0
£40,001 - £60,000	0	0	0	0
£60,001 - £80,000	0	0	0	0
£80,001 - £100,000	0	0	0	0
£100,001 - £150,000	0	0	0	0
£150,001- £200,000	0	0	0	0
Total	**2**	**0**	**2**	**9**

26. EXTERNAL AUDIT COSTS

The Council has been advised of the following costs in relation to audit services provided by the Council's appointed external auditors relating to 2025/26.

2024/25 £'000		2025/26 £'000
142	Fees in respect of external audit of statement of accounts	146
142	**Total**	**146**

27. GRANT INCOME

The Council credited the following grants, contributions and donations to the Taxation and Non-Specific Grant Income line (Note 7) in the Comprehensive Income and Expenditure Statement in 2025/26 and 2024/25.

2024/25 £'000		2025/26 £'000
839	UK Shared Prosperity Fund (UKSPF)	250
361	Salix Energy Grants	60
166	Section 106 contributions	304
174	English cricket Board	0
803	CIL	211
32	Rural England Prosperity Fund (REPF)	0
3	Football Foundation	0
10	Electric Vehicle Purchase grant	10
162	Swimming Pool Grant	0
749	IFRS 16 Donated Assets - Rushcliffe Country Park/Keyworth Lesiure Centre	0
0	DESNZ/EMCCA Rushcliffe Arena Solar Panels	271
3,299	**Total Capital Grants (Note 7)**	**1,106**
1,509	New Homes Bonus (Note 7)	1,478
3,756	NDR Section 31 Grant (Note 7)	3,374
1,249	Other non-ringfenced grants (Note 7)	2,553
9,813	**Total**	**8,511**

27. GRANT INCOME CONTINUED

The following grants were credited to services.

2024/25 £'000		2025/26 £'000
118	MHCLG - NDR Cost of Collection	121
12,666	DWP - Housing Benefit Subsidy and Council Tax Rebates	10,983
162	DWP - Housing Benefit Administration	169
328	MHCLG - Homelessness Support Grant	408
852	MHCLG- Disabled Facilities Grant (REFCUS)	936
65	Notts PCC - Safer Streets	4
634	UK Shared Prosperity Fund	342
201	UK Shared Prosperity Fund (REFCUS)	226
487	Rural England Prosperity Fund (REFCUS)	174
511	Retrofit Grants	0
163	Home Upgrade Grant (HUG2)	183
60	Planning Skills Delivery Grant	0
35	MHCLG - Domestic Violence	50
79	Total of grants below £50k	148
16,361	**Total**	**13,744**

Current Liabilities

The Council received grants, contributions and donations not yet recognised as income as they have conditions attached to them that will require the monies or property to be returned if the conditions are not met. The balances at year end are as follows:

2024/25 £'000		2025/26 £'000
40,977	S106 Planning Agreements	32,956
5,347	CIL Planning Agreements	8,042
	Other Grants:	
0	UK Shared Prosperity Fund	36
49	Home Upgrade Grant	0
138	Nottinghamshire County Council DFG top up	5
0	Rural England Prosperity Fund	5
1,157	Food Waste	1,148
47,668	**Total**	**42,192**

The Council received revenue grants not yet recognised as income as received in advance of expenditure, the table below shows the balance at year end.

2024/25 £'000		2025/26 £'000
0	UK Shared Prosperity Fund	198
36	Home Upgrade Grant (HUG2)	0
36	**Total**	**198**

28. 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 to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

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, housing benefits). Grant receipts above £50,000 are shown in Note 27.

Members

Members of the Council have direct control over the Council's financial and operating policies. The total members allowances paid in 2025/26 are shown in Note 23. The Members could potentially have a material related party transaction with the Council. During 2025/26 the Council, in accordance with the National Code of Local Government Conduct, maintained a register of pecuniary and non-pecuniary interest disclosed by members. During the year 2025/26 the following amounts were transacted with related parties: A contract totalling £40,000 was awarded from UKSPF funding in 2025/26 to a local provider of jobs and skills advice in which one member declared interest.

Officers

Similarly, a register for officers outside interests and hospitality is also maintained. Again, this has been reviewed and found to contain no entry that would suggest a material related party transaction.

Other Public Bodies

The Council has determined that material transactions have occurred in 2025/26 with the following parties and most transactions with related parties are disclosed elsewhere in the Statement of Accounts, as follows:

Joint Use arrangements with Nottinghamshire County Council.

Parish Precepts of £2.9m and Internal Drainage Board levies of £0.447m are disclosed in Note 5 to the Comprehensive Income and Expenditure Statement.

Other local authorities, central government, the Nottinghamshire Police Authority and Nottinghamshire Fire Authority – disclosed in Note 3 and Note 5 to the Collection Fund Income and Expenditure Account.

Central Government – disclosed in all of the appropriate statements and notes.

Pensions Fund – administered by Nottinghamshire County Council (Note 32).

Entities Controlled or Significantly Influenced by the Council

The Council controls Rushcliffe Enterprises LTD (REL) through its ownership and 100% shares in the company. REL is a dormant holding company for the Council.

29. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown below (including the value of assets acquired under finance leases), 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, a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

2024/25		2025/26
£'000		£'000
9,889	**Opening Capital Financing Requirement**	**10,010**
2,773	Adjustment for Right of Use Assets (IFRS16)	0
12,662	**Revised Capital Financing Requirement**	**10,010**
	Capital Investment:	
5,293	Property, Plant & Equipment	7,684
0	Right of use Assets	1,052
39	Heritage Assets	0
146	Investment Properties	377
5	Intangible Assets	26
2,311	Revenue Expenditure Funded from Capital Under Statute	1,790
	Sources of Finance:	
(783)	Capital Receipts	(4,277)
(1,000)	Capital Receipts/Sec106 applied to CFR	0
(5,609)	Government Grants & Other Contributions	(2,820)
(1,402)	Direct Revenue Contributions	(3,765)
(1,652)	Minimum Revenue Provision	(1,659)
10,010	**Closing Capital Financing Requirement**	**8,418**
	Explanation of movements in year	
(2,652)	Increase/(decrease) in the underlying need to borrow	(1,592)
(2,652)	**Increase/(Decrease) in Capital Financing Requirement**	**(1,592)**

30. LEASES

Accounts are prepared in accordance with IFRS 16 Leases, as required by the Code of Practice for Local Authority Accounting in the United Kingdom. This ensures transparency in the financial statements by placing leases on balance sheets, rather than "off-balance sheet" expenses. Under IFRS16 a right of use asset and a lease liability have been brought into the balance sheet from 1 April 2024.

Leases for items of low value and leases that expire within a year on the reporting date are exempt from the new arrangements. These are expensed to the Comprehensive Income and Expenditure Statement as incurred and not recognised on the balance sheet.

Discount rates used for calculating lease liabilities – where an interest rate is not implicit within the lease / contract, the appropriate PWLB borrowing rate has been used.

Right of Use Assets (held) have been remeasured/revalued with appropriate adjustments made. See PPE note 8.

COUNCIL AS A LESSEE

The Council's lease contracts comprise of operational land and buildings only. All Vehicles Plant and Equipment are owned outright or constitute low value assets such as printers / photocopiers, as such have not been included in the tables below.

Right Of Use Assets

The table below shows the change in the values of the right of use assets held under leases by the Council. Depreciation is charged on a straight-line basis over the lease term.

	Land And Buildings £'000	Vehicle Plant & Equipment £'000	Total £'000
Balance at 1 April 2025	**3,008**	**0**	**3,008**
Additions	1,052	0	1,052
Revaluations	(590)	0	(590)
Depreciation and amortisation	(530)	0	(530)
Depreciation written out on revaluation	46	0	46
Disposals	0	0	0
Balance at 31 March 2026	**2,986**	**0**	**2,986**

Lease Liabilities

IFRS16 Right of use asset lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments).

31 March 2025 £'000		31 March 2026 £'000
587	Less than one year	610
1,288	One to five years	916
990	More than five years	816
2,865	**Total**	**2,342**

Discounted liabilities (net of interest payments included in IRFS16 calculations) of £1.902m are shown as long term (greater than a year) and short-term liabilities on the balance sheet - (£1.385m – Other long-term liabilities and £0.517m Short term creditors).

Transactions under Leases

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

2024/25 £000s	Comprehensive Income and Expenditure Statement	2025/26 £000s
136	Interest Expense on lease liabilities	117
452	Expense related to short-term leases (charged as MRP)	485
1	Expense related to exempt leases of low value items	1
(50)	Income from sub-letting right-of-use assets	(54)
539	**Total**	**549**

COUNCIL AS A LESSOR

The Council leases out property under operating leases for investment purposes: rental income or capital appreciation.

The maturity analysis of these lease receivables is shown in the table below.

2024/25 £'000		2025/26 £'000
1,865	Less than one year	1,814
4,468	One to five years	4,304
1,859	More than five years	1,678
8,192	**Total**	**7,796**

31. IMPAIRMENT LOSSES

Paragraph 4.7.4.2(1) of the Code requires disclosure by class of assets of the amounts for impairment losses and 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 8 reconciling the movement over the year in the Property, Plant and Equipment balances.

The impairment review carried out at 31/03/2026 identified no material impairment to any of the Council's assets.

The revaluation exercise for 2025/26 gave rise to a net revaluation gain of £1.098m across Operational Land and Buildings and Right of use assets. Of this, £1.708m was credited to the Revaluation Reserve (Note 19); and £0.608m was debited to the surplus and deficit on the provision of services to recognise loss and partially reverse previously recognised losses.

32. DEFINED BENEFIT PENSION SCHEMES

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not be payable until employees retire, the Council has the commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. The Council participates in two post-employment schemes:

The Local Government Pension Scheme, administered locally by Nottinghamshire County Council is a funded defined benefit scheme and until 31 March 2014 was a final salary scheme. Changes came into effect on 1 April 2014, and any benefits accrued from this date on based on career average revalued salary and length of service on retirement, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

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

The results of the 2022 Triennial Valuation identified a primary contribution rate of 18.5% plus the repayments required to eliminate the deficit in the fund was £2.16m spread over 3 years. The results of the 2025 Triennial Valuation identified a primary contribution rate of 16.7% plus the repayments required to eliminate the deficit in the fund was £1.983m spread over 3 years

The principal risks to the Council of the scheme are:

- Investment Risk. The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.
- Interest rate Risk. The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way.
- Inflation Risk. All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation.
- Longevity Risk. In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.
- Regulatory Risk. Regulatory uncertainties could result in benefit changes to past of future benefits which could result in additional costs.
- Orphan Risk. As many unrelated employers participate in each 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 in that fund.

These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note 36vi.

All of the risks above may also benefit the authority e.g., higher than expected investment returns or employers leaving the fund with excess assets which eventually get inherited by the remaining employers.

Transactions relating to retirement benefits

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

The liabilities of the fund are valued using a discount rate based on market yields on high quality corporate bonds and the method used is Single Equivalent Discount Rate (SEDR). Inflation assumptions affect the rate at which benefits increase and therefore the value of future liabilities. The method used to estimate inflation is the Single Equivalent Inflation Rate (SEIR), further adjusted to reflect the expectation that pension increases will be based on CPI. (Consumer Prices Index)

Asset returns can be very volatile from year to year and will vary by LGPS fund. A typical LGPS fund might have achieved a return of around 14% for the period 31 March 2025 to 31 March 2026. This is based on a fund investing 75% in equities, 5% in gilts and 20% in corporate bonds. This could vary considerably depending on each fund's investment strategy. .

2024/25 £'000	Local Government Pension Scheme	2025/26 £'000
	Comprehensive Income and Expenditure Statement	
	Cost of Services	
1,737	Current Service Cost	1,404
40	Administration Expenses	47
0	Settlements and Curtailments	0
	Financing and Investment Income and Expenditure	
471	Net Interest Expense	428
2,248	**Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services**	**1,879**
	Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	
	Remeasurement of the net defined benefit liability comprising:	
876	Return on plan assets (excluding the amount included in the net interest expense)	(5,052)
(237)	Actuarial (Gains) and Losses arising on changes in demographic assumptions	3,030
(11,658)	Actuarial (Gains) and Losses arising on changes in financial assumptions	(3,392)
0	Other Actuarial Gains / Losses on Asset	351
38	Other Experience	2,074
9,167	Changes in Impact of Asset Ceiling	4,778
(1,814)	**Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement**	**1,789**
	Movement in Reserves Statement	
(2,248)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	**(1,879)**
	Actual amount charged against the General Fund for Pensions in the year	
2,593	Employers contributions payable to scheme	**2,527**

2024/25 £'000	Discretionary Benefits	2025/26 £'000
93	Retirement benefits payable to pensioners	91

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

2024/25 £'000	Local Government Pension Scheme	2025/26 £'000
80,303	Present value of the defined benefit obligation	84,493
(80,805)	Fair Value Plan Assets	(89,256)
9,167	Impact of Asset Ceiling	14,477
8,665	**Net liability arising from defined benefit obligation**	**9,714**

Movement in the Asset Ceiling calculation

The IAS 19 asset ceiling limits the recognition of a pension surplus to the present value of any economic benefits available to the employer, such as refunds or reductions in future contributions.

2024/25 £'000	Local Government Pension Scheme	2025/26 £'000
0	Opening Impact of asset ceiling	9,167
0	Interest impact of asset ceiling	532
9,167	Actuarial losses/(gains)	4,778
9,167	**Closing impact of asset ceiling**	**14,477**

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

2024/25 £'000	Local Government Pension Scheme	2025/26 £'000
78,694	**Opening Fair Value of Scheme Assets**	**80,805**
3,836	Interest Income	4,662
(876)	The return on plan assets, excluding the amount included in the net interest expense	5,053
0	Other actuarial gains / (losses)	(351)
2,686	Contributions from employer	2,618
661	Contributions from employees into the scheme	682
(4,156)	Benefits Paid	(4,166)
0	Settlements	0
(40)	Other	(47)
80,805	**Closing Fair value of scheme assets**	**89,256**

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

2024/25 £'000	Local Government Pension Scheme	2025/26 £'000
89,611	**Opening Balance 1 April**	**80,303**
1,737	Current Service Costs	1,404
4,307	Interest Cost	4,558
661	Contributions by scheme participants	682
	Remeasurement gains/(loss):	
(237)	Actuarial (Gains) and Losses arising from changes in demographic assumptions	3,030
(11,658)	Actuarial (Gains) and Losses arising from changes in financial assumptions	(3,392)
38	Other experience	2,074
0	(Gains) and Losses on Settlements / Curtailments	0
(4,063)	Benefits Paid	(4,075)
(93)	Unfunded Pension Payments	(91)
80,303	**Closing Balance 31 March**	**84,493**

The Local Government Pension Scheme's assets consist of the following categories, by proportion on the total assets held:

2024/25 £'000	Local Government Pension Scheme	2025/26 £'000
41,889	Equities	48,620
6,710	Gilts	7,399
5,198	Other Bonds	4,416
8,284	Property	7,291
18,724	Others	21,530
80,805	**Total Assets**	**89,256**

From the information we have received from the administering Authority, we understand that of the Equities allocation above, 29% are UK investments, 71% are overseas investments. Of the Gilts allocation above, 38% are UK fixed interest Gilts and 63% are UK index linked Gilts. Of the Other Bonds allocation above, 20% are UK corporates, 80% are overseas corporates. All of the above are listed in a market.

100% of the Property and Cash allocation is unquoted.

Other allocations include Private Equity, Infrastructure, Unit Trust, Inflation Linked, Credit and Cash/Temporary Investments.

Basis for Estimating Assets & 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 that is dependent on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Barnett Waddingham, an independent firm of actuaries, estimates for the fund being based on the latest full valuation of the scheme at 31 March 2025

Asset Ceiling

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

Assumptions have been made that there is no unconditional right to a refund of a surplus from the pension authority and the requirement to make contributions towards a funding deficit is considered an additional minimum liability. As such an asset ceiling has been calculated and applied by the actuary in-line with IAS19 & IFRIC14 accounting standards.

McCloud & Sargeant Judgements

Regulation in respect of the McCloud and Sargeant judgements came into force on 1 October 2023. These may affect the value of liabilities in respect of accrued benefits and therefore an allowance may need to be included in an employer's report. An allowance for the McCloud remedy will have been made in the liabilities which is consistent with the method adopted at the last actuarial valuation.

Virgin Media Legal Case

The Government Actuaries Department is reviewing historic amendments to the LGPS, following a Court case in June 2023 and a Court of Appeal ruling in July 2024 which decided that certain rule amendments were invalid in absence of the actuarial certification (potentially including cases where such a confirmation cannot now be located). 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. Legislation, in the form of the Pensions Scheme Act 2026, received Royal Assent on 29th April 2026 which allows scheme actuaries to provide retrospective confirmations to validate historic rule changes, it is yet unknown whether any amendments are required.

The principal assumptions used by the actuary have been:

2024/25	Local Government Pension Scheme	2025/26
	Mortality Assumptions	
	Longevity at 65 for current pensioners	
20.4	Men	21.2
23.3	Women	24.2
	Longevity at 65 for future pensioners	
21.7	Men	22.8
24.7	Women	25.9
5.80%	Rate for Discounting Scheme Liabilities	6.10%
2.90%	Rate of Increase in Pensions (Per Annum)	2.90%
3.20%	Rate of increase in RPI Inflation	3.30%
3.90%	Rate of Increase in Salaries (Per Annum)	3.90%

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

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

Impact on the Defined Benefit Obligation in the Scheme

Adjustment to the discount rate	**+0.1%**	**0.0%**	**-0.1%**
Present value of total obligation	83,413	84,493	85,598
Projected service cost	1,426	1,476	1,528
Adjustment to the long term salary increase	**+0.1%**	**0.0%**	**-0.1%**
Present value of total obligation	84,557	84,493	84,430
Projected service cost	1,476	1,476	1,476
Adjustment to pension increases and deferred revaluation	**+0.1%**	**0.0%**	**-0.1%**
Present value of total obligation	85,601	84,493	83,676
Projected service cost	1,532	1,476	1,422
Adjustment to life expectancy assumptions	**+ 1 Year**	**None**	**- 1 Year**
Present value of total obligation	87,989	84,493	81,157
Projected service cost	1,528	1,476	1,425

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions. The employer contribution rate for 2025/26 was 18.5% (16.7% 2026/27). A additional monetary contribution of £600k was paid by the authority in 2025/26 (£637k 2026/27). 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 and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). 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 estimated duration of the defined benefit obligation for scheme members is 14 years.

Projected Pension Expense for the Year to 31 March 2027

Projected Pension Expense	2026/27 £'000
Service cost	1,476
Net Interest on the defined liability (asset)	512
Administration Expenses	46
Total	**2,034**
Employer contributions	2,584

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

33. CONTINGENT LIABILITIES

At the 31st of March 2026 the Council had two contingent liabilities requiring disclosure.

The Council gave an environmental warranty as part of the housing stock transfer in 2003, both to Rushcliffe Homes – now Metropolitan Thames Valley Housing Trust and to their lender, Nationwide Building Society. The former ran for 15 years until 2018 and has now elapsed; the latter was for 32 years and will run until 2035. The value of the liability is unknown and to date there have not been any issues identified.

An Abatement Notice was served on 7 June 2024 under section 80 of the Environmental Protection Act 1990 in relation to a potential statutory noise nuisance. An appeal against the notice was dismissed by the Magistrates' Court on 20 June 2025. A further appeal has been lodged with the Crown Court and is scheduled to be heard in October 2026. The outcome and related costs of the Crown Court proceedings are uncertain. Should the appeal be successful, the Council would be liable to repay both Magistrates' and Crown Court costs for both the Council and the appellant. The total costs incurred by both parties at the Magistrates' Court were approximately £280,000. Following the appeal to the Crown Court, the Council anticipates incurring further costs of around £150,000, with appellant costs likely to be at a similar level, but the total cost at this stage isn't known. Conversely if the Council is successful in its defence then the appellant would be expected to pay the Council's costs.

34. CONTINGENT ASSETS

The Council had no material contingent assets at 31 March 2026.

35. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

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

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by the Council in the Annual Capital and Investment 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 the investment of surplus cash.

Credit Risk

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

The risk is minimised through the Treasury Management Policy, which requires that deposits are not made with financial institutions unless they meet the identified minimum credit criteria. This means that,

ordinarily, the counterparty must have long-term credit ratings of A- or above to reduce the risk of bail-in. A summary of the credit quality of the Council's investments at 31 March 2026 is shown below.

Credit Rating (Fitch)	Fair Value through Profit & Loss £000	Investments (Amortised Cost) £000
AAA	0	19,183
AA+	0	0
AA	0	2,040
AA-	0	447
A+	0	5,675
A-	0	0
Pooled Funds/LA's*	14,251	45,251
Total	**14,251**	**72,596**

* Pooled Funds and Local Government investments are unrated

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

The Council's maximum exposure to credit risk in relation to its investments in banks and building societies cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. There remains a risk that the Council's deposits could be unrecoverable in the event of an institution failing, but there was no evidence at the 31 March 2026 that this was likely to happen.

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.

The Council does not generally allow extended credit for customers, but some of the current balance is past its due date for payment. The past due but not impaired amount can be analysed by age as follows:

2024/25 £'000	Debtors past due but not impaired	2025/26 £'000
25	Less than three months	20
24	Three to nine months	18
4	Nine months to one year	22
710	More than one year	767

Amounts Arising from Expected Credit Losses

The loss allowance for investments at amortised cost during the year can be seen below. Due to the immaterial amount calculated on the lifetime expected credit losses the transaction has not been reflected within the accounts.

Investment at Amortised Cost	Principal Amount £000	Risk of Default	Lifetime Expected Credit Loss £000
Local Authorities and Secured Deposits	31,000	0%	0
Money Market Funds	19,183	0%	0
Call Accounts:			
Handlesbanken	2,040	0.06%	0
HSBC	326	0.06%	90
Bank of Scotland	121	0.06%	33
Barclays	5,107	0.06%	1793
Santander	568	0.09%	197
Total	**58,345**		**2,113**

Under IFRS9 the code does not recognise a loss allowance where the counterparty is central government or a local authority since relevant statutory provisions prevent default. For these instruments, the Expected Credit Loss will be nil. Similarly, the Council does not have to calculate an Expected Credit Loss for money market funds as these are shares and so it has no contractual obligation to receive a return on them. The accounting standard does not require the Council to account for a potential loss of money it may not actually get

A summary of the Council's short-term investments is shown below.

Financial Institution	Amount (£'000)	Length of Investment
Aviva	203	Call
Blackrock	15	Call
CCLA - PSDF	58	Call
Federated Investors (UK)	10,026	Call
Goldman Sachs Asset Management	57	Call
HSBC Asset Management ESG	5,808	Call
Invesco AIM	2,512	Call
Aberdeen Asset Management	504	Call
HSBC Asset Management Business	326	Call
Bank of Scotland PLC	1	Call
Bank of Scotland PLC32	120	32 Days
Barclays Bank PLC	259	Call
Barclays Bank PLC32	4,848	32 Days
Handlesbanken PLC	13	Call
Handlesbanken PLC35	2,028	35 Days
Santander UK PLC1	475	Call
Santander UK PLC35	94	35 Days
Total Call/MMF (Agrees to note 15)	**27,347**	
Cheshire East Council	5,000	364 Days
Blackpool Council	5,000	181 Days
Leeds City Council	5,000	212 Days
Havant Borough Council	5,000	30 Days
Lancashire County Council	5,000	364 Days
Standard Chartered	6,000	91 Days
Total Short Term Investments	**31,000**	

Liquidity Risk

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

The Council sets limits on the proportion of its fixed rate borrowing during specific periods. All trade and other payables are due to be paid in less than one year.

Market Risk

Interest Rate Risk

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

- Borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services would rise.
- Investment at variable rates – interest income credited to the Surplus or Deficit on the Provision of Services will rise.
- Investments at fixed rates – the fair value of the assets will fall.
- Inflation - current high inflation rates heighten the risk of interest rate volatility and in particular the potential for rising interest rates.

Borrowings are not carried at fair value, 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 or 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 Balance. The Council is cushioned to some degree as it does not have any debt at the Balance Sheet date. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

As the Council does not have any borrowings at the Balance Sheet date the management of interest rate exposure is focused on its investments. The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget, and which is used to update the budget during the year. This allows any adverse changes to be accommodated.

According to this assessment strategy, at 31 March 2026, if interest rates had been 1% higher or lower with all variables held constant, the effect would be:

2024/25 £000		2025/26 £000
446	Increase in Interest Receivable on Variable Rate Investments	451
446	**Impact on Surplus or Deficit on the Provision of Services**	**451**

Price Risk

The Council's investment in the CCLA Property Fund, CCLA Cautious Multi Asset Fund, Royal London Enhanced Cash Plus, Ninety-One and Aegon are subject to the risk of falling commercial property prices. However, any movements in price will not impact on the General Fund Balance as regulations are currently in force to remove the impact of the fair value movements on the taxpayer. The Council is using the temporary statutory override agreed by MHCLG (applicable until 1 April 2029) to account for any changes in the fair value on its pooled investments.

Foreign Exchange Risk

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

36. ACCOUNTING POLICIES

i. 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 31 March 2026. It has been prepared in accordance with the Accounts and Audit Regulations 2015 which require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in United Kingdom 2025/26 supported by International Financial Reporting Standards (IFRS) It also complies with guidance notes issued by CIPFA on the application of accounting standards (Standard Statement of Accounting Practice and Financial Reporting Standards) to the local authority accounts.

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.

ii. Accruals of Income and Expenditure

Activity is accounted for in the financial year in which it takes place, rather than when cash is paid or received. Material expenditure (above £5,000) is assessed to determine whether costs should be apportioned across financial years. Payments made in advance that relate to more than one financial year are recognised as prepayments on the Balance Sheet. Payments are assessed accordingly. In particular

- **Revenue from contracts with service recipients**, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- **Supplies are recorded as expenditure** when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.
- **Expenses in relation to services received** (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- **Interest payable on borrowings and receivable on investments** is accounted for 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 it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to the general fund for the income that might not be collected.

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

iii. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments with immediate call back or instant access from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

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

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

Changes in accounting policies are only made when required by proper accounting practices or where the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance.

Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

v. Charges to Revenue for Non-Current Assets

General Fund service revenue accounts, support services and trading accounts are debited with the following amounts to record the 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; and
- **Amortisation of intangible fixed assets** attributable to the service.

The Council is not required to raise Council Tax to cover depreciation, revaluation and impairment losses or amortisation. It is however, required to make annual provision from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance (updated guidance applicable from 1 April 2025) Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance in the form of the Minimum Revenue Provision (MRP). This charge is based on the Asset Life method of calculation as per the Councils approved MRP Policy and will commence in the financial year after the asset becomes operational.

vi. Employee Benefits

Benefits payable during employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Council. Where material an accrual is made for the cost of holiday entitlements (or any form of leave, for example, 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 year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services but then reversed out through the MIRS so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable because of a decision by the Council to either terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. These are charged on an accruals basis to the appropriate service segment or, where

applicable to non-distributed costs at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

When termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the MIRS, appropriations are required to and from the Pension Reserve to remove the notional debits and credits for pension enhancement termination benefits. These are replaced with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

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

Employees of the Council are members of the Local Government Pension Scheme (LGPS), which is administered by Nottinghamshire County Council and is accounted for as a defined benefits scheme providing defined benefits to members (Retirement Lump Sums and Pensions) earned in the time they worked as employees of the Council.

The liabilities of the pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit credit method – (i.e., an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projected earnings for current employees).

Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bonds. The assets of the pension fund attributed to the Council are included in the Balance Sheet at their fair value

- **Quoted Securities** - current bid price
- **Unquoted Securities** – professional estimate
- **Unitised Securities** - current bid price
- **Property** - market value

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

- **Service costs comprising:**
    - Current Service Cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the service 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 Non-Distributed Costs.
    - Net interest on the net 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 obligation at

the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

- **Re-measurements comprising**
    - The return on plan assets – excluding amounts included in 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.
    - Asset Ceiling – a remeasurement of the liability, both to negate the potential creation of a pension asset that cannot be refunded, and to allow for additional minimum liability created following to the requirement of the employer to make additional contributions.
- **Contributions Paid to the Pension Fund** – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

Discretionary Benefits

The Council has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise because 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 LGPS.

vii. Events after the Reporting Period

Events after the reporting period 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 occur:

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

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

viii. Financial Instruments

Financial Liabilities

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

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 carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable, are based on the carrying amount of liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

The Council currently has no long-term debt, but any future long-term debt would be within the Council's Treasury Management Strategy, Minimum Revenue Provision Policy and future Accounting Policies.

Financial Assets

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

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

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost; except for those whose contractual payments are not solely payment of principal and interest. (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 subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

In the event that the Council makes a loan to an outside body at less than market rates (soft loans) and the present value of the interest foregone is greater than £50k, a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions

require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the MIRS.

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

Expected Credit Loss Model

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

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

The current cost of living pressures has been considered when assessing potential impairment of debt.

Financial Assets measured at Fair Value through Other Comprehensive Income

Financial assets measured at fair value through other comprehensive income 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. Annual income received from the financial instrument is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council.

Financial Assets Measured at Fair Value through Profit and 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 measurement of Financial Assets

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

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

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

Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date.

Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.

Level 3 inputs – unobservable inputs for the asset.

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

The Council holds assets measured at Fair Value through Other Comprehensive Income (OCI) with shares in the CCLA Property fund, CCLA Cautious Multi-Asset Fund, Royal London Enhanced Cash Plus Fund, Aegon and Ninety-One. Any movement in Fair Value will be accounted for in Financing and Investment Income and Expenditure line in Surplus/Deficit on Provision of Services. A statutory override must be used to reverse the entry in the CIES to a reserve to recognise the fair value gains and losses. The statutory override is currently due to end 31 March 2029 after which date movements in fair value will be recognised in the Surplus or Deficit on the Provision of Services.

For assets measured at fair value through profit and loss, gains and losses are recognised as they occur in the Surplus or Deficit on the Provision of Services.

ix. Government Grants and Contributions

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

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

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

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

Where capital grants and contributions, including Section 106's, are awarded to Rushcliffe Borough Council are credited to the Comprehensive Income Expenditure Statement as Taxation and Non-Specific Grant Income, they are reversed out of the General Fund Balance in the MIRS. Where the grant has yet to be used to finance capital expenditure it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Community Infrastructure Levy

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

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

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

x. Heritage Assets

The Council has Heritage Assets; a small art collection; war memorabilia (war memorial and commemorative bench); and Covid Memorial Obelisk. Heritage Assets are carried at valuation rather than current of fair value reflecting the fact that sales and exchanges are uncommon. The Art Collection is valued at insurance valuation and the War Memorial, bench and Obelisk at depreciated historic cost as they are infrastructure assets. The treatment of revaluation gains and losses is in accordance with the Council's accounting policies on property, plant and equipment.

The carrying amounts of Heritage Assets are reviewed where there is evidence of impairment, for example, where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment

Art collection

The assets within the art collection are deemed to have indeterminate lives; hence the Council does not consider it appropriate to charge depreciation.

Acquisitions are made by purchase or donation. Purchases are initially recognised at cost and donations are recognised at valuation.

War Memorial and Bench and Covid Memorial Obelisk

The War Memorial, Commemorative Bench and Obelisk are sited in West Bridgford and held at Depreciated Historical Cost (a proxy for current value).

xi. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council because of past events (for example, software licences). These are capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

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

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in

the MIRS and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

xii. Inventories and Long-Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. Long term contracts are accounted for based on charging the surplus or deficit on the provision of services with the consideration allocated to the performance obligations satisfied based on goods or services transferred to the service recipient during the financial year.

xiii. Interests in Companies and Other Entities

The Council does not have material interests in companies and other entities that have the nature of subsidiaries, associates and jointly controlled entities and require it to prepare group accounts.

xiv. Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value and are not depreciated but are re-valued annually. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the MIRS and posted to the Capital Adjustment Account and the Capital Receipts Reserve (for any sale proceeds greater than £10,000).

xv. Leases

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

An exception is made where leases were in existence prior to the introduction of IFRS 16 and not treated in accordance with proper practice as at 31st March 2010. Under the terms of the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2010 no 454, the Council may continue to account for money received in accordance with the original type of leases.

Leases classified as Investment Properties are not required to show a split between the land and building elements.

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

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

The Council as Lessee

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

Initial measurement

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

The Council initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the Council's incremental borrowing rate (Public Works Loan Board certainty rate as a proxy) 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

amounts expected to be payable under a residual value guarantee

the exercise price under a purchase option that the Council is reasonably certain to exercise

lease payments in an optional renewal period if the Council is reasonably certain to exercise an extension option

penalties for early termination of a lease, unless the Council is reasonably certain not to terminate early.

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

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

Subsequent measurement

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

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

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

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

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

The liability is remeasured when:

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

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset with a corresponding amount made to the lease liability on the balance sheet.

Low value and short lease exemption

As permitted by the Code, the Council excludes leases:

- for low-value items that cost less than £5,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the Council is reasonably certain to exercise and any termination options that the Council is reasonably certain not to exercise).

Lease expenditure

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

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

The Council as Lessor

Finance Leases

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

Lease rentals receivable is apportioned between a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and finance income

(credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

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

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the MIRS.

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 over the lease term on the same basis as rental income.

The Council does not have any sale and leaseback assets.

xvi. Jointly Controlled Operations

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

xvii. Overheads and Support Services

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

xviii. Property, Plant & Equipment

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

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accrual's basis, provided that it is probable that the future economic 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 is charged as an expense when it is incurred. In addition, expenditure needs to be more than the Council

de-minimis level of £10,000 before it can be recognised as capital, spend below this limit is charged to revenue.

The Code requires components to be accounted for as separate items where they are material, the Council has undertaken a review of its assets relating to Property, Plant and Equipment and componentising these assets has no material impact. The Council has however componentised its assets, into two elements, land and buildings.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The 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 variation in the cash flows of the Council). In the latter case, where an asset is acquired via exchange, the cost of the acquisition is the carrying amount of the asset given up by the council.

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

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

Property, Plant and Equipment	
Other Land and Buildings	Existing Use Value (EUV) (Current Value)
Vehicles and Plant	Depreciated Historical Cost
Infrastructure	Depreciated Historical Cost
Community Assets	Historical Cost
Assets Under Construction	Historical Cost

Assets included in the Balance Sheet at current value are re-valued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years applying indexation in the intervening years to ensure that asset values remain materially up to date. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus and Deficit on the Provision of Services line of the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Valuations are carried out in accordance with CIPFA guidance. The Council operates a rolling programme of revaluations for all Property assets (excluding Community Assets), undertaking a full valuation at least

every five years and applying indexation in the intervening years to ensure that asset values remain materially up to date.

Investment Properties are revalued annually.

The revaluation process is initiated by the Finance team, who issue detailed valuation instructions in line with CIPFA requirements to the Council's internal RICS-qualified surveyor, currently Director of Development and Economic Growth. Valuation work is undertaken by Senior Property Estates Surveyor and is subsequently reviewed and formally signed off by the Director of Development and Economic Growth, in accordance with an agreed Service Level Agreement.

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

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

Impairment

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

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

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

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

Depreciation

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

Property, Plant and Equipment	
Other Land and Buildings	Straight line – over the useful life of the asset
	Straight line – over the useful life of the asset
Vehicles and Plant	Straight line – over the useful life of the asset
Infrastructure	

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.

Infrastructure Assets within PPE

Infrastructure assets are generally inalienable assets, expenditure on which is only recoverable by continued use of the asset created, i.e., there is no prospect of sale or alternative use. They work as a part of a continuous network that is maintained in a relatively steady state, though there may be distinctive parts of this network. For Rushcliffe, the steady state will be watercourse enhancement works and footpath enhancements; a distinctive part and significant infrastructure asset is Cotgrave Public Realm.

Recognition

Expenditure on the acquisition/development of Infrastructure assets is capitalised on an historic cost (accruals) basis, provided that the future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably.

Measurement

Infrastructure assets are measured at depreciated historic cost.

Depreciation

Depreciation is calculated on a straight-line basis over the assigned useful life of the asset. Useful lives for Infrastructure assets are assessed by the relevant Commissioning Officer.

Disposal and De-recognition of Infrastructure Assets

When an infrastructure asset is disposed/replaced/de-commissioned, the carrying amount of the asset is written off to the 'Other operating expenditure' line in the Comprehensive Income and Expenditure Statement. The expectation is that the replacement parts will have been fully depreciated, but this may not always be the case.

The written-off amounts of disposals are not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate capital financing accounting arrangements. Amounts are transferred to the Capital Adjustment Account from the General Fund via the MIRS.

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair

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

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

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

As the cost of fixed assets is fully provided for under separate arrangements for capital finance the written-off value of disposals is not a charge against council tax. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the MIRS.

Assets under Construction

Assets under Construction are only recognised when it is probable that the future economic benefits will flow to the Council and the cost can be measured reliably. Assets under construction are capitalised at cost which includes labour and overhead costs arising directly from the construction of the asset. Assets under construction are not depreciated until they are brought into use under the relevant sections of Property Plant and Equipment.

xix. Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

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

Contingent Liabilities

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

Contingent Assets

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

xx. 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 MIRS. 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 MIRS so that there is no net charge against council tax for the expenditure.

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

xxi. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the MIRS 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.

xxii. VAT

VAT payable is included only where it is deemed unrecoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

Non-recoverable VAT relating to a capital scheme will form part of the capital cost of that scheme

xxiii. Collection Fund – Council Tax & Non-Domestic Rates (NDR)

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 business rates. The Council acts as an agent, collecting council tax and business rates income on behalf of the major precepting authorities

(including central government), and as a principal, collecting council tax and NDR for itself. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards, with the amount of Council Tax and NDR collected potentially being either less or more than predicted. The Council is part of a pool arrangement for NDR with Neighbouring Nottinghamshire Councils. The pool will cease to exist after 2025/26.

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. Any difference between the income included in the CIES and the demand or precept is taken to the Collection Fund Adjustment Account and included as a reconciling item in the MIRS. The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals. As the collection of Council Tax and NDR is an agency agreement there is a debtor/creditor position between the Council, the major preceptors and central government. As the billing authority, this Council's Cash Flow Statement includes in 'revenue activities' only its own share of the Council Tax and NDR collected.

xxiv. Fair Value Measurement of non-financial assets

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

a) in the principal market for the asset or liability, or

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

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

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

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

- **Level 1** – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date

- **Level 2** – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

- **Level 3** – unobservable inputs for the asset or liability.

37. ACCOUNTING STANDARDS ISSUED BUT HAVE NOT YET BEEN ADOPTED

The Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code) requires the disclosure of information relating to the expected impact on the accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year. This applies to the adoption of the following new or amended standards within the 2025/26 code:

The standards introduced by the 2026/27 Code where disclosures are required in the 2025/26 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

a) Amendments to FRS102 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 IFRS9 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

38. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 36 the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts concern the following:

a. Local Government Reorganisation will create new unitary authorities from April 2028. This will involve transfer of assets, liabilities, reserves and services, the specific details of this are not yet known, however, there is a continued requirement to comply with the CIPFA code throughout this transition. The Council will remain a going concern up to vesting day there is no certainty at this time of the full impact of this change, nor any indication that the assets of the Council might be impaired because of a need to close facilities and reduce levels of service provision.

b. Despite the three-year settlement, business rates reset and fairer funding review, funding is still subject to annual approval and could change. The Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

c. A significant impact on the accounts concerns the assumptions surrounding pensions and the likelihood of legislative change and the impact of such change. The impact of either a change in the discount rate of 0.1% or a change in life expectancy of 1 year, for either, would be no more than £52k on service costs.

d. It is anticipated no substantial legal claims or appeals will be made against the Council in the next financial year.

e. With the adoption of IFRS16 in 2024/25 property that was previously leased has been brought onto the balance sheet as Right of Use assets as required by the Code of Practice for Local Authority Accounting in the United Kingdom. Right of use assets held at revaluation (donated assets with no lease liability) have now been included in the 5-year revaluation cycle and will / have been subject to indexation in the intervening years per the 2025/26 Code of Practice. Assets held at cost have been uplifted by recalculating the Net Present Value based on inflated cash payments where

applicable (RPI/CPI etc. per individual contract agreements) with a corresponding increase to the lease liability.

f. Asset Ceiling The accounting standards state that if an employer has an accounting surplus, it should only be recognised to the extent that it is able to recover the surplus either through reduced contributions in the future, or through refunds. The present value of such economic benefits is commonly referred to as the "asset ceiling". Assumptions have been made that there is no unconditional right to a refund of a surplus from the pension authority and the requirement to make contributions towards a funding deficit is considered an additional minimum liability. As such an asset ceiling has been calculated and applied by the actuary in-line with IAS19 & IFRIC14 accounting standards.

g. The new CIPFA requirement to revalue assets every 5 years, with indexation in intervening years, and has lead to professional judgement by the councils valuer being used to identify the most appropriate indices for each category of asset.

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

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

Most significant estimates are for pensions, impairment provisions, provisions and accruals. Each of these has a different process for making the estimate:

a. Pensions Liability: Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged 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. The effects on the net pension's liability of changes in individual assumptions can be measured. For example, a 0.1% increase in the discount rate assumption and an increase of one year in the mortality age rating assumption would result in a decrease of £1.080m and an increase of £3.496m respectively in the present value of the defined benefit obligation. In addition, for 2025/26 there is an additional remeasurement in relation to changes in impact of the asset ceiling. Note 32 provides more detail.

b. Impairment estimates are in accordance with IFRS 9 based on prudent collection rates taking into account knowledge of existing conditions on outstanding debts, particularly given the current economic climate. There has been no evidence so far to suggest that elevated inflation and the increased cost of living have impacted on collection of debt however this will continue to be monitored. At 31st March 2026, the Council had sundry debtor balances of £0.625m and Housing Benefit (HB) debtors of £0.520m. Provisions for impairment are made according to the age of the debt. The provisions amount to £0.301m and £0.034m, respectively for sundry debtors and Housing Benefit overpayments.

c. Provisions – generally most provisions are relatively low in value. Business Rate appeals (which the Valuation Office is responsible for) have been estimated in line with the accounting requirements of the national Business Rates Retention Scheme. In total Rushcliffe's estimated liability amounts to £0.483m, with a further £0.724m in relation to other precepting authorities and the Government (Note 17). This has been calculated focusing on key determinants such as type of property, reasons for appeal and age of the appeal.

d. Depreciation and amortisation are provided to write down the assets to their residual values over their estimated useful lives. The selection of these residual values and useful lives requires the exercise of management judgement considering anticipated usage levels in service provision and levels of repairs and maintenance. A review of balance sheet values is undertaken each year end to assess if any of the assets have not been used at the estimated rates and if any impairment charges are required. If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.

40. MATERIAL ITEMS OF INCOME AND EXPENSE

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

41. EVENTS AFTER THE REPORTING DATE

The cost-of-living pressure is a risk to the Council's income recovery and given inflation remains high is a cost risk for both revenue and capital. We are constantly reviewing the impact on the Council.

The Council received confirmation of LGR plans to split the authority, based on new boundaries, between the two new Unitary Bodies. The costs and implications are not yet fully quantifiable and are likely to be significant. The Council has created an LGR reserve to allow for these costs.

Simpler Recycling legislation came into force 31 March 2025 which requires the Council to introduce food waste collections and streamline collections for households to collect residual waste, food waste, paper and card and all other dry recyclables including glass from the kerbside. Estimates have been made in the budget in relation to both expenditure and income, there remains a risk that these are insufficient. A Simpler Recycling reserve supports these pressures.

The main issues are stated within Section 6 of the Narrative.

G. THE COLLECTION FUND

Council Tax £'000	NDR £'000	TOTAL £'000		Council Tax £'000	NDR £'000	TOTAL £'000
			INCOME			
113,805		**113,805**	Council Tax	121,537		**121,537**
	32,823	**32,823**	Income from business ratepayers		31,752	**31,752**
113,805	**32,823**	**146,628**		**121,537**	**31,752**	**153,289**
			EXPENDITURE			
			Precepts and Demands			
84,915		**84,915**	· Nottinghamshire County Council	90,502		**90,502**
13,258		**13,258**	· Nottinghamshire Police Authority	14,145		**14,145**
4,333		**4,333**	· Nottinghamshire Fire Authority	4,644		**4,644**
11,049		**11,049**	· Rushcliffe Borough Council	11,639		**11,639**
			Business Rate			
	14,510	**14,510**	· Payments to Government		16,130	**16,130**
	2,612	**2,612**	· Payments to Nottinghamshire County Council		2,903	**2,903**
	290	**290**	· Payments to Nottinghamshire Fire Authority		323	**323**
	11,608	**11,608**	· Payments to Rushcliffe Borough Council		12,904	**12,904**
	118	**118**	· Costs of Collection		121	**121**
	926	**926**	· Renewable Energy		805	**805**
	0	**0**	· Transitional Protection Payment			**0**
			Impairment of Debts/Appeals			
		0	· Write ons		(129)	**(129)**
(184)	265	**81**	· Allowance for Impairment	(295)	(31)	**(326)**
509	(264)	**245**	· Provision for appeals	535	(753)	**(218)**
			Contributions			
(33)	57	**24**	Distribution of 24-25 estimated Collection Fund surplus/(deficit)	63	2,089	**2,152**
113,847	**30,122**	**143,969**		**121,232**	**34,362**	**155,595**
(42)	2,701	2,659	**Movement on Fund Balance**	304	(2,610)	**(2,306)**
98	356	**454**	**Opening Fund Balance Surplus/(Deficit)**	56	3,057	**3,113**
56	**3,057**	**3,113**	**Closing Fund Balance Surplus/(Deficit)**	**361**	**447**	**807**

G. NOTES TO THE COLLECTION FUND

1. GENERAL

The Collection Fund is an agent's statement that reflects the statutory obligation of the billing authority 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 central government.

2. CALCULATION OF COUNCIL TAX BASE

The calculation of the Council Tax base i.e., the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts apply) converted to an equivalent number of band D dwellings is shown in the table below:

Band D Equivalents	Band	Chargeable Properties After Discounts	Ratio	Band D Equivalents
2024/25		2025/26		2025/26
2,778	A	4,150	6/9	2,794
6,463	B	8,406	7/9	6,604
8,909	C	10,091	8/9	9,061
10,090	D	10,088	9/9	10,189
8,554	E	7,069	11/9	8,727
6,202	F	4,319	13/9	6,301
4,211	G	2,555	15/9	4,302
257	H	135	18/9	273
47,464				**48,251**
(474)		Non-Collection Impairment was 1.00% in 2025/26 (2024/25 1.00%)		(481)
46,990		**Council Tax Base**		**47,770**

3. COLLECTION FUND COUNCIL TAX BALANCE/REDISTRIBUTING SURPLUSES OR DEFICITS

The precepts detailed in the statement are shown net of the previous year's surpluses/deficits. The Council estimates the year end Collection Fund Council Tax balance in January each year and in accordance with the Local Authorities (Funds) (England) Regulations 1992 this amount is distributed in the following financial year to the major preceptors in proportion to the respective precepts and demands. Any difference between the estimated and outturn figure is adjusted for in the following year.

In 2025/26 a Collection Fund Council Tax surplus of £63k was redistributed between the major precepting authorities. Of this £68k reflected the estimated outturn deficit at 15 January 2025 offset by £131k surplus from the difference between the estimated and actual outturn positions for 2023/24.

At 15 January 2026 the Collection Fund Council Tax surplus for 2025/26 was estimated at £266k comprising an in-year surplus of £273k and £7k deficit arising from the difference between the actual and estimated outturns for 2024/25. These funds will be distributed to the major precepting authorities in 2026/27 allocated to preceptors as shown in the table below.

2024/25 £'000		2025/26 £'000	2026/27 £'000
(24)	Nottinghamshire County Council	47	199
(4)	Nottinghamshire Police Authority	7	31
(1)	Nottinghamshire Fire Authority	3	10
(3)	Rushcliffe Borough Council	6	26
(32)		**63**	**266**

At 31 March 2026 the actual outturn for the Collection Fund Council Tax was a surplus £361k, an increase of £95k from the estimated outturn. This will be adjusted for as part of the calculations for the redistribution of Collection Fund balances in 2026/27. Rushcliffe's share of this surplus is £36k

4. NON-DOMESTIC RATES

Under the arrangements regarding Uniform Business Rates, the Council collects non-domestic rates for its area which are based on local rateable values adjusted by a multiplier which for 2025/26 was 55.5p for standard properties and 49.9p for small (2024/2025 54.6p and 49.9p). The non-domestic rateable value as at the 31st of March 2026 was £85,009,258 following the latest revaluation on 28th March 2026 (31st March 2025 £85,717,357)

Rushcliffe Borough Council retains a 40% share of the proceeds of Non-Domestic Rate income, the remainder is distributed to preceptors in the following proportions: Central Government (50%), Nottinghamshire County Council (9%) and Nottinghamshire Fire Authority (1%).

Rushcliffe Borough Council is a member of the Nottinghamshire Business Rates Pool, alongside the seven Nottinghamshire district councils and Nottinghamshire County Council. The current arrangement will conclude in 2025/26, as members have agreed to discontinue the pool from 2026/27 following the Business Rates reset.

In addition to the local management of business rates, authorities are expected to finance appeals made in respect of rateable values as defined by the Valuation Office, so authorities are required to make a provision for these amounts. Appeals are charged and provided for in proportion to the precepting shares. Note 17 provides further details on the provision made in 2025/26.

A surplus of £0.447m is the closing 2025/26 position.

5. NON-DOMESTIC RATES SURPLUS OR DEFICIT

At 31 March 2026 the actual outturn for the Collection Fund NDR was a surplus of £0.447m (2024/25 £3.057m surplus) which is then distributed to the preceptors as detailed in the following table.

2024/25 £'000		2025/26 £'000
1,529	Central Government (50%)	224
1,223	Rushcliffe Borough Council (40%)	179
275	Nottinghamshire County Council (9%)	40
30	Nottinghamshire Fire Authority (1%)	4
3,057		**447**

H. GLOSSARY OF TERMS

ACCOUNTING PERIOD

This is the length of time covered by the accounts. It is a period of twelve months commencing on 1 April and ending on 31 March.

ACCRUALS

Income or expenditure relating to goods or services received / provided during the accounting period where payment has not been made or received at the end of the accounting period.

ACTUARIAL ASSUMPTIONS

Assumptions made by the Pension Fund Authority in valuing the funds' assets and liabilities.

ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:
events have not coincided with the actuarial assumptions made at the last actuarial valuation
the actuarial assumptions have changed.

ACTUARIAL VALUATION

An actuary undertakes a valuation by comparing the value of the pension scheme assets with its liabilities. The actuary then calculates how much needs to be paid into the scheme by the employer and members to ensure there will be adequate funds to pay the pensions when they become due.

AMORTISATION

This is a charge made to the service revenue accounts each year to reflect the reduction in the value of the assets used in the delivery of services.

ASSET

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

AUGMENTATION (PENSIONS)

Payment to the pension scheme over and above normal scheme entitlements, usually as part of a redundancy or severance package.

BALANCE SHEET

A statement summarising the Council's financial position at the end of the accounting period. The statement shows the Council's assets and liabilities.

BILLING AUTHORITY

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

CAPITAL EXPENDITURE

Expenditure on the acquisition or enhancement of a fixed asset, which adds to and not merely maintains the value of existing assets.

CAPITAL FINANCING

Sources of money that have been used to finance the capital programme. The Council uses various methods to finance its capital expenditure, including direct financing, usable capital receipts, capital grants, revenue reserves and earmarked reserves.

CAPITAL FINANCING REQUIREMENT (CFR)

The CFR represents the Council's underlying need to borrow in order to finance its capital expenditure. It is the difference between the value of Total Fixed Assets in the balance sheet and the Revaluation and Capital Financing Accounts. This represents the propensity of the authority to borrow for capital purposes and is the basis for the minimum revenue provision charge to the revenue account.

CAPITAL ADJUSTMENT ACCOUNT

This account contains the amount required to be set aside from the capital receipts and the amount of capital expenditure financed from revenue and capital receipts. It also contains the difference between amounts provided for depreciation and the amount that must be set aside from revenue for the repayment of external debt.

CAPITAL FINANCING REQUIREMENT (CFR)

This is the Council's underlying need to borrow.

CAPITAL GRANTS UNAPPLIED

These are capital grants that the Council has received, where the conditions of the grant have been satisfied, that have yet to be used to finance capital expenditure.

CAPITAL PROGRAMME

The planned capital schemes the Council intends to carry out over a specified period of time.

CAPITAL RECEIPTS

Proceeds arising from the sale of fixed assets (such as land and buildings) and repayments of the principal elements of capital loans. The Council can use the proceeds from capital receipts to finance new capital investments; the proceeds cannot be used to finance revenue expenditure.

CASH FLOW STATEMENT (INDIRECT METHOD)

The indirect method adjusts net income from an accrual to a cash basis by adding back non-cash expenses and adjusts net income for changes between the starting and ending account balances in current assets (excluding cash) and current liabilities for the period.

CIL (COMMUNITY INFRASTRUCTURE LEVY)

A charge which can be levied by local authorities on new development in their area. The funds will contribute to the cost of infrastructure within the area covered by the Rushcliffe Local Plan.

CIPFA - CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY

Professional accountancy body specialising in the public sector.

COLLECTION FUND

A separate fund recording the income and expenditure relating to Council Tax and Business Rates.

CONTINGENT LIABILITIES/ ASSETS

A contingent liability / asset is either:

a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control, or

a present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount cannot be measured with sufficient reliability.

CREDITORS

Amounts owed by the Council for goods or services they have received for which payment has not been made.

CURRENT SERVICE COST (PENSIONS)

The increase in the present value of a defined benefit schemes liability.

DEBTORS

Amounts owed to the Council for goods or services the Council has provided for which payment has not been received.

DEFERRED CAPITAL RECEIPTS

Income recognised upon the disposal of non-current assets but, for which, cash settlement has yet to take place.

DEPRECIATION

This is a charge made to the service revenue accounts each year to reflect the reduction in the value of the asset used in delivery of services.

EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices.

FINANCE LEASE

This is a lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

FINANCIAL INSTRUMENT

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. Most straight forward financial assets (debtors, bank deposits

and investments) are covered, together with more complex ones not used by the Council (debt instruments with embedded swaps and options).

GOVERNMENT GRANTS

Grants made by the government towards either revenue or capital expenditure or support the cost of provision of services. These grants may be specifically towards the cost of schemes or to support the revenue spend of the Council.

GROSS BOOK VALUE

The historical cost or the revalued amount of the asset before depreciation.

HISTORICAL COST ADJUSTMENT

This is the difference between Historical Cost Depreciation and the actual depreciation charged calculated on re-valued assets.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Defined accounting standards that must be applied by all reporting entities to all financial statements in order to provide a true and fair view of the entity's financial position, and a standardised method of comparison with financial statements of other entities. The Accounting Standards emanate from the International Financial Reporting Interpretations Committee (IFRIC).

IMPAIRMENT

Where the value of fixed assets reduces below its carrying amount on the balance sheet.

INVENTORIES

Items bought for consumption or resale, or raw materials, that are currently being held.

LIABILITY

Where the Council owes payment to an individual or an organisation.

MHCLG

Ministry of Housing Communities and Local Government

MINIMUM REVENUE PROVISION (MRP)

The minimum amount which must be charged to a Council's CIES each year for the servicing of debt.

NET BOOK VALUE

This is the value of an asset that is on the balance sheet. It represents its historical re-valued cost less the accumulated depreciation of the asset.

NET WORTH

The total value of an organisation expressed as total assets less total liabilities.

NON –DISTRIBUTED COSTS

Past service pension costs including settlements and curtailments which are not to be included in total individual service costs.

NON-DOMESTIC RATES (NDR)

The Council collects Non domestic rates for its area based on local rateable values multiplied by a national uniform rate. With the introduction of the Business Rates Retention Scheme on 1 April 2013, billing authorities act as agents and collect Non domestic rates on behalf of major preceptors and central government.

NON-OPERATIONAL ASSET

Fixed assets held by the Council but are not directly occupied used or consumed in the delivery of services.

NOTTINGHAMSHIRE BUSINESS RATES POOL

As a result of the new business rates arrangements the Nottinghamshire Business Rates Pool was formed. This is administered by Nottinghamshire County Council and includes the seven Nottinghamshire Districts and Nottinghamshire County Council.

OPERATING LEASE

A lease where the ownership of the asset remains with the lessor.

OPERATIONAL ASSET

Fixed assets held and occupied, used or consumed by the Council in the direct delivery of services.

POOLED FUNDS

Funds from many individual investors that are aggregated for the purposes of investment

PRECEPT

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

PROJECTED UNIT CREDIT METHOD

Under the projected unit credit method, the obligation for long-term employee benefits is measured by calculating the present value of the expected future payments that will result from employee services provided to date

PROVISIONS

Liabilities or losses which are likely or certain to be incurred, but the amounts or the dates on which they will arise are uncertain.

RATEABLE VALUE (RV)

The annual assumed rental value of a property that is used for business purposes.

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.

REFCUS

Revenue Expenditure Funded by Capital Under Statute.

RESERVES

Funds set aside for expenditure in future years. Certain reserves have constraints on how they can be spent.

REVALUATION RESERVE

Records unrealised revaluation gains/ losses from holding fixed assets.

REVENUE EXPENDITURE

Expenditure on the day-to-day costs of providing services.

REVENUE INCOME

Income from day-to-day provision of services

REVENUE SUPPORT GRANT (RSG)

Grant from Central Government towards the cost of service provision.

S106

Developer contributions lodged under Section 106 of the Town and Country Planning Act 1990 (as amended).

TRANSFER PAYMENTS

Relates to payments for which no goods or services are received by the Council e.g., Rent allowances.