

BROXTOWE BOROUGH COUNCIL ANNUAL STATEMENT OF ACCOUNTS 2023/24

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NARRATIVE STATEMENT BY THE CHIEF FINANCE OFFICER

1. Introduction – The Shape of Broxtowe

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

“A greener, safer, healthier Broxtowe where everyone prospers”

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



Broxtowe is one of the most densely populated districts in the East Midlands with a population of around 110,000 living in an area of 81 square kilometres (approximately 31 square miles). The district is characterised by a largely urban south with the separate settlements of Beeston, Chilwell, Bramcote, Stapleford, Attenborough, Toton and part of Trowell comprising over 60% of the Borough’s population. The north of the Borough is more rural, with the largest settlements being the towns of Eastwood and Kimberley.

Nearly two thirds of the land in Broxtowe is open countryside with a number of areas preserved as conservation areas. The Council’s Green Infrastructure Strategy, published in 2016, identified 25 green corridors and a wealth of green space assets, including urban and rural parks, natural and semi-natural open spaces, allotments and cemeteries along with a rich mix of waterways, lakes and wildlife including the nationally designated Site of Special Scientific Interest at Attenborough Nature Reserve and parts of the Trent and Erewash Valley river corridors.



The Council’s Corporate Plan 2020-24 seeks to make the most of these natural assets and transport links focusing on key five priorities to enhance the lives of people living in Broxtowe:

Our priorities and objectives



Housing

A good quality home for everyone

- Build more houses, more quickly on under used or derelict land
- Invest to ensure our homes are safe and more energy efficient
- Prevent homelessness and help people to be financially secure and independent



Business Growth

Invest in our towns and our people

- Complete the redevelopment of Beeston Town Centre
- Undertake town investment schemes in Eastwood, Kimberley and Stapleford
- Support skills development, apprenticeships, training opportunities and wellbeing in our workforce



Community Safety

A safe place for everyone

- Work with partners to reduce knife crime
- Work with partners to reduce domestic abuse and support survivors
- Reduce anti-social behaviour



Health

Support people to live well

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



Environment

Protect the environment for the future

- Develop plans to reduce the Borough's carbon emissions to net zero by 2027 and start implementing them
- Invest in our parks and open spaces
- Increase recycling and composting

Some of the key corporate plan achievements during 2023/24 were as follows:

Housing: A good quality home for everyone

- Planning permissions secured for 868 new homes, with 512 new homes delivered in 2023/24, the highest number of completions in over 12 years.
- Purchased eight former Council dwellings as part of a buy-back programme, with consultations on other possible purchases. Also, acquired five new build houses and 12 existing flats on the open market to boost the Council's social housing stock.
- Started the construction of 19 houses and five flats on former garage sites owned by the Council, which will become available for affordable rent.
- Signed a development funding agreement with Homes England, who are part-funding the Council's housing development programme with capital grants.
- Delivered capital works of £5.9m to the Council's housing stock including kitchen and bathroom installations, heating system upgrades, roof replacements, windows and door replacements and disabled adaptations.
- Reviewed and implemented additional measures for managing asbestos and fire safety to improve compliance and make our residents safer.
- Secured the first grant of planning for energy improvement measures in a conservation area, which will hopefully set a planning precedent to enable aging housing stock across the country to be brought up to the required standard,
- Housing Options successfully intervening or preventing an average of 83% of cases of threatened homelessness during 2023/24, a positive increase of 11%.
- Continuing the excellent performance with the collection of housing rents, reducing the percentage of current tenants' arrears to 0.9%.
- Void rent loss for empty Council properties was over £120k less than anticipated, due to improved relet times and a reduction in the number of empty dwellings.
- Additional resources employed to respond to tenant repair requests with a restructure implemented to recruit more operatives to attend repairs calls.
- Secured 197 new customers to the Council's Lifeline scheme.
- Activities Coordinators at the Independent Living Schemes organised 975 activities and supervised a further 128 tenant led activities.

Business Growth: Invest in our towns and our people

- Ongoing redevelopment of Beeston town centre including the cinema, leisure and food and beverage retailers, as well as public realm space and new changing places public toilets.
- Negotiations commenced to attract new medical facilities into Beeston.

- Further letting of units within The Square, Beeston phase 2 redevelopment, with only one unit now remaining to be let – currently under offer.
- Delivering the £21.1m funding secured for Stapleford as part of the Towns Deal Fund, with progress made so far including £1m in grants to town centre businesses in Stapleford, with over £220k contributed as matched funding.
- Refurbishment of Stapleford Library and the Library Learning Centre to provide additional learning opportunities for local young people and opening the new Cycle Hub in Stapleford as part of Towns Fund implementation.
- A new skills quest document completed for Broxtowe, based on a sound analysis of evidence and need, with an action plan created to respond and raise skills.
- Delivered UK Shared Prosperity Fund (UKSPF) year 1 projects with total funding of £314k and developing year 2 project plans to spend £627k.
- Over £220k of grant funding distributed to businesses in Kimberley town centre as part of implementation of the £16.5m Levelling Up Fund secured for the 'Kimberley Means Business' programme.
- Ongoing recruitment and development of apprentices receiving vocational and professional training with the Council.
- Being a Disability Leader as part of the Disability Confident Scheme.

Community Safety: A safe place for everyone

- Action plans in place to make Broxtowe safer, including Knife Crime, Anti-Social Behaviour, Children and Young People, Purple Flag and Hate Crime.
- Consolidated all Public Spaces Protection Orders into one new order to reduce anti-social behaviour and help people feel safe when out and about in the Borough
- Provision and review of surveillance cameras to ensure that systems remain effective at preventing and reducing crime.
- Funding of £96k secured from the Secured Safer Streets 5 Fund for the installation of surveillance equipment in Beeston town centre and a further £37k of Safe for All funding received to support other crime prevention initiatives.
- Reaccreditation to the White Ribbon Scheme for the Council's work to tackle domestic abuse.
- Secured funding for the Sanctuary Policy to help those who are at risk of domestic abuse stay safe in their homes; developed protective sanctuary initiatives to protect 14 households from domestic violence; and secured £35k towards the implementation of homelessness prevention and domestic violence initiatives.
- Secured £28k of funding from the Nottinghamshire Police and Crime Commissioner to implement a new consolidated action plan which helped to secure reduced 'all crime' figures for Broxtowe.

- Secured funds to undertake a violence consultation with young people and develop a Serious Violence Strategy and South Notts Local Response Plan.
- Developed a new Anti-Social Behaviour protocol and policy and implemented actions to tackle ASB which helped to secure a reduction in crime rates.

Health: Support people to live well

- Conducted due diligence studies in relation to the financial and planning aspects of developing of a new leisure facility at Bramcote Leisure Centre, including the development of RIBA4 design and work on the planning application.
- Online directory signposting to health and wellbeing services, with updated details on mental health support listing resources and groups for people to seek help.
- Funding of £35k to support the Eastwood Mental Health Hub.
- Consolidated all current health related action plans into one plan and progressed its implementation.
- Established a Cost of Living Group and delivered a number of health and voluntary sector roadshows held across Broxtowe to support residents with the cost of living crisis by ensuring people receive the appropriate benefits, grants and financial support.
- Worked to ensure the availability of food clubs in local towns, securing funding for food banks and warm spaces projects.
- Supported active travel amongst children and young people with 'Cyclewise' initiatives on bike maintenance and providing training for youngsters on a new cycle track facility in Stapleford.
- Developed the successful GP referral active lifestyle projects to support people's health through Liberty Leisure.
- Provided funding of £15k for Liberty Leisure to provide Falls Prevention classes with weekly classes taking place in Beeston, Eastwood and Stapleford.

Environment: Protect the environment for the future

- Over £270k of play area investment and improvements across the Borough.
- Planted two woodland copses containing 1,800 trees on Archers Field in Stapleford and created a community orchard at Cator Lane in Toton.
- Nine electric vehicles introduced saving two tonnes of carbon per vehicle per year.
- Four shared local authority EV charge points installed at the Kimberley depot.
- Member approved the transition to Hydrotreated Vegetable Oil (HVO) to replace the diesel previously being used in the Council's fleet vehicles.
- Over 2,800 residents signed up to the Green Rewards scheme, an online platform designed to encourage Broxtowe residents to undertake sustainable actions, which in turn helps

reduce their carbon footprint. Collectively they have avoided emitting over 350 tonnes of carbon by undertaking 132,000 sustainable actions to reduce their carbon footprint.

- Recording a 36% reduction in the Council's own operational carbon emissions against the 2018/19 baseline.
- 4,051 trees planted across Broxtowe with 800 free trees given away to residents.
- Hosting the most successful Green Festival to date in Eastwood, with 35 stalls and over 300 attendees.
- Hosted the Youth Climate Assembly Social Action Week, providing valuable opportunities and experience for young people in the Borough.
- Launching the Broxtowe Home Energy Advice Team (HEAT) Hub to residents.

Achieved over 22,800 subscriptions to the garden waste collection service, an increase of 3% increase on the previous year.

External Recognition

- Institute of Cemetery and Crematorium Management Gold award for the Burials and Cremation Service.
- CIPR Midlands Pride Awards Gold for public relations work around the Stapleford Town Deal and being shortlisted for work on the redevelopment of Beeston.
- Green Flag Awards retained at all five of our Green Flag parks and open spaces.
- Highly commended in the Municipal Journal and winner at the APSE awards for the 'trailblazing' approach to tackling climate change and partnership working.
- Praised in a Local Government Association Peer Review for achieving "more than expected as a Borough Council" with one of the most comprehensive approaches to carbon reduction the team had seen.
- Award winners at the Derbyshire and Nottinghamshire Apprenticeship Awards for Diversity and Inclusion.
- Silver Award for the Armed Forces Employer Recognition Scheme.

Cost of Living

The Council has been at the forefront of supporting local households in the Borough with the rising cost of living. The Cost of Living Working Group has worked to maximise support for residents in the Borough. In April 2023, the Council awarded additional support through the Council Tax Hardship scheme providing those on Council Tax Support with extra help of up to £85.

In addition, the Council has developed a Cost of Living Support leaflet that was distributed to over 3,000 hard-to-reach households, providing information on the support available for those experiencing hardship with the rising cost of living. Also, working with Citizens Advice

Broxtowe, the Council has promoted and targeted specific residents that would benefit from the Groundwork Green Doctor project providing impartial advice to help take control of bills and rising energy costs.

2. Governance – The Changing Shape of the Council

Governance Structures

In 2022/23, the Council moved from operating under a committee system of governance to a new Cabinet structure to govern policy development, performance management and spending, with Cabinet Members responsible for different portfolios. This, alongside the Planning Committee and the Licencing and Appeals Committee are designed to drive progress on the key objectives in the Corporate Plan.

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

Liberty Leisure Limited



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

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

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

The company includes the management and delivery of services at Bramcote Leisure Centre and Chilwell Olympia Sports Centre. The Council retains ownership of Bramcote Leisure Centre, whilst operating with a joint-use agreement with Chilwell School for Chilwell Olympia. In 2023/24, the company also delivered services from Kimberley Leisure Centre, however the Licence to Occupy agreement with Kimberley School for the company to operate Kimberley Swim and Gym was terminated on 31 March 2024.

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

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

Jointly-Owned Operation

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

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

Income increased during 2023/24 by 3% compared to 2022/23 to £2.003m. Expenditure increased by 7% to £1.433m. After deducting the distribution to the constituent authorities there was a deficit for the year of £100k. The levels of usable reserves at 31 March 2024 decreased by £72k to £508k. The levels of unusable reserves in year increased by £1.007m to £3.701m. The financial statements of the Bramcote Bereavement Services Joint Committee are published separately and will be presented to the Joint Committee meeting on 20 June 2024.

East Midlands Development Company

The East Midlands Development Company was established in 2021 as an interim organisation which will take forward propositions for a new era of growth across the regional economy. The vehicle was incorporated on 4 May 2021 and was funded initially by contributions from Broxtowe Borough Council and four other local authorities. The company is working with partners from business, academia, and government to supercharge the local economy and create tens of thousands of new jobs via three landmark developments of national significance. The three developments of regeneration sites are Toton and Chetwynd East Midlands Hub; Ratcliffe-on-Soar Power Station area; and the East Midlands Airport area.

Pensions

The Council makes payments into the Nottinghamshire County Council Pension Fund, which, in turn, provides its members with benefits related to their previous pay and service with the Council. In 2023/24, the Council made a contribution equivalent to 19% of pensionable pay into the Pension Fund to help ensure there are sufficient resources within the Pension Fund to meet future liabilities.

The Council took advantage of the opportunity offered by the Pension Fund to pay the lump sum element for the years from 2020/21 to 2022/23 in a single payment of £763k in April 2020 rather than the total £820k due over the three-year period. The sum paid was allocated over the three-year period in the Council's accounts.

The contribution rate is determined by the Pension Fund’s Actuary based on an actuarial valuation every three years. The last actuarial valuation was in 2022 and covers the period 1 April 2023 to 31 March 2026. Details about how the costs are identified and financed are given in note 37 to the accounts while the value of the Council’s net liability in the Pension Fund is detailed within the Balance Sheet. The extent to which this liability will impact on council tax and rent levels is reflected in the latest actuarial valuation of the Pension Fund. Based on the latest actuarial valuation as at 31 March 2022 (covering the next three financial years), the Council will make a contribution of 19% into the Pension Fund in 2024/25.

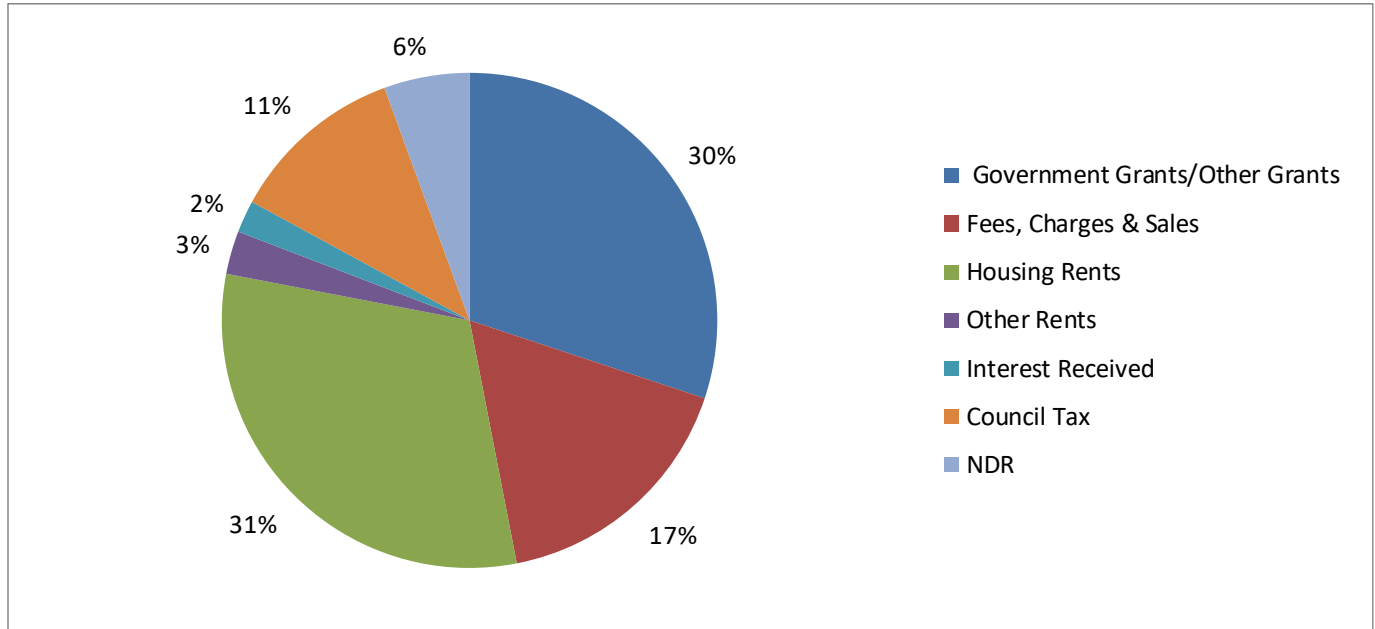
3. Spending and Performance

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

Income and Expenditure on Services

The Council is largely dependent on income from its business operations, Council Tax, and Business Rates to fund its services. Income from Housing Rents forms the largest source of income but this is reserved for spending on housing only. Figure 1 shows the main sources of income in 2023/24, when 17% of the Council’s income was derived from fees, charges and sales, compared to 21% in 2022/23.

Figure 1: Sources of income 2023/24



Changes in spending highlight the increased focus in 2023/24 on the corporate objectives but the table above also reflects the extent to which the Council is generating income from new sources or from enhancements to existing services with income from trade waste and garden waste collection, for example, and rental income from the Beeston Square development.

Table 1 shows the balance of spending on the main corporate priorities compared to 2022/23. This analysis provides the outturn position and, as such, excludes notional pension charges. The position will be reported to Cabinet on 23 July 2024.

Table 1: Changes in gross expenditure 2022/23 to 2023/24

Gross expenditure	Actual 2022/23 £	Actual 2023/24 £	Change £
Housing	1,053,740	869,292	(184,448)
Business Growth	3,513,357	5,808,507	2,295,150
Community Safety	2,995,675	3,141,311	145,636
Health	1,656,161	2,238,121	581,960
Environment	11,851,249	12,885,631	1,034,382

The management of the Council's finances in 2023/24 means that it has retained sufficient balances to help meet its financial challenges over the coming years while maintaining spending at the levels required to deliver the desired standard of service. The Council has general reserves of £6.078m and earmarked reserves of £2.778m, which amounts to £8.856m in total as at 31 March 2024. This compares to general reserves of £6.285m and earmarked reserves of £1.373m as at 31 March 2023.

Financial Performance

The outturn, which is to be presented to Cabinet on 23 July 2024, reported a net revenue budget underspend of £1.826m on services.

Income from Non-Domestic Rates ('Business Rates') including associated government grants was £1.215m higher than the original budget. This was due to a surplus on the Business Rates element of the Collection Fund in the previous financial year which, in accordance with Collection Fund accounting treatment, becomes part of the Council's financing in the following year. This surplus has been transferred into earmarked reserves to match against the 2023/24 Collection Fund deficit that would otherwise fully impact on the financing of the General Fund in 2024/25.

Since April 2013, the Council has had a more direct relationship with local businesses through the retention of a greater share of business rates generated locally. This does increase the risks to the Council's finances as changes in the amount of business rates collectable can have a significant impact on its income. In order to help mitigate such risks and to maximise funding opportunities, the Council is a member of the Nottinghamshire Business Rates Pool, along with other local authorities in Nottinghamshire. The Council pays a levy into the Pool based on the proportion over which it is above its financial baseline funding formula.

The amount of growth levy paid to the Pool was lower than forecast by £473k. The Pool as a whole generated a surplus in 2023/24 which has provided Broxtowe with an additional £546k. Whilst this was lower than forecast by £254k, the net position was £218k in the Council's favour.

Despite tight financial control and the continued implementation of measures in the Business Strategy, net expenditure has increased across priority areas during the year, due mainly to

increased costs in the higher inflationary economy. Table 2 shows the actual net spend compared to the budgeted spend.

Table 2 – General Fund financial performance 2023/24

General Fund (excluding Bramcote Bereavement Services)	Revised Budget £'000	Actual £'000	Difference £'000
Net Expenditure on Services	15,103,550	13,158,042	(1,945,508)
Funded by:			
Council Tax	(6,298,458)	(6,300,902)	(2,444)
Non Domestic Rates	(6,108,113)	(7,323,749)	(1,215,636)
Lower Tier and Services Grants	(731,727)	(731,726)	1
	(13,138,298)	(14,356,377)	(1,218,079)
Net Balance for Year	1,965,252	(1,198,335)	(3,163,587)
Transfer to/(from) Other Reserves	(252,561)	1,404,577	1,657,138
Balance Brought Forward	(6,285,032)	(6,285,032)	0
Balance Carried Forward	(4,572,341)	(6,078,790)	(1,506,449)

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

- A net underspending of £332k on employees related expenses, after the vacancy target, which includes the cost of the pay award, agency staff used to cover vacancies within the establishment, redundancy costs and pension strain and the costs of recruitment. The cost of election staffing was covered by a transfer from an earmarked reserve.
- A net underspending of £93k on premises related costs, despite an overspend on energy following increases in the cost of electricity in the open market and Business Rates paid on vacant premises. There are requests pending for budget carry forward for up to £87k on specific premises projects.
- Net underspending of £203k on all transport related budgets being mainly due to the relative stability of fuel prices and lower than expected vehicle repairs and maintenance costs.
- The Council has operated a number of new government grant scheme initiatives, including the UK Shared Prosperity Fund, Council Tax Support Scheme and Flood Recovery grants. These schemes have increased the cost of grant payments over budget by £0.666m. However, the full cost of these schemes has been covered by additional grants received from central government. Grant income received in year was £1.227m more than anticipated which in addition to the above, also included funding for the Stapleford Town Deal, new burdens funding, elections and homelessness. Unspent elements of these grants have been transferred into earmarked reserves to be used to offset expenditure in future years and/or to be repaid if the grants are not applied.
- The total spend on Supplies and Services across a range services and covering various costs, such as ICT software and hardware, telephones, postage, printing, consultancy and audit fees, were broadly in line with the total budget. There are a number of budget carry forward requests pending for up to £234k on specific projects continuing into 2024/25.
- Fees and charges income received by the Council was £107k under budget, which included planning fees being £268k below target in the year. This was offset by an increase in the rents received for Beeston Square (£166k), extra revenues generated from off-street car

parking (£90k), additional income from trade waste and garden waste collection (£43k) and other variations in income budgets across all services.

- Additional investment income of £472k was received during the year due to positive cash flow management and the movements in interest rates during the year.
- The in-year charge for minimum revenue provision (MRP) was reduced by £200k due to an overcharge in earlier years for the Beeston Square development.

In addition to spending on strategic housing through the Council's general resources, the Council also operates a Housing Revenue Account (HRA) which captures all rental income and spend on managing the council's housing stock and looking after tenants. There was a net underspend of £2.136m in 2023/24 when compared with the revised estimate for the year which resulted in a decreased deficit of £83k for the year.

Table 3 shows the financial performance on the HRA for the year. This analysis provides the outturn position to be reported to Cabinet on 23 July 2024. Depreciation and impairment charges are excluded as these are notional amounts which are not budgeted for and do not impact upon the outturn position.

Table 3: Housing Revenue Account financial performance 2023/24

Housing Revenue Account	Revised Budget 2023/24 £	Actual 2023/24 £	Variance from Budget	
			£	%
Expenditure	18,114,244	16,407,594	(1,706,650)	(9)
Income	(18,484,500)	(18,664,670)	(180,170)	1
Other HRA Operating Expenditure and Income	2,589,800	2,414,162	(175,638)	(7)
Deficit/(Surplus)	2,219,544	157,086	(2,062,458)	(93)

The main variances are due to the following:

- An underspend of £838k relating to employee related costs due to vacancies across the whole service but in particular within the Housing Repairs team. Services have been maintained by the use of subcontractors.
- An overspend on premises related expenses of £69k was mainly due to increased costs within the Independent Living Service for utilities, access lighting and system servicing and maintenance. These overspends were partially offset by reductions in the cost of estate management and grounds maintenance.
- An overspend on Supplies and Services of £588k is largely due to additional spending of £747k on sub-contractors. Post vacancies in Housing Repairs have resulted in an increased use of sub-contractors to complete necessary works. The use of sub-contractors has reduced the levels of materials required by £53k to partially offset this overspend. Non-service related costs were underspent against budget by £194k. These costs include rent write offs, contingency costs, consultancy fees, energy performance certificate costs and council tax charges void properties. Insurance premiums increased against budget

following an uplift in the value of building sums insured. Unbudgeted compensation payments in respect of housing disrepair claims amounted to £114k.

- An underspend of £41k for other expenditure primarily for Grounds Maintenance.
- The recharge of central support services is dependent on costs in Support Services (Finance, HR, ICT etc..) and can change if there are variances in those areas. In 2023/24 the underspend on these areas amounted to £190k.
- An initial budget of £1.719m was allowed for the financing of capital works during 2023/24. This financing has not been required as other funding sources were used. The underspend has been partially offset by increased depreciation charges of £219k and increased costs of borrowing of £131k in the year.
- Rent income was £207k higher than budget. A number of assumptions are made when setting the rent budget, such as revenue lost through the number of void properties in year and due to Right to Buy sales. Given the income from rents is over £16.0m, even a small percentage change from one of the budget assumptions can lead to a large variance in income. Other income received was £27k less than budgeted, due mainly to a reduction in Supporting People income received.
- The HRA also received £306k more income from interest on investments than budgeted due to cash flow management and the upward movement in interest rates during 2023/24.

Business Performance

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

This will require investment, for example, in the ongoing regeneration of Beeston town centre; in Stapleford through the successful Towns Fund bid; in Kimberley through the successful Levelling-Up Fund bid; in the development of services to support healthy lifestyles through Liberty Leisure Limited; in the development of new affordable homes; and through improvements to the Council's parks and open spaces.

In addition to the key achievements already highlighted above, some further performance highlights for 2023/24 were:

- Council Tax collection rates improving to 97.6% which is moving closer to pre-pandemic levels.
- NDR collection increased to 97.6% with Business Rates charges increasing and collection rates remaining consistent.
- Over 98% of supplier invoices paid within 30 days of receipt.
- Supporting local households with the Council Tax Hardship Fund with an additional contribution of £200k.

More detail on performance relating to the Council's five priorities is available on the Council's website at <https://www.broxtowe.gov.uk/about-the-council/performance-spending/performance-summary/>.

4. Spending on Assets

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

In 2023/24, the Council funded capital items to the value of £17.877m, which compares with a total capital programme of £57.894m after taking account of items carried forward from 2022/23. The net underspending of £40.017m was mainly due to slippage much of which was outside the Council's control, with spending on schemes now continuing and budgets being requested to carried forward into the following year.

In 2023/24, £2.405m of capital receipts (including items brought forward from 2022/23) were used to finance HRA capital expenditure, with the balance of the HRA spend being funding from the HRA Major Repairs Reserve (£4.836m), prudential borrowing (£5.142m) and other grants and contributions (£430k).

Capital expenditure on the General Fund was financed by borrowing of £1.769m. Government Grants of £2.261m, s106 receipts of £0.065m and contributions from third parties of £0.969m

Total loans repayable by the Council to external parties at 31 March 2024 for capital expenditure amounted to £95.508m (including accrued interest but excluding loans relating to Bramcote Bereavement Services Joint Committee). This includes £56.946m of loan debt in respect of the one-off debt settlement arising from the introduction of self-financing within the HRA in March 2012.

In overall terms capital expenditure increased in comparison with 2022/23 by £3.983m. This was primarily due increased spending on the Housing Delivery programme and the grant funded Economic Regeneration schemes.

This Council's share of capital expenditure in respect of Bramcote Bereavement Services amounted to £22k in 2023/24 (£40k in 2022/23). This capital spend was incurred on renovations and repairs to Cremators and the car park.

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

Council dwellings are valued on the existing use value – social housing (EUV-SH) basis using an appropriate discount factor. The discount factor used to value Council dwellings at 31 March 2024 was 42% as set out in the updated Guidance on Stock Valuation for Resource Accounting published in November 2016. The valuation of the housing stock at 31 March 2024 resulted in a total gain of £37.886m. The valuation of other property assets at 31 March 2024

resulted in upward revaluations of £3.068m and downward revaluations of £1.251m. Further details on these revaluations can be found in notes 15 and 35 to the accounts.

The decrease in the value of other property assets was primarily due to a combined decrease of £1.237m in the value of the Beeston Square phase 1 and 2 development.

5. Outlook

An updated Medium Term Financial Strategy (MTFS) was presented to Cabinet on 6 February 2024 which highlighted a potential shortfall in resources of £4.498m from 2024/25 through to 2027/28. This was based upon a number of significant assumptions including generating a further £600k per annum from savings on vacant posts over the duration of the MTFS.

The accounts of Bramcote Bereavement Services show a revenue account balance of £335k as at 31 March 2024 which represents a decrease of £42k from the previous year-end position. This is an improved position when compared to mid-year forecasts, which impacted upon the distribution of the surplus to the Council from the Bramcote Bereavement Services Joint Committee which reduced to £350k in 2023/24.

Liberty Leisure Limited achieved a deficit of £45k for 2023/24. The management fee paid by the Council to the company for 2023/24 was £519k (£700k in 2022/23).

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

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

The Business Strategy comprises a range of initiatives across all areas of the Council to either reduce costs or generate additional income and designed to ensure that the best use is being made of available resources. An updated Business Strategy was presented to Cabinet on 7 November 2023. This will be refreshed to reflect recent developments and a revised version will be presented to Cabinet in October 2024.

The Council will be carefully monitoring events in the external environment and assessing potential future financial implications arising from these accordingly. The ongoing impact of the high inflation economy on the Council's services and finances will continue to be closely monitored. Other issues include the Spending Review, the move towards 75% localisation of Business Rates and the Fair Funding Review.

The General Fund balance at 31 March 2024 was £6.079m. This was more than the projection of £4.903m reported to Cabinet on 7 February 2024 and the final revised estimate of £4.674m following later budget adjustments agreed by Cabinet. This reflects measures taken to address the Council's financial position. The Medium Term Financial Strategy will be updated to reflect the 2023/24 outturn and other recent changes including those set out above for presentation to Cabinet later in 2024/25.

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

6. The Statement of Accounts

The Council's statutory accounts for the year 2023/24 are set out on pages 28 to 31. They have been compiled in accordance with accounting policies that comply with the relevant recommended accounting practices and which are set out in the notes to the accounts from page 32 onwards.

The financial statements consist of the:

- Statement of Responsibilities, which sets out the responsibilities on the Council and on the Deputy Chief Executive and Section 151 Officer (as the Council's chief financial officer).
- Movement in Reserves Statement, which shows the movement in the year on the different reserves held by the Council, analysed between those that are usable and other reserves.
- Comprehensive Income and Expenditure Statement, as the summary revenue account, covering expenditure and income on all services and showing how activities have been financed. This shows the Council's actual financial performance for the year, measured in terms of the resources consumed and generated over the last 12 months. The Council is required to raise council tax on a different accounting basis.
- Balance Sheet, which sets out the Council's financial position as at 31 March 2024.
- Cash Flow Statement, which summarises the total movement of the Council's funds.
- Housing Revenue Account, which shows income and expenditure on the Council's housing services.
- Collection Fund, which includes income received from council tax payers, business rate payers and central government and the payments made by the fund in precepts to Broxtowe Borough Council, Nottinghamshire County Council, Nottinghamshire Police and Crime Commissioner, Nottinghamshire Fire and Rescue and the Parish and Town Councils.
- Group accounts incorporating the financial performance of Liberty Leisure Limited which is wholly owned by the Council.

These accounts are supported by the Statement of Accounting Policies and various notes to the accounts. In addition, an Annual Governance Statement, as presented to the Governance, Audit and Standards Committee on 20 May 2024, has been included. The accounts for 2023/24 are presented in a form that is based upon the best accounting practices recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA).

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

The Council's Statement of Accounts for 2023/24 were issued and certified by Zulfiqar Darr (Deputy Chief Executive and Section 151 Officer) on 30 May 2024 for submission to the

auditors. The final audited accounts will be presented for approval to the Governance, Audit and Standards Committee on 27 January 2025 in accordance with the Accounts and Audit (England) Regulations 2015 and Accounts and Audit (Amendment) Regulations 2021.

7. Further Information

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

ANNUAL GOVERNANCE STATEMENT

Corporate Values

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

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

Competency Framework and Employee Performance Appraisal

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

The Constitution, Standing Orders and Delegated Authority

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

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

Officer checks/balances	Member checks/balances	Accountability to residents
<ul style="list-style-type: none"> • Officer delegations within Constitution • Pay Policy underpinned by Job evaluation policy • Disciplinary Policies • Employee Code of Conduct • Statutory Officers (Chief Executive Head of Paid Service; Deputy Chief Executive Section 151 Officer; Monitoring Officer; Chief Information Officer- Interim Executive Director • Financial standing orders within Constitution • Contract standing orders within Constitution 	<ul style="list-style-type: none"> • Elections • Independent Remuneration Panel • Members Allowances scheme • Governance Audit and Standards Committee • Statutory Officers (Chief Executive Head of Paid Service; Deputy Chief Executive Section 151 Officer; Monitoring Officer; Chief Information Officer- Interim Executive Director • Questions to Committee chairs at Council meetings • Member Code of Conduct 	<ul style="list-style-type: none"> • Broxtowe Matters Annual Report • Public Questions at Council Meetings • Petitions at Council Meetings • Community Trigger for Anti-social Behaviour • Communications strategy 2018-21 • Publication scheme • Open Data • Transparency framework • Publication of Committee decisions • Tenant and Leaseholder Matters • Broxtowe Parks Standard

Officer checks/balances	Member checks/balances	Accountability to residents
<ul style="list-style-type: none"> • Fraud Prevention Policy • Treasury Management policy • Business Continuity Plans • Whistleblowing Policy • Strategic Risk Register • Risk Management Policy • Health & Safety Policy; Procedures; Health & Safety Group • Information Management Arrangements • Staff engagement exercises • Complaints and compliments procedure • Licensing and Appeals Committee (employment and grievance appeals) • Statement of Internal Control (SIC) 	<ul style="list-style-type: none"> • Reports at Council by Members of Outside Bodies at Council meetings • Ward Member reports at Council meetings • Public Consultations • Register of Members Interests • Declaration of interests at all meetings • Protocol for Councillor/ Officer Relationships 	<ul style="list-style-type: none"> • Public satisfaction surveys • External audit annual letter to Governance Audit and Standards Committee • Internal and external audit progress reports at Governance and Audit Committee • Periodic external inspections e.g. EFLG/ IIP/IIE/LGA • Peer review • Benchmarking through APSE/CIPFA/SOCITIM/ Housemark • Finance Data online • Licensing and Appeals Committee (Taxi, alcohol, licensing matters) • Commenting on planning applications and speaking to Planning Committee

Corporate Plan and Business Plans

The Council’s Corporate Plan sets out the Council’s Vision and Priorities. The vision is “Broxtowe – a greener, safer healthier place where everyone prospers”.

The priorities are succinctly expressed:

- Housing:** A good quality home for everyone
- Environment:** Protect the environment for the future
- Business:** Invest in our towns and our people
- Health:** Support people to live well
- Community safety:** A safe place for everyone

Strategy and Policy Framework

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

The Council

- Consists of 44 Elected Members.
- Approves the budget and policy framework including setting the Council Tax.
- Approves the Constitution (including Standing Orders and Financial Regulations).
- Establishes Committees to discharge non-executive functions.

Cabinet

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

Governance, Audit and Standards Committee

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

Scrutiny Committee

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

Head of Paid Service

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

Chief Finance Officer (s151)

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

Executive Director

- Responsible for the Council's Information Governance, Environment Service, Payroll, Administration, Communication, Health and Safety and Emergency Planning Services
- Contributes to the effective corporate management and governance of the Council.

Monitoring Officer

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

Chief Audit and Control Officer

- Provides independent assurance and opinion on the adequacy and effectiveness of the Council's risk management and control framework

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

General Management Team

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

Heads of Service

- Responsible for developing, maintaining and implementing the Council's governance, risk and control framework
- Contribute to the effective corporate management and governance of the Council.

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

Two internal committees recommend changes to employee policy pay and conditions – the Local Joint Consultative Committee which considers employee related matters and the Independent Remuneration Panel, which considers matters relating to the remuneration of Members. The Independent Remuneration Panel reviewed Members' allowances in January 2024 and decided to recommend a 4% increase in the allowance in-line with the employee pay award. Full Council received the report of the Panel's findings on 6 March 2024 and accepted the recommendation.

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

Regular meetings take place between relevant senior officers and Members of the Council to discuss and propose policy

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

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

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

A Shared Services Board, chaired by the Chief Executive, meets regularly to keep shared service arrangements under review.

Strategies, Policies and Business Plans

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

Electoral Arrangements

Elections for the Borough Council and Town/Parish Councils were held during 2023. The Council operates an 'all out' system of elections every four years.

Statutory Officers

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

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

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

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

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

The Section 151 Officer's responsibilities include ensuring that GMT and senior Members are made aware of any financial issues at the earliest opportunity and making sure that these are acted upon as appropriate.

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

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

Internal Audit

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

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

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

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

External Audit

The external auditor reviews the Council's arrangements for:

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

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

Fraud and Corruption

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

The Chief Audit and Control Officer is the central contact for non-benefit fraud allegations. The role of Internal Audit has been extended to act as a co-ordinating and investigating service for all non-benefit related fraud and corruption reports and to manage the Council's response to such reports. Internal Audit is supported in this by procuring specialist fraud investigation services as required from local partners, including Erewash Borough Council.

Partnerships

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

Significant Governance Issues – Action Plan


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

Actions

- Implements the policy and budgetary framework set by the Council and provides advice to Cabinet and the Council on the development of future policy and budgetary issues.
- Review and Implement the current ASB Case Review (Community Trigger) process, procedure and documentation.
- Employee Code of Conduct Review
- Refresh the Economic Regeneration Strategy
- Update to the South Notts Community Safety Partnerships Strategic Plan
- Deliver the Health and Wellbeing and Crime Reduction Action Plans
- Update to the Serious Violence and Violence against Women and Girls Strategy
- Updates to the Sanctuary Policy Procedure and Documentation
- Update the Counter Terrorism Local profile and Situational Risk Assessment
- Update the safer Notts Board Information Sharing Protocol
- Public Consultation on Brinsley Headstock replacement options
- Adoption of an EVI Strategy
- Refresh of the Climate Change and Green Futures Strategy
- Produce a Blue and Green Infrastructure Strategy
- Employee Consultation
- Budget Consultation
- Regulation 19 Consultation on the Core Strategy Review
- Development of a People Strategy
- Annual Constitution Review
- Refresh the Business Strategy
- Adoption of a new Corporate Plan
- Adoption of a new Housing Strategy
- Produce a Productivity Strategy
- To understand the net present value analysis to allow for the best use of housing stock following the survey.
- Annual Governance Statement 2023/24



Councillor M Radulovic MBE
Leader of the Council
Broxtowe Borough Council
27 January 2025



R Hyde OBE
Chief Executive
Broxtowe Borough Council
27 January 2025

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The authority is required:

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

The Deputy Chief Executive's Responsibilities

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

In preparing this Statement of Accounts, the Deputy Chief Executive has:

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

The Deputy Chief Executive has also:

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

This statement of accounts is that upon which the auditor should enter his certificate and opinion and has been prepared under the Local Government Finance Act 2003. It gives a true and fair view of the financial position of the authority at 31 March 2024 and its income and expenditure for the year then ended.



Z Darr
Deputy Chief Executive
27 January 2025

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

Year Ended 31 March 2023				Year Ended 31 March 2024			
Gross Expend £'000	Income £'000	Net Expend £'000		Gross Expend £'000	Income £'000	Net Expend £'000	Notes
1,036	(629)	407	Housing	803	(505)	298	
2,833	(2,180)	653	Business Growth	4,749	(2,982)	1,767	
2,724	(713)	2,011	Community Safety	2,688	(610)	2,078	
1,490	(66)	1,424	Health	2,058	(257)	1,801	
9,064	(4,355)	4,709	Environment	8,966	(4,290)	4,676	
16,038	(15,003)	1,035	Revenues, Benefits & Customer Services	15,437	(14,485)	952	
8,857	(3,514)	5,343	Resources	6,604	(1,780)	4,824	
1,175	(431)	744	ICT & Business Transformation	1,070	(385)	685	
(631)	(17,234)	(17,865)	Local Authority Housing (HRA)	1,863	(18,664)	(16,801)	
42,586	(44,125)	(1,539)	Cost of Services – Continuing Operations	44,238	(43,958)	280	
		5,400	Other Operating Expenditure			8,218	12
		4,254	Financing and Investment Income and Expenditure			1,932	13
		(14,410)	Taxation and Non-Specific Grant Income			(16,969)	14
		(6,295)	(Surplus) or Deficit on Provision of Services			(6,539)	
		(1,367)	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets			(25,656)	
		(51,521)	Measurements of the Net Defined Benefit Liability/(Asset)			(3,555)	37
		(52,888)	Other Comprehensive Income and Expenditure			(29,211)	
		(59,183)	Total Comprehensive Income and Expenditure			(35,750)	

MOVEMENT IN RESERVES STATEMENT

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

	General Fund & Earmarked Reserves £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Bramcote Bereav't Services £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2022 Carried Forward	(11,008)	(4,962)	(4,255)	0	0	(350)	(20,575)	(86,839)	(107,414)
Movement in Reserves during 2022/23									
Total Comprehensive Income and Expenditure	1,643	(8,048)	0	0	0	110	(6,295)	(52,888)	(59,183)
Adjustments between accounting basis & funding basis under regulations (Note 10)	1,707	10,180	(3,362)	0	0	(50)	8,475	(8,475)	0
(Increase)/decrease in 2022/23	3,350	2,132	(3,362)	0	0	60	2,180	(61,363)	(59,183)
Balance at 31 March 2023 Carried Forward	(7,658)	(2,830)	(7,617)	0	0	(290)	(18,395)	(148,202)	(166,597)
Movement in Reserves during 2023/24									
Total Comprehensive Income and Expenditure	30	(6,620)	0	0	0	51	(6,539)	(29,211)	(35,750)
Adjustments between accounting basis & funding basis under regulations (Note 10)	(1,229)	6,777	1,305	(212)	0	(15)	6,626	(6,626)	0
(Increase)/decrease in 2023/24	(1,199)	157	1,305	(212)	0	36	87	(35,837)	(35,750)
Balance at 31 March 2024 Carried Forward	(8,857)	(2,673)	(6,312)	(212)	0	(254)	(18,308)	(184,039)	(202,347)

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories, usable and unusable. Usable reserves are those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). Unusable reserves are those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line Adjustments between accounting basis and funding basis under regulations.

31 March 2023 £'000		31 March 2024 £'000	Notes
264,552	Property, Plant & Equipment	304,758	15
534	Heritage Assets	522	16
127	Intangible Assets	62	
5,657	Long Term Investments	5,677	17
84	Long Term Debtors	59	
270,954	Long Term Assets	311,078	
0	Short Term Investments	0	17
237	Inventories	245	
5,732	Short Term Debtors	5,822	18
6,837	Cash and Cash Equivalents	8,298	19
12,806	Current Assets	14,365	
(7,656)	Short Term Borrowing	(8,349)	17
(12,403)	Short Term Creditors	(7,084)	20
(316)	Provisions	(294)	21
(691)	Revenue Grants Receipts in Advance	(141)	31
(21,066)	Current Liabilities	(15,868)	
(887)	Provisions	(1,159)	21
(80,441)	Long Term Borrowing	(87,337)	17
(3,666)	Net Pension Liability	(260)	37
(11,103)	Capital Grants Receipts in Advance	(18,472)	31
(96,097)	Long Term Liabilities	(107,228)	
166,597	Net Assets	202,347	
(18,395)	Usable Reserves	(18,308)	22
(148,202)	Unusable Reserves	(184,039)	23
(166,597)	Total Reserves	(202,347)	

Z Darr BSc CPFA MBA – Deputy Chief Executive and Section 151 Officer
27 January 2025

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (ie borrowing) to the authority.

2022/23 £'000		2023/24 £'000	Notes
6,295	Net surplus or (deficit) on the provision of services	6,539	
(7,366)	Adjustments to net surplus or deficit for non-cash movements	(1,176)	24
(6,718)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(4,825)	24
(7,789)	Net cash flows from operating activities	538	
696	Investing activities	(3,676)	25
(501)	Financing activities	4,599	26
(7,594)	Net increase or (decrease) in cash equivalents	1,461	
14,431	Cash and cash equivalents at the beginning of the reporting period	6,837	
6,837	Cash and cash equivalents at the end of the reporting period	8,298	19

NOTES TO THE CORE FINANCIAL STATEMENTS

1. Accounting Policies

(i) General Principles

The Statement of Accounts summarises the authority's transactions for the 2023/24 financial year and its position at the year end of 31 March 2024. The authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting 2023/24 (the Code) supported by International Financial Reporting Standards (IFRS), International Accounting Standards and statutory guidance issued under section 12 of the Local Government Act 2003.

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

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

(ii) Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

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

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

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

(iii) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

(iv) Prior Year Adjustments, Changes in Accounting Policies and Estimates and Errors

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effects of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

(v) Charges to Revenue for Non-Current Assets

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

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

With the exception of works vehicles, depreciation is calculated on a straight line basis over the estimated useful life of the asset. The following useful lives have been used in the calculation of depreciation:

- Council Dwellings (Non-components) – 80 years
- Council Dwellings (Components) – 15 to 40 years
- Other Land and Buildings:
 - Council Offices – 60 years
 - Pavilions – 30 years
 - Cemetery Chapels – 30 years
 - Other Land and Buildings – 40 years
- Vehicles, Plant, Furniture and Equipment – 5 years
- Infrastructure – 40 years

Any significant components identified in the revaluation of an asset are depreciated separately over their estimated useful life.

Works vehicles are depreciated over their estimated useful lives but with a greater depreciation charge in the early years to reflect the use and diminishing value of these assets.

Where an impairment loss is charged to the Comprehensive Income and Expenditure Statement, but there were accumulated revaluation gains in the Revaluation Reserve for that particular asset, an amount up to the value of that loss is transferred from the Revaluation Reserve to the Capital Adjustment Account.

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

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

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

For General Fund capital expenditure incurred after 1 April 2008, the MRP is based upon the estimated life of those assets where the financing was provided by borrowing. The Council has also decided that no voluntary provision for the repayment of debt relating to the HRA should be made in 2023/24.

(vi) Employee BenefitsBenefits Payable During Employment

Short term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as salaries, paid annual leave and sick leave and are recognised as an expense for service in the year in which employees render service to the Council.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to the termination of the employment of an officer or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund or Housing Revenue Account balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

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

The Local Government Pension Scheme

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

- The liabilities of the Nottinghamshire County Council Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees based on assumptions about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices using a discount rate that reflects the time value of money and the characteristics of the liability.
- The assets of the Nottinghamshire County Council Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:
 - Quoted securities – current bid price
 - Unquoted securities – professional estimate
 - Unitised securities – current bid price

- Property – market value

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

- Service cost comprising:
 - Current service cost – the increase in liabilities as a result of years of service earned this year (allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked).
 - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years (debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Resources).
 - Net interest on the net defined benefit liability or asset (i.e. the net interest expense for the Council) – the change during the period in the net defined liability or asset that arises from the passage of time charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement). This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability or asset at the beginning of the period after taking into account any changes in the net defined benefit liability or asset during the period as a result of contribution and benefit payments.
- Re-measurements comprising:
 - The return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - Actuarial gains and losses (changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions) charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the Nottinghamshire County Council Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities (not accounted for as an expense).

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

Discretionary Benefits

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

(vii) Events after the Balance Sheet Date

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

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

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

(viii) Financial InstrumentsFinancial Liabilities

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

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

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

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement or the Housing Revenue Account, regulations allow the impact on the General Fund and Housing Revenue Account Balance respectively to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement or the Housing Revenue Account to the net charge required against the General

Fund or Housing Revenue Account Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

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

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

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

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

Financial Assets measured at Amortised Cost

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

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

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

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

Expected Credit Loss Model

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

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

Financial Assets measured at Fair Value through Profit or Loss

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ix) Government Grants and Contributions

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

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

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

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

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital

Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

(x) Heritage Assets

The Council's Heritage Assets consist of the DH Lawrence Birthplace Museum building and a painting by Dr Ala Bashir, a respected sculptor and painter, of DH Lawrence which is linked to his most famous novel, *Lady Chatterley's Lover*. The museum building is held for its historical and artistic significance and to promote knowledge and culture. The DH Lawrence Birthplace Museum is recognised and measured (including the treatment of depreciation and revaluation gains and losses) in accordance with the Authority's accounting rules on property, plant and equipment. The building was revalued at 31 March 2022 in accordance with the Council's five-year revaluation cycle for such assets. The painting was donated to the Council in 2008.

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

(xi) Intangible Assets

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

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

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

Intangible assets are measured initially at cost. Amounts are only re-valued 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 Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sales proceeds greater than £10,000) the Capital Receipts Reserve.

(xii) Interests in Companies and Other Entities

The authority has material interests in companies and other entities that have the nature of subsidiaries, associates and jointly controlled entities and require it to prepare group accounts. Liberty Leisure Limited is a wholly owned subsidiary of the authority which manages the provision of leisure and culture services and its accounts are consolidated with the authority's in accordance with IAS27.

(xiii) Inventories and Long Term Contracts

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

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

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

(xiv) Jointly Controlled Operations and Jointly Controlled Assets

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

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

(xv) Leases

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.

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 upon the use of specific assets.

The Council as Lessee:

- Finance Leases – Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception. The asset recognised is matched by a liability for the obligation to pay the lessor. Contingent rents are charged as expenses in the periods in which they are incurred. All assets acquired through finance leases have been fully written down at the Balance Sheet date.
- Operating Leases – Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease.

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.
- 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.

New standards in respect to leasing come into effect from 1 April 2024 which will change the accounting treatment of finance and operating leases. The Council is assessing the implications but considering the low number of leases the Council currently holds as lessee the impact is not considered to be material.

(xvi) Overhead and Support Services

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

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

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

(xvii) Property, Plant and Equipment

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

The Council operates a de-minimis level in valuing assets. Any assets valued at less than £5,000 are excluded from Balance Sheet values.

Recognition

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

Measurement

Assets are initially measured at cost, comprising:

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

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

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

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

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

- Infrastructure, community assets and assets under construction – depreciated historical cost
- Dwellings - fair value, determined using the basis of existing use value for social housing (EUV-SH)

- All other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

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

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

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

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

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

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 on all property, plant and equipment assets held by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets

without a determinable finite useful life (i.e. freehold land and certain community assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight line allocation over the useful life of the property.
- Vehicles, plant, furniture and equipment – straight line allocation over the useful life of the asset. New specialist vehicles may also have an additional depreciation provision made from the year following acquisition as advised by a suitably qualified officer.
- Infrastructure – straight line allocation over 40 years.

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

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

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

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

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

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

If part of an asset is replaced with a similar identifiable component, the carrying amount of the replaced or restored component is derecognised with the carrying amount of the new

component being recognised. Any gain or loss arising from this process is credited or debited to the Comprehensive Income and Expenditure Statement as appropriate.

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

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

The written off value of disposals is not a charge against council tax or housing rents, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

(xviii) Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

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

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

Contingent Liabilities

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

Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of obligation cannot be measured reliably.

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

Contingent Assets

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

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

(xix) Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund or Housing Revenue Account balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund or Housing Revenue Account balance in the Movement in Reserves Statement so that there is no net charge against council tax or housing rents for the expenditure.

(xx) Revenue Expenditure Funded from Capital under Statute

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

(xxi) VAT

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

(xxii) Collection Fund

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

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

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

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

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

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

Council Tax

The Local Council Tax Support Scheme is reviewed by Cabinet prior to the commencement of the financial year and any amendments are approved by full Council.

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

The 2023/24 Code of Practice requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code. The Code also requires the Authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant year.

The additional disclosures that may be required in the financial statements in respect of accounting changes that are introduced in the 2024/25 Code of Practice relate to:

- IFRS 16 Leases
- IAS 1 Disclosure of Accounting Policies
- IAS 12 Income Taxes
- IAS 7 Statement of Cash Flows

- IFRS 7 Financial Instruments

It is not anticipated that the above amendments will have a material impact on the information provided in the Council’s financial statements. In respect of IFRS 16 the Council expects to bring two leased car parks onto the balance sheet in 2024/25 at a combined value of £0.1m.

3. Critical Judgements in applying Accounting Policies

In applying the accounting policies set out earlier in this document the authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. No critical judgements have been required for the financial year 2023/24.

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

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

The items in the Council’s Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results differ from Assumptions
Expected Credit Losses	It is recognised that a proportion of the Council’s short term debt will not be collected. To allow for this a provision for expected credit loss is calculated to ensure the balance shown in the accounts reflect the income likely to be received. The loss is calculated on the basis of the age of the debt and the likelihood of recovery. In addition, significant balances are assessed individually.	The expected credit loss on short term debtors is £1.119m. If collection rates were to deteriorate an increase in the amount of loss would be required. The Council also has an additional £0.265m credit loss in respect of the Council’s proportion of the Council Tax and Non Domestic Rates Collection Fund.
Council house rent arrears	At 31 March 2024, council house rent arrears (including former tenants) amounted to £0.327m.	If collection rates were to deteriorate by 10%, this would increase arrears by £33k and further credit loss would need to be provided for within the Housing Revenue Account.

Item	Uncertainties	Effect if Actual Results differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to some assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for Other Land and Buildings would increase by £13,240 for every year that useful lives of these assets were to be reduced.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For example, a 0.1% increase in the discount rate assumption and an increase of one year in the mortality age rating assumption would result in a decrease of £1.748m and an increase of £4.455m respectively in the present value of the defined benefit obligation. An increase in the discount rate would, if all other factors remained unchanged, result in a decrease in the present value of the defined benefit obligation.
Appeals on Non Domestic Rates valuations	Businesses are able to challenge valuations involved in setting Business Rates. The current approach is based upon appeals lodged with the Valuation Office. The current provision for appeals is £2.898m.	If the value of successful appeals were to increase by 10% an increase in provision of £0.29m would be required which would be shared with preceptors and the Government. Broxtowe's element would be £0.115m. There is also uncertainty as to how appeals will be managed under 75% business rate retention once introduced.

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

5. Material Items of Income and Expense

All material items have been disclosed on the face of the Comprehensive Income and Expenditure Statement.

6. Prior Period Adjustment

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

No prior period adjustments were made for the 2022/23 figures within the statement.

7. Events After the Reporting Period

The Statement of Accounts was authorised for issue by the Deputy Chief Executive on 30 May 2024. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

For the purposes of consideration, Post Balance Sheet events can occur up to the approval of the Statement on 23 September 2024 by the Governance, Audit and Standards Committee.

8. Expenditure and Funding Analysis

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

2022/23				2023/24		
Net Expenditure Chargeable to the General Fund and HRA balances £'000	Adjustments between the Funding and Accounting Basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000		Net Expenditure Chargeable to the General Fund and HRA balances £'000	Adjustments between the Funding and Accounting Basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
			Corporate Priority			
454	(47)	407	Housing	298	0	298
403	250	653	Business Growth	69	1,698	1,767
1,388	623	2,011	Community Safety	1,115	963	2,078
1,295	129	1,424	Health	1,678	123	1,801
4,691	18	4,709	Environment	3,754	922	4,676
1,260	(225)	1,035	Revenues, Benefits and Customer Services	953	(1)	952
1,561	3,782	5,343	Resources	4,660	164	4,824
601	143	744	ICT and Business Transformation	482	203	685
(5,642)	(12,223)	(17,865)	Local Authority Housing (HRA)	(7,560)	(9,241)	(16,801)
6,011	(7,550)	(1,539)	Net Cost of Service	5,449	(5,169)	280
(469)	(4,287)	(4,756)	Other Income and Expenditure	(6,455)	(364)	(6,819)
5,542	(11,837)	(6,295)	Surplus or Deficit	(1,006)	(5,533)	(6,539)
16,320			Opening General Fund and HRA balances at 1 April	10,778	The respective increase/decrease on the General Fund and HRA are detailed in the Movement on Reserves Statement on page 29	
(5,542)			Less/Plus Surplus or (Deficit) on General Fund and HRA Balance in Year	1,006		
10,778			Closing General Fund and HRA Balance at 31 March	11,784		

Adjustments between Funding and Accounting Basis

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes £'000	Net change for Pensions Adjustments £'000	Other Statutory Adjustments £'000	Total Adjustments £'000
<u>2022/23</u>				
Housing	0	(47)	0	(47)
Business Growth	505	(255)	0	250
Community Safety	801	(178)	0	623
Health	145	(16)	0	129
Environment	717	(699)	0	18
Revenues, Benefits & Customer Services	0	(225)	0	(225)
Resources	1,620	2,162	0	3,782
ICT & Business Transformation	210	(67)	0	143
Local Authority Housing (HRA)	(11,548)	(675)	0	(12,223)
Net Cost of Services	(7,550)	0	0	(7,550)
Other income and expenditure from the Expenditure and Funding Analysis	(5,760)	4,398	(2,925)	(4,287)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(13,310)	4,398	(2,925)	(11,837)
<u>2023/24</u>				
Housing	0	0	0	0
Business Growth	1,699	(1)	0	1,698
Community Safety	964	(1)	0	963
Health	123	0	0	123
Environment	925	(3)	0	922
Revenues, Benefits & Customer Services	0	(1)	0	(1)
Resources	155	9	0	164
ICT & Business Transformation	203	0	0	203
Local Authority Housing (HRA)	(9,238)	(3)	0	(9,241)
Net Cost of Services	(5,169)	0	0	(5,169)
Other income and expenditure from the Expenditure and Funding Analysis	(2,520)	149	2,007	(364)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(7,689)	149	2,007	(5,533)

Adjustments for Capital Purposes

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

- Other operating expenditure - adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for Pension Adjustments

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

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

Other Statutory Adjustments

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

- For Financing and investment income and expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

9. Expenditure and Income Analysed by Nature

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

2022/23 £'000		2023/24 £'000
	Expenditure	
19,091	Employee Benefits Expenses	17,826
443	Expenditure on Joint Associates	468
30,602	Other Services Expenses	30,900
(7,550)	Depreciation, Amortisation & Impairment	(4,956)
2,980	Interest Payments	3,036
938	Precepts and Levies	985
0	Payments to Housing Capital Receipts Pool	0
4,462	(Gain)/Loss on the Disposal of Assets	7,233
1,294	Pensions Interest Cost	119
673	(Gain)/Loss on Revaluation of Financial Instruments	(57)
52,933	Total Expenditure	55,554
	Income	
(28,655)	Fees, Charges and Other Service Income	(27,893)
(347)	Income on Joint Associates	(403)
(693)	Interest and Investment Income	(1,166)
(11,550)	Income from Council Tax & Non Domestic Rates	(12,512)
(17,983)	Government Grants & Contributions	(20,119)
(59,228)	Total Income	(62,093)
(6,295)	Surplus or Deficit on Provision on Services	(6,539)

10. Adjustments between Accounting Basis and Funding Basis under Regulations

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

General Fund Balance

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

Housing Revenue Account Balance

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

Capital Receipts Reserve

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

Major Repairs Reserve

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

Capital Grants Unapplied

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

Bramcote Bereavement Services

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

<u>2023/24</u>	Usable Reserves					
	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Bramcote Bereavement Services £'000
Adjustments to the Revenue Resources						
<u>Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:</u>						
Pension costs (transferred to (or from) the Pensions Reserve)	(127)	(35)	0	0	0	13
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	32	0	0	0	0	0
Financial Instruments (transferred to the Pooled Fund Adjustment Account)	58	0	0	0	0	0
Council Tax and NDR (transfers to (or from) Collection Fund Adjustment Account)	(2,097)	0	0	0	0	0
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(377)	726	0	0	0	(50)
Total Adjustments to Revenue Resources	(2,511)	691	0	0	0	(37)
Adjustments between Revenue and Capital Resources						
Transfer of non current asset sale proceeds from revenue to the Capital Receipts Reserve	62	1,038	(1,100)	0	0	0
Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	0	0	0	0	0	0
Posting of HRA resources from revenue to the Major Repairs Reserve	0	5,048	0	(5,048)	0	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	1,220	0	0	0	0	0
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	0	0	0	0	0	22
Total Adjustments between Revenue and Capital Resources	1,282	6,086	(1,100)	(5,048)	0	22
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	2,405	0	0	0
Use of the Major Repairs Reserve to finance capital expenditure	0	0	0	4,836	0	0
Application of capital grants to finance capital expenditure	0	0	0	0	0	0
Total Adjustments between Revenue and Capital Resources	0	0	2,405	4,836	0	0
Total Adjustments	(1,229)	6,777	1,305	(212)	0	(15)

<u>2022/23</u>	Usable Reserves					
	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Bramcote Bereavement Services £'000
Adjustments to the Revenue Resources						
<u>Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:</u>						
Pension costs (transferred to (or from) the Pensions Reserve)	(3,165)	(1,185)	0	0	0	(48)
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	31	0	0	0	0	0
Financial Instruments (transferred to the Pooled Fund Adjustment Account)	(674)	0	0	0	0	0
Council Tax and NDR (transfers to (or from) Collection Fund Adjustment Account)	3,568	0	0	0	0	0
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(1,372)	12,325	0	0	0	(41)
Total Adjustments to Revenue Resources	(1,612)	11,140	0	0	0	(89)
Adjustments between Revenue and Capital Resources						
Transfer of non current asset sale proceeds from revenue to the Capital Receipts Reserve	2,173	2,017	(4,190)	0	0	0
Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	0	0	0	0	0	0
Posting of HRA resources from revenue to the Major Repairs Reserve	0	(4,763)	0	4,763	0	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	1,146	0	0	0	0	0
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	0	1,786	0	0	0	39
Total Adjustments between Revenue and Capital Resources	3,319	(960)	(4,190)	4,763	0	39
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	828	0	0	0
Use of the Major Repairs Reserve to finance capital expenditure	0	0	0	(4,763)	0	0
Application of capital grants to finance capital expenditure	0	0	0	0	0	0
Total Adjustments between Revenue and Capital Resources	0	0	828	(4,763)	0	0
Total Adjustments	1,707	10,180	(3,362)	0	0	(50)

11. Transfer to/from Earmarked Reserves

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

	Balance at 31 March 2022 Carried Forward £'000	Transfers Out 2022/23 £'000	Transfers In 2022/23 £'000	Balance at 31 March 2023 Carried Forward £'000	Transfers Out 2023/24 £'000	Transfers In 2023/24 £'000	Balance at 31 March 2024 Carried Forward £'000
General Fund:							
Elections Reserve	(201)	0	(30)	(231)	181	(2)	(52)
Homelessness Grant Initiatives	(211)	31	0	(180)	0	(125)	(305)
Stapleford Town Fund Reserve	(72)	0	(592)	(664)	0	(418)	(1,082)
Planning Reserve	(31)	0	0	(31)	0	0	(31)
Noise Monitoring Equipment Replacement	(15)	0	0	(15)	0	0	(15)
Council Tax Equalisation	(66)	0	0	(66)	0	0	(66)
NDR Equalisation	(2,976)	2,976	0	0	0	(1,214)	(1,214)
Shared Prosperity Fund	0	0	(174)	(174)	174	0	0
Other small balances	(11)	0	(1)	(12)	0	(1)	(13)
Total	(3,583)	3,007	(797)	(1,373)	355	(1,760)	(2,778)

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

- Elections Reserve - Yearly amounts are paid into the reserve in order to spread out the high costs of council elections when they occur once every four years. Grant monies received from the government in respect of the Individual Electoral registration initiative are also transferred to the reserve. It is intended these monies will contribute towards the costs associated with running individual registration.
- Homelessness Grant Initiatives - This earmarked reserve represents funding received from the Government in respect of Flexible Homelessness Grant and New Burdens Funding Grant. This reserve is to fund specific initiatives to prevent and manage homelessness within the Borough.
- Stapleford Town Fund Reserve - This reserve was created from an allocation of the General Fund to contribute to the drawing up of a bid to apply for funding from the Government’s Town Funds initiative. The purpose of this is to regenerate town centres, boost businesses and improve infrastructure.
- Planning Reserve - This reserve was created from grant monies from the government in relation to Custom Build grant and Brownfield Sites grant. It is intended these monies will contribute towards the costs associated with setting up and maintaining the custom/self-build properties and brownfield sites registers.

- Noise Monitoring Equipment Replacement - It is intended that there will be an annual contribution from unspent budget which will fund the required expenditure to replace or upgrade the equipment every 2/3 years.
- Council Tax Equalisation - Government funding was provided to local authorities to help offset the reduction in council tax received from taxpayers as a result of the Covid-19 pandemic. A proportion of this funding has been set aside to offset the continued deficit in future years.
- NDR Equalisation – The surplus on the NDR collection fund recognised in the 2023/24 accounts has been set aside to offset the deficits anticipated in future years.
- Shared Prosperity Fund (SPF) – This is part of the government’s levelling up agenda and is funding provided by central government for local investment which includes supporting Local Businesses, Communities and People and Skills. Grants are available for individuals/businesses within each of these three areas. The SPF runs from April 2022 to March 2025. Monies received in 2022/23 were set aside to fund grant expenditure in future years.
- Other small balances. This relates to a small balance held on a charities account.

12. Other Operating Expenditure

2022/23 £'000		2023/24 £'000
938	Parish Council Precepts	985
0	Payments to the Government Housing Capital Receipts Pool	0
(156)	Donated Asset	0
4,618	Gains/losses on the disposal of non-current assets	7,233
5,400	Total	8,218

13. Financing and Investment Income and Expenditure

2022/23 £'000		2023/24 £'000
2,980	Interest payable and similar charges	3,036
1,294	Net interest on the net defined benefit liability/(asset)	119
(693)	Interest receivable and similar income	(1,166)
673	Gains/losses on revaluation of financial instruments	(57)
4,254	Total	1,932

14. Taxation and Non Specific Grant Income

2022/23 £'000		2023/24 £'000
(7,045)	Council tax income	(7,307)
(4,505)	Non-Domestic Rates (NDR)	(5,205)
(332)	Lower Tier Services Grant and Services Grant	(732)
(2,528)	Capital grants and contributions	(3,725)
(14,410)	Total	(16,969)

15. Property, Plant and Equipment

Movements in 2023/24	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant, Furniture & Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total Property, Plant & Equipment £'000
Cost or Valuation:							
At 1 April 2023	224,033	33,983	6,715	312	19	1,824	266,886
Additions	11,787	679	1,073			2,219	15,758
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	23,822	1,667	32	44	0	0	25,565
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	14,064	0	0	0	0	0	14,064
Derecognition – Disposals	(8,300)	0	(32)	0	0	0	(8,332)
Derecognition – Other	(14)	(894)	0	0	0	0	(908)
Assets reclassified (to)/from Held for Sale	0	0	0	0	0	0	0
Other movements in Cost or Valuation	(4,816)	227	0	0	0	(227)	(4,816)
At 31 March 2024	260,576	35,662	7,788	356	19	3,816	308,217
Accumulated Depreciation and Impairment:							
At 1 April 2023	0	(1,484)	(4,010)	(65)	0	0	(5,559)
Depreciation charge	(4,840)	(537)	(906)	0	0	0	(6,283)
Depreciation written out	0	368	0	0	0	0	368
Derecognition – Disposals	0	0	0	0	0	0	0
Derecognition – Other	0	0	0	0	0	0	0
Assets reclassified (to)/from Held for Sale	0	0	0	0	0	0	0
Other movements in Depreciation and Impairment	4,840	0	0	0	0	0	4,840
At 31 March 2024	0	(1,653)	(4,916)	(65)	0	0	(6,634)
Net Book Value:							
At 31 March 2024	260,576	34,009	2,872	291	19	3,816	301,583
At 31 March 2023	224,033	32,499	2,705	247	19	1,824	261,327

Movements in 2022/23	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant, Furniture & Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total Property, Plant & Equipment £'000
Cost or Valuation:							
At 1 April 2022	212,354	32,923	5,650	312	19	424	251,682
Additions	8,619	1,477	1,097	0	0	1,400	12,593
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	82	1,179	0	0	0	0	1,261
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	11,737	158	0	0	0	0	11,895
Derecognition – Disposals	(8,749)	(60)	0	0	0	0	(8,809)
Derecognition – Other	(10)	(1,694)	(32)	0	0	0	(1,736)
Assets reclassified (to)/from Held for Sale	0	0	0	0	0	0	0
Other movements in Cost or Valuation	0	0	0	0	0	0	0
At 31 March 2023	224,033	33,983	6,715	312	19	1,824	266,886
Accumulated Depreciation and Impairment:							
At 1 April 2023	0	(1,322)	(3,168)	(65)	0	0	(4,555)
Depreciation charge	(4,595)	(506)	(842)	0	0	0	(5,943)
Depreciation written out		344		0	0	0	344
Derecognition – Disposals	0	0	0	0	0	0	0
Derecognition – Other	0	0	0	0	0	0	0
Assets reclassified (to)/from Held for Sale	0	0	0	0	0	0	0
Other movements in Depreciation and Impairment	4,595	0	0	0	0	0	4,595
At 31 March 2023	0	(1,484)	(4,010)	(65)	0	0	(5,559)
Net Book Value:							
At 31 March 2023	224,033	32,499	2,705	247	19	1,824	261,327
At 31 March 2022	212,354	31,601	2,482	247	19	424	247,127

Capital Commitments

At 31 March 2024, the Council has entered into a number of significant contracts for the construction or enhancement of property, plant and equipment in 2023/24 and future years budgeted to cost £18.705m. Similar commitments at 31 March 2023 were also £18.312m. The major commitments at 31 March 2024 are:

	£'000
Housing Modernisation Programme	6,000
Heating Replacements/Energy Efficiency Works	5,820
Aids and Adaptations	1,155
External Pre-Paint Repairs & Redecoration Programme	1,200
Electrical Periodic Improvement Works	1,200
Fire Safety Assessment and Remedial Work	1,050
Window and Door Replacement	900
External Works- Paths Pavings & Hard Standings	630
Structural Remedial Repairs	450
Asbestos Surveys and Remedial Works	300

Effects of Changes in Estimates

There have been no changes in estimated asset life or residual asset values in 2023/24 that would have a material effect.

Revaluations and other changes

The authority carries out a rolling programme that ensures that all property, plant and equipment required to be measured at fair value is revalued at least every five years, although material changes to asset valuations will be adjusted as they occur. General Fund properties were valued by external valuers Lambert Smith Hampton and HRA dwellings were valued by HEB.

Bramcote Quarry was last revalued at 31 March 2004. The site is currently leased to a contractor and should have been returned to the Council. However, the contractor has encountered delays in restoring the site to an acceptable condition and the site has not yet been formally handed back to the Council. The site will be revalued once it has been returned to the Council. The asset is shown in the balance sheet with a value of £0.024m as at 31 March 2024.

The valuation of council dwellings at 31 March 2024 resulted in a net revaluation gain of £37.886m. A revaluation gain for HRA Dwellings of £14m is included under Other Comprehensive Income and Expenditure in the Comprehensive Income and Expenditure Statement. This was matched by a credit of £14m to the Capital Adjustment Account to partly offset impairment losses in previous years. The remaining £23.886m was added to the revaluation reserve.

The valuation figures incorporated in the accounts are the aggregate of separate valuations of parts of the portfolio, not a valuation of the portfolio valued as a whole. Valuations of vehicles, plant, furniture and equipment are based on current prices where there is an active second hand market or latest list prices adjusted for the condition of the asset.

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

- Market Value – Non-operational property (investment, surplus and development property) (where applicable)
- Existing Use Value – Operational non specialised property
- Depreciated Replacement Cost – Operational specialised property
- Existing Use Value (Social Housing) – Council housing stock

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at historical cost	0	24	2,872	3,175	247	19	3,816	10,153
Valued at fair values as at:								
31 March 2024	258,284	16,218	0	0	44	0	0	274,546
31 March 2023		3,162	0	0	0	0	0	3,162
31 March 2022	2,268	10,980	0	0	0	0	0	13,248
31 March 2021	24	1,028	0	0	0	0	0	1,052
31 March 2020		2,597	0	0	0	0	0	2,597
Total Cost or Valuation	260,576	34,009	2,872	3,175	291	19	3,816	304,758

At its meeting on 16 January 2020 the Bramcote Crematorium Joint Committee declared a parcel of land adjacent to the crematorium to be surplus to requirements. The terms of the sale are still being discussed with a potential buyer and therefore this asset is still held as Surplus in the accounts.

Infrastructure Assets

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

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

	2022/23 £'000	2023/24 £'000
Cost or Valuation		
At 1 April	4,834	4,902
Additions	68	82
At 31 March	4,902	4,984
Accumulated Depreciation and Impairment		
At 1 April	(1,556)	(1,677)
Depreciation charge	(121)	(132)
At 31 March	(1,677)	(1,809)
Net Book Value		
At 31 March	3,225	3,175
At 1 April	3,278	3,225

16. Heritage Assets

DH Lawrence Birthplace Museum

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

DH Lawrence Museum Collection

In 2022/23 the Council's Culture offer was transferred back to the Council from Liberty Leisure Ltd. Included in this was the transfer of the D.H Lawrence museum collection. Given their historic and artistic value this collection was deemed to be making a strong contribution towards knowledge and culture and was therefore classified as Heritage Assets. The collection is made up of 129 pieces including art, ornaments, and other objects of artistic, historic, and cultural value. As the Council received these assets with no consideration paid and with no conditions attached they were treated as donated assets, without conditions, for the purpose of the 2022/23 accounts.

Painting

The painting by Dr Ala Bashir was donated to the Council free of charge in 2008. A revised valuation of the painting was received from Dr Bashir on 14 August 2013 and this was used again to revalue the painting at 31 March 2017 based upon the exchange rate at that date. In 2022/23 a revaluation was received from the Museums Officer at the D.H Lawrence museum (employed by the Council). This revaluation is in compliance with The CIPFA Code 2022/23 which states "Valuations may be made by any method that is appropriate and relevant. There is no requirement for valuations to be carried out or verified by external valuers, nor is there any prescribed minimum period between valuations." as it is deemed that the opinion of an experienced Museums Officer, who has a strong knowledge of this piece and similar pieces, is appropriate and relevant. No depreciation is charged on the painting. There are no specific

conditions attached to this donation. This asset has artistic content and could be considered to be making a strong contribution towards knowledge and culture.

17. Financial Instruments

Categories of financial instruments

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

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

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

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

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

	Long Term		Current	
	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000
Investments				
Amortised cost	0	0	271	2,452
Fair value through profit or loss	5,657	5,677	6,566	5,846
Total Investments	5,657	5,677	6,837	8,298
Debtors				
Amortised cost	84	59	2,037	2,026
Total included in Debtors	84	59	2,037	2,026
Borrowings				
Amortised cost	(80,441)	(87,337)	(7,656)	(8,349)
Total Borrowings	(80,441)	(87,337)	(7,656)	(8,349)
Creditors				
Amortised cost	0	0	(2,807)	(3,330)
Total included in Creditors	0	0	(2,807)	(3,330)

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

Short term debtors as shown on the balance sheet include £3.796m debtors (£3.794m 2022/23) which do not meet the definition of a financial asset as they relate to non-exchange transactions.

Short term creditors as shown on the balance sheet includes £3.754m (£9.454m 2022/23) that does not meet the definition of a financial liability as they relate to non-exchange transactions.

Where loans are advanced at below market rates they are classed as 'soft loans'. The Council had soft loans to employees at less than market rates for the purchase of motor vehicles which totalled £0.061m at 31 March 2024 (£0.091m at 31 March 2023) and which are included under debtors in the table above. These should be correctly shown in the Balance Sheet at fair value. However, the value of these loans is not considered to be material. Accordingly, the value as shown in the Balance Sheet represents the value of any loans made less any repayments that have been received.

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

	Long Term		Current	
	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000
Borrowing				
Nominal Amount	(80,230)	(87,065)	(7,629)	(8,344)
Accrued Interest	(211)	(272)	(27)	(5)
Total Borrowings as per Balance Sheet	(80,441)	(87,337)	(7,656)	(8,349)
Investments				
Nominal Amount	5,618	5,632	6,808	8,259
Accrued Interest	39	45	29	39
Total Investments as per Balance Sheet	5,657	5,677	6,837	8,298

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

Income, Expense, Gains and Losses

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

31 March 2023 £'000		31 March 2024 £'000
	Net gains/losses on:	
673	Financial assets measured at fair value through profit or loss	(57)
673	Total net gains/losses	(57)
	Interest and investment income	
(108)	Financial assets measured at amortised cost	(140)
(547)	Financial assets measured at fair value through profit or loss	(981)
(38)	Other interest received	(45)
(693)	Total interest and investment income	(1,166)
	Interest payable	
2,980	Financial liabilities measured at amortised cost	3,036
2,980	Total interest payable	3,036

Financial Instruments - Fair Values

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

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

- estimated ranges of interest rates at 31 March 2024 of 4.61% to 5.38% for loans from the PWLB and 4.71% for other loans receivable and payable, based on new lending rates for equivalent loans at that date
- no early repayment or impairment is recognised
- where an instrument will mature in the next 12 months, the carrying amount is assumed to approximate to fair value
- the fair value of trade and other receivables is taken to be the invoiced or billed amount

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

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

Fair values of assets:

Balance Sheet 31 Mar 23 £'000	Fair Value 31 Mar 23 £'000		Fair Value Level	Balance Sheet 31 Mar 24 £'000	Fair Value 31 Mar 24 £'000
		Financial assets held at fair value:			
6,566	6,566	Money market funds	1	7,846	7,846
5,657	5,657	Property funds	1	5,677	5,677
		Financial assets held at amortised cost:			
0	0	Loans with other local authorities		0	0
271	271	Bank deposits	2	451	451
84	84	Car loans		60	60
1,816	1,816	Trade Receivables		2,026	2,026
14,394	14,394	Total		16,060	16,060
3,916		Assets for which fair value is not disclosed		3,796	
18,310	14,394	Total Financial Assets		19,856	16,060
		Recorded on balance sheet as:			
5,657		Long term investments		5,677	
84		Long term debtors		59	
0		Short term investments		0	
5,732		Short term debtors		5,822	
6,837		Cash and cash equivalents		8,298	
18,310		Total Financial Assets		19,856	

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

Fair value of liabilities:

Balance Sheet 31 Mar 23 £'000	Fair Value 31 Mar 23 £'000		Fair Value Level	Balance Sheet 31 Mar 24 £'000	Fair Value 31 Mar 24 £'000
		Financial liabilities held at amortised cost:			
(77,422)	(69,328)	Long term loans from PWLB	2	(84,318)	(78,137)
(3,019)	(2,699)	Other long term loans	2	(3,019)	(2,721)
0	0	Short term loans with other local authorities		0	0
(7,441)	(7,332)	Short Term loans from PWLB		(8,171)	(7,988)
(215)	(215)	Other short term loans		(178)	(178)
(2,586)	(2,807)	Short term creditors		(3,330)	(3,330)
(90,683)	(82,381)	Total		(99,016)	(92,354)
(9,817)		Liabilities for which fair value is not disclosed		(3,754)	
(100,500)	(82,381)	Total Financial Liabilities		(102,770)	(92,354)
		Recorded on balance sheet as:			
(7,656)		Short term borrowing		(8,349)	
(12,403)		Short term creditors		(7,084)	
(80,441)		Long term borrowing		(87,337)	
(100,500)		Total Financial Liabilities		(102,770)	

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

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

18. Debtors

Short-Term Debtors

2022/23 £'000 Reclassified		2023/24 £'000
692	Trade Receivables	457
217	Prepayments	315
4,283	Other Receivable Amounts	4,402
	Local Taxation	
361	Council Tax	359
179	Non Domestic Rates	289
5,732	Total	5,822

Short Term Debtors include expected credit losses totalling £1.384m as at 31 March 2024 (£1.202m as at 31 March 2023). Provisions for rent arrears, housing benefit overpayments and sundry debtors are calculated on an annual basis and take into account existing levels of debt and an assessment of expected recovery rates.

The categories of debtor presented in this note has been brought into line with the Code of Practice for 2023/24 which has necessitated a restatement of the totals published within the 2022/23 Statement of Accounts.

19. Cash and Cash Equivalents

Cash comprises cash on hand and in demand deposits. Cash will also include bank overdrafts that are repayable on demand and that are integral to the authority's cash management. Balances classified as 'Cash Equivalents' fit the definition of being short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2022/23 £'000		2023/24 £'000
1	Cash in hand	1
271	Bank current accounts	450
4,619	Other Local Authorities	0
1,946	Money Market Funds	7,847
6,837	Total	8,298

20. Creditors

Short-Term Creditors

2022/23 £'000 Reclassified		2023/24 £'000
(3,008)	Trade Payables	(3,437)
(9,395)	Other Payables	(3,647)
(12,403)	Total	(7,084)

The categories of creditor presented in this note has been brought into line with the Code of Practice for 2023/24 which has necessitated a restatement of the totals published within the 2022/23 Statement of Accounts.

21. Provisions

Short-Term Provisions

	Total £'000
Balance at 31 March 2022 Carried Forward	(335)
Additional provisions made in 2022/23	(513)
Amounts used in 2022/23	532
Balance at 31 March 2023 Carried Forward	(316)
Additional provisions made in 2023/24	(665)
Amounts used in 2023/24	687
Balance at 31 March 2024 Carried Forward	(294)

Long-Term Provisions

	Total £'000
Balance at 31 March 2022 Carried Forward	(662)
Additional provisions made in 2022/23	(461)
Amounts used in 2022/23	236
Balance at 31 March 2023 Carried Forward	(887)
Additional provisions made in 2023/24	(751)
Amounts used in 2023/24	479
Balance at 31 March 2024 Carried Forward	(1,159)

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

22. Usable Reserves

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

23. Unusable Reserves

2022/23 £'000		2023/24 £'000
(22,387)	Revaluation Reserve	(47,605)
(129,400)	Capital Adjustment Account	(138,620)
107	Financial Instruments Adjustment Account	75
3,666	Pensions Reserve	260
(625)	Collection Fund Adjustment Account	1,472
437	Pooled Investment Funds Adjustment Account	379
(148,202)	Total	(184,039)

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.

	General Fund £'000	Housing Revenue Account £'000	Bramcote Cremat- orium £'000	Total £'000
Balance at 31 March 2022 Carried Forward	(20,456)	(685)	(292)	(21,433)
Revaluation Gain 2022/23	(1,441)	(82)	(512)	(2,035)
Write out of accumulated depreciation	0	0	(124)	(124)
Less:				
Impairment Losses 2022/23	792	0	0	792
Removal of Gain on Disposed Asset	17	0	0	17
Transfer of Balances to CAA	0	0	0	0
Excess current value over historic cost depreciation	389	0	7	396
Balance at 31 March 2023 Carried Forward	(20,699)	(767)	(921)	(22,387)
Revaluation Gain 2023/24	(3,068)	(23,822)	(17)	(26,907)
Less:				
Impairment Losses 2023/24	1,251	0	0	1,251
Transfer of Balances to CAA	32	0	0	32
Excess current value over historic cost depreciation	389	0	17	406
Balance at 31 March 2024 Carried Forward	(22,095)	(24,589)	(921)	(47,605)

Capital Adjustment Account

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

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

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

2022/23 £'000		2023/24 £'000
(119,039)	Balance as at 1 April <u>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement</u>	(129,400)
7,578	Charges for depreciation and impairment of non-current assets	6,940
(16,491)	Revaluation (gains)/losses on Property, Plant and Equipment	(13,974)
118	Amortisation of intangible assets	98
1,282	Revenue expenditure funded from capital under statute	2,029
8,652	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	8,333
1,139 (413)	Adjusting amounts written out of the Revaluation Reserve	3,426 (438)
726	Net written out amount of the cost of non-current assets consumed in the year <u>Capital financing applied in the year:</u>	2,988
(828)	Use of the Capital Receipts Reserve to finance new capital expenditure	(2,405)
(4,763)	Use of the Major Repairs Reserve to finance new capital expenditure	(4,836)
(2,527)	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(3,725)
(1,146)	Statutory provision for the financing of capital investment charged against the General Fund, Housing Revenue Account and Bramcote Crematorium balances	(1,220)
(1,823)	Capital expenditure charged against the General Fund, Housing Revenue Account and Bramcote Crematorium balances	(22)
(10,361)		(9,220)
(129,400)	Balance as at 31 March	(138,620)

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The authority uses the account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the General Fund Balance to the account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on council tax. In the authority's case, this period is the unexpired term that was outstanding on the loans when they were redeemed. As a result, the balance on the account at 31 March 2024 will be charged to the General Fund over the next 3 years.

	General Fund £'000
Balance at 31 March 2022 Carried Forward	138
Charge to balances in 2022/23	(31)
Balance at 31 March 2023 Carried Forward	107
Charge to balances in 2023/24	(32)
Balance at 31 March 2024 Carried Forward	75

Pensions Reserve

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

2022/23 £'000		2023/24 £'000
50,789	Balance as at 1 April	3,666
(51,521)	Remeasurements of the net defined benefit liability/(asset)	(3,555)
6,483	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	2,613
(2,085)	Employer's pensions contributions and direct payments to pensioners payable in the year	(2,464)
3,666	Balance as at 31 March	260

Collection Fund Adjustment Account

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

2022/23 £'000		2023/24 £'000
2,943	Balance as at 1 April	(625)
(3,568)	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	2,097
(625)	Balance as at 31 March	1,472

Pooled Investment Funds Adjustment Account

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

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

2022/23 £'000		2023/24 £'000
(237)	Balance as at 1 April	437
674	Changes in Fair Value of long and short term investments	(58)
437	Balance as at 31 March	379

24. Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

2022/23 £'000		2023/24 £'000
(687)	Interest received	(1,160)
2,936	Interest paid	2,985

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

2022/23 £'000		2023/24 £'000
6,071	Depreciation	6,423
(14,983)	Impairment and revaluations	(13,457)
118	Amortisation	98
(13,137)	Increase/decrease in creditors	(2,635)
360	Increase/decrease in debtors	(315)
18	Increase/decrease in inventories	(8)
4,670	Pension liability	149
207	Contributions to/from provisions	250
8,807	Carrying amount of non current assets sold	8,333
503	Other non cash items	(14)
(7,366)	Total Adjustments	(1,176)

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

2022/23 £'000		2023/24 £'000
(2,528)	Capital grants credited to surplus or deficit on the provision of services	(3,725)
(4,190)	Proceeds from the sale of property, plant and equipment and intangible assets	(1,100)
(6,718)	Total Operating Activities	(4,825)

25. Cash Flow Statement – Investing Activities

2022/23 £'000		2023/24 £'000
(12,652)	Purchase of property, plant and equipment, investment property and intangible assets	(15,870)
0	Purchase of short-term and long-term investments	0
4,190	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	1,100
9,158	Other receipts from investing activities	11,094
696	Total Investing Activities	(3,676)

26. Cash Flow Statement - Financing Activities

2022/23 £'000		2023/24 £'000
9,470	Cash receipts of short- and long-term borrowing	15,437
(17,042)	Repayments of short- and long-term borrowing	(7,899)
7,071	Other payments for financing activities	(2,939)
(501)	Total Financing Activities	4,599

27. Reconciliation of Liabilities arising from Financing Activities

2023/24	1 April £'000	Financing Cash Flows £'000	Non Cash Changes		31 March £'000
			Transfers £'000	Other Non Cash Changes £'000	
Long term borrowings	(80,441)	(15,000)	8,166	(62)	(87,337)
Short term borrowings	(7,656)	7,462	(8,166)	11	(8,349)
Lease liabilities	0	0	0	0	0
Total liabilities from financing activities	(88,097)	(7,538)	0	(51)	(95,686)

2022/23	1 April £'000	Financing Cash Flows £'000	Non Cash Changes		31 March £'000
			Transfers £'000	Other Non Cash Changes £'000	
Long term borrowings	(85,838)	(2,000)	7,413	(16)	(80,441)
Short term borrowings	(9,787)	9,571	(7,413)	(27)	(7,656)
Lease liabilities	0	0	0	0	0
Total liabilities from financing activities	(95,625)	7,571	0	(43)	(88,097)

28. Members Allowances

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

2022/23 £'000		2023/24 £'000
298	Salaries (including national insurance)	298
23	Allowances	21
2	Expenses	2
323	Total Members Allowances	321

29. Officers Remuneration

The remuneration disclosures for Senior Officers (excluding statutory officers and those responsible for the management of the authority) are as follows:

	Number of employees	
	2022/23	2023/24
£50,000 - £54,999	5	7
£55,000 - £59,999	2	2
£60,000 - £64,999	3	1
£65,000 - £69,999	0	3

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

Post Title	Salary (Including Fees and Allowances)	Benefit in Kind	Total Remuneration excluding pension contributions	Pension Contributions	Total Remuneration including Pension Contributions 2023/24	Total Remuneration including Pension Contributions 2022/23
	£	£	£	£	£	£
Chief Executive	123,147	0	123,147	24,445	147,592	140,565
Deputy Chief Executive (s151 Officer)	103,921	0	103,921	19,745	123,666	118,480
Executive Director	106,143	0	106,143	18,878	125,021	106,116
Monitoring Officer	78,457	0	78,457	14,907	93,364	94,282

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

Exit packages cost band	No. of compulsory redundancies		No. of other departures agreed (inc voluntary redundancies)		Total number of exit packages		Total cost of exit packages in each band	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
£0 - £15,000	0	0	2	1	2	1	9,200	9,500
£15,001- £30,000	0	0	0	0	0	0	0	0
£30,001- £45,000	0	0	0	0	0	0	0	0
£45,001- £60,000	0	0	0	0	0	0	0	0
Total	0	0	2	1	2	1	9,200	9,500

The exit packages for 2023/24 were in respect of employees based in the Chief Executive’s Department.

30. External Audit Costs

During 2023/24 the Authority has incurred costs of £0.145m in relation to the audit of the Statement of Accounts (£0.06m in 2022/23).

31. Grant Income

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

2022/23 £'000		2023/24 £'000
	Credited to Taxation and Non Specific Grant Income	
(3,863)	Non Domestic Rates	(2,871)
0	Revenue Support Grant	(121)
0	Funding Guarantee	(362)
0	New Homes Bonus Grant	(132)
(133)	Lower Tier Services Grant	0
(199)	Services Grant	(117)
(118)	Developer Contributions	(65)
(768)	Disabled Facilities Grants	(958)
0	Notts PCC - Wireless Network Project	(10)
(23)	Shared Prosperity Fund (Capital)	(68)
(1,542)	Stapleford Towns Fund	(1,307)
0	Homes England - Inham Nook	(378)
0	Devolution Grant	(3)
0	Social Housing Decarbonisation Fund	(50)
0	Levelling Up (Kimberley) Funding	(886)
(24)	Nottingham Warm Homes on Prescription	0
(5)	EV Grant	0
(47)	Pasture Road Recreation Ground	0
(6,722)	Total	(7,328)
	Credited to Services	
0	Crime Reduction	(154)
(333)	Homelessness Prevention	(325)
(12,771)	Housing and Council Tax Benefits	(13,607)
(113)	Council Tax and Non-Domestic Rates Administration	(212)
(697)	Stapleford Towns Fund (Revenue)	(449)
(300)	Shared Prosperity Funding	(540)
0	Levelling Up Fund (Revenue)	(76)
(437)	Other Grants	(299)
(352)	New Homes Bonus Grant	0
(10)	Planning Policy	0
(10)	Bio Diversity Net Gain Grant	0
(100)	Re-opening High Streets Safely	0
(15,123)	Total	(15,662)

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

2022/23 £'000	Revenue Grants Receipts in Advance	2023/24 £'000
	Covid Grants	
(6)	- Test and Trace	0
(32)	- Tier 5	0
(25)	- Tier 4	0
(135)	- Small Business	(141)
(9)	- Local Restrictions	0
(56)	Council Tax Energy Rebate	0
(428)	Energy Rebate Alternative Scheme	0
(691)	Total	(141)

2022/23 £'000	Capital Grants Receipts in Advance	2023/24 £'000
(8)	Efficiency East Midlands Ltd	0
(25)	Nottingham Pre-Development Fund	0
(385)	Developer Contributions – Open Spaces	(636)
(288)	Developer Contributions – Transport Measures	(150)
(2,832)	Developer Contributions - Affordable Housing	(3,152)
(4)	Developer Contributions – Education	(5)
(39)	Developer Contributions – Health	(100)
(2)	Environment Agency – Erewash Valley Trail	(2)
(67)	Growth Point	(67)
(3)	Park Improvements	(3)
(15)	Other	(59)
(806)	Disabled Facilities Grants	(838)
0	Levelling Up Fund	(4,249)
(5,763)	Stapleford Town Fund	(7,698)
(54)	FCC Communities Foundation	(54)
(26)	CCTV Camera Upgrade	(40)
(12)	Shared Prosperity Fund	(32)
(73)	FCC Dovecote Park	(73)
(701)	Nottingham City - LAD2 Funding	(701)
0	Devolution	(114)
0	Social Housing Decarbonisation Fund	(499)
(11,103)	Total	(18,472)

32. Related Parties

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

Central Government

Central government has significant influence over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates, provides

the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grant receipts outstanding at 31 March 2024 are shown in note 31.

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

Members

Members of the Council have direct control over the Council's financial and operating policies and receive an approved allowance for their work. The total of members allowances paid in 2023/24 is shown in note 28. During 2023/24 the Council maintained a register of members' interests together with a record of interests declared at committee and Council meetings. In addition, a specific declaration of any transactions with related parties was required. These records have been reviewed and material transactions with organisations referred to in these records were as follows:

- Payment of £0.254m to Citizens Advice Broxtowe

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

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

Officers

Employer's pension contributions are paid into the Local Government Pension Scheme that is administered locally by Nottinghamshire County Council. Further details can be found in note 37. As stated in note 17, the Council provides subsidised car loans to officers that meet certain eligibility criteria.

Officers of the Council may have positions on the board or operational committee of external companies and organisation which have been declared as related party transactions. These records have been reviewed and material transactions with organisations referred to in these records were as follows:

- Payment of £0.167m to East Midlands Development Company

Liberty Leisure Ltd

Liberty Leisure Limited is the wholly-owned leisure services company of Broxtowe Borough Council that was incorporated on 1 October 2016. The Company is overseen by a Board of Directors which consists of three Broxtowe Borough Council elected Members, one Council officer, one local business person (currently vacant) and the Business Director of the company. During the year Liberty Leisure Ltd paid £0.23m to the Council in respect of administration costs and owed them £0.123m at 31 March 2024. The Council paid £0.519m management fees to Liberty Leisure Ltd and owed them £0.125m at 31 March 2024. The consolidated group accounts which include the accounts of Liberty Leisure Ltd are included in this statement on page 112.

Other Public Bodies

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

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

Details of significant outstanding debtors and creditors in respect of related parties are included within notes 18 and 20.

33. Capital Expenditure and Capital Financing

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

2022/23 £'000		2023/24 £'000
110,582	Opening Capital Financing Requirement	113,426
	<u>Capital Investment</u>	
12,612	Property, Plant and Equipment	15,848
0	Investment Properties	0
0	Intangible Assets	0
1,283	Revenue Expenditure Funded from Capital under Statute	2,029
	<u>Sources of Finance</u>	
(829)	Capital Receipts	(2,405)
(2,527)	Government Grants and Other Contributions	(3,725)
(1,786)	Direct Revenue Contributions	0
(4,763)	Major Repairs Reserve	(4,836)
(1,146)	Minimum Revenue Provision	(1,220)
113,426	Closing Capital Financing Requirement	119,117
	<u>Explanation of Movements in Year</u>	
0	Increase in Underlying need to borrowing (supported by government financial assistance)	0
2,844	Increase in Underlying need to borrowing (unsupported by government financial assistance)	5,691
2,844	Increase/(decrease) in Capital Financing Requirement	5,691

34. Leases

Authority as Lessee

Finance Leases

No assets were acquired under finance leases in 2022/23 or 2023/24. There were no outstanding obligations in respect of finance leases as at 31 March 2023 or 31 March 2024.

Operating Leases

Land and Buildings - the Council leases items of land as car parks at Mansfield Road in Eastwood and Technology Drive in Beeston. The leasing arrangements for each being accounted for as operating leases and held under peppercorn.

The potential impact the introduction of IFRS 16 Leases on Broxtowe Borough Council has been considered. The two land assets above have been valued by N. Hawkes BSc MRICS, Registered Valuer (employed by the Council).

The valuations have been made for capital accounting purposes in accordance with International Reporting Standards (IFRS) as applied to the UK public sector and interpreted by current CIPFA Code of Practice for Local Authority Accounting. The valuation is made in accordance with the RICS Global Standards (the 'Red Book') including the International Valuation Standards.

In respect of the car park at Mansfield Road in Eastwood, the Valuer is of the opinion that the liability is £nil in view of the rent payable and that the fair value is £0.065m at 31 March 2023. In respect of the car park at Technology Drive in Beeston, the Valuer is of the opinion that the liability is £nil in view of the rent payable and that the fair value is £0.035m at 31 March 2023.

Authority as Lessor

Finance Leases

No leases were granted under finance leases in 2022/23 or 2023/24.

The Council held no finance leases as at 31 March 2024.

Operating Leases

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

2022/23 £'000		2023/24 £'000
857	Not later than one year	878
2,716	Later than one year and not later than five years	2,708
7,489	Later than five years	7,703
11,062	Total	11,289

35. Impairment Losses

The external valuers valuation of a number of General Fund property assets in line with the rolling 5 year asset valuation programme resulted in upward valuations totalling £3,068m and downward valuations totalling £1.251m. A gain of £1.784m of this was charged to the Revaluation Reserve and a loss of £0.09m was included under Other Comprehensive Income and Expenditure in the Comprehensive Income and Expenditure Statement.

36. Termination Benefits

Note 29 contains details of the number of exit packages and total cost per band. No other benefits were paid to an employee as a result of a decision to terminate their employment before.

37. Defined Benefit Pension Schemes

Participation in Pension Schemes

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

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

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

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

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

charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies in note 1.

Transactions Relating to Post-Employment Benefits

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

2022/23 £'000		2023/24 £'000
	Comprehensive Income and Expenditure Statement	
	Cost of Services:	
	<u>Service Cost comprising:</u>	
5,140	Service Cost	2,438
49	Administration Expenses	57
	<u>Financing and Investment Income and Expenditure:</u>	
1,294	Net Interest Expense	118
6,483	Total Post Employment Benefits Charged to the Surplus or Deficit on the Provision of Services	2,613
	Other Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement	
	<u>Remeasurement of the Net Defined Benefit Liability comprising:</u>	
(5,604)	Return on plan assets (excluding the amount included in the net interest expense)	4,207
3	Other actuarial gain/(losses) on assets	0
69,547	Changes in financial assumptions	1,881
437	Change in demographic assumptions	1,698
(12,862)	Experience loss/(gain) on defined benefit obligation	(659)
0	Changes in effect of asset ceiling	(3,572)
58,004	Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement	6,168
	Movement in Reserves Statement	
(6,483)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for Post Employment Benefits in accordance with the Code	(2,613)
	Actual amount charged against the General Fund Balance for pensions in the year	
2,085	Employers' contributions payable to the scheme	2,464

Pension Assets and Liabilities Recognised in the Balance Sheet

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

2022/23 £'000		2023/24 £'000
119,382	Present Value of the Defined Benefit Obligation	120,152
(115,925)	Fair Value of Plan Assets	(123,660)
3,457	Sub-Total	(3,508)
209	Other Movements in the Liability (Asset)	196
0	Impact of Asset Ceiling	3,572
3,666	Net Liability Arising From Defined Benefit Obligation	260

Reconciliation of the Movement in the Fair Value of Scheme Assets

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

2022/23 £'000		2023/24 £'000
120,689	Opening Fair Value of Scheme Assets	115,925
3,109	Interest Income	5,519
	<u>Remeasurement gain/(loss):</u>	0
(5,604)	The return on plan assets (excluding the amount included in the net interest expense)	4,207
3	Other actuarial gains/(losses)	0
2,085	Contributions from employer	2,464
732	Contributions from employees into the scheme	817
(5,039)	Estimated Benefits Paid (plus unfunded net of transfers in)	(5,215)
(50)	Administration expenses	(57)
115,925	Closing Fair Value of Scheme Assets	123,660

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

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

2022/23 £'000		2023/24 £'000
171,478	Opening Balance at 1 April	119,591
5,140	Current Service Cost	2,438
4,403	Interest Cost	5,637
732	Contribution from Scheme Participants	817
(69,548)	Change in Financial Assumptions	(1,881)
(437)	Change in demographic assumptions	(1,698)
12,862	Experience loss/(gain) on defined benefit obligation	659
0	Liabilities assumed/(extinguished) on settlements	0
0	Past Service Cost (including curtailments)	0
(5,019)	Benefits Paid (net of transfers in)	(5,197)
(20)	Unfunded Pension Payments	(18)
119,591	Closing Balance at 31 March	120,348

Local Government Pension Scheme Assets

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

2022/23 £'000		2023/24 £'000
6,063	Cash and Cash Equivalents	7,445
77,725	Equity Instruments	85,033
2,396	Gilts	2,962
6,869	Other Bonds	6,135
13,762	Property	13,145
9,110	Infrastructure	8,940
115,925	Total Assets	123,660

Basis for Estimating Assets and Liabilities

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

The principal assumptions used by the actuary have been:

2022/23 %		2023/24 %
	<u>Mortality Assumptions:</u>	
	Longevity at 65 for current pensioners:	
21.6	- Men	20.4
24.3	- Women	23.3
	Longevity at 65 for future pensioners:	
23.0	- Men	21.7
25.8	- Women	24.7
	<u>Financial Assumptions:</u>	
3.2	Rate of Inflation	3.25
4.2	Rate of Increase in Salaries	3.90
3.2	Rate of Increase in Pensions	2.90
2.6	Rate for Discounting Scheme Liabilities	4.90

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

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

	Increase in Assumption £'000	Decrease in Assumption £'000
Longevity (increase or decrease in 1 year)	4,491	(4,315)
Rate of increase in salaries (increase or decrease by 0.1%)	102	(101)
Rate of increase in pensions (increase or decrease by 0.1%)	1,739	(1,698)
Rate for discounting scheme liabilities(increase or decrease by 0.1%)	(1,764)	1,808

Impact on the Council’s Cash Flows

The Council anticipates paying contributions of £2.589m to the scheme in 2024/25.

The weighted average duration of the defined benefit obligation for scheme members is 16 years in 2023/24 (16 years for 2022/23).

38. Contingent Liabilities

The Council had six material contingent liabilities as at 31 March 2024:

- A claim by a former employee for unfair dismissal, disability discrimination and unpaid holiday pay was received by the Council in 2023/24. This is an employment claim where ACAS proceedings have commenced but no claim form issued. A conciliation certificate was issued in February 2024, although a claim has yet to be received from the Employment Appeals Tribunal. The estimated cost of the claim is unknown.
- A claim for constructive dismissal by a former employee was received by the Council in 2023/24. This is an employment claim where ACAS proceedings have commenced but no claim form issued. Further information has been requested from the claimant but not yet provided. The estimated cost of the claim is unknown.
- Three former employees have made allegations about a senior manager. Two of these matters have been investigated and the outcome fed back to the former employees. A third former employee refused to participate in the investigation but has made an allegation of unfair dismissal. No claims have been received relating to constructive or unfair dismissal.
- The Council has a planning appeal pending with third party costs, including legal fees, estimated at up to £30,000. This will depend upon the outcome of the appeal and a cost award being made against the Council.
- There were 111 Housing Disrepair Claims received as at 31 March 2024. The majority of these claims are still live, although costs are not known in all cases. A revenue development of £360,000 has been approved and provided in the 2024/25 Housing Revenue Account (HRA) budget to cover the cost of any compensation and third party costs awarded.
- There is an ongoing dispute with Virgin Media relating to unpaid invoices. Discussions have been ongoing with the supplier for some time, with the supplier submitting a letter on 17 January 2024 claiming the Council owed a total of £62,785 over three different accounts. This matter has been investigated by officers who now believe the Council does not owe this sum but instead the supplier owes the Council sums totalling £7,668. Evidence has been provided to the supplier who has yet to respond. No legal proceedings have commenced.

39. Contingent Assets

The Council had two contingent assets as at 31 March 2024:

- The Council are party to a legal claim by the Local Government Association on behalf of a group of local authorities, for damages and/or other relief in respect of loss and damage suffered as a result of inflated pricing for medium and heavy trucks between 1997 and 2011. As purchasers of waste disposal vehicles, the Council are claiming for overcharging as a result of prices which were inflated compared to what they otherwise would have been. This is a protracted legal claim with many claimants which is likely to continue for

a further two years. In terms evidence, the Tribunal want the parties to produce positive cases by October 2024, led by an economic expert on each issue. A three-month trial expected from November 2025.

- In 2011/12, Nottingham City Council used an Act of Parliament to compulsorily acquire or temporarily use 127 plots of Broxtowe Borough Council land to construct and operate the tram extension from Nottingham Station to Toton Lane. The most significant land take was at Beeston Square but other land was also taken including car parks, retirement living schemes and public open spaces. Broxtowe and its advisors have been in ongoing discussion with the City Council regarding an appropriate level of compensation for the use of Broxtowe land. Total compensation received up to 31 March 2024 amounted to £3.700m. The matter is nearing resolution and a final sum of £300k is still considered to be due. The recent Section 114 report issued by Nottingham City Council has delayed the final payment.

40. Nature and Extent of Risks Arising from Financial Instruments

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

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

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

Credit Risk: Treasury Investments

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

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

31 March 2023		Credit Rating	31 March 2024	
Long Term £'000	Short Term £'000		Long Term £'000	Short Term £'000
0	0	AAA	0	0
0	0	AA+	0	0
0	0	AA	0	0
0	0	AA-	0	0
0	2	A+	0	0
0	4,590	A	0	5,826
0	0	A-	0	0
0	0	BBB+	0	0
0	0	Unrated local authorities	0	0
0	4,592	Total	0	5,826
6,000	2,000	Credit risk not applicable	6,000	2,000
6,000	6,592	Total Investments	6,000	7,826

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

Loss allowances on treasury investments have been calculated by reference to historic default data published by credit rating agencies multiplied by 86% to adjust for current and forecast economic conditions. A two-year delay in cash flows is assumed to arise in the event of default. Investments are determined to have suffered a significant increase in credit risk where they have been downgraded by three or more credit rating notches or equivalent since initial recognition unless they can retain an investment grade credit rating. They are determined to be credit impaired when awarded a "D" credit rating or equivalent. At 31 March 2024 there were no loss allowances related to treasury investments.

Credit Risk: Trade and Lease Receivables

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

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

2022/23 £'000		2023/24 £'000
679	Up to 6 months	811
136	Above 6 months and up to 12 months	170
181	Above 12 months and up to 24 months	146
181	Above 24 months and up to 36 months	91
101	Over 36 months	110
1,278	Total	1,328

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

A loss allowance of £0.656m has been made for gross trade receivables of £1.328m.

Liquidity Risk

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

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

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

The maturity analysis of the nominal value of the Council's debt at 31 March 2024 (including temporary borrowing on behalf of Bramcote Crematorium) was as follows:

31 March 2023			31 March 2024	
£'000	% of total debt portfolio		£'000	% of total debt portfolio
7,830	9	Short Term Borrowing Less than 1 year	8,507	9
		Long Term Borrowing		
8,150	9	Over 1 but not over 2	8,900	9
26,000	30	Over 2 but not over 5	24,400	26
36,001	41	Over 5 but not over 10	43,780	46
2,093	2	Over 10 but not over 15	2,000	2
0	0	Over 15 but not over 20	0	0
0	0	Over 20 but not over 25	0	0
5,000	6	Over 25 but not over 30	5,000	5
0	0	Over 30 but not over 35	0	0
0	0	Over 35 but not over 40	0	0
0	0	Over 40 but not over 45	0	0
3,000	3	Over 45	3,000	3
80,244	91	Total Long Term Borrowing	87,080	91
88,074	100	Total Borrowing	95,587	100

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

2022/23 £'000		2023/24 £'000
84,644	Public Works Loans Board	92,230
3,000	Barclays Bank Plc	3,000
0	Other Local Authorities	0
430	Temporary Borrowing (Bramcote Crematorium)	357
88,074	Total	95,587

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

Market Risk

(i) Interest Rate Risk

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

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

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure

Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income and Expenditure or the Surplus or Deficit on the Provision of Services as appropriate.

The Council has strategies in place for managing interest rate risk and refinancing risks. The Treasury Management Strategy includes an indicator which is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise/fall in interest rates is £1.0m. In addition, 100% of the Council's long-term debt portfolio was held in fixed rate instruments and 0% in variable rate instruments as at 31 March 2024.

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

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

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

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

2022/23 £'000		2023/24 £'000
0	Increase in interest receivable on variable rate investments	0
108	Decrease in fair value of investments held at FVPL	159
108	Impact on Surplus or Deficit on the Provision of Services	159
0	Decrease in fair value of loans and investments at amortised cost	0
4,204	Decrease in fair value of fixed rate borrowing	4,672

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

(ii) Price Risk

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

The Council's investment in a pooled property fund is subject to the risk of falling commercial property prices. This risk is limited by the Council's maximum exposure to property investments of £5m. A 5% fall in commercial property prices to 31 March 2024 would result in

a £0.089m (£0.099m at 31 March 2023) charge to the Surplus or Deficit on Provision of Services which would then be transferred to the Pooled Investment Funds Adjustment Account.

The Council's investment in pooled equity funds is subject to the risk of falling share prices. This risk is limited by the Council's maximum exposure to equity investments of £5m. A 5% fall in share prices at 31 March 2024 would result in a £0.05m (£0.045m at 31 March 2023) charge to the Surplus or Deficit on Provision of Services which would then be transferred to the Pooled Investment Funds Adjustment Account.

(iii) Foreign Exchange Risk

The Council has no financial asset or liabilities denominated in a foreign currency. It therefore has no exposure to loss arising as a result of adverse movements in exchange rates.

HOUSING REVENUE ACCOUNT

HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE STATEMENT

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

2022/23 £'000		2023/24 £'000
4,924	Repairs and Maintenance	4,962
5,811	Supervision and Management	5,859
122	Rents, Rates, Taxes and Other Charges	81
(11,548)	Depreciation and Impairment of Non-Current Assets	(9,025)
60	Movement in Allowance for Bad Debts	(14)
(631)	Total Expenditure	1,863
	Income	
(15,882)	Dwelling Rents (gross)	(17,179)
(278)	Non-Dwellings Rents (gross)	(280)
(364)	Charges for Services and Facilities	(468)
(710)	Contribution towards Expenditure	(737)
(17,234)	Total Income	(18,664)
(17,865)	Net expenditure or income of HRA services as included in the Comprehensive Income and Expenditure Statement	(16,801)
425	HRA services' share of Corporate and Democratic Core	474
(17,440)	Net Income for HRA Services	(16,327)
	HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement	
6,732	(Gain)/Loss on sale of HRA non current assets	7,263
2,584	Interest Payable and Similar Charges	2,805
(236)	Interest and Investment Income	(391)
312	Net interest on the net defined benefit liability	30
(8,048)	(Surplus)/Deficit for the year on HRA Services	(6,620)

MOVEMENT ON THE HOUSING REVENUE ACCOUNT STATEMENT

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

2022/23 £'000			2023/24 £'000	
	(4,962)	HRA Balance brought forward		(2,830)
	(8,048)	(Surplus)/Deficit on the HRA Income and Expenditure Statement		(6,620)
		<u>Adjustments between Accounting Basis and Funding Basis under Regulations:</u>		
(6,732)		Gain or loss on sale of HRA non-current assets	(7,263)	
(1,185)		HRA share of contributions to or from the Pension Reserve	(35)	
0		Premiums and discounts on early repayment of debt	0	
1,786		Capital expenditure charged against HRA balance	0	
21,074	14,943	Transfers to/(from) the Capital Adjustment Account	18,911	11,613
	6,895	Net (Increase)/Decrease before transfers to or from reserves		4,993
	(4,763)	Transfers (to)/from Major Repairs Reserve		(5,048)
	2,132	(Increase)/Decrease in year in the HRA		(55)
	(2,830)	Balance on HRA at the end of the current year		(2,885)

NOTES TO THE HOUSING REVENUE ACCOUNT

1. Housing Stock

The Council was responsible for managing an average stock of 4,360 dwellings during 2023/24 (2022/23 – 4,366). The stock at 31 March 2024 was made up as follows:

Houses	1,541
Flats	2,132
Bungalows	690
Other	1
Total	4,364

The change in stock can be summarised as follows:

2022/23		2023/24
4,377	Stock at 1 April	4,355
(28)	Less Sales	(16)
6	Plus Additions	25
0	Net transfers/other disposals	0
4,355	Stock at 31 March	4,364

In addition to the above, the Council has a stock of 828 garages (828 at 31 March 2023). These were valued at £2,267.750 at 31 March 2024 (£2,350,000 at 31 March 2023).

2. Value of the Housing Stock

The value of the Council's housing stock at 31 March 2024 was £ £258.283m (£221.683m at 31 March 2023). A full revaluation of the housing stock was undertaken as at 31 March 2024 and each year the dwellings are valued on the basis of a social housing adjustment factor which was 42% as at 31 March 2024.

The vacant possession value of dwellings at 31 March 2024 was £614.960 (£527.818m at 31 March 2023). The difference between the vacant possession value and the balance sheet value, amounting to £356.676, represents the economic cost to government of providing council housing at less than open market rents. Revaluations of the housing stock are undertaken on 31 March each year with the next full revaluation taking place on 31 March 2029.

3. Major Repairs Reserve

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

0	Balance at 1 April	0
(4,763)	Depreciation charge to Housing Revenue Account	(5,048)
4,763	Expenditure financed from Major Repairs Reserve	4,836
0	Balance at 31 March	(212)

4. Capital Expenditure and Capital Receipts

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

2022/23 £'000		2023/24 £'000
8,686	Capital Expenditure	12,811
	Financed by:	
1,323	Borrowing	5,142
814	Capital Receipts	2,405
0	Government/Other Grants	428
0	Section 106 Contributions	0
4,763	Major Repairs Reserve	4,836
1,786	Revenue Contributions	0
8,686		12,811

Proceeds from the sale of dwellings within the Housing Revenue Account amounted to £1.036m for 2023/24 (£2.106m for 2022/23).

5. Depreciation

The Council's Estates Officer has determined that the assessed land value within council dwellings should not be depreciated. A 20-year depreciation period has been applied in respect of garages. Adjustments are made for improvement expenditure and sales occurring during the year. The total depreciation charge in 2023/24 was £4.84m (2022/23 - £4.763m).

The depreciation charge for 2023/24 in respect of the Council's housing stock was based upon the principle of component accounting. Since 2015, the valuation of council dwellings at 31 March has annually identified a number of significant components within the total valuation that are given estimated values and useful lives. These components are then depreciated separately each year from the remainder of the council dwellings.

Depreciation is also charged to the Housing Revenue Account in respect of vehicles dedicated to the activity of maintaining Council dwellings and garages. The vehicle depreciation in 2023/24 was £0.146m (2022/23 - £0.1m).

Further depreciation is charged in respect of information technology assets along vehicles and mobile devices that have subsequently been purchased. The acquisition of these assets was financed through the Housing Revenue Account. The charge in 2023/24 was £0.063m (2022/23 - £0.067m).

6. Impairment and Revenue Expenditure Funded from Capital under Statute

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

A review of the Council's housing stock at 31 March 2024 resulted in an increase of £37.886m in the value of the Council's housing stock. £14m was charged to the Capital Adjustment Account to offset impairment charges accumulated in previous years. The remaining £23.821 was added to the revaluation reserve.

7. Rent Arrears

The total amount of rent arrears as at 31 March 2024 was £0.327m (2022/23 - £0.29m). The provision for doubtful debts is £0.177m (2022/23 - £0.209m).

8. Contribution from Pensions Reserve

International Accounting Standard 19 requires the services within the Housing Revenue Account to be charged with 'current service' pension costs. The Council's superannuation rate paid to the Nottinghamshire County Council Pension Fund in 2023/24 was 19% in respect of future service. An adjustment is therefore made below net operating expenditure in order that the net cost charged against rent income is equal to the value of payments made to Nottinghamshire County Council. In 2023/24 the contribution from the pensions reserve amounted to £0.035m (2022/23 – contribution from reserve of £1.185m).

9. Interest Payable

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

COLLECTION FUND

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

2022/23				2023/24		
Non Domestic Rates £'000	Council Tax £'000		Note	Non Domestic Rates £'000	Council Tax £'000	Total £'000
		Income				
0	(75,828)	Council Tax Receivable	1 & 3	0	(79,575)	(79,575)
0	(16)	Government Grant - Transitional Relief		0	(435)	(435)
0	0	Transitional Protection Payment		(1,416)	0	(1,416)
(27,076)	0	Business Rates Receivable	1 & 2	(26,336)	0	(26,336)
		Contributions Towards Previous Year's Deficit	1			
(3,704)	0	Central Government		0	0	0
(2,963)	0	Broxtowe Borough Council		0	(46)	(46)
(667)	0	Nottinghamshire County Council		0	(369)	(369)
(74)	0	Nottinghamshire Fire Authority		0	(19)	(19)
0	0	Nottinghamshire Police Authority		0	(57)	(57)
(34,484)	(75,844)			(27,752)	(80,501)	(108,253)
		Expenditure				
		Council Tax Precepts and Demands/ Shares of NDR Income:	1			
12,332	0	Central Government		14,538	0	14,538
1,847	6,107	Broxtowe Borough Council		3,683	6,347	10,030
10,238	56,770	Nottinghamshire County Council		10,564	60,090	70,654
247	2,920	Nottinghamshire Fire Authority		291	3,123	3,414
0	8,779	Nottinghamshire Police Authority		0	9,384	9,384
0	938	Parish/Town Councils		0	960	960
0	25	Beeston Special Expenses Area		0	25	25

2022/23			Note	2023/24		
Non Domestic Rates £'000	Council Tax £'000			Non Domestic Rates £'000	Council Tax £'000	Total £'000
		Distribution of Previous Year's Surplus	1			
0	0	Central Government		1,517	0	1,517
0	21	Broxtowe Borough Council		1,214	0	1,214
0	168	Nottinghamshire County Council		273	0	273
0	9	Nottinghamshire Fire Authority		30	0	30
0	26	Nottinghamshire Police Authority		0	0	0
80	298	Provision for Uncollectable Debts		121	353	474
561	0	Provision for Appeals		681	0	681
28	0	Transitional Protection Payment		0	0	0
0	0	Interest on Refunds		16	0	16
77	0	Renewable Energy Schemes		15	0	15
104	0	Cost of Collection Allowance		104	0	104
25,514	76,061			33,047	80,282	113,329
(8,970)	217	Deficit/(Surplus) for the year		5,295	(219)	5,076
7,300	247	Deficit/(Surplus) b/fwd at 1 April		(1,670)	464	(1,206)
(1,670)	464	Deficit/(Surplus) at 31 March		3,625	245	3,870

NOTES TO THE COLLECTION FUND

1. The Collection Fund

General

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities such as Broxtowe Borough Council to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of Council Tax and Non-Domestic Rates (business rates).

Council Tax

The Council Tax precepts and demands of this Council, Nottinghamshire County Council, the Nottinghamshire Police Authority and the Nottinghamshire Fire Authority are paid out from the Collection Fund and collected from taxpayers. The Council Tax requirement of this Council includes funding for Parish/Town Councils and Beeston Special Expenses Area, totalling £0.985m in 2023/24 (£0.963m in 2022/23) which is distributed to these bodies from the Council's General Fund. Any balance generated on the Fund attributable to Council Tax, for example due to any difference between forecast and actual Council Tax base and collection rates, will be distributed or recovered in future years in proportion to the value of the respective precepts and demands.

Business Rates

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

The amount of Non-Domestic Rates receivable is set by the Non-Domestic Rate Multiplier – see note 2. Under the system of business rates retention, Non-Domestic Rates income is distributed between Central Government (50%), Broxtowe Borough Council (40%), Nottinghamshire County Council (9%) and Nottinghamshire Fire Authority (1%). In 2023/24, of the Non-Domestic Rates income the Council receives, £7.947m (£8.019m in 2022/23) is paid as a tariff to Nottinghamshire County Council in accordance with the Business Rates retention scheme.

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

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

The total Non-Domestic Rateable Value at 31 March 2024 amounted to £74.712m (31 March 2023 - £71.5m) and the Non-Domestic Rate Multiplier for 2023/24 was 51.2p in the pound (2022/23 - 51.2p). In 2023/24 the Small Business Rate Relief multiplier was 49.9p where applied.

3. Council Tax Base 2023/24

Band	Total Dwellings	Ratio to Band D	Number of Dwellings (Band D Equivalents)
A DPR	23.61	5/9	13.11
A	11,009.75	6/9	7,339.83
B	11,025.25	7/9	8,575.19
C	9,771.01	8/9	8,685.34
D	5,579.94	9/9	5,579.94
E	2,565.31	11/9	3,135.37
F	738.44	13/9	1,066.64
G	477.25	15/9	795.42
H	17.75	18/9	35.50
	41,208.31		35,226.34
Council Tax losses on Collection at Collection Rate of 98.5%			(528.38)
Class 'O'			163.90
Total			34,861.86

The Band D equivalent figures are derived by multiplying the number of dwellings in each band (adjusted for discounts) by the ratios shown above. The Band D charge for 2023/24 was £182.06.

GROUP ACCOUNTS

Introduction

The authority is required to adhere to proper accounting practices comprised primarily of the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by International Financial Reporting Standards (IFRS), International Accounting Standards and statutory guidance issued under section 12 of the Local Government Act 2003.

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

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

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

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

Liberty Leisure Limited produce accounts with a year-end date of 31 March. The accounts for the period from 1 April 2023 to 31 March 2024 have been prepared by Haines Watts Chartered Accountants of Stapleford, Nottingham in accordance with the Financial Reporting Standard for Smaller Entities. The accounts are filed at Companies House in accordance with the Companies Act 2006.

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

Accounting Policies

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

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

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

Year Ended 31 March 2023				Year Ended 31 March 2024		
Gross Expend £'000	Income £'000	Net Expend £'000		Gross Expend £'000	Income £'000	Net Expend £'000
1,036	(629)	407	Housing	803	(505)	298
2,833	(2,180)	653	Business Growth	4,749	(2,982)	1,767
2,724	(713)	2,011	Community Safety	2,688	(610)	2,078
5,268	(2,872)	2,396	Health	4,433	(3,126)	1,307
9,064	(4,355)	4,709	Environment	8,966	(4,290)	4,676
16,038	(15,003)	1,035	Revenues, Benefits & Customer Services	15,437	(14,485)	952
8,857	(3,514)	5,343	Resources	6,604	(1,780)	4,824
1,175	(431)	744	ICT & Business Transformation	1,070	(385)	685
(631)	(17,234)	(17,865)	Local Authority Housing (HRA)	1,863	(18,664)	(16,801)
46,364	(46,931)	(567)	Cost of Services – Continuing Operations	46,613	(46,827)	(214)
		5,400	Other Operating Expenditure			8,218
		4,421	Financing and Investment Income and Expenditure			1,924
		(14,410)	Taxation and Non-Specific Grant Income			(16,969)
		(5,156)	(Surplus) or Deficit on Provision of Services			(7,041)
		(32)	Corporation Tax			(1)
		(5,188)	Group (Surplus)/Deficit			(7,042)
		(1,367)	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets			(25,656)
		(59,176)	Measurements of the Net Defined Benefit Liability/(Asset)			(3,053)
		(60,543)	Other Comprehensive Income and Expenditure			(28,709)
		(65,731)	Total Comprehensive Income and Expenditure			(35,751)

GROUP MOVEMENT IN RESERVES STATEMENT

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

	General Fund & Earmarked Reserves £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Bramcote Bereav't Services £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2022 Carried Forward	(11,610)	(4,962)	(4,255)	0	0	(350)	(21,177)	(80,130)	(101,307)
Movement in Reserves during 2022/23									
Total Comprehensive Income and Expenditure	2,750	(8,048)	0	0	0	110	(5,188)	(60,543)	(65,731)
Adjustments between accounting basis & funding basis under regulations	715	10,180	(3,362)	0	0	(50)	7,483	(7,483)	0
(Increase)/decrease in 2022/23	3,465	2,132	(3,362)	0	0	60	2,295	(68,026)	(65,731)
Balance at 31 March 2023 Carried Forward	(8,145)	(2,830)	(7,617)	0	0	(290)	(18,882)	(148,156)	(167,038)
Movement in Reserves during 2023/24									
Total Comprehensive Income and Expenditure	(473)	(6,620)	0	0	0	51	(7,042)	(28,709)	(35,751)
Adjustments between accounting basis & funding basis under regulations	(681)	6,777	1,305	(212)	0	(15)	7,174	(7,174)	0
(Increase)/decrease in 2023/24	(1,154)	157	1,305	(212)	0	36	132	(35,883)	(35,751)
Balance at 31 March 2024 Carried Forward	(9,299)	(2,673)	(6,312)	(212)	0	(254)	(18,750)	(184,039)	(202,789)

GROUP BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories, usable and unusable. Usable reserves are those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). Unusable reserves are those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line Adjustments between accounting basis and funding basis under regulations.

31 March 2023 £'000		31 March 2024 £'000
264,586	Property, Plant & Equipment	304,778
534	Heritage Assets	522
127	Intangible Assets	65
5,657	Long Term Investments	5,677
84	Long Term Debtors	59
270,988	Long Term Assets	311,101
0	Short Term Investments	0
0	Assets Held for Sale	0
243	Inventories	257
5,819	Short Term Debtors	5,970
7,386	Cash and Cash Equivalents	9,012
13,448	Current Assets	15,239
(7,656)	Short Term Borrowing	(8,349)
(12,586)	Short Term Creditors	(7,533)
(316)	Provisions	(294)
(691)	Revenue Grants Receipts in Advance	(141)
(21,249)	Current Liabilities	(16,317)
(893)	Provisions	(1,165)
(80,441)	Long Term Borrowing	(87,337)
(3,712)	Net Pension Liability	(260)
(11,103)	Capital Grants Receipts in Advance	(18,472)
(96,149)	Long Term Liabilities	(107,234)
167,038	Net Assets	202,789
(18,882)	Usable Reserves	(18,750)
(148,156)	Unusable Reserves	(184,039)
(167,038)	Total Reserves	(202,789)



Z Darr BSc CPFA MBA – Deputy Chief Executive and Section 151 Officer
27 January 2025

GROUP CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (ie borrowing) to the authority.

2022/23 £'000		2023/24 £'000
5,188	Net surplus or (deficit) on the provision of services	7,042
(6,771)	Adjustments to net surplus or deficit for non-cash movements	(1,514)
(6,718)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(4,825)
(8,301)	Net cash flows from operating activities	703
696	Investing activities	(3,676)
(501)	Financing activities	4,599
(8,106)	Net increase or (decrease) in cash equivalents	1,626
15,492	Cash and cash equivalents at the beginning of the reporting period	7,386
7,386	Cash and cash equivalents at the end of the reporting period	9,012

GROUP ACCOUNT NOTES

Introduction

The following notes have been prepared on an exception basis with only those items which have changed from the Borough Council's Statement of Accounts being included. For all other items, reference should be made to the Council's Comprehensive Income and Expenditure Statement on page 28 and Balance Sheet on page 30 and the appropriate note.

1. Inter Company Transactions

Comprehensive Income and Expenditure Statement	Broxtowe Adjusted 2023/24 £'000	Liberty Leisure Adjusted 2023/24 £'000	Group 2023/24 £'000
(Surplus)/Deficit on Continuing Operations	280	(494)	(214)
Financing and Investment Income and Expenditure	1,932	(8)	1,924
(Surplus)/Deficit on Provision of Services	(6,539)	(502)	(7,041)

Balance Sheet	Broxtowe Adjusted 2023/24 £'000	Liberty Leisure Adjusted 2023/24 £'000	Group 2023/24 £'000
Inventories	245	12	257
Short Term Debtors	5,822	148	5,970
Short Term Creditors	(7,084)	(449)	(7,533)

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

2022/23 £'000		2023/24 £'000
(6,295)	(Surplus)/Deficit on the Council's Comprehensive Income and Expenditure Statement	(6,539)
1,107	Adjustments for transactions with other Group entities	(503)
(5,188)	(Surplus)/Deficit for the year on the Group Comprehensive Income and Expenditure Statement	(7,042)

3. Expenditure and Funding Analysis

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

2022/23				2023/24		
Net Expenditure Chargeable to the General Fund and HRA balances £'000	Adjustments between the Funding and Accounting Basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000		Net Expenditure Chargeable to the General Fund and HRA balances £'000	Adjustments between the Funding and Accounting Basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
			Corporate Priority			
454	(47)	407	Housing	298	0	298
403	250	653	Business Growth	69	1,698	1,767
1,388	623	2,011	Community Safety	1,115	963	2,078
1,442	954	2,396	Health	1,724	(417)	1,307
4,691	18	4,709	Environment	3,754	922	4,676
1,260	(225)	1,035	Revenues, Benefits and Customer Services	953	(1)	952
1,561	3,782	5,343	Resources	4,660	164	4,824
601	143	744	ICT and Business Transformation	482	203	685
(5,642)	(12,223)	(17,865)	Local Authority Housing (HRA)	(7,560)	(9,241)	(16,801)
6,158	(6,725)	(567)	Net Cost of Service	5,495	(5,709)	(214)
(501)	(4,120)	(4,621)	Other Income and Expenditure	(6,456)	(372)	(6,828)
5,657	(10,845)	(5,188)	Surplus or Deficit	(961)	(6,081)	(7,042)
16,922			Opening General Fund and HRA balances at 1 April	11,265		
(5,657)			Less/Plus Surplus or (Deficit) on General Fund and HRA Balance in Year	961		
11,265			Closing General Fund and HRA Balance at 31 March	12,226		

Adjustments between Funding and Accounting Basis

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes £'000	Net change for Pensions Adjustments £'000	Other Statutory Adjustments £'000	Total Adjustments £'000
<u>2022/23</u>				
Housing	0	(47)	0	(47)
Business Growth	505	(255)	0	250
Community Safety	801	(178)	0	623
Health	145	809	0	954
Environment	717	(699)	0	18
Revenues, Benefits & Customer Services	0	(225)	0	(225)
Resources	1,620	2,162	0	3,782
ICT & Business Transformation	210	(67)	0	143
Local Authority Housing (HRA)	(11,548)	(675)	0	(12,223)
Net Cost of Services	(7,550)	825	0	(6,725)
Other income and expenditure from the Expenditure and Funding Analysis	(5,760)	4,565	(2,925)	(4,120)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(13,310)	5,390	(2,925)	(10,845)
<u>2023/24</u>				
Housing	0	0	0	0
Business Growth	1,699	(1)	0	1,698
Community Safety	964	(1)	0	963
Health	123	(540)	0	(417)
Environment	925	(3)	0	922
Revenues, Benefits & Customer Services	0	(1)	0	(1)
Resources	155	9	0	164
ICT & Business Transformation	203	0	0	203
Local Authority Housing (HRA)	(9,238)	(3)	0	(9,241)
Net Cost of Services	(5,169)	(540)	0	(5,709)
Other income and expenditure from the Expenditure and Funding Analysis	(2,520)	141	2,007	(372)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(7,689)	(399)	2,007	(6,081)

Adjustments for Capital Purposes

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

- Other operating expenditure - adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets
- Financing and investment income and expenditure – the statutory charges for capital financing ie Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for Pensions Adjustments

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

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

Other Statutory Adjustments

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

- For Financing and investment income and expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

4. Short Term Debtors

2022/23 £'000 Reclassified		2023/24 £'000
779	Trade Receivables	605
217	Prepayments	315
4,283	Other Receivable Amounts	4,402
0	Local Taxation	0
361	Council Tax	359
179	Non Domestic Rates	289
5,819	Total	5,970

The categories of debtor presented in this note has been brought into line with the Code of Practice for 2023/24 which has necessitated a restatement of the totals published within the 2022/23 Statement of Accounts.

5. Cash and Cash Equivalents

2022/23 £'000		2023/24 £'000
1	Cash in hand	1
820	Bank current accounts	1,164
4,619	Other Local Authorities	0
1,946	Money Market Funds	7,847
7,386	Total	9,012

6. Short Term Creditors

2022/23 £'000 Reclassified		2023/24 £'000
(3,191)	Trade Payables	(3,886)
(9,395)	Other Payables	(3,647)
(12,586)	Total	(7,533)

The categories of debtor presented in this note has been brought into line with the Code of Practice for 2023/24 which has necessitated a restatement of the totals published within the 2022/23 Statement of Accounts.

7. Retirement Benefits

Retirement benefits to all employees within the Group are provided by the Local Government Pension Scheme. This is a defined benefit scheme. A pension liability of £0m at 31 March 2024 (£0.046m 31 March 2023) in respect of Liberty Leisure has been consolidated within the Group Accounts.

8. Cash Flow Statement

The cash flows in respect of Liberty Leisure Limited have been consolidated within a cash flow statement for the group. All Liberty Leisure Limited's cash flows in 2022/23 and 2023/24 arose from operating activities. There were no investing or financing activities.

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

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Broxtowe Borough Council ('the Council') and its subsidiary ('the Group') for the year ended 31 March 2024, which comprise the Council and Group Comprehensive Income and Expenditure Statement(s), the Council and Group Movement in Reserves Statement(s), the Council and Group Balance Sheet(s), the Council and Group Cash Flow Statement(s), Housing Revenue Account, Collection Fund statement and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Council and the Group as at 31st March 2024 and of the Council's and the Group's expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Deputy Chief Executive's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Council's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Deputy Chief Executive with respect to going concern are described in the relevant sections of this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Deputy Chief Executive for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Council, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015, 'the Local Government and Housing Act 1989' and we considered the extent to which non-compliance might have a material effect on the financial statements.

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

- inquiring with management and the Governance, Audit & Standards Committee, as to whether the Council is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Council and the Group which were contrary to applicable laws and regulations, including fraud.

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

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

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

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Governance, Audit & Standards Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

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

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

Matter on which we are required to report by exception

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

We have nothing to report in this respect.

Responsibilities of the Council

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

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

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

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

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

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

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

We have nothing to report in these respects.

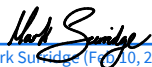
Use of the audit report

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

responsibility to anyone other than the members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Council's Whole of Government Accounts consolidation pack.


Mark SurrIDGE (Feb 10, 2025 14:26 GMT)

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

2 Chamberlain Square, Birmingham, UK

10 February 2025

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GLOSSARY OF TERMS

ACCOUNTING POLICIES

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

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

Accounting policies do not include estimation techniques.

Accounting policies define the process whereby transactions and other events are reflected in financial statements. For example, an accounting policy for a particular type of expenditure may specify whether an asset or loss is to be recognised, the basis on which it is to be measured and where in the revenue account or Balance Sheet it is to be presented.

ACCRUALS

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

ADMINISTRATIVE BUILDINGS

Buildings that either have a shared use or are not charged directly to a service. The costs relating to such buildings are usually pooled and then allocated to the users of the buildings on some appropriate basis (usually the floor area occupied by each user).

AMORTISATION

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

ASSET REGISTER

Each local authority is required to compile a register of all its capital assets. Each asset must be professionally valued, generally at existing use value (EUV), and quinquennial revaluations are required. Depreciation charges for the use of assets are calculated on the values contained in the Asset Register.

BALANCES

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

BALANCE SHEET

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

BILLING AUTHORITIES

Those authorities that set the Council Tax and collect the Council Tax and Non Domestic Rates.

BUDGET

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

BUDGET REQUIREMENT

The estimated amount of net expenditure on General Fund services that needs to be financed from council tax and Formula Grant.

CAPITAL ADJUSTMENT ACCOUNT

This account replaced the former Capital Financing Account with effect from 1 April 2007 and provides a balancing mechanism between the different rates at which depreciated assets are financed through the capital controls system. The Capital Adjustment Account and the Revaluation Reserve are matched by fixed assets within the Balance Sheet. They are not resources available to the Council and are therefore termed Unusable Reserves.

CAPITAL CHARGES

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

CAPITAL EXPENDITURE

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

CAPITAL PROGRAMME

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

CAPITAL RECEIPTS

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

CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)

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

COLLECTION FUND

A fund maintained by the authority into which are paid amounts in respect of non-domestic business rates and council tax. Expenditure from the fund consists of payments to Central Government (50% of collectible non-domestic business rates) together with the precepting requirements of the County Council, Borough Council, Parish/Town Councils, Police Authority and the Fire Authority.

COMMUNITY ASSETS

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

CONTINGENCY

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

CONTINGENT LIABILITIES

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

CORPORATE AND DEMOCRATIC CORE (CDC)

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

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

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

COUNCIL TAX

A flat rate charge payable at the same rate by each household in the same valuation band in the same area.

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

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

COUNCIL TAX DISCOUNTS AND EXEMPTIONS

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

COUNCIL TAX BASE

The Council Tax Base of an area is based upon the number of band D equivalent properties. To work this out, the Council counts the number of properties in each band and works out an equivalent number of band D properties. For example, one band H property is equivalent to two band D properties because it pays twice as much tax. For the purpose of calculating Formula Grant, the Government assumes a 100% collection rate. For the purpose of calculations made by a local authority of the basic amount of Council Tax for its area for each financial year, the Council makes an estimate of its collection rate and reflects this in the tax base.

DEPRECIATION

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

DIRECT REVENUE FINANCING

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

EARMARKED RESERVES

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

EMOLUMENTS

All sums paid to or receivable by an employee and any sums due by way of expense allowance (as far as these sums are chargeable for income tax) and the monetary value of any other benefits received other than in cash. Pension contributions payable by either employees or employers are excluded.

EXTERNAL AUDIT

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

FEES AND CHARGES

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

FINANCE LEASE

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

FINANCIAL INSTRUMENT

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

FINANCIAL INSTRUMENT ADJUSTMENT ACCOUNT

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

FINANCIAL REGULATIONS

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

FINANCIAL YEAR

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

FIXED ASSET

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

FORMULA GRANT

A government grant provided by the Ministry of Housing, Communities and Local Government (MHCLG) that is based on the government's assessment as to what should be spent on local services.

F.T.E.

Full-time equivalent - relates to employee numbers.

GENERAL FUND

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

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

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

GOVERNMENT GRANTS

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

GROSS EXPENDITURE

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

HERITAGE ASSETS

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

HOUSING BENEFIT

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

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

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

HOUSING REVENUE ACCOUNT (HRA)

The statutory account into which are charged the revenue costs of providing, maintaining and managing council house dwellings. These are financed by rents charged to tenants.

HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN

This sets out Council's objectives, strategic plans and standards relating to the repair and maintenance of the Council's housing stock over the next 30 years including details of how this is intended to be financed.

HOUSING STRATEGY

The Council's Housing Strategy 2015-2020 was published in July 2015.

IMPAIRMENT

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

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Accounting standards adopted from 1 April 2010 for local government bodies.

INFRASTRUCTURE ASSETS

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

INTANGIBLE ASSETS

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

INTERNAL AUDIT

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

INVESTMENT PROPERTY

A property (land or a building, or part of a building, or both) held solely to earn rental income or for capital appreciation (or both).

INVESTMENTS

Deposits with approved institutions.

JOINT COMMITTEE

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

LEASING

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

LONG TERM DEBTORS

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

MEDIUM TERM FINANCIAL STRATEGY

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

MINIMUM REVENUE PROVISION

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

NET EXPENDITURE

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

NON-DOMESTIC RATES (NDR)

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

NON-OPERATIONAL ASSETS

Fixed assets that are held by the Council but are not directly use or consumed in the delivery of its services. This includes assets that are held for sale and surplus assets.

OPERATIONAL ASSETS

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

OPERATIONAL LEASE

An arrangement whereby the risks and rewards of ownership of the leased asset remain with the lessor.

OUT-TURN

Actual income and expenditure.

PENSION FUND

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

PRECEPT

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

PROVISIONS

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

PRUDENTIAL CODE

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

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

PUBLIC WORKS LOAN BOARD

A government agency that provides long-term loans to local authorities at interest rates slightly higher than those at which the Government itself can borrow.

RATEABLE VALUE

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

RENT REBATES

Rent rebates are a national means tested benefit which reduces the actual amount of weekly rent payable by a tenant. The Council is compensated for the rent loss by a government grant.

REPAIRS AND RENEWALS RESERVE

A reserve maintained to provide for renewals of vehicles, plant and equipment from year to year.

REVALUATION RESERVE

This reserve replaced the former Fixed Asset Restatement Account on 1 April 2007 and records unrealised revaluation gains arising since that date from holding assets. This reserve and the Capital Adjustment Account are matched by fixed assets in the Balance Sheet. They are not resources available to the Council and are therefore included among Unusable Reserves.

REVENUE EXPENDITURE

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

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)

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

SPECIFIC GRANTS

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

STANDING ORDERS

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

SUPPORTING PEOPLE

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

UNUSABLE RESERVES

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

USABLE RESERVES

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

VIREMENT

The authorised transfer of an underspending on one budget head to another head.

VOIDS

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