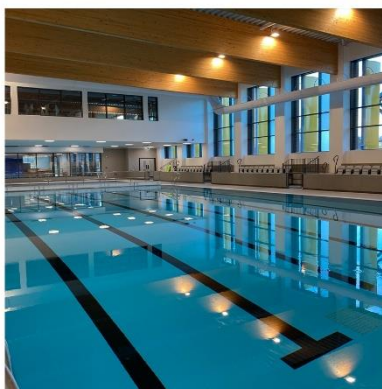


# Statement of Accounts

## 2024 - 2025



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## **A. NARRATIVE STATEMENT**

### **Welcome to the Statement of Accounts**

#### **Introduction**

As the Council's Chief Finance Officer, I have pleasure in presenting the Narrative Statement to Rushcliffe's 2024/25 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 reports on the accounts by summarising key events and their financial impact as well as non-financial performance indicators against key corporate priorities and commentary on key risks. It also provides additional context on some of the issues and challenges that have faced the Council during the year. I hope that this Narrative Statement, and the information that follows, gives a clear picture of how Council Tax and our other sources of income are used to deliver a wide range of services. The Narrative Statement, along with the Annual Governance Statement and the Auditor's report, are outside the scope of the Statement of Accounts, but all the documents, as one, constitute the Council's Financial Report for 2024/25.

The financial environment continues to be volatile. Current and emerging pressures include Simpler Recycling Act, Levelling Up Act, Local Government Reorganisation (LGR), Carbon Offsetting commitments, Government policy reviews and increases in Employers National Insurance contributions. Further delays in funding reviews and one year funding settlements add another layer of uncertainty. Inflation has started to reduce but the high levels experienced in the last few years has caused the base budget to be substantially inflated. Rates continue to fluctuate, and this also affects the Council's income streams as the cost-of-living crisis impacts on residents and business. Officers have continued to facilitate the delivery of additional financial support to residents and businesses in the form of grants and reliefs. The Council has delivered 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 and over the last year has made significant progress on large development projects. 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](mailto:finance@rushcliffe.gov.uk).

**Peter Linfield**

**Deputy CEO and Director - Finance and Corporate Services**



## 1. 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 2024/25 (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 52 to 70 of the Statement of Accounts.

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



## **2. 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 7<sup>th</sup> 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.



### UKSPF

Last year we supported 60 organisations including small businesses, community groups and parish councils with over £400,000 of grants



### Rushcliffe Oaks

Rushcliffe Oaks Crematorium continued to give families comfort and support in their time of need with the help of Maise the Comfort Dog



### Proms in the Park

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



### Leisure Centres

£5.2m investment in refurbishments and energy efficient improvements at local leisure centres continued



### Home Alarms

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



### Council Tax & NDR

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



### Popular Events

Another very popular Lark in the Park attracts thousands of families



### Community Awards

Celebrating Rushcliffe Awards receives record number of nominations



### Energy Support

Over 300 energy efficient measures to around 250 homes



### Pension Credit

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



### Playgrounds

Over £279k of investment in playgrounds, refurbishing popular existing play areas and introducing new inclusive features



### Green Flag Awards

More sites receiving Green Flag awards than ever before including a first at The Hook Nature Reserve

As well as achieving all of this, we also:



Emptied **3.2 million** bins



Delivered updates to over **27,000** followers on social media



Helped **261** individuals who were at risk of becoming homeless to find somewhere to live.



Answered over **73,000** calls from our residents



Dealt with over **116,000** enquiries to our Customer Services team



Helped dozens of businesses with over **£340,000** of business support grants



Supported nearly **1,000** elderly or vulnerable people to live independently with one of our home alarms. This service has achieved a **100%** satisfaction rate over the last nine years.



Conducted nearly **500** food hygiene inspections, including over **100** new food businesses, keeping you safe when eating out in the Borough



Maintained council tax rates lower than **75%** of all local authorities in the country



### 3. Risk Management

The Council's 2023-2026 Risk Management Strategy was approved by Governance Scrutiny Group February 2023. During 2023/24 officers completed an evaluation of risk descriptions to improve articulation and quality of risk information. The revised risk descriptions were adopted into 2024/25 Service Plans. 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.

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. There are currently 38 corporate risks, 21 operational risks and 4 opportunity risks. Risks are reviewed each year as part of the Service Planning process and changes to risks are referred to RMG for approval.

#### **Risks added:**

- Difficulty recruiting and retaining staff – reduced ability to recruit or retain staff as a result of Local Government Reorganisation leading to an impact on service delivery, staff morale and reputation
- Break in service delivery - risk to the ability of the Council to seamlessly deliver services during reorganisation leading to potential negative impact on residents due to a break in delivery of critical services
- Risk to MTFS - risk to the Medium-Term Financial Strategy (MTFS) as a result of changes in the structure of local government and on transition to a new authority leading to destabilisation of the budget
- Loss of Housing Benefit (HB) subsidy – New Supported Accommodation provided by non-Registered Provider (Charity / CIC's) resulting in loss of HB subsidy



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

Risk	Likelihood	Impact	Action
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.
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 Carbon Neutral 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.
Risk of increased capital programme costs due to either increased demand (e.g., DFGs, Traveller's site) or inflation.	High	High	Continuation of the waiting list for Disabled Facilities Grants (DFGs). Working with Notts authorities on a more equitable distribution of resources. Further resource in capital reserves to be appropriated if efficiencies are identified.

#### 4. Revenue Expenditure and Income

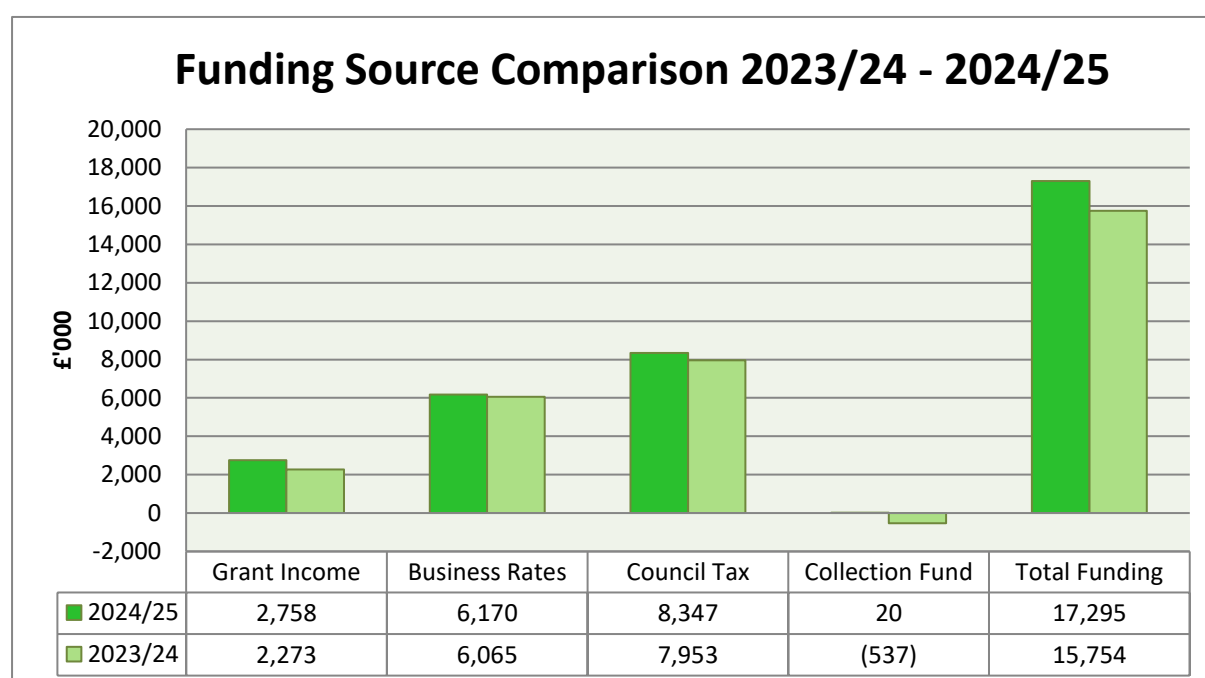
The Council receives money from various sources. The income comes primarily from local residents in the form of Council Tax, and local businesses as Business Rates. Each year the Council spends its money on key services, delivered in accordance with our local priorities and legal requirements.

The following table demonstrates where money was spent in 2024/25, showing a net underspend on direct costs of £1.933m against budget. This underspend is increased by additional grant income and business rates grants to give an overall underspend of £2.962m. This is earmarked to meet ongoing service pressures, challenges and opportunities such as climate change, LGR, Simpler Recycling, West Bridgford Town Centre regeneration and Disabled Facilities Grants.

Interest rates remained high during the year, and this has delivered £1.1m of additional interest. Other savings come from contingency not required (£0.5m) diesel/HVO savings (£0.169m) reduction in price of fuel and usage due to more EV vehicles, IT contracts due to delays in rollout and moving to cloud solutions (£0.206m), contract renegotiation; Leisure (£0.109m), Eastcroft Depot (£0.049m). Main overspends include £0.380m in planning due to reduced income and costs of appeals and enforcements and rent increases from supported housing providers (£0.205m), both of these are covered by release from reserves.

2024/25	Original Budget £'000	Revised Budget £'000	Revised Outturn £'000	Revised Variance £'000
Chief Executive	1,525	1,539	1,541	2
Finance and Corporate	4,952	4,985	3,598	(1,387)
Development and Economic Growth	482	530	664	134
Neighbourhoods	7,824	8,149	6,993	(1,156)
<b>Sub Total</b>	<b>14,782</b>	<b>15,203</b>	<b>12,796</b>	<b>(2,407)</b>
Capital Accounting Reversals	(1,895)	(1,895)	(1,895)	0
Minimum Revenue Provision	1,178	1,178	1,652	474
<b>Total Net Service Expenditure</b>	<b>14,065</b>	<b>14,486</b>	<b>12,553</b>	<b>(1,933)</b>
Grant Income (including New Homes Bonus)	(2,125)	(2,125)	(2,758)	(633)
Business Rates (including SBRR)	(5,763)	(5,763)	(6,170)	(407)
Council Tax	(8,347)	(8,347)	(8,347)	0
Collection Fund Deficit	(32)	(32)	(20)	12
<b>Total Funding</b>	<b>(16,267)</b>	<b>(16,267)</b>	<b>(17,295)</b>	<b>(1,029)</b>
<b>Net Transfer to/(from) Reserves</b>	<b>2,202</b>	<b>1,781</b>	<b>4,742</b>	<b>2,962</b>

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, £1.509m is New Homes Bonus, which was extended for an additional year, this has been used to top up reserves for Regeneration and Community Projects £0.759m and Climate Change £0.750m. There has yet to be any announcement on the 2021 consultation and consequently NHB has again been extended with £1.478m due for 2025/26, this will be used towards future 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 and services grants £0.516m; £0.230m relating to food waste collection which will be appropriated to reserves to cover expenditure relating to this; and other grants not ringfenced for specific purposes.



Source: Financial Outturn Report 2024/25

The deficit position on the Collection Fund (page 73) at 31 March 2024 (£1.917m) has been recovered from Rushcliffe Borough Council and the major preceptors. The balance as at 31 March 2025 is a surplus of £0.454m this will be redistributed during 2026/27.

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 £2.202m was adjusted to £1.781m to reflect carry forward commitments. At the end of the year there was a net transfer to reserves of £3.339m, a net increase of £1.558m (£2.962m revenue underspends, £1.402m utilised on capital projects). Details of reserve balances can be seen in Note 4 to the accounts.

General Fund Reserve Balance therefore remains unchanged from 2023/24 at £2.604m. Reserves are available to meet future cost pressures thus:

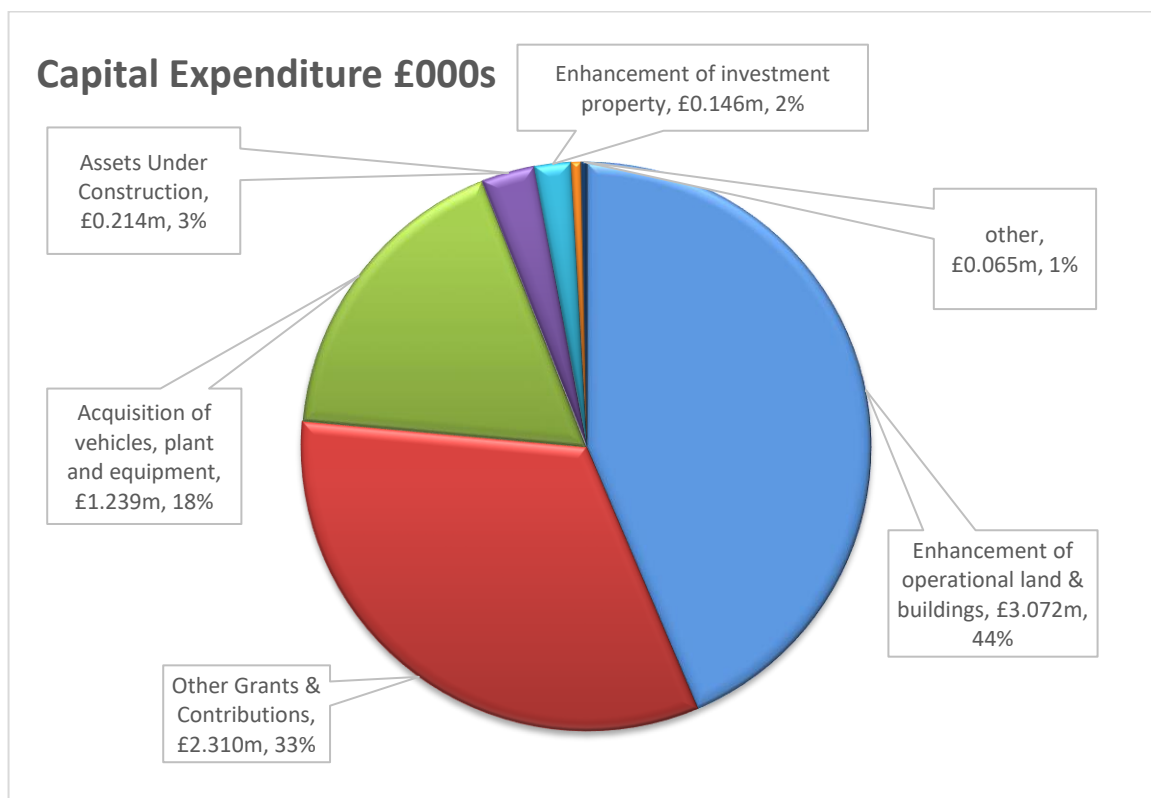
- Enabling delivery of the transformation programme by which the Council will balance future budgets and continue to deliver high quality services;



- Smoothing saving requirements between financial years;
- Enabling the Council to deal with the volatility from changes to central government funding methodology (such as Fairer Funding Review and retained business rates which have been further delayed);
- 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.

## 5. Capital Expenditure and Income

The following chart shows the breakdown of Capital Expenditure in 2024/25:



Source: Capital Expenditure and Financing (Note 29) (this excludes £0.749 relating to IFRS16 adjustments which is included in note 29 as offsetting income and expenditure)

The chart above shows the main area of capital expenditure relates to enhancement of operational land and buildings £3.821m, 49%, with the release of Capital Grants and Contributions as the next highest £2.310m, 30%. These are discussed further below.

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. Key areas of capital expenditure in 2024/25 comprise:

**Enhancement of Operational Land and Buildings - £3.072m.** The majority of which relates to Cotgrave Leisure Centre £2.658m, works completed in year are upgrades to the youth centre, spin and fitness studio and wet side changing village, works to the sports hall, reception and main entrance are also nearing completion.



*Decarbonisation & Enhancement works approaching completion at Cotgrave Leisure Centre*

**Other Grants and Contributions - £2.310m.** Monies released to finance capital assets owned by third parties. Primarily this expenditure was on Disabled Facilities and Better Care Funding Grants £0.912m, UKSPF and REPF grants to Businesses £0.6m, retrofit energy saving Grants £0.511m and Home Upgrade Grants (HUG2) 0.163m.

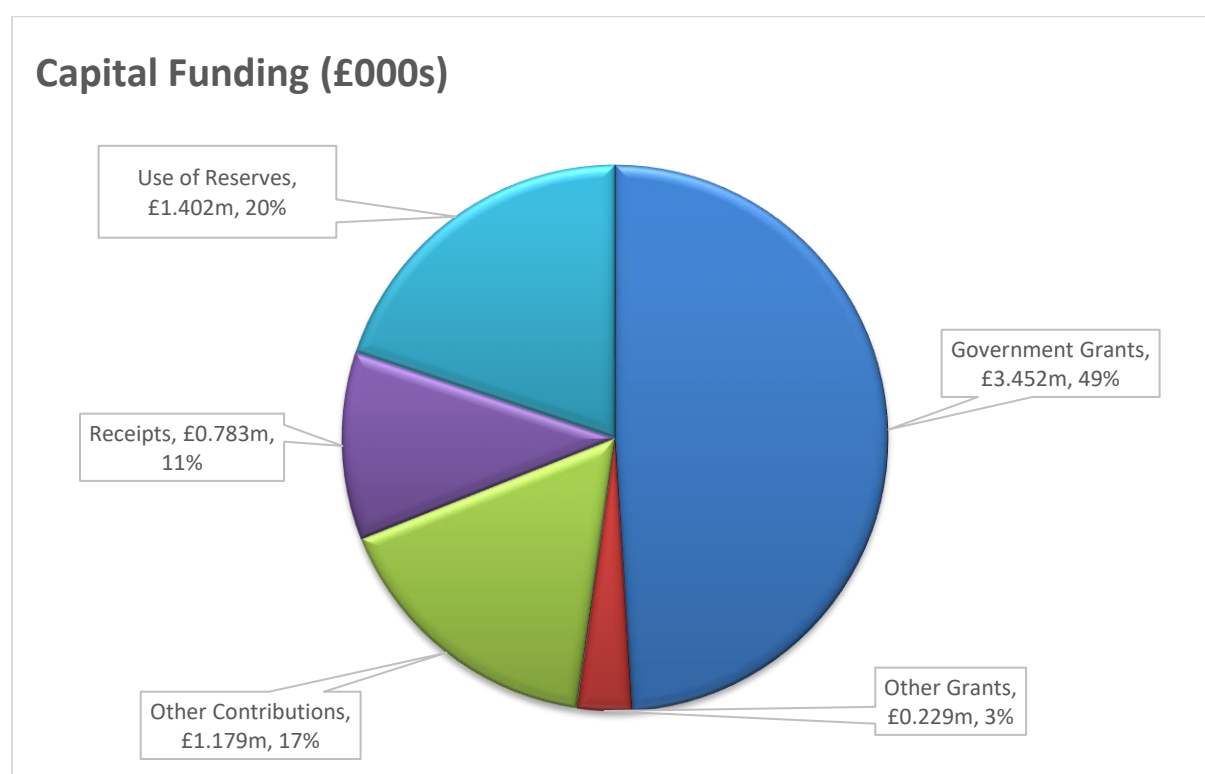
**Vehicle, Plant and Equipment - £1.239m.** The majority of which relates to the vehicle replacement programme £0.540m. This includes the replacement of a Tanker, a sweeper and, two electric vehicles at Rushcliffe Country Park and the replacement of two transit vans with electric equivalents which were part-funded by £10k Government Grant.



*Replacement of Fleet with Electric vehicle*

The Council must ensure its Capital Programme is affordable and sustainable. In 2024/25 the Council spent £7.021m (£7.770m including the IFRS 16 ROU assets which had no budget) compared to an overall Capital Programme of £12.145m giving rise to a variance of £5.125m. This is mainly due to programme rephasing and the carry forward commitments, a net total of £4.3m. The most significant of which are; £1.5m for land acquisition for carbon offsetting; Home Upgrade Energy Grants (HUG2) of £0.727m (This scheme is 100% grant funded and managed by the East Midlands Net Zero Hub with works carried out by EON, and RBC acting only as agent); Rushcliffe Oaks Crematorium £0.488m, this includes £0.15m for potential VAT liability which is not required and represents a saving the remainder is carried forward for mechanical works; Cotgrave and Keyworth Leisure centre upgrades £0.398m will be carried forward for completion of works. Other underspends to be carried forward include £0.297m Disabled Facilities Grants (DFG) to meet commitments on approved works, £0.286m contingency to support unforeseen pressures as they arise.

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



Source: Capital Expenditure and Capital Financing - Note 29 (excluding £0.749 relating to IFRS16 adjustments and items used to bring down internal borrowing; application of capital receipts £1m, and MRP £1.652m which are included in note 29)

Capital resources available in 2024/25 allowed for all capital expenditure to be met without recourse to external borrowing. The key elements of funding comprise:

**Government Grants - £3.452m** 44% of expenditure, of this, £1.559m UKSPF and REPF grants in addition to supporting local business £0.871m of this was used towards RBC capital projects including Cotgrave Leisure Centre and Land for the new Edwalton Community Centre.



£0.848m awarded to the Council under the 'Better Care Funding' arrangements used specifically to fund Disabled Facilities Grants; and £0.674m came from the Department for Energy Security and Net Zero in relation to HUG 2 (Home Upgrade Grants) and Retrofit Grants to improve energy efficiency for qualifying residents.



*Solar Panels funded by Green Energy Grants*

**Other Contributions £1.179m and Grants £0.229m** - 28% of expenditure: £0.969m Section 106 and CIL funds were able to be utilised, this was mainly on Cotgrave Leisure Centre and also on play area upgrades; £0.339m was received in the form of grants from Lottery, English Cricket Board and Football Foundation.

**Use of Reserves - £1.402m** 18% of expenditure: £0.618m for Cotgrave Leisure Centre from Regeneration and Community projects and Climate Change reserves; £0.298m for ICT projects from Regeneration and Community projects and OS reserves; and £0.350m for vehicle replacements.

When the Council uses internal resources (internal borrowing) to temporarily finance capital projects (Rushcliffe Arena, Bingham Arena and Enterprise Centre 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 2024/25 was £1.652m, 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 covered by the release of New Homes Bonus reserves to wholly mitigate any impact for Taxpayers. In 2024/25, the Council was able to apply £1m capital receipts and £0.97m Developer Contributions to reduce the Capital Financing Requirement. This will reduce MRP charges in future years.

At 31 March 2025, the balance in the Usable Capital Receipts Reserve stood at £5.762m (2023/24 £3.422m). The Council can generate resources through the planned disposal of assets deemed surplus and also from preserved rights to proceeds from sales of ex-Council House Stock. During 2024/25 £0.530m of capital receipts were received, mainly relating to right to buy clawbacks. £0.783m of capital receipts has been used to fund the 2024/25 capital programme and a further £1m to reduce the capital funding requirement (CFR)

Looking ahead, the Council has approved a Capital Programme for 2025/26 of £8.3m which includes vehicle replacement and the purchase of new fleet to fulfil Simpler Recycling requirements. 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' which will potentially increase the Minimum Revenue Provision (MRP). The future levels 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 demand.

## **6. Major Service Developments and Future Challenges**

The Council has again met the many challenges the financial year posed, crucially building on opportunities despite continued rising and inflationary costs against the backdrop of local government reorganisation (LGR).

There is a high probability that within three years' time the Council will become part of a larger principal authority as part of LGR, and the Council is collaborating quickly and effectively as part of the process.

Despite ongoing financial pressures, it is able to continue to support economic growth in the borough, developing and enhancing equipment and facilities with the investments planned in line with a focus on achieving net zero carbon as part of its environmental priorities.

Continued rising employment costs pressures linked to a combination of recruiting and retaining staff and implementing national pay agreements such as the National Living Wage have been among the key challenges, helped by Council income streams remaining largely resilient. This will continue to be closely monitored with ongoing cost-of-living challenges reducing disposable income that could mean households use Council services less.

Higher interest rates have also benefitted the Council with greater investment income returns which help offset expenditure pressures. Importantly the Council remains debt free and therefore does not have debt repayment liabilities.

The Council continues to identify efficiencies and has had to do so given inflation pressures outstripping growth in Council Tax income and has only received an increase in its Core Spending Power of 0.9%. This matched with anticipated business rates, the Council chose to increase council tax by a low level of 8p a week for a Band D property, to keep it within the lowest quartile nationally for its element of the bill. Whilst this is capped it will remain the case until, as expected, the Council becomes part of a larger authority as part of LGR.

The Council still retains an ambitious capital programme of £27.1m over the next five years to deliver its corporate objectives.

The focus in 2025/26 will include investment in maintenance of the Council's properties, leisure centre upgrades and carbon reduction initiatives using the Council's Climate Change Action Plan and Reserve, vehicle replacement and other Simpler Recycling capital costs such as new bins and ICT development.

Going forward the Council is aware there are further significant financial challenges that lie ahead with the implications of both the devolution and levelling-up and environment acts such as with ongoing evaluation and macro-economic uncertainty.

## 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:

- £4.5m budgeted over five years for Disabled Facilities Grants and support for Registered Housing Providers
- Thousands of residents once again attended Council events such as Lark in the Park, Taste of Rushcliffe and Sunday Cinema Experience, with the standout being Proms in the Park, which attracted a record attendance of over 8,000 visitors throughout the day.



*Proms in the Park attracted a record crowd*

- All items on the 2024 events calendar received positive feedback including the annual Christmas Lights Switch-On in West Bridgford, despite inclement weather
- Bingham Arena continued to hone its reputation as a regional centre to host significant swim galas.
- The annual Celebrating Rushcliffe Awards, in conjunction with Parkwood Leisure were again hosted by the Council, bringing together finalists chosen from a record number of hundreds of nominations across 10 categories, each sponsored by a local business. It shone a light on amazing people and businesses impact on life within the borough, capped by the prestigious Pride of Rushcliffe award.
- The Council secured UKSPF and REPF grants for community groups and Parish Councils. Around £0.700m of business and community grants local groups and organisations have now been awarded since 2022 and 260 households were supported with energy efficiency advice, over 83,000 kg of carbon dioxide equivalent reductions made, 67 community events held, and 129 volunteer roles created.



*Supporting local businesses with UKSPF grants*

- More play areas benefitted from refurbishments with investment reaching over £0.175m. The popular Rushcliffe Country Park, Boundary Road and Greythorn Park sites in West Bridgford and Adbolton Lane Playground in Lady Bay sites have all seen new features to increase accessibility options.
- Rushcliffe Oaks Crematorium hosted a visit from The Ministry of Health and Welfare in South Korea to highlight sector standards in the UK and raised over £11k for a local Rainbows Hospice to highlight its corporate and social responsibilities in the wider community.
- Rushcliffe Country Park celebrated its eighteenth consecutive Green Flag Award Sharpill Wood received its second and the Hook Nature Reserve in Lady Bay its first as the Council sought to work with local volunteers to maintain brilliant local open spaces.
- Redevelopment of an old air raid shelter in West Bridgford to enable visits from schools and community groups learn more about the WWII history.
- A poignant and sensitive creation of a memorial garden in the shopping centre in Cotgrave also has become a focal point for local residents.
- Investment in new cricket nets in conjunction with the England and Wales Cricket Board at West Park to give further opportunities to all cricketers and a possible new enhanced base for the emerging women and girls game.
- Local groups have been supported via the Rushcliffe Community Wellbeing Fund with grants between £500 and £5,000 to tackle cost of living pressures, loneliness and isolation.
- Partnership work between Nottinghamshire Police, the Police and Crime Commissioner's Office and the Council saw a reduction in anti-social behaviour in



West Bridgford and seven new CCTV cameras in Bingham town centre as part of the Home Office Safer Streets programme help to improve local safety.

- Home Alarms service secured its ninth consecutive exceptional customer satisfaction rating with an average 100% rating over this time and a successful migration to digital home alarms is continuing.



*New digital home alarms continue to provide reassurance for residents.*

## **Efficient Services**

Despite reduced and uncertain funding and increased commitments such as carbon offsetting, LGR and simpler recycling, the Council maintains a relatively stable financial position going into the next five-year budget cycle and the Council's sound financial management continues to balance its books. Unlike many in the sector, the Council is not making service reductions and looks to improve services, grow the borough economically with a commercial culture that generates financial efficiencies, appreciative of the stark challenges many peers are facing.

Detailed budget proposals for 2025/26 included a Transformation and Efficiency Plan (TEP) to deliver the anticipated efficiency and savings requirement, with an additional £0.824m of savings included in the 2025/25 budget and a further £0.938m by 2029/30.

Over the five-year period the budget shows a net £0.172m deficit which can be accommodated by the Organisational Stabilisation Reserve; however, it is likely that LGR will impact during this time. The budget allows for 4% growth in staffing costs for 2025/26 with salary costs rising due largely to the impact of the rising minimum national living wage impacting national wage settlements. Inflationary pressures continue with increases assumed for fuel (2%), contracts (3%) and utilities (10%). These pressures demonstrate the cost-of-living challenges facing residents, businesses and the Council.



*Rushcliffe Arena*

- For the fourth consecutive year the Council received a 'Substantial' overall opinion in its annual internal audit report (for 2024/25) which is the highest level of assurance and is rarely awarded. The Council's external auditors also approved the Council's 2023/24 accounts including a positive opinion on the Council's Value for Money.
- Rushcliffe's element of Council Tax for 2025/26 increased by £3.89 (2.46%). This means that Rushcliffe's Council Tax remains the lowest in Nottinghamshire and amongst the lowest in the country. In line with changes in Levelling-Up legislation, the Council continued to apply a premium for properties classified as unoccupied with 100% of the amount of Council Tax now charged after one year of a property being empty, further assisting bringing properties back into use at a time of increased housing shortage. We have commenced charging premiums on second homes adding a 100% premium after one year in line with current legislation from April 2025.
- For residents there was vital refocus on pension credit take-up and Household Support Fund referrals to help mitigate any Winter Fuel Allowance and promotion of external support through other agencies and councils.
- Relocating the West Bridgford in person customer contact point to the library resulted in savings and the former Customer Service Centre premises now houses a local business to further boost the high street. Further development of online forms on the Council website has also saved substantial officer hours.
- The move to bring street cleansing and ground maintenance functions back in-house in September 2022 continues to be a successful one. The Council expects this initiative to continue delivering financial efficiencies over the coming years - as profiled in the Council's Transformation and Efficiency Programme. Market conditions and trading have still been challenging, and the Council's focus remains on delivering key frontline services to Rushcliffe residents whilst gradually introducing other services such as additional bulky waste collections.



*Streetwise teams keep the high streets clean and blooming*

- Digital projects to increase the number of self-serve actions residents can complete on the website have reduced waste and increased efficiency. These are compliant with Shaw Trust accreditation for website accessibility and inclusivity.
- Devolution, in terms of the election of a Mayor for the East Midlands took place in May 2024. The Council's Elections teams and officers also quickly responded to deliver EMCCA Mayoral, Police and Crime Commissioner elections in May 2024. They successfully delivered the Tollerton Neighbourhood Plan Referendum and completed the EU citizens review, keeping briefings relevant and up to date for prospective Candidates and agents for polling. In addition, just two months later a surprise General Election was efficiently managed with all staff rising to the challenge and delivering the usual efficient service.

### **Sustainable Growth.**

2024/25 saw the preparation of a Design Code and consultation on a final draft that will be a cornerstone on standards for developments borough wide and a key milestone of the Greater Nottingham Strategic Plan that will focus further where new homes are built across the wider conurbation.

Key achievements include:

- Successfully defending three planning hearings and inquiries and enforcement policy applied to protect residents from unauthorised development
- Publication of the Solar Farm Landscape and Sensitivity Capacity Study
- Implementation of Enterprise software to support officers in the management of cases within the team and meet the demands of a contemporary Planning Service.
- Comprehensive response to a number of Government consultations and continued work on the Gamston Supplementary Planning Document (SPD) with specialist consultees to ensure the project moves forward in line with the 2014 Local Plan.



- Planning permission for a key community centre and focal point for the large new development at Sharphill was granted and work will begin on site in summer 2025.
- The Council have supported businesses, spearheaded by the publication of its first Economic Growth Strategy and Plan, refocussing its priorities with the economy.
- Rushcliffe Business Partnership, working with the East Midlands Chamber, continued the Council's role to provide free support and advice for business owners across the borough and a free business high street advisor, supported by a new website and membership package to boost the network.
- Work is ongoing on Freeport proposals for the development of East Midlands Airport, East Midlands Intermodal Park and Ratcliffe-on-Soar Power Station after the site was decommissioned in September 2024. The Council is taking a proactive approach to secure the long-term future of the site through the adoption of a Local Development Order (LDO). This grants planning permission for a range of modern industrial uses and will set the parameters for a site which is expected to provide innovative energy for the future and set up procedures and further training has been implemented for team members to be able to deal with the LDO work moving forward
- There was early participation in the regional 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.



*Future growth opportunities for the site of the former power station*

- There was successful delivery of UKSPF (UK Shared Prosperity Fund) and REPF (Rural England Prosperity Fund) including:



- 26 grants to community organisations
- 260 households given energy efficiency advice
- 27 facilities improved
- 21 supporting business grants awarded
- 40 small business grants awarded
- 350 businesses supported
- 25 training courses for local residents delivered
- 11 promotional videos produced for local businesses

## **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.

Climate Change reserve has been utilised for a number of projects including:

- improving low energy efficiency housing
- electric car charging points and the Rushcliffe Oaks Crematorium which is operationally carbon neutral.
- In 2025/26 this will extend to additional vehicle replacement and new dedicated, purple-lidded bins for six weekly kerbside glass collections as part of the Simple Recycling roll-out.

Other notable enhancements include:

- Environmental refuse vehicles and around a dozen smaller vehicles across the waste and Streetwise fleets have switched to operate on electric or hydrogenated vegetable oil, cutting their carbon dioxide emissions by 90%. 21 initial lorries made the switch to the cleaner option and in 2025/26 over 80% of the total fleet will no longer be powered by diesel or petrol.



*Moving towards a more carbon clever fleet*

- Improvement to parking options in Bingham to help free up spaces for motorists, complimented by an active travel initiative to encourage walking and cycling into the town and access and car parking improvements at Bridgfield in West Bridgford.
- 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
- Work continues on the carbon sustainable Abbey Central housing development in West Bridgford, a low-energy, 'gas-less' sustainable development comprising of 71 new modern homes. The project achieves the Council's environmentally friendly aims whilst also keeping within the goal of 30% affordable housing.
- £250k was also invested in solar energy at Cotgrave Leisure Centre where new solar panels have been installed to enable the site to run more efficiently whilst also saving up to £25k on running costs. The Council has also proactively identified further suitable projects for funding from the reserve and include Photovoltaic (PV) panels on operational buildings, replacement heating plant and a fleet and infrastructure audit.
- 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.
- The Council tops the recycling and composting league in Nottinghamshire and the garden waste service continues to offer good value for money to over 30,000 subscribers.



*No-mow areas expanded to over 30 sites*

- No-Mow areas act as summer pollinator sites and encourage wildlife and habitats to thrive, expanding to over 30 sites in May 2025 covering three hectares and the approved Public Space Protection Order which ensures dog owners must carry a bag.
- For the fifth year, the successful free tree scheme has seen the project supply over 1,000 further free trees to local residents and community groups, meaning more than 12,000 have to date been distributed as part of the Council's strategy to provide sustainable environments.
- Revocation of the Borough's only two air quality management areas, highlighting commitment to reduce vehicle emissions at two of the busiest road junctions.
- Flood Grant and Resilience Reserve was utilised to help residents in the wake of storms Babet, Henk and Cleves
- 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.
- More empty homes were brought back into use in line with its revised Empty Homes Policy and the Council's focus attracted national press coverage on BBC Radio 4

## 7. 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 items with a life in excess of one year.

The Council's accounts consist of:

**Comprehensive Income and Expenditure Statement - CIES (Page 2)** - The net cost of service has decreased by £0.857m. There have been a number of changes, most significantly expenditure is lower in 2024/25 due to Borough Council Elections and a property related legal claim increasing expenditure in 2023/24. Additional income in 2024/25 from planning applications and costs raised for Council Tax in addition to UKSPF and REPF funding have further reduced the net cost of service.

The increase in Financing and Investment Income and Expenditure £1.211m relates to the favourable movements in Fair Value of Investment Properties £1.203m, pension interest costs £0.243m (all technical in nature) and increased investment income £0.146m and partially offset by a reduction in the capital value of the Council's Treasury Investments £0.109m.

There is a favourable movement in Taxation and Non-Specific Grants of £3.999m in 2024/25 due increase in Business Rates and section 31 grants £1.448m, increase in Council Tax £0.497m due to growth in the taxbase and 3% increase in charge, additional non-ringfenced government grants £0.485m, and increase in capital grants applied of £1.569m (mainly

UKSPF funding £0.780m and £0.749m relating to IFRS16 entries which is notional income and offset by increase in PPE on the balance sheet)

The movements above have resulted in an overall surplus on the Provision of Services of £7.722m compared to a surplus of £1.669m in 2023/24.

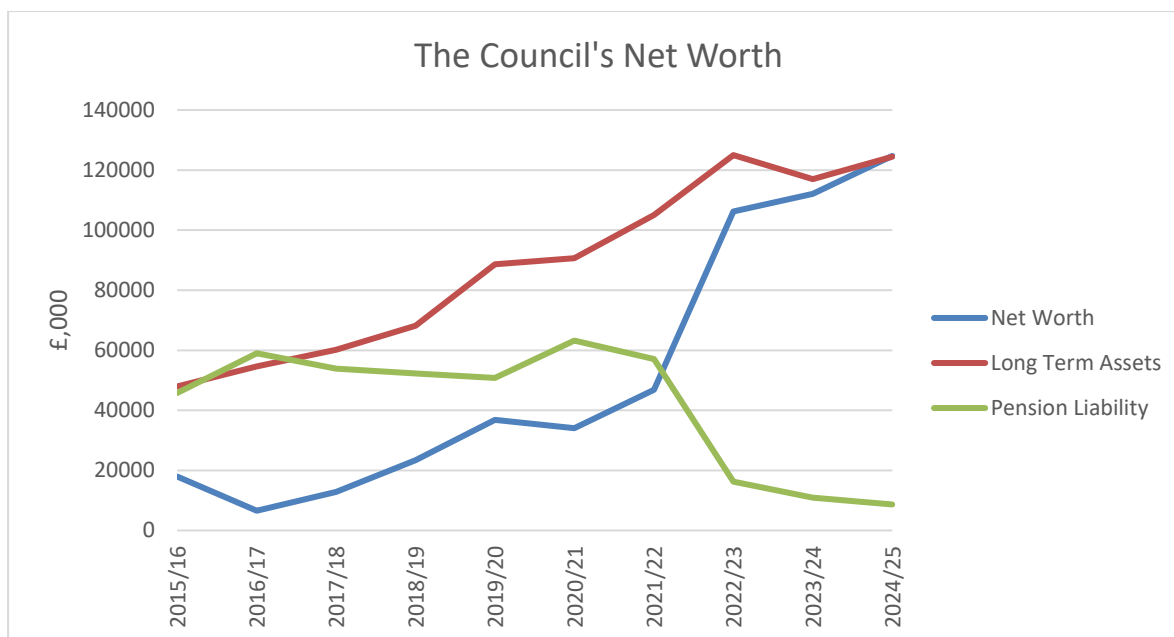
Revaluations on non-current assets gain of £3.038m compared to a loss of £0.884m in 2023/24, the largest increase being £2m in car park land which is valued based on rental income, the remainder is increases to Bingham and Rushcliffe Leisure Centres and Rushcliffe Oaks Crematorium due to increased build costs.

There have been pension adjustments due to changes in actuarial assumptions (A net gain of £1.814m has been charged to the Comprehensive Income and Expenditure Statement in 2024/25 compared the £5.077m gain in 2023/24). The 2024/25 actuarial gain (technical adjustment), particularly relating to financial assumptions, was higher than that seen in 2023/24 due to the increased discount rate used in the actuary's calculations which would have put the councils pension scheme into a net asset position. This gain has been offset by an asset ceiling calculation in-line with IAS19 and IFRIC 14 accounting standards, demonstrating the council's additional liability and that there is no unconditional right to a refund of pension surplus (see note 32).

**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 (31<sup>st</sup> March). The Council's overall net worth has increased by £12.6m to £124.71m. In the year, the cash and cash equivalents have decreased by £8.2m and short-term investments have increased by £12.6m these are directly linked with more funds invested short term to maximise interest. PPE has increased by £7.4m (mainly due to assets brought onto the balance sheet under IFRS16, works to Cotgrave Leisure Centre and replacement of vehicles). The Pension Liability accounts reflect the valuations by the actuary and as mentioned above, a change in actuarial assumptions with a net decrease of £2.52m 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 2024/25 to £124.71m. 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 include investment properties reduction in 2023/24 due to the sale of Hollygate Lane and the increase in 2024/25 is 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 9-51)** – these provide supporting context to the above Statements.

**Accounting Policies (Pages 52-70)** – these explain the bases of the figures presented in the accounts.



## **8. Supplementary Financial Statements**

**Collection Fund (pages 73-75)** – 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 2024/25 there was a surplus of £3.057m on the Business Rates section of the Collection Fund (£0.356m 2023/24) and a surplus on Council Tax of £0.06m (£0.1m at the end of 2023/24) 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.

## **9. Summary**

There is an increasing pressure on the Councils budget, from the recent high levels of inflation increasing the base budget and the impact that the cost-of-living is having on Council income, to the additional pressures from government policy including Simpler recycling and LGR and the commitment by the Council to meet net zero targets. Additionally delays to funding reviews and single year settlements make for a turbulent environment. Although the Transformation and Efficiency plan is delivering savings year on year, it is increasingly challenging to find new ways to reduce expenditure and increase income.

Although LGR will change the landscape in the next 2-3 years, the Council is committed to delivering the services our residents value, focussing on economic growth, and change for the Borough through the delivery of its key strategies: and business as usual will aim to be maintained, providing an environment to support both businesses and the community in these most challenging of times. The challenges that face Rushcliffe are ones which both members and officers of the Borough Council are determined to meet.

## **10. 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](mailto: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](http://www.rushcliffe.gov.uk).

**Peter Linfield**

**Director - Finance and Corporate Services**

**10<sup>th</sup> June 2025**

## B. ANNUAL GOVERNANCE STATEMENT 2024/25

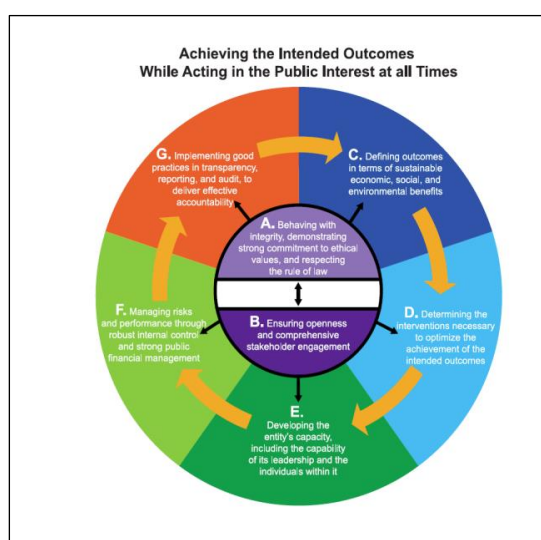
### 1. SCOPE AND PURPOSE

#### 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 statement re-affirms this position notwithstanding the seismic shift in governance that Local Government Reorganisation will bring once the Council morphs into a new organisation. There is an Action Plan included which is both backward and forward looking confirming that in 2024/25 actions were completed and has similar actions for 2025/26 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 authority is directed and controlled and the activities through which it accounts to, engages with and leads the community. It enables the authority 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 2025 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 2029/30 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 authority. 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.

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 2029/30. 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 authority. The Transformation and Efficiency Strategy focuses upon three key elements – income generation, transformation and business cost reduction and aligns to the Productivity requirements (Service Transformation, Technology and Reducing Waste). 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 have been linked directly to the Council's strategic objectives.

## 2.2 Improvement and Efficiency

As with other public bodies, the Council continues to face significant financial pressures. The 2025/26 Medium Term Financial Strategy (MTFS) predicts a net budget deficit over 5 years of a relatively small £0.172m taking into account, and the delivery of, the existing Transformation Strategy. 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, which includes preparing for LGR. Their remains international geo-political uncertainty whether through international conflict or economic policies of nations such as the USA and the introduction of tariffs and any potential trade war. This could particularly impact fuel and energy prices and the level of Government funding with regards to future local government finance settlements. Other significant risks relate to changes in Government Policy, such as the impact of Simpler Recycling over the next 2 years and beyond.

Whilst pay increases are expected to decline, the salaries base budget has increased significantly over the past 4 years. This undoubtedly presents risk to the Council's budget position. That said 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. Inflation does have 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) and better than expected local economic performance and increased Nottinghamshire Business Rates Pool Surplus linked to prudent management of the Council's finances, resulted in a projected budget efficiency position in 2024/25 (at Quarter 3) of £2.164m. Much of which is committed with carry forward requests to meet service challenges. Going forward there remain significant financial risks, and these are commented on below. Use of the Organisational Stabilisation reserve 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.

Going forward, the Council will review the Transformation Programme as part of its ongoing financial governance arrangements but undoubtedly as LGR progresses this will be a 'game changer' and the Council will have to refocus resources and at the same time continue to deliver the Corporate Strategy. The latter will be subject to a review later in 2025/26. The Business Rates, Fair Funding and New Homes Bonus reviews have been delayed although the Government is that these will take place in 2025/26 to take effect from 2026/27. The MTFS will be updated accordingly.

The budget will still focus on the following 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 crematorium, Bingham leisure hub facilities and bringing Streetwise back in-house; and
- (d) 'Thinking big' reviews – the emergence of the Development Corporation and Freeport area around Ratcliffe-on-Soar power station.

To secure a medium-term financial position, the Council will maintain progress and focus on managing budget reductions where appropriate, managing inflationary pressures on its operational costs, whilst increasing income to deliver balanced



budgets annually. Additional resource will be required to deliver LGR and the Organisational Stabilisation Reserve will be used to smooth the impact of this.

The Council continues to promote a commercial culture, although the Council has taken the strategic decision to realign its financial commitments focusing on investment in significant assets such as the Bingham Leisure Hub and the Crematorium and no longer investing in commercial assets for a financial return and its Climate Change agenda with the acquisition of land for carbon offsetting. 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 2029/30 (11.1% of fees and charges and other income) and performance is reported to Governance Scrutiny Group throughout the year. The Council no longer invests in assets specifically for a commercial return.

## 2.3 The Constitution

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

A comprehensive document detailing 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 is allocated authority by Council to 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 now 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; and
- Delegation arrangements to officers are set out in detail within the Constitution.

The Constitution also provides detailed guidance on standing orders, financial regulations 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. Amendments have been taken to Governance Group in February 2025 and thereafter approved at Full Council. These covered:

- Part 1 – Clarification that the Local Government and Social Care Ombudsman will only consider complaints where the Council's formal complaints procedure as been followed.

- Part 3 - Clarification that the delegation to the Director for Development and Economic Growth in respect of development management extends to determination of approvals and consents under the Local Development Order.
- Part 4 – Amendments to the Standing Orders – Council to ensure the efficient running of council business, to take account of best practice and ensure the Council complies with its equality duty in respect of accessibility

## 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 March 2025 the Council appointed a new Chief Executive, Adam Hill.

The Monitoring Officer ensures lawfulness and fairness in decision making and ensures the Constitution is current.

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 should conform with the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer in Local Government (2010). During 2024/25, the Council's financial management arrangements complied in all respects with the governance requirements of the aforementioned statement, in particular:

- During 2024/25, 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 a Medium-Term Financial Strategy, annual budget process and compliance with CIPFA's Codes and Guidance on the Prudential Framework for Capital Finance, Treasury Management and the management of reserves.
- 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.

## 2.5 Risk Management

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

The Council's risk management arrangements are regularly reviewed. In the last twelve months, the Governance Scrutiny Group reviewed the Risk Register twice, in

September 2024 and February 2025. At the last meeting in February there were 38 corporate risks and 21 operational risks on the risk register. In addition, there were 4 opportunity risks.

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

Risk managers have worked to evaluate risk descriptions as proposed by Zurich in the Risk Health Check in 2020. This work is complete, and the exercise resulted in new risks being identified and old risks being removed and reported and agreed by Governance Scrutiny Group. The Risk Management report in September 2024 contained the new risks and reworded risk descriptions, building on the Council's focus to address the ongoing impact of the cost-of-living and inflationary pressures, compounded by national living wage increases and pay negotiations and more recently LGR and the challenge this will present.

## 2.6 Development and training needs

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

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 adopted a Councillors' Learning and Development Policy in July 2021, and is in the process of reviewing that document for approval at Council later this year.

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 been more positive this year with 55% of councillors attending in-person training events and 40% participating in e-learning modules. Specific in-person training has been delivered in Cyber Security, Licensing, Planning, Domestic Violence, Audit, the Council budget, Treasury Management, and Working effectively with Officers.

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, motions at Council and scrutiny. Councillor Individual Training Records continue to be updated and periodically sent to each Councillor for their information.

The MDG did not meet during the 2024/25 municipal year having met shortly before the end of the previous year.

The identification and delivery of appropriate training for officers is overseen by the whole of the Executive Management Team who ensure that organisational Learning and Development Plans linking to individual annual Performance Development Reviews are effectively managed and delivered. The Council recognises the importance of training to its workforce.

## 2.7 Communication

<b>Principle B</b> - <i>Ensuring openness and comprehensive stakeholder engagement</i>
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Rushcliffe Reports magazine – the Council’s newsletter for residents – was circulated to over 52,000 households on three occasions with the chance to respond to the triennial Residents’ Survey and information on free popular music, food and children’s events and setting out key updates on investment in local leisure facilities.

Further projects included developing a refreshed Communication and Engagement Strategy responding to previous feedback with a dedicated refreshed engagement focus. It should be noted 82% of respondents were either satisfied, or very satisfied, with their local area as a place to live, 7% higher than the Local Government Association national survey. The feedback received from these exercises will continue to be used to improve services to all customers.

In a more 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 20,000 followers on all channels.

During 2024/25, the Council continued developing its electronic free subscription newsletter to stakeholders with the launch of a dedicated Garden Waste update to service users, another communication method that now sees over 25,000 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 nine years with users.

The Council will continue to communicate to all stakeholders on Local Government Reorganisation working with the other Nottinghamshire councils with much more planned in 2025/26 as more certainty on the direction of travel is known.

## 2.8 Partnerships

The Council has put in place strong governance arrangements around the major leisure services, garage services, and car parking contracts. We have also entered into a partnership to improve resilience surrounding procurement advice working with Nottinghamshire County Council. Work continues with regards to the Freeport with the Leader of the Council sitting on the Board for the Freeport.

Ratcliffe on Soar Power Station has been decommissioned. This could have a significant impact on the Borough both financially (loss of business rates, although

mitigated as the site is an ever-decreasing proportion of the overall business rates base) and with the potential to have a very large derelict site at the entrance to the Borough from the A453. 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. It will receive up to £25million in seed funding from the government to help drive investment in local businesses to be spent by 2025/26. 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.

East Midlands County Combined Authority (EMCCA) is now functioning. The Council will aim to leverage funding where it can, working with other Derbyshire and Nottinghamshire authorities. A good example of this is attaining funding with regards to UKSPF. 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

<b>Principle G – <i>Implementing good practice in transparency, reporting and audit to deliver effective accountability</i></b>
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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 (Mazars) are published online, including their annual reports.

The Corporate Overview Group monitor performance against targets on a quarterly basis. BDO are compliant with the requirements of the Public Sector Internal 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.

## 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 authority 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.

The Council has agreed to appoint an Independent Member to GSG and is due to start in the 2025/26 Municipal Year.

### 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 Crematorium and the health of town and village centres. Extraordinarily there was a joint meeting of both Groups on accessible housing.

### **3.6 Directors and Monitoring Officer**

The Chief Executive and Directors are responsible for ensuring proper standards of internal control within their service areas. On-going 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
- Supports the Standards processes

### **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 Authority's framework of governance, risk management and control, together with reasons if the opinion is unfavourable.

At the time of writing, the draft report has once again given the Council a substantial assurance rating.

### **3.8 External Audit**

The external auditors, 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. 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 Authority, and of its expenditure and income for the year. Whilst this was later than expected, with the accounts signed-off in January 2025, we are in a better position than many authorities with some several years behind regarding their financial statements being certified with new statutory 'back-stop' procedures being invoked. We continue to work with the auditors to ensure the end of September deadline is met. A positive Value for Money conclusion was given by Mazars in their September report.

It is important to note that the deadline for the draft statement of accounts and their sign-off by external audit have been put back. The 30 June 2025 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 27th February for 2024/25 accounts the expectation is we will aim for these to be presented to September 2025 GSG.

## **4 IMPORTANT GOVERNANCE ISSUES**

### **4.1 Budget and Ongoing Pressures, Local Government Reorganisation, the Peer Review and other issues**

#### *Current budget position*

2024/25 and 2025/26 budgets are again under pressure due to expenditure pressures in relation to energy and pay inflation and other key risks mentioned below. We are anticipating budget efficiencies for 2024/25 of around £2.164m mainly due to additional treasury management investment income, and business rates and external grants. This is not unexpected and will meet service pressures and additional demands such as in relation to the 'homes for Ukraine' scheme, West Bridgford Town Centre reorganisation, further support for disabled facility grants, to contribute toward carbon offsetting land acquisition and to meet the uncertainty and likely significant costs of LGR.

Regarding LGR the Council has put forward a further proposal of a 3 unitary option in addition to the 3 other options that the other Nottinghamshire authorities have included as worthy of further investigation with the aim of one option to be reported to Government by November 2025. LGR will create both additional work and uncertainty for both Councillors and employees alike. 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.

#### *The Peer Review and Other Issues*

The Council had a Corporate Peer Review in early 2024 with no significant recommendations. The Peer Challenge Team reviewed progress in relation to the Action Plan and this was reported to cabinet in December 2024. All 9 of the recommendations have been progressed with much positive feedback from the peer review team.

Given the challenges linked to rising inflation combined with medium-term uncertainty for example as a result of Business Rates and Fair Funding reviews, the Council has balanced its budget. The Government is focused on redirecting funding to authorities with low deprivation levels and prudent assumptions have been made in the Council's MTFs to reflect this. 2025/26 requires £0.824m 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 (Levelling-Up Act) and waste services (Simpler Recycling and the Environment Act). Cabinet received a separate report in January 2025 on the impact of Simpler Recycling and the creation of a Simpler Recycling Reserve to mitigate the future financial impact of this. That said by 2029/30 there is a net budget pressure of £0.318m regarding Simpler Recycling.

The planned reviews of Business Rates and Fair Funding continue to be delayed. The current expectation is that for the 2026/27 budget the reviews will have taken place. There remains significant uncertainty regarding both the impact on Rushcliffe and the timeliness of the 2026/27 financial settlement; given the Government's Comprehensive Spending Review and the velocity of change expected regarding local government funding.

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 £27.1m over the next 5 years, to both maintain and enhance the Council's assets and also to develop Council system (for example upgrading the Council's Financial Management System) and improve council services (for example continuing to invest in leisure facilities and its vehicle fleet).

In the past we have referenced the risk of power station appeals. However given the reduction in business rates for the power station over time, the income has been eroded and its loss is now less of a risk. Business rates for the power station have reduced to £0.23m from £6m several years ago and now amounts to only 0.7% of business rates billed. The upside risk is that the Council's future exposure to a power station appeal will have a smaller impact and similarly when the power station is ultimately de-commissioned its financial impact will not be as greatly felt. Furthermore the Freeport site itself is an essential gateway for the Borough to enable further economic growth and prosperity.

The external auditors have noted a number of risks in their Audit Strategy Memorandum 2024/25 (which are similar to their 2023/24 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.

There is one additional risk specific to the 2024/25 accounts in relation to the implementation of International Financial Reporting Standard (IFRS) 16. This is designed to report information that better shows lease transactions and provides a better basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. The treatment of such leases will be tested as part of the audit of the Council's financial statements.

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. In 2025/26 an updated ICT Strategy for the next 3 years will be presented to Cabinet which is crucial in how the Council continues to develop its ICT for the benefit of all stakeholders and also operates within a secure and resilient working environment.

Despite the challenging economic environment, the Council remains committed to reducing its carbon footprint and continues to deliver excellent services. The Climate Change Reserve remains and with the challenge of delivering on biodiversity net gain targets and carbon offsetting. The Council continues to 'future proof' and replenish this reserve to fund future initiatives. For example £1.5m has been set aside for land acquisition for the purpose of carbon offsetting.

Based on our review of the governance framework, the following significant issues will be addressed in 2025/26. There is also commentary on their achievement (where applicable) in 2024/25.

Issue	Reporting to	Methodology	Timescale	2024/25 completed
Monitor the delivery of the Transformation Strategy and ongoing budget position covering risks and opportunities arising from, for example, inflation, the new crematorium and Streetwise insourcing.	Reports to EMT, Scrutiny and Cabinet	On-going financial reports	At least quarterly reporting	Yes, financial and operational performance reported. Separate scrutiny reports regarding the Crematorium and Streetwise.
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, Fair Funding and New Homes Bonus developments	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 2026	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 2026	Yes, although both organisations are in the early stages of their development. Regarding EMCCA UKSPF funding has been provided,



				reported separately to Cabinet in March 2025
Progress regarding Local Government Reorganisation	Reports to Full Council, and communiques from the Chief Executive on progress.	On-going reports, news releases and any specific update sessions for all councillors	March 2026	Not applicable for 2024/25.

## 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 2025

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

To be added post audit of 2024/25 Statement of Accounts.

# Statement of Accounts

## 2024 – 2025

## **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 2025.

### **CERTIFICATE**

This statement of accounts is unaudited and may be subject to change prior to formal approval by the Governance Scrutiny Group.

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 2025 and its income and expenditure for the financial year ended 31 March 2025.

Date: 10 June 2025

Peter Linfield, Deputy CEO and Director - Finance and Corporate Services

## E. THE FINANCIAL STATEMENTS

### COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR 1 APRIL 2024 TO 31 MARCH 2025

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.

2023/24				Note	2024/25		
Gross Exp	Income	Net Exp			Gross Exp	Income	Net Exp
£'000	£'000	£'000			£'000	£'000	£'000
2,077	(32)	2,045	Chief Executive		1,476	(21)	1,455
5,727	(2,677)	3,050	Development and Economic Growth		6,037	(3,618)	2,419
17,350	(12,715)	4,635	Finance and Corporate		18,260	(13,305)	4,955
15,858	(7,700)	8,158	Neighbourhoods		16,590	(8,388)	8,202
<b>41,012</b>	<b>(23,124)</b>	<b>17,888</b>	<b>Cost of Services</b>		<b>42,363</b>	<b>(25,332)</b>	<b>17,031</b>
		2,953	Other Operating Expenditure	5			2,967
		(2,108)	Financing and Investment Income and Expenditure	6			(3,319)
		(20,402)	Taxation and Non-Specific Grant Income	7			(24,401)
		<b>(1,669)</b>	<b>(Surplus)/Deficit on Provision of Services</b>				<b>(7,722)</b>
		884	(Surplus)/Deficit on Revaluation of Non-Current Assets				(3,038)
		(5,077)	Actuarial (Gains)/Losses on Pension Assets / Liabilities	32			(1,814)
		<b>(4,193)</b>	<b>Other Comprehensive Income and Expenditure</b>				<b>(4,852)</b>
		<b>(5,862)</b>	<b>Total Comprehensive Income and Expenditure</b>				<b>(12,574)</b>

## **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 other reserves. The Surplus or Deficit on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance 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 2024 TO 31 MARCH 2025

		Total Usable Reserves					Unusable Reserves (Note 19)	Total Reserves
		General Fund Balance	Earmarked GF Reserves (Note 4)	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves		
Note		£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 1 April 2024</b>		<b>2,604</b>	<b>20,947</b>	<b>3,422</b>	<b>98</b>	<b>27,071</b>	<b>85,064</b>	<b>112,135</b>
<u>Movement in Reserves during 2024/25</u>								0
Surplus/(Deficit) on the provision of services		7,722	0	0	0	7,722	0	7,722
Other Comprehensive Income and Expenditure		0	0	0	0	0	4,853	4,853
Other Recognisable Gains/(Losses)		0	0	0	0	0	0	0
<b>Total Comprehensive Income and Expenditure</b>		<b>7,722</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,722</b>	<b>4,853</b>	<b>12,575</b>
Adjustments between accounting basis & funding basis under regulations	(3)	(4,383)	0	2,340	45	(1,998)	1,998	0
<b>Net Increase/(Decrease) before Transfers to Earmarked Reserves</b>		<b>3,339</b>	<b>0</b>	<b>2,340</b>	<b>45</b>	<b>5,724</b>	<b>6,851</b>	<b>12,575</b>
Reserves	(4)	(3,339)	3,339	0	0	0	0	0
<b>Increase (Decrease) in year</b>		<b>0</b>	<b>3,339</b>	<b>2,340</b>	<b>45</b>	<b>5,724</b>	<b>6,851</b>	<b>12,575</b>
<b>Balance as at 31 March 2025</b>		<b>2,604</b>	<b>24,286</b>	<b>5,762</b>	<b>143</b>	<b>32,795</b>	<b>91,915</b>	<b>124,710</b>

**MOVEMENT IN RESERVES STATEMENT (MIRS) FOR THE PERIOD 1 APRIL 2023 TO 31 MARCH 2024**

		Total Usable Reserves					Unusable Reserves (Note 19)	Total Reserves
		General Fund Balance	Earmarked GF Reserves (Note 4)	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves		
Note		£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 1 April 2023</b>		<b>2,604</b>	<b>19,673</b>	<b>1,085</b>	<b>154</b>	<b>23,516</b>	<b>82,755</b>	<b>106,271</b>
<u>Movement in Reserves during 2023/24</u>								0
Surplus/(Deficit) on the provision of services		1,669	0	0	0	1,669	0	1,669
Other Comprehensive Income and Expenditure		0	0	0	0	0	4,195	4,195
Other Recognisable Gains/(Losses)		0	0	0	0	0	0	0
<b>Total Comprehensive Income and Expenditure</b>		<b>1,669</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,669</b>	<b>4,195</b>	<b>5,864</b>
Adjustments between accounting basis & funding basis under regulations	(3)	(395)	0	2,337	(56)	1,886	(1,886)	0
<b>Net Increase/(Decrease) before Transfers to Earmarked Reserves</b>		<b>1,274</b>	<b>0</b>	<b>2,337</b>	<b>(56)</b>	<b>3,555</b>	<b>2,309</b>	<b>5,864</b>
Reserves	(4)	(1,274)	1,274	0	0	0	0	0
<b>Increase (Decrease) in year</b>		<b>0</b>	<b>1,274</b>	<b>2,337</b>	<b>(56)</b>	<b>3,555</b>	<b>2,309</b>	<b>5,864</b>
<b>Balance as at 31 March 2024</b>		<b>2,604</b>	<b>20,947</b>	<b>3,422</b>	<b>98</b>	<b>27,071</b>	<b>85,064</b>	<b>112,135</b>

## E. THE FINANCIAL STATEMENTS

### BALANCE SHEET

#### AS AT 31 MARCH 2025

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 2024 £'000		Note	31 March 2025 £'000
77,492	Property, Plant and Equipment	8	84,870
105	Heritage Assets		140
23,789	Investment Property	9	23,951
125	Intangible Assets	10	69
14,038	Long Term Investments	12	13,929
1,611	Long Term Debtors	13	1,443
<b>117,160</b>	<b>Long Term Assets</b>		<b>124,402</b>
31,000	Short Term Investments	12	43,570
8,642	Short Term Debtors	13	8,144
26,489	Cash and Cash Equivalents	12,15	18,252
<b>66,131</b>	<b>Current Assets</b>		<b>69,966</b>
(9,285)	Short Term Creditors	16	(10,508)
<b>(9,285)</b>	<b>Current Liabilities</b>		<b>(10,508)</b>
(890)	Long Term Provisions	17	(784)
(224)	Long Term Creditors	16	(227)
(49,840)	Capital Grant Receipts in Advance	27	(47,668)
0	Other Long Term Liabilities	30	(1,806)
(10,917)	Pension Liabilities	32	(8,665)
<b>(61,871)</b>	<b>Long Term Liabilities</b>		<b>(59,150)</b>
<b>112,135</b>	<b>Net Assets</b>		<b>124,710</b>
3,422	Usable Capital Receipts Reserve	MIRS	5,762
2,604	General Fund Balance	MIRS	2,604
20,947	Earmarked Reserves	4	24,288
98	Capital Grants Unapplied	MIRS	142
<b>27,071</b>	<b>Usable Reserves</b>	MIRS	<b>32,796</b>
<b>85,064</b>	<b>Unusable Reserves</b>	19	<b>91,914</b>
<b>112,135</b>	<b>Total Reserves</b>		<b>124,710</b>

## E. THE FINANCIAL STATEMENTS

### CASH FLOW STATEMENT

#### AS AT 31 MARCH 2025 (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 2024 £'000		Note	31 Mar 2025 £'000
(1,669)	Net (surplus) or deficit on the provision of services		(7,722)
(11,040)	Adjustments to net surplus or deficit on the provision of services for non - cash movements		498
7,479	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities		452
<b>(5,230)</b>	<b>Net cash flow from Operating Activities</b>	20	<b>(6,772)</b>
(6,289)	Investing Activities	21	16,228
(611)	Financing Activities	22	(1,219)
<b>(12,130)</b>	<b>Net (increase) or decrease in cash and cash equivalents</b>		<b>8,237</b>
(14,359)	Cash and cash equivalents as at 1 April	15	(26,489)
<b>(26,489)</b>	<b>Cash and cash equivalents as at 31 March</b>	15	<b>(18,252)</b>

## E. THE FINANCIAL STATEMENTS

### EXPENDITURE AND FUNDING ANALYSIS AND NOTES FOR THE YEAR 1 APRIL 2024 TO 31 MARCH 2025

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.

2023/24				2024/25		
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
2,135	(89)	2,046	Chief Executive	1,541	(86)	1,455
2,654	395	3,049	Development and Economic Growth	2,295	124	2,419
4,585	50	4,635	Finance and Corporate	4,897	57	4,954
6,374	1,784	8,158	Neighbourhoods	5,601	2,601	8,202
<b>15,748</b>	<b>2,140</b>	<b>17,888</b>	<b>Net Cost of Services</b>	<b>14,334</b>	<b>2,696</b>	<b>17,030</b>
(17,022)	(2,535)	(19,557)	Other Income and Expenditure	(17,674)	(7,079)	(24,753)
<b>(1,274)</b>	<b>(395)</b>	<b>(1,669)</b>	<b>(Surplus) or Deficit</b>	<b>(3,340)</b>	<b>(4,383)</b>	<b>(7,723)</b>
2,604			Opening General Fund Balance	2,604		
1,274			Surplus/(Deficit) on General Fund in Year	3,340		
<b>(1,274)</b>			Transfer (to)/from Earmarked Reserves	<b>(3,340)</b>		
<b>2,604</b>			<b>Closing General Fund Balance at 31 March</b>	<b>2,604</b>		

## F. NOTES TO THE ACCOUNTS

### 1. NOTES TO THE EXPENDITURE AND FUNDING ANALYSIS

2024/25 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
Chief Executive	0	(86)		(86)
Development and Economic Growth	341	(216)		125
Finance and Corporate Services	216	(159)		57
Neighbourhoods	3,048	(448)		2,600
<b>Net Cost of Service</b>	<b>3,605</b>	<b>(909)</b>	<b>0</b>	<b>2,696</b>
Other income and expenditure from the Expenditure & Funding Analysis	(6,444)	471	(1,106)	(7,079)
<b>General Fund surplus or deficit and Comprehensive Income &amp; Expenditure Statement Surplus or Deficit on on the Provision of Services</b>	<b>(2,839)</b>	<b>(438)</b>	<b>(1,106)</b>	<b>(4,383)</b>

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:

2023/24 £'000		2024/25 £'000
	<b><i>Expenditure</i></b>	
12,836	Employee Benefit Expenses	13,266
25,759	Other Services Expenses	25,901
2,782	Depreciation, amortisation, impairment	3,650
716	Interest Payments	471
2,998	Precepts and Levies	3,149
0	Loss in fair value of diversified investment	109
1,059	Loss recognised from changes in the fair value of properties	0
<b>46,150</b>	<b>Total Expenditure</b>	<b>46,546</b>
	<b><i>Income</i></b>	
(8,325)	Fees, Charges and Other Service Income	(9,185)
(22,095)	Government Grants and Contributions	(26,174)
(13,306)	Income from Council Tax, NDR	(14,588)
(1)	Gain on the Disposal of Assets	(77)
0	Gain recognised from changes in the fair value of properties	(123)
(272)	Gain in fair value of diversified investment	0
(3,820)	Interest and Investment Income	(4,121)
<b>(47,819)</b>	<b>Total Income</b>	<b>(54,268)</b>
<b>(1,669)</b>	<b>(Surplus)/Deficit on Provision of Services</b>	<b>(7,722)</b>

### **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.**

2023/24						2024/25			
Usable Reserves			Movements in Unusable Reserves £'000	Usable Reserves			Movements in Unusable Reserves £'000		
General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000		General Fund Balance £'000		Capital Receipts Reserve £'000		Capital Grants Unapplied £'000	
Adjustments primarily involving the Capital Adjustment Account:									
Reversal of items debited or credited to the CIES:									
(2,777)	0	0	2,777	Charges for depreciation and impairment of non-current assets	(3,580)	0	0	3,580	
49	0	0	(49)	Revaluation losses on Property Plant and Equipment	(9)	0	0	9	
(1,059)	0	0	1,059	Movements in the market value of Investment Properties	123	0	0	(123)	
(54)	0	0	54	Amortisation of intangible assets	(61)	0	0	61	
3,607	0	0	(3,607)	Capital grants and contributions applied	5,609	0	0	(5,609)	
0	0	0	0	Income in relation of Donated Assets	0	0	0	0	
(2,175)	0	0	2,175	Revenue expenditure funded from capital under statute	(2,311)	0	0	2,311	
(7,478)	0	0	7,478	Amounts of Non Current Assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(329)	0	0	329	
Insertion of items not debited or credited to the CIES:									
1,255	0	0	(1,255)	Statutory provision for the financing of capital investment	1,652	0	0	(1,652)	
684	0	0	(684)	Capital expenditure charged against the General Fund	1,402	0	0	(1,402)	
Adjustments primarily involving the Capital Grants Unapplied Account:									
0	0	0	0	Capital grants and contributions unapplied credited to the CIES	44	0	(44)	0	
0	0	56	(56)	Application of grants to capital financing transferred to the CAA	0	0	(1)	1	
Adjustments primarily involving the Capital Receipts Reserve:									
7,478	(7,590)	0	112	Transfer of cash sale proceeds credited as part of gain/loss on disposal to the CIES	407	(523)	0	116	
0	4,526	0	(4,526)	Capital Receipts applied	0	1,783	0	(1,783)	
0	3,700	0	(3,700)	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the CIES	0	0	0	0	
0	(2,973)	0	2,973	Transfer (from)/to the Deferred Capital Receipts Reserve upon receipt of cash	0	(3,600)	0	3,600	
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:									
(2,476)	0	0	2,476	Reversal of items relating to retirement benefits debited or credited to the CIES	(2,248)	0	0	2,248	
2,701	0	0	(2,701)	Employer's pensions contributions and direct payments to pensioners payable in the year	2,686	0	0	(2,686)	
Adjustments primarily involving the Collection Fund Adjustment Account:									
367	0	0	(367)	Amount by which council tax & business rate income credited to the CIES is different from statutory requirements	1,106	0	0	(1,106)	
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:									
273	0	0	(273)	Change in revaluation of value of investments not charged to the Surplus/Deficit on the Provision of Services	(108)	0	0	108	
395	(2,337)	56	1,886	Total Adjustments	4,383	(2,340)	(45)	(1,998)	

#### 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 1st April 2024 £'000	Additions in Year £'000	Used in Year £'000	Balance at 31 March 2025 £'000
<b>Investment Reserves</b>				
Regeneration and Community Projects	3,226	1,817	(762)	4,281
Investment Properties	795	200	(113)	882
New Homes Bonus	9,652	1,565	(3,064)	8,153
<b>Corporate Reserves</b>				
Organisation Stabilisation Reserve	3,261	2,760	(1,453)	4,568
Climate Change	201	2,350	(59)	2,492
Treasury Capital Depreciation	1,173	137	0	1,310
Collection Fund Reserve	1,085	0	(1,085)	0
Freeport Reserve	200	0	(200)	0
Risk and Insurance	100	0	0	100
Planning Appeals	349	285	(210)	424
Elections	51	50	0	101
Flood Grant & Resilience	0	28	(6)	22
Simpler Recycling	0	1,250	0	1,250
<b>Operating Reserves</b>				
Planning	56	0	0	56
Leisure Centre Maintenance	28	15	0	43
Vehicle Replacement Reserve	770	185	(350)	605
<b>Total</b>	<b>20,947</b>	<b>10,642</b>	<b>(7,302)</b>	<b>24,287</b>

#### 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.
- 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.
- 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.

- Collection Fund Reserve – To smooth effects of surplus/deficits as a result of timing differences.
- Freeport – To support the work to develop the Freeport.
- 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.

## **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:

2023/24 £'000		2024/25 £'000
2,556	Parish Council Precepts	2,702
442	Internal Drainage Board Levies	447
(45)	(Gain) or Loss on the disposal of non-current assets	(182)
<b>2,953</b>	<b>Total</b>	<b>2,967</b>

## 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:

2023/24 £'000		2024/25 £'000
16	Interest payable and similar charges	151
714	Pensions interest cost and expected return on pension assets	471
(272)	Movement in the fair value of property/diversified income	109
(1,888)	Interest receivable and similar income	(2,169)
(678)	Income and Expenditure in relation to Investment Properties and changes in their fair value	(1,881)
<b>(2,108)</b>	<b>Total</b>	<b>(3,319)</b>



## 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 £1.6m higher in 2024/25 due to IFRS 16 adjustments £0.749m and the use of UK Shared Prosperity Funding £0.839m.

The detailed breakdown of Grants is shown in Note 27.

<b>2023/24</b> <b>£'000</b>		<b>2024/25</b> <b>£'000</b>
(10,545)	Council Tax income	(11,042)
(2,761)	Business Rates income	(3,546)
(3,095)	Business Rates Sec 31 Grants	(3,756)
(1,728)	Capital grants and contributions (Note 27)	(3,299)
(1,414)	New Homes Bonus (Note 27)	(1,509)
(859)	Non-ring-fenced government grants (Note 27)	(1,249)
<b>(20,402)</b>	<b>Total</b>	<b>(24,401)</b>

## 8. PROPERTY, PLANT AND EQUIPMENT

### Movements on Balances 2024/25

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Assets Under Construction	Right of Use (ROU) Asset	Total
<b>Cost or Valuation</b>							
<b>At 1 April 2024</b>	<b>67,633</b>	<b>9,708</b>	<b>2,891</b>	<b>329</b>	<b>1,271</b>	<b>0</b>	<b>81,832</b>
Opening Balance Adjustment (IFRS16)						3,502	3,502
<b>Adjusted Opening Balance 1 April 2024</b>	<b>67,633</b>	<b>9,708</b>	<b>2,891</b>	<b>329</b>	<b>1,271</b>	<b>3,502</b>	<b>85,334</b>
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)
<b>At 31 March 2025</b>	<b>73,250</b>	<b>10,538</b>	<b>2,911</b>	<b>339</b>	<b>214</b>	<b>3,502</b>	<b>90,754</b>
<b>Accumulated Depreciation or Impairment</b>							
<b>At 1 April 2024</b>	<b>(181)</b>	<b>(3,647)</b>	<b>(512)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,340)</b>
Depreciation charge	(1,882)	(1,035)	(116)			(542)	(3,575)
Depreciation written out to the Revaluation Reserve	1,577						1,577
Derecognition - Disposals	95	359					454
<b>At 31 March 2025</b>	<b>(391)</b>	<b>(4,323)</b>	<b>(628)</b>	<b>0</b>	<b>0</b>	<b>(542)</b>	<b>(5,884)</b>
<b>Net Book Value at 31 March 2025</b>	<b>72,859</b>	<b>6,215</b>	<b>2,283</b>	<b>339</b>	<b>214</b>	<b>2,960</b>	<b>84,870</b>
<b>Net Book Value at 31 March 2024</b>	<b>67,452</b>	<b>6,061</b>	<b>2,379</b>	<b>329</b>	<b>1,271</b>	<b>0</b>	<b>77,492</b>

## Movements on Balances 2023/24

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Assets Under Construction	Total
<b>Cost or Valuation</b>						
<b>At 1 April 2023</b>	<b>71,265</b>	<b>8,715</b>	<b>2,791</b>	<b>329</b>	<b>43</b>	<b>83,143</b>
Additions/Asset Merge	268	2,762	110	0	1,271	4,411
Transfers	(1,152)	0	43	0	(43)	(1,152)
Revaluation (+/-) recognised in the Revaluation Reserve	(2,763)	0	0	0	0	(2,763)
Revaluation (+/-) recognised in the Surplus/Deficit on Provision of Services	61	(14)	0	0	0	47
Derecognition - Disposals	(46)	(1,755)	(53)	0	0	(1,854)
<b>At 31 March 2024</b>	<b>67,633</b>	<b>9,708</b>	<b>2,891</b>	<b>329</b>	<b>1,271</b>	<b>81,832</b>
<b>Accumulated Depreciation or Impairment</b>						
<b>At 1 April 2023</b>	<b>(252)</b>	<b>(4,550)</b>	<b>(451)</b>	<b>0</b>	<b>0</b>	<b>(5,253)</b>
Depreciation charge	(1,839)	(818)	(114)	0	0	(2,771)
Depreciation transfer	26	0	0	0	0	26
Depreciation written out to the Revaluation Reserve	1,880	0	0	0	0	1,880
Depreciation written out to the Surplus/Deficit on Provision of Services	0	2	0	0	0	2
Derecognition - Disposals	4	1,719	53	0	0	1,776
<b>At 31 March 2024</b>	<b>(181)</b>	<b>(3,647)</b>	<b>(512)</b>	<b>0</b>	<b>0</b>	<b>(4,340)</b>
<b>Net Book Value at 31 March 2024</b>	<b>67,452</b>	<b>6,061</b>	<b>2,379</b>	<b>329</b>	<b>1,271</b>	<b>77,492</b>
<b>Net Book Value at 31 March 2023</b>	<b>71,013</b>	<b>4,165</b>	<b>2,340</b>	<b>329</b>	<b>43</b>	<b>77,890</b>

## 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 2025, the Council was contractually committed to works totalling £3.549m for the acquisition, construction, and enhancement of property, vehicles and grant payments to third parties in 2025/26. Significant items of contract and other costs comprise: Cotgrave and Keyworth Leisure Centre enhancements £1.382m; Edwalton Community Facility £0.63m; Sir Julian Cahn Pavilion £0.67m; West Bridgford Play Projects £0.293m; Disabled Facilities Grants £0.424m; Vehicle Acquisition £0.15m.

### 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 fair value are re-valued at least every three years. The Council, as a consequence, will be revaluing a third of its Land and Buildings portfolio every year. Assets with a value greater than £1 million are revalued annually.

Valuations of land and buildings were carried out in accordance with the Royal Institution of Chartered Surveyors Valuation Standards (Red Book) 9<sup>th</sup> 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. Mr Nick Berry Senior Property Estates Surveyor is responsible for revaluation of property assets, signed off by the Council's Director – Development and Economic Growth, Leanne Ashmore MRICS. 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	Total Property, Plant and Equipment
<b>Carried at Historical Cost</b>	£'000 <b>371</b>	£'000 <b>10,538</b>	£'000 <b>2,910</b>	£'000 <b>339</b>	£'000 <b>214</b>	£'000 <b>3,502</b>	£'000 <b>17,874</b>
Valued at fair value as at:							
31-Mar-23	1,749						1,749
31-Mar-24	7,152						7,152
31-Mar-25	63,978						63,978
<b>Total Cost or Valuation</b>	<b>73,250</b>	<b>10,538</b>	<b>2,910</b>	<b>339</b>	<b>214</b>	<b>3,502</b>	<b>90,753</b>

## 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.

<b>2023/24</b> <b>£'000</b>		<b>2024/25</b> <b>£'000</b>
(2,110)	Rental and Service Charge Income from Investment Property	(2,141)
301	Direct Operating Expenses arising from Investment Property	269
<b>(1,809)</b>	<b>Net (Gain)/Loss</b>	<b>(1,872)</b>

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 2024/25 and 2023/24.

## 9. INVESTMENT PROPERTIES CONTINUED

2023/24 £000		2024/25 £000
<b>31,030</b>	<b>Balance at start of the year</b>	<b>23,789</b>
93	Enhancements	146
(7,400)	Disposals	(97)
(1,059)	Net gains/(losses) from fair value adjustments	123
(26)	Write back depreciation/impairment on revaluation	0
1,151	Transfers	(10)
<b>23,789</b>	<b>Total</b>	<b>23,951</b>

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

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) 9<sup>th</sup> 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 £61k in 2024/25 (£54k 2023/24) was charged to the Information Technology cost centre within Finance and Corporate Service Area.

### Movements on Intangible Fixed Assets

2023/24 £'000		2024/25 £'000
	<b>Balance at start of year</b>	
330	Gross carrying amount	274
(224)	Accumulated amortisation	(149)
<b>106</b>	<b>Net carrying amount at start of year</b>	<b>125</b>
73	Purchases	5
(129)	Disposals	0
	<i>Amortisation</i>	
(54)	Amortisation for the period	(61)
129	Amortisation on disposals	0
<b>125</b>	<b>Net carrying amount at end of year</b>	<b>69</b>
	<b>Comprising:</b>	
274	Gross carrying amounts	279
(149)	Accumulated amortisation	(210)
<b>125</b>	<b>Balance Sheet amount at 31 March</b>	<b>69</b>

The Council had no contractual commitments for the acquisition of Intangible Assets at 31.3.25

## 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.

2023/24 £'000		2024/25 £'000
<b>0</b>	<b>Balance at the start of the year</b>	<b>0</b>
0	Assets Sold	0
<b>0</b>	<b>Balance at the end of the year</b>	<b>0</b>

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-24	Current 31-Mar-24	Total 31-Mar-24		Long-Term 31-Mar-25	Current 31-Mar-25	Total 31-Mar-25
£000	£000	£000		£000	£000	£000
	57,489	57,489	<b>Investments</b>		61,822	61,822
1,970		1,970	Loans and Receivables			
1,930		1,930	CCLA Property	2,008		2,008
1,005		1,005	CCLA Diversified	1,825		1,825
4,598		4,598	Enhanced Cash Plus	1,016		1,016
4,535		4,535	Aegon	4,561		4,561
			Ninety-One	4,518		4,518
<b>14,038</b>	<b>57,489</b>	<b>71,527</b>	<b>Total Investments</b>	<b>13,928</b>	<b>61,822</b>	<b>75,750</b>
			<b>Debtors</b>			
1,462	6,995	8,457	Loans and Receivables *	1,308	5,114	6,422
<b>1,462</b>	<b>6,995</b>	<b>8,457</b>	<b>Total Debtors</b>	<b>1,308</b>	<b>5,114</b>	<b>6,422</b>
			<b>Borrowings</b>			
0	0	0	Financial Liabilities at Amortised Cost	0	0	0
<b>0</b>	<b>0</b>	<b>0</b>	<b>Total Borrowing</b>	<b>0</b>	<b>0</b>	<b>0</b>
			<b>Creditors</b>			
(49,992)	(5,674)	(55,666)	Financial Liabilities at Amortised Cost	(47,820)	(3,182)	(51,002)
<b>(49,992)</b>	<b>(5,674)</b>	<b>(55,666)</b>	<b>Total Creditors</b>	<b>(47,820)</b>	<b>(3,182)</b>	<b>(51,002)</b>

### Valuation Assumptions

Investments held at 31 March 2025 amounted to £76.126m, consisting of £43.570m of fixed term investments where the instrument carries the same interest rate for the whole term, £18.627m of deposits in the Money Market and Call Account funds where, in general, the rate only alters with movements in the Bank rate, and £13.929m in funds valued at bid price for the shares which the Council holds. Cash and Bank included in total current investments are (£0.375m) 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 £13.928m 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

2023/24			2024/25	
Short Term £'000	Long Term £'000		Short Term £'000	Long Term £'000
1,352	0	Trade	636	0
825	149	Prepayment	459	135
7,227	1,462	Other	8,001	1,308
(762)	0	Provision for impairment losses	(952)	0
<b>8,642</b>	<b>1,611</b>	<b>Total Debtors</b>	<b>8,144</b>	<b>1,443</b>

## 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

2023/24 £'000		2024/25 £'000
609	Council Tax	707
414	Non-Domestic Rates	517
<b>1,023</b>	<b>Total Debtors for Local Taxation</b>	<b>1,224</b>

## 15. CASH AND CASH EQUIVALENTS

2023/24 £'000		2024/25 £'000
1	Cash Held by the Council	1
311	Bank Current Accounts	(376)
26,177	Short Term Deposits	18,627
<b>26,489</b>	<b>Total Cash and Cash Equivalents</b>	<b>18,252</b>

## 16. CREDITORS

2023/24			2024/25	
Short Term £'000	Long Term £'000		Short Term £'000	Long Term £'000
4,360	72	Trade Creditors	4,135	0
4,925	152	Other Creditors	6,373	227
<b>9,285</b>	<b>224</b>	<b>Total</b>	<b>10,508</b>	<b>227</b>

## 17. PROVISIONS

2023/24 Long Term NDR Appeals £'000		2024/25 Long Term NDR Appeals £'000
<b>1,313</b>	<b>Balance at 1 April</b>	<b>890</b>
367	Change in provisions in year	(18)
(790)	Amount utilised in year	(88)
<b>890</b>	<b>Balance at 31 March</b>	<b>784</b>

### 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 £1.961 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 2024 £'000		Balance at 31 March 2025 £'000
24,169	Revaluation Reserve	26,510
68,953	Capital Adjustment Account	73,914
(10,917)	Pension Reserve	(8,665)
3,700	Deferred Capital Receipts	0
174	Collection Fund Adjustment Account	1,280
(54)	Accumulated Absences Account	(54)
(961)	Pooled Funds Adjustment Account	(1,071)
<b>85,064</b>		<b>91,914</b>

## 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 2024 £'000		Balance at 31 March 2025 £'000
<b>25,889</b>	<b>Balance at 1 April</b>	<b>24,169</b>
2,157	Upward revaluation of assets	3,291
(3,040)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(254)
<b>25,006</b>	<b>Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services</b>	<b>27,206</b>
(649)	Difference between fair value depreciation and historical cost depreciation	(696)
(188)	Accumulated gains on assets sold or scrapped	0
<b>(837)</b>	<b>Amount written off to the Capital Adjustment Account</b>	<b>(696)</b>
<b>24,169</b>	<b>Balance at 31 March</b>	<b>26,510</b>

## **Capital Adjustment Account**

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with 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.

The Account 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 2024 £'000		Balance at 31 March 2025 £'000
<b>71,593</b>	<b>Balance at 1 April</b>	<b>68,953</b>
	<b><u>Reversal of items relating to capital expenditure debited or credited to the CIES:</u></b>	
(2,777)	Charges for depreciation and impairment of non-current assets	(3,580)
49	Revaluation losses on Property, Plant and Equipment	(9)
(54)	Amortisation of intangible assets	(61)
(2,175)	Revenue expenditure funded from capital under statute (net of Grants and Contributions)	(2,310)
(7,478)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(230)
837	Adjusting amounts written out of the Revaluation Reserve	696
(112)	Write down Long-term Debtors	(114)
<b>(11,710)</b>	Net written out amount of the cost of non-current assets consumed in the year	<b>(5,608)</b>
	<b><u>Capital financing applied in the year:</u></b>	
4,526	Use of Capital Receipts to finance new capital expenditure	1,783
3,607	Capital grants and contributions credited to the CIES that have been applied to capital financing	6,358
57	Application of grants to capital financing from the Capital Grants Unapplied Account	0
1,255	Statutory provision for the financing of capital investment charged against the General Fund	1,652
684	Capital expenditure charged against the General Fund	1,402
<b>10,129</b>		<b>11,195</b>
(1,059)	Movements in the market value of Investment Properties debited or credited to the CIES	123
0	Movement in the donated assets account credited to the Comprehensive Income & Expenditure Statement*	(749)
<b>(1,059)</b>		<b>(626)</b>
<b>68,953</b>	<b>Balance at 31 March</b>	<b>73,914</b>

\*IFRS16 entries for Right of Use Assets

## 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 2024 £'000		Balance at 31 March 2025 £'000
<b>(16,219)</b>	<b>Balance at 1 April</b>	<b>(10,917)</b>
5,077	Remeasurement of the net defined benefit liability/(asset)	1,814
(2,476)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services	(2,248)
2,701	Employer's pensions contributions and direct payments to pensioners payable in the year	2,686
<b>(10,917)</b>	<b>Balance at 31 March</b>	<b>(8,665)</b>

### 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 2024 £'000		Balance at 31 March 2025 £'000
<b>2,973</b>	<b>Balance at 1 April</b>	<b>3,700</b>
3,700	Transfer (to)/from the CIES deferred sale proceeds	(100)
(2,973)	Transfer to the Capital Receipts Reserve on receipt of cash	(3,600)
<b>3,700</b>	<b>Balance at 31 March</b>	<b>0</b>

## 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 2024 £'000		Balance at 31 March 2025 £'000
(193)	<b>Balance at 1 April</b>	<b>174</b>
367	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	1,106
<b>174</b>		<b>1,280</b>

## 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 2024/25.

Balance at 31 March 2024 £'000		Balance at 31 March 2025 £'000
(54)	<b>Balance at 1 April</b>	<b>(54)</b>
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
<b>(54)</b>	<b>Balance at 31 March</b>	<b>(54)</b>

## 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 2025 was valued at £13.929m. 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 £1.071m. The statutory override was due to end 31 March 2025 but has been extended for existing investments made before 1 April 2024, to 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 2024 £'000		Balance at 31 March 2025 £'000
(1,234)	<b>Balance at 1 April</b>	<b>(961)</b>
345	Upward Revaluation of Investments	48
(72)	Downward Revaluation of Investments	(158)
	Change in Impairment Loss Allowances	
<b>(961)</b>		<b>(1,071)</b>
0	Accumulated gains or losses on assets sold and maturing assets written out to the CIES as part of Other Investment Income	0
<b>(961)</b>	<b>Balance at 31 March</b>	<b>(1,071)</b>

## 20. CASHFLOW STATEMENT – OPERATING ACTIVITIES

2023/24 £'000		2024/25 £'000
(1,669)	<b>Net (Surplus) or Deficit on the Provision of Services</b>	<b>(7,722)</b>
	<b>Adjust for Non-Cash Movements</b>	
(2,777)	Depreciation/Lease Liability write-down (IFRS16)	(3,580)
49	Impairment and downward valuations	(9)
(54)	Amortisation	(61)
8	(Increase)/decrease in loss allowances	190
1,134	(Increase)/decrease in creditors	(2,120)
(1,785)	Increase/(decrease) in debtors	2,998
225	Movement in pension liability	438
	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(229)
(7,478)		
423	Movement in Provisions	106
	Other non-cash items charged to the net surplus or deficit on the provision of services	2,765
(785)		
	<b>Net surplus/(deficit) on provision of services for non cash movements</b>	<b>498</b>
(11,040)		
	<b>Adjust Net Surplus or Deficit for items that are Investing or Financing Activities</b>	
	Capital Grants credited to the Surplus/Deficit on Provision of Services	44
0		
	Proceeds from sale of property, plant and equipment, investment property and intangible assets	408
7,479		
	<b>Net surplus/(deficit) on provision of services for Investing &amp; Financing activities</b>	<b>452</b>
7,479		
(5,230)	<b>Net Cashflows from Operating Activities</b>	<b>(6,772)</b>

## 20. CASHFLOW STATEMENT – OPERATING ACTIVITIES CONTINUED

The cash flows for operating activities include the following items:

2023/24 £'000		2024/25 £'000
(742)	Interest received	(1,269)
14	Interest paid	151
(697)	Dividends received	(655)
<b>(1,425)</b>	<b>Total</b>	<b>(1,773)</b>

## 21. CASHFLOW STATEMENT – INVESTING ACTIVITIES

2023/24 £'000		2024/25 £'000
5,090	Purchase of property, plant and equipment, investment property and intangible assets	5,756
48,000	Purchase of short-term and long- term investments	63,570
10	Other payments for investing activities	3
(3,648)	Proceeds from sale of property, plant equipment, investment property and intangible assets	(4,107)
(49,000)	Proceeds from short-term and long-term investments	(51,000)
(6,619)	Capital Grants Received (Government)	2,128
(122)	Other receipts from investing activities	(122)
<b>(6,289)</b>	<b>Net cash flow from investing activities</b>	<b>16,228</b>

## 22. CASHFLOW STATEMENT – FINANCING ACTIVITIES

2023/24 £'000		2024/25 £'000
(611)	Other payments for financing activities	(1,671)
0	Finance lease capital repayments	452
<b>(611)</b>	<b>Net cash flow from Financing activities</b>	<b>(1,219)</b>

## 23. MEMBERS' ALLOWANCES

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

2023/24 £'000		2024/25 £'000
291	Basic Allowances	302
93	Special Responsibility Allowances	97
5	Other Expenses	4
<b>389</b>	<b>Total Expenditure</b>	<b>403</b>

## 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	2024/25	113,907	0	20,836	134,743
	2023/24	128,668	0	23,638	152,306
Deputy CEO and Director - Finance & Corporate Services	2024/25	105,375	0	19,443	124,818
	2023/24	101,330	0	18,710	120,040
Deputy CEO and Director - Neighbourhoods	2024/25	104,344	0	18,883	123,227
	2023/24	98,500	0	18,162	116,662
Director - Growth & Economic Development	2024/25	99,072	0	18,328	117,400
	2023/24	95,175	0	17,607	112,782
Service Manager Executive Department (Role includes Borough Solicitor & Monitoring Officer duties)	2024/25	72,704	0	13,446	86,150
	2023/24	72,399	0	13,394	85,793

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

Number of Employees 2023/24	Remuneration Band	Number of Employees 2024/25
5	£50,000 - £54,999	5
5	£55,000 - £59,999	10
0	£60,000 - £64,999	0
3	£65,000 - £69,999	0
2	£70,000 - £74,999	6
15	Total	21

## 25. EXIT PACKAGES AND TERMINATION BENEFITS

The Council did not terminate any contracts in 2024/25 (1 contract terminated in 2023/24).

## 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 2024/25.

2023/24 £'000		2024/25 £'000
128	Fees in respect of external audit of statement of accounts	142
<b>128</b>	<b>Total</b>	<b>142</b>

## 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 2024/25 and 2023/24.

2023/24 £'000		2024/25 £'000
5	ERDF Bingham Offices	0
59	UK Shared Prosperity Fund (UKSPF)	839
102	Changing Places - Rushcliffe Country Park toilets	0
28	Friends of Rushcliffe Country Park - Enhancements	0
899	Salix Energy Grants	361
625	Section 106 contributions	166
10	English cricket Board	174
0	CIL	803
0	Rural England Prosperity Fund (REPF)	32
0	Football Foundation	3
0	Electric Vehicle Purchase grant	10
0	Swimming Pool Grant	162
0	IFRS 16 Donated Assets - Rushcliffe Country Park/Keyworth Lesiure Centre	749
<b>1,728</b>	<b>Total Capital Grants (Note 7)</b>	<b>3,299</b>
1,414	New Homes Bonus (Note 7)	1,509
3,095	NDR Section 31 Grant (Note 7)	3,756
859	Other non-ringfenced grants (Note 7)	1,249
<b>7,096</b>	<b>Total</b>	<b>9,813</b>



## 27. GRANT INCOME CONTINUED

The following grants were credited to services.

2023/24 £'000		2024/25 £'000
115	MHCLG - NDR Cost of Collection	118
12,138	DWP - Housing Benefit Subsidy and Council Tax Rebates	12,666
167	DWP - Housing Benefit Administration	162
325	MHCLG - Homelessness Support Grant	328
762	MHCLG- Disabled Facilities Grant (REFCUS)	852
435	MHCLG - Local Authority Delivery Green Energy Grants	0
149	Notts PCC - Safer Streets	65
490	UK Shared Prosperity Fund	634
145	UK Shared Prosperity Fund (REFCUS)	201
76	Rural England Prosperity Fund (REFCUS)	487
0	Retrofit Grants	511
0	Home Upgrade Grant (HUG2)	163
0	Planning Skills Delivery Grant	60
197	Total of grants below £50k	114
<b>14,999</b>	<b>Total</b>	<b>16,361</b>

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:

The Council received the following capital grants receipts in advance:

2023/24 £'000		2024/25 £'000
46,006	S106 Planning Agreements	40,977
3,543	CIL Planning Agreements	5,347
	<b>Other Grants:</b>	
18	UK Shared Prosperity Fund - Rushcliffe Country Park shelters	0
170	Home Upgrade Grant	49
20	Nottinghamshire County Council DFG top up	138
73	Rural England Prosperity Fund	0
0	Food Waste	1,157
	<b>Other Receipts :</b>	
10	Sale Deposit (Hollygate Lane)	0
<b>49,840</b>	<b>Total</b>	<b>47,668</b>

The Council received the following revenue grants receipts in advance

2023/24 £'000		2024/25 £'000
21	UK Shared Prosperity Fund	0
35	Family Annexe Grant	0
0	Home Upgrade Grant (HUG2)	36
<b>56</b>	<b>Total</b>	<b>36</b>

## 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 2024/25 are shown in Note 23. The Members could potentially have a material related party transaction with the Council. During 2024/25 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 2024/25 the following amounts were transacted with related parties: A contract totalling £50,000 was awarded from UKSPF funding in 2024/25 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 2024/25 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 £2.702m 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.

2023/24		2024/25
£'000		£'000
<b>13,266</b>	<b>Opening Capital Financing Requirement</b>	<b>9,889</b>
	Adjustment for Right of Use Assets (IFRS16)	2,752
	<b>Revised Capital Financing Requirement</b>	<b>12,641</b>
	<b>Capital Investment:</b>	
4,411	Property, Plant & Equipment	5,293
0	Heritage Assets	39
93	Investment Properties	146
74	Intangible Assets	5
2,174	Revenue Expenditure Funded from Capital Under Statute	2,311
	<b>Sources of Finance:</b>	
(2,404)	Capital Receipts	(783)
(2,122)	Capital Receipts/Sec106 applied to CFR	(1,000)
(3,664)	Government Grants & Other Contributions	(5,609)
(684)	Direct Revenue Contributions	(1,402)
(1,255)	Minimum Revenue Provision	(1,652)
<b>9,889</b>	<b>Closing Capital Financing Requirement</b>	<b>9,989</b>
	<b>Explanation of movements in year</b>	
(3,377)	Increase/(decrease) in the underlying need to borrow (unsupported by Government financial assistance)	(2,652)

### 30. LEASES

In 2024/25 the Council has adopted IFRS 16 Leases, as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased item as an asset and future payments as a liability), a right of use asset and a lease liability have been brought into the balance sheet at 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.

#### 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.

	Land And Buildings £'000	Vehicle Plant & Equipment £'000	Total £'000
Balance at 1 April 2024	3,502	0	3,502
Additions	0	0	0
Revaluations	0	0	0
Depreciation and amortisation	(542)	0	(542)
Disposals	0	0	0
Balance at 31 March 2025	2,960	0	2,960

Depreciation is charged on a straight-line basis over the lease term.

#### Lease Liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments). Please note the increase in amounts due being in relation to the implementation of IFRS16 and recognising right of use asset lease liabilities.

IFRS16 Right of use asset lease liabilities of £2.301m included in the table below are shown as long term (greater than a year) and short-term liabilities in balance sheet - (£1.806m – Other long-term liabilities and £0.495m Short term creditors)

31 March 2024 £'000		31 March 2025 £'000
203	Less than one year	608
820	One to five years	1,343
910	More than five years	881
<b>1,933</b>	<b>Total</b>	<b>2,832</b>

## Transactions under Leases

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

2023/24 £000s	Comprehensive Income and Expenditure Statement	2024/25 £000s
0	Interest Expense on lease liabilities	135
0	Expense related to short-term leases (charged as MRP)	452
0	Expense related to exempt leases of low value items	1
0	Income from sub-letting right-of-use assets	(50)

## 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.

2023/24 £'000		2024/25 £'000
1,949	Less than one year	1,865
5,635	One to five years	4,468
3,218	More than five years	1,859
<b>10,802</b>	<b>Total</b>	<b>8,192</b>

## 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 31/03/2025 identified no material impairment to any of the Council's assets.

The revaluation exercise for 2024/25 gave rise to a net revaluation gain of £3.028m on Operational Land and Buildings. Of this, £3.037m net was credited to the Revaluation Reserve (Note 19); and a net £9k 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 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 or 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 3% for the period 31 March 2024 to 31 March 2025. 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.



2023/24 £'000	Local Government Pension Scheme	2024/25 £'000
	<b>Comprehensive Income and Expenditure Statement</b>	
	<b>Cost of Services</b>	
1,725	Current Service Cost	1,737
37	Administration Expenses	40
0	Settlements and Curtailments	0
	<b>Financing and Investment Income and Expenditure</b>	
714	Net Interest Expense	471
<b>2,476</b>	<b>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</b>	<b>2,248</b>
	<b>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>	
	<b>Remeasurement of the net defined benefit liability comprising:</b>	
(2,895)	Return on plan assets (excluding the amount included in the net interest expense)	876
(1,270)	Actuarial (Gains) and Losses arising on changes in demographic assumptions	(237)
(1,392)	Actuarial (Gains) and Losses arising on changes in financial assumptions	(11,658)
0	Other Actuarial Gains / Losses on Asset	0
480	Other Experience	38
0	Changes in Impact of Asset Ceiling	9,167
<b>(5,077)</b>	<b>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>	<b>(1,814)</b>
	<b>Movement in Reserves Statement</b>	
<b>(2,476)</b>	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	<b>(2,248)</b>
	<b>Actual amount charged against the General Fund for Pensions in the year</b>	
<b>2,610</b>	Employers contributions payable to scheme	<b>2,593</b>
2023/24 £'000	Discretionary Benefits	2024/25 £'000
91	Retirement benefits payable to pensioners	93

## 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:

2023/24 £'000	Local Government Pension Scheme	2024/25 £'000
89,611	Present value of the defined benefit obligation	80,303
(78,694)	Fair Value Plan Assets	(80,805)
0	Impact of Asset Ceiling	9,167
<b>10,917</b>	<b>Net liability arising from defined benefit obligation</b>	<b>8,665</b>

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

2023/24 £'000	Local Government Pension Scheme	2024/25 £'000
<b>73,008</b>	<b>Opening Fair Value of Scheme Assets</b>	<b>78,694</b>
3,489	Interest Income	3,836
2,895	The return on plan assets, excluding the amount included in the net interest expense	(876)
0	Other actuarial gains / (losses)	0
2,701	Contributions from employer	2,686
622	Contributions from employees into the scheme	661
(3,984)	Benefits Paid	(4,156)
0	Settlements	0
(37)	Other	(40)
<b>78,694</b>	<b>Closing Fair value of scheme assets</b>	<b>80,805</b>

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

2023/24 £'000	Local Government Pension Scheme	2024/25 £'000
<b>89,227</b>	<b>Opening Balance 1 April</b>	<b>89,611</b>
1,725	Current Service Costs	1,737
4,203	Interest Cost	4,307
622	Contributions by scheme participants	661
	<u>Remeasurement gains/(loss):</u>	
(1,270)	Actuarial (Gains) and Losses arising from changes in demographic assumptions	(237)
(1,392)	Actuarial (Gains) and Losses arising from changes in financial assumptions	(11,658)
480	Other experience	38
0	(Gains) and Losses on Settlements / Curtailments	0
(3,893)	Benefits Paid	(4,063)
(91)	Unfunded Pension Payments	(93)
<b>89,611</b>	<b>Closing Balance 31 March</b>	<b>80,303</b>

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

2023/24 £'000	Local Government Pension Scheme	2024/25 £'000
47,590	Equities	41,889
1,884	Gilts	6,710
3,904	Other Bonds	5,198
8,366	Property	8,284
16,950	Others	18,724
<b>78,694</b>	<b>Total Assets</b>	<b>80,805</b>

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 62% are UK index linked Gilts. Of the Other Bonds allocation above, 29% are UK corporates, 71% 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 2022.

### 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.

The principal assumptions used by the actuary have been:

2023/24	Local Government Pension Scheme	2024/25
	<b>Mortality Assumptions</b>	
	Longevity at 65 for current pensioners	
20.4	Men	20.4
23.3	Women	23.3
	Longevity at 65 for future pensioners	
21.7	Men	21.7
24.7	Women	24.7
4.90%	Rate for Discounting Scheme Liabilities	5.80%
2.90%	Rate of Increase in Pensions (Per Annum)	2.90%
3.25%	Rate of increase in RPI Inflation	3.20%
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

<b>Adjustment to the discount rate</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	79,226	80,303	81,405
Projected service cost	1,315	1,366	1,418
<b>Adjustment to the long term salary increase</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	80,398	80,303	80,209
Projected service cost	1,366	1,366	1,366
<b>Adjustment to pension increases and deferred revaluation</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	81,340	80,303	79,289
Projected service cost	1,420	1,366	1,313
<b>Adjustment to life expectancy assumptions</b>	<b>+ 1 Year</b>	<b>None</b>	<b>- 1 Year</b>
Present value of total obligation	83,354	80,303	77,379
Projected service cost	1,415	1,366	1,318

#### 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 2024/25 was 18.5%. An additional monetary contribution of £720k was paid by the authority in 2024/25 (£600k 2025/26). 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 2026

Projected Pension Expense	2025/26 £'000
Service cost	1,366
Net Interest on the defined liability (asset)	425
Administration Expenses	39
<b>Total</b>	<b>1,830</b>
Employer contributions	2,657

Note: These projections are based on the assumptions at 31 March 2025, as described earlier in the Barnett Waddington Actuary Report. The figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2025.

### 33. CONTINGENT LIABILITIES

At the 31st of March 2025 the Council had one contingent liability 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.

### 34. CONTINGENT ASSETS

At 31 March 2025 the Council has one contingent asset requiring disclosure:

The Council is party to a collective claim relating to the price fixing of refuse vehicles purchased between 1997 and 2014. A revised estimate of damages suggests the Council's share of any award is expected to be in the range of £0.523m to £0.777m. These figures are subject to any individual settlement agreements among the six defendant groups, the Litigation Funding Agreement and deduction of funding and legal costs prior to distribution.

### 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 2025 is shown below.

Credit Rating (Fitch)	Fair Value through Profit & Loss £000	Investments (Amortised Cost) £000
AAA	0	12,936
AA+	0	0
AA	0	25
AA-	0	118
A+	0	5,449
A-	0	0
Pooled Funds/LA's*	13,929	43,570
Total	13,929	62,098

\* 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 2025 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:

2023/24 £'000	Debtors past due but not impaired	2024/25 £'000
132	Less than three months	25
55	Three to nine months	24
4	Nine months to one year	4
686	More than one year	710

### 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 £
Local Authorities	43,570	0%	0
Money Market Funds	12,894	0%	0
Call Accounts:			
Handlesbanken	25	0.04%	4
HSBC	42	0.06%	8
Bank of Scotland	118	0.06%	24
Barclays	4,896	0.06%	1,004
Santander	553	0.04%	74
Total	62,098		1,114

Under IFRS 9 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 you have 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 you may not actually get.



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

Financial Institution	Amount £000	Length of Investment
Blackrock	471	Call
CCLA - PSDF	1,364	Call
Federated Investors (UK)	734	Call
Goldman Sachs Asset Management	76	Call
HSBC Asset Management ESG	5,576	Call
Invesco AIM	1,074	Call
Aberdeen Asset Management	3,679	Call
HSBC Asset Management Business	42	Call
Bank of Scotland PLC	1	Call
Bank of Scotland PLC32	117	32 Days
Barclays Bank PLC	7	Call
Barclays Bank PLC32	4,906	32 Days
Handlesbanken PLC	12	Call
Handlesbanken PLC35	13	35 Days
Santander UK PLC1	464	Call
Santander UK PLC35	91	35 Days
<b>Total Call/MMF (Agrees to note 15)</b>	<b>18,627</b>	
Broxbourne Borough Council	4,570	182 days
Rushmoor Borough Council	5,000	364 days
Telford & Wrekin	5,000	273 days
Blackpool Council	4,000	243 days
LB of Waltham Forest	5,000	277 days
Surrey County Council	5,000	274 days
New Forest District Council	5,000	276 days
Lancashire County Council	5,000	120 days
Bedford Borough Council	5,000	31 days
<b>Total Short Term Investments</b>	<b>43,570</b>	

## 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 2025, if interest rates had been 1% higher or lower with all variables held constant, the effect would be:

2023/24 £000		2024/25 £000
143	Increase in Interest Receivable on Variable Rate Investments	446
<b>143</b>	<b>Impact on Surplus or Deficit on the Provision of Services</b>	<b>446</b>

## 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 2024/25 financial year and its position at the year-end of 31 March 2025. 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 2024/25 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 year that it takes place, not simply when cash payments are made or received. In particular:

- **Revenue from contracts with service recipients**, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- **Supplies are recorded as expenditure** when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.
- **Expenses in relation to services received** (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- **Interest 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 revenue 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 as a result 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 on the basis of 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 as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the 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 of 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 on the basis of 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.

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 106s 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 a number of 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 as a result 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 on the basis of charging the surplus or deficit on the provision of services with the consideration allocated to the performance obligations satisfied based on 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 31<sup>st</sup> 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

variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date

amounts expected to be payable under a residual value guarantee

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

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

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

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

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

### **Subsequent measurement**

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

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

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of use assets held under index-linked leases have been adjusted for changes in the relevant index,

while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

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

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

The liability is remeasured when:

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

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

### **Low value and short lease exemption**

As permitted by the Code, the Council excludes leases:

- for low-value items that cost less than £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 accruals 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 in excess of 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:

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

Assets included in the Balance Sheet at fair value are re-valued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every three years. 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.

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:

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

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 play area ground infrastructure, 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 principle, 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 its neighbouring Nottinghamshire councils. The council is part of a pool arrangement for NDR with its neighbouring Nottinghamshire councils.

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 2024/25 (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 2024/25 code:

The standards introduced by the 2025/26 Code where disclosures are required in the 2024/25

financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

- a) IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable
- b) IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts
- c) The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for

operational property, plant and equipment, requiring indexation for tangible noninvestment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4.

### **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. There is a high degree of uncertainty about future levels of funding for local government notably issues around funding reforms and localisation of Business Rates. However, as these reforms have been delayed until at least 2026/27 due to economic environment 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.
- b. 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 £51k on service costs.
- c. It is anticipated no substantial legal claims or appeals will be made against the Council in the next financial year.
- d. IFRS16 In 2024/25 the Council has adopted IFRS 16 Leases, as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased item as an asset and future payments as a liability), a right of use asset and a lease liability have been brought into the balance sheet at 1 April 2024. These have been calculated based on the current schedule of rental payments and discounted using the Public Works Loans Board (PWLB) certainty rate. Leases for items of low value and leases that expire on or before 31 March 2023 are exempt from the new arrangements and have been excluded.
- e. 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.

### **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 £1.077m and an increase of £3.051m respectively in the present value of the defined benefit obligation. In addition, for 2024/25 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 has impacted on collection of debt however this will continue to be monitored. At 31st March 2025, the Council had sundry debtor balances of £0.607m and Housing Benefit (HB) debtors of £0.557m. Provisions for impairment are made according to the age of the debt. The provisions amount to £0.200m and £0.076m, 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 £0.784m, with a further £1.177m 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. **Purchase accruals** – these are low in volume and value, but with items such as utility accruals they are based on past bills / seasonality / readings and current contract prices. With the level of inflation currently around 3.5%, the 2025/26 budget incorporates an allowance for an increase in utilities and fuel.
- e. **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.
- f. **Local Government Reorganisation (LGR)** – as part of LGR the Council will move into a unitary authority. This creates significant uncertainty for Councillors and officers and will require additional work and resources, the financial impact of this will be smoothed using the organisational stabilisation reserve. The uncertainty will be carefully managed, and the Council will continue to operate as business as usual in the interim period.

#### **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 BALANCE SHEET 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 main issues are stated within Section 6 of the Narrative.



**G. THE COLLECTION FUND**

2023/24				2024/25		
Council Tax £'000	NDR £'000	TOTAL £'000		Council Tax £'000	NDR £'000	TOTAL £'000
106,860		<b>106,860</b>	<b>INCOME</b>			
			Council Tax	113,805		<b>113,805</b>
	28,205	<b>28,205</b>	Income from business ratepayers		32,823	<b>32,823</b>
<b>106,860</b>	<b>28,205</b>	<b>135,065</b>		<b>113,805</b>	<b>32,823</b>	<b>146,628</b>
			<b>EXPENDITURE</b>			
			Precepts and Demands			
79,406		<b>79,406</b>	· Nottinghamshire County Council	84,915		<b>84,915</b>
12,401		<b>12,401</b>	· Nottinghamshire Police Authority	13,258		<b>13,258</b>
4,127		<b>4,127</b>	· Nottinghamshire Fire Authority	4,333		<b>4,333</b>
10,509		<b>10,509</b>	· Rushcliffe Borough Council	11,049		<b>11,049</b>
			Business Rate			
	14,452	<b>14,452</b>	· Payments to Government		14,510	<b>14,510</b>
	2,601	<b>2,601</b>	· Payments to Nottinghamshire County Council		2,612	<b>2,612</b>
	289	<b>289</b>	· Payments to Nottinghamshire Fire Authority		290	<b>290</b>
	11,561	<b>11,561</b>	· Payments to Rushcliffe Borough Council		11,608	<b>11,608</b>
	115	<b>115</b>	· Costs of Collection		118	<b>118</b>
	871	<b>871</b>	· Renewable Energy		926	<b>926</b>
		<b>0</b>	· Transitional Protection Payment		0	<b>0</b>
			Impairment of Debts/Appeals			
(278)		<b>(278)</b>	· Write ons			<b>0</b>
324	21	<b>345</b>	· Allowance for Impairment	(184)	265	<b>81</b>
	(1,058)	<b>(1,058)</b>	· Provision for appeals	509	(264)	<b>245</b>
			Contributions			
			· Distribution of 23-24 estimated Collection Fund surplus/(deficit)			
(1,746)	(901)	<b>(2,647)</b>		(33)	57	<b>24</b>
<b>104,743</b>	<b>27,951</b>	<b>132,694</b>		<b>113,847</b>	<b>30,122</b>	<b>143,969</b>
			<b>Movement on Fund Balance</b>			
2,117	254	<b>2,371</b>		(42)	2,701	<b>2,659</b>
(2,019)	102	<b>(1,917)</b>	<b>Opening Fund Balance Surplus/(Deficit)</b>	98	356	<b>454</b>
<b>98</b>	<b>356</b>	<b>454</b>	<b>Closing Fund Balance Surplus/(Deficit)</b>	<b>56</b>	<b>3,057</b>	<b>3,113</b>

**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
2023/24		2024/25		2024/25
2,738	A	4,126	6/9	2,778
6,304	B	8,226	7/9	6,463
8,657	C	9,923	8/9	8,909
10,123	D	9,990	9/9	10,090
8,250	E	6,929	11/9	8,554
6,079	F	4,251	13/9	6,202
4,137	G	2,501	15/9	4,211
245	H	127	18/9	257
<b>46,533</b>				<b>47,464</b>
(465)	Non-Collection Impairment was 1.00% in 2024/25 (2023/24 1.00%)			(474)
<b>46,068</b>	<b>Council Tax Base</b>			<b>46,990</b>

### 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 2024/25 a Collection Fund Council Tax deficit of £0.032m was redistributed between the major precepting authorities. Of this £0.241m reflected the estimated outturn surplus at 15 January 2024 offset by £0.273m deficit from the difference between the estimated and actual outturn positions for 2022/23.

At 15 January 2025 the Collection Fund Council Tax surplus for 2024/25 was estimated at £63k comprising an in-year deficit of £68k and £131k surplus arising from the difference between the actual and estimated outturns for 2023/24. These funds will be collected from the major precepting authorities in 2025/26 allocated to preceptors as shown in the table below.

2023/24 £'000		2024/25 £'000	2025/26 £'000
(1,302)	Nottinghamshire County Council	(24)	47
(199)	Nottinghamshire Police Authority	(4)	7
(68)	Nottinghamshire Fire Authority	(1)	3
(177)	Rushcliffe Borough Council	(3)	6
<b>(1,746)</b>		<b>(32)</b>	<b>63</b>

At 31 March 2025 the actual outturn for the Collection Fund Council Tax was a surplus £56k, a decrease of £7k from the estimated outturn. This will be adjusted for as part of the calculations for the redistribution of Collection Fund balances in 2025/26. Rushcliffe's share of this surplus is £5k

### 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 multiplied by a uniform rate which for 2024/2025

was 54.6p (2023/2024 51.2p). The non-domestic rateable value as at the 31st of March 2025 was £85,717,357 following the latest revaluation on 1st April 2023 (31st March 2024 £82,310,897)

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 part of the Nottinghamshire Business Rates Pool. This is administered by Nottinghamshire County Council and includes the seven Nottinghamshire Districts and Nottinghamshire County Council.

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 2024/25.

A surplus of £3.057m is the closing 2024/25 position.

## 5. NON-DOMESTIC RATES SURPLUS OR DEFICIT

At 31 March 2025 the actual outturn for the Collection Fund NDR was a surplus of £3.057m (2023/24 £0.356m surplus) which is then distributed to the preceptors as detailed in the following table.

2023/24 £'000		2024/25 £'000
178	Central Government (50%)	1,529
142	Rushcliffe Borough Council (40%)	1,223
32	Nottinghamshire County Council (9%)	275
4	Nottinghamshire Fire Authority (1%)	30
<b>356</b>		<b>3,057</b>

## **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.

#### **DEFRA**

Department for Environment, Food and Rural Affairs

#### **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.

#### **DWP**

Department for Work and Pensions.

#### **ERDF**

European Regional Development Fund

## **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 particular 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.

## **LAA**

Local Area Agreement

## **LEP**

Local Enterprise Partnership

## **LIABILITY**

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

## **LSP**

Local Strategic Partnership

## **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.

## **REALISED VALUATIONS**

Any revaluations in the Revaluation Reserve relating to individual assets when they are disposed of are transferred to the Capital Adjustment Account and are referred to as Realised Valuations. This ensures the Revaluation Reserves balance represents revaluations on assets that the Council still holds.

## **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.

## **RENEWABLE ENERGY RELIEF**

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

## **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).

### **SOFT LOAN**

A loan to an outside body at less than market rates.

### **TRANSFER PAYMENTS**

Relates to payments for which no goods or services are received by the Council e.g., Rent allowances.