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# Statement of Accounts

2022/23

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# NARRATIVE REPORT

## 1. BACKGROUND TO THE NARRATIVE REPORT

The Accounts and Audit (England) Regulations 2015 introduced a requirement for Local Authorities to publish an annual narrative report to accompany its Statement of Accounts. The purpose of the narrative report is to comment on the Council's financial performance and economy, efficiency and effectiveness in its use of resources over the financial year. The Narrative Report summarises what Ashfield District Council spent in 2022/23, how it was spent and what has been achieved in line with the Corporate Priorities. It provides a narrative context to the accounts by presenting a clear and simple summary for residents, of Ashfield's financial position and performance for the year and its prospects for future years.

## 2. COUNCIL LEADER'S PREFACE



**Cllr Jason Zadrozny**  
**Leader of Ashfield District Council**

**2022/23 has been a difficult year for all – our residents, businesses and the Council itself - as a consequence of the unprecedented levels of inflation in the economy which have caused the cost of living crisis. However, despite this, 2022/23 has still proved to be a very successful year for the Council both in terms of maintaining high quality service delivery and continued effective financial management, again delivering services within budget.**

This year I am particularly delighted with the progression of the projects in our Capital Programme. The completion and opening of our new state-of-the-art Leisure Centre at Kirkby in summer 2022 being the most prominent, as part of our wider Leisure Transformation programme, which has also seen significant enhancements at our Hucknall and Lammas Leisure Centres. The addition of the new swimming pool to Hucknall Leisure Centre is on target for opening to the public this summer.

We continue to make good progress on delivering the Future High Streets and Towns Fund projects. The 14 Low Street Future High Streets funded project completed in March, and we have secured a new tenant for the whole building. The new business 'Rendezvous' will be launched this June bringing a new lease of life to the high street. The Towns Fund project 'Enterprising Ashfield' being delivered by our partner, Nottingham Trent University, has also started to deliver key project outputs and outcomes in terms of numbers of learners, business collaborations, and business enterprises supported with grants and non-financial support.

Following the success of the Ashfield Independents at the May 2023 District Elections this means that we will see all 21 of these key projects through from inception to full delivery. As these projects come to fruition this investment in our District will offer huge opportunities to our local residents and businesses going forward, as well as attract further inward investment to the District, all of which will help grow the local economy for the benefit of all.

Following the launch of our Climate Change Strategy (June 2022) the Council has established a Decarbonisation Plan for its non-domestic assets (£5.3m) of which £4m is externally funded. In addition the Council continues to invest in decarbonisation works to its own housing stock and wider social housing having secured £4m to date. We continue to work collaboratively to influence and assist the wider community to reduce emissions and to reduce Ashfield's overall carbon footprint.

Ashfield is an ambitious and aspirational District Council, but also one that delivers. We put our residents and businesses at the heart of everything we do and will continue to do so.

We know Ashfield, like all Councils faces future financial challenges but with our passion and desire we are confident that we will continue to invest in our District and through this, deliver increased opportunities and increased chances of an improved quality of life for our residents.

**Cllr Jason Zadrozny**  
– Leader of Ashfield District Council

# 3. INTRODUCTION TO THE NARRATIVE STATEMENT

by the Corporate Resources Director  
(Section 151 Officer)

**As the Council's Chief Finance Officer I am pleased to present Ashfield District Council's Statement of Accounts for the year ending 31st March 2023. The Statement aims to provide information to all stakeholders (residents, local businesses, Councillors, partners, members of the public) so that they can:**

- Understand the overall financial position of the Council and the Outturn for 2022/23
- Have confidence that the Council has used and accounted for public money in an appropriate manner
- Be assured that the financial position of the Council is sound and secure

This Statement of Accounts has been prepared and published in accordance with the Code of Practice on Local Authority Accounting 2022/23 issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Accounts and Audit (Amendment) Regulations 2022.

The Statement of Accounts should be read in the context of continuing demand and cost pressures on the services provided by the Council, and the level of resources available to fund them. This includes the unprecedented level of inflation in the economy which has caused a cost of living crisis, severely impacting both our residents and businesses across the District.

As the Government issued another single year Spending Round for 2023/24 there remains significant uncertainty about the level of future core Government funding. In the 2023/24 Local Government Finance Settlement it was confirmed that Local Government Funding Reform would not be implemented until 2025/26 at the earliest.

This severely hampers effective medium to longer term financial planning. This financial uncertainty is further compounded by the current levels of inflation in the economy.

It is expected that the pressures on Council services will continue to rise and the future financial position of the Council will be dependent on its ability to manage demand, with reducing resources at a time of increasing inflation.

The Council continues to progress implementation of its Digital Services Transformation Strategy, which along with the review of current services and service level provision, and the identification of opportunities for additional income generation, will be critical to the Council's ongoing financial sustainability. Ashfield is not unique in this regard – all Councils face this future funding uncertainty.

We know that further challenges lie ahead and the Council's Cabinet working with senior management are actively progressing options to address these challenges.

The 2022/23 accounts demonstrate the Council's success, despite the ongoing impact of unprecedented inflation, in continuing to deliver high quality services within budget and this will put the Council in a good position in respect of addressing future financial challenges.

**Pete Hudson ACMA, CGMA**

Corporate Resources Director (S151 Officer)

## 4. INTRODUCTION TO

# THE DISTRICT OF ASHFIELD

Ashley Duffy

**Ashfield is situated within North Nottinghamshire and serves a population of approximately 128,300 residents (Census 2021) covering an area of 42 square miles across three towns (Kirkby-in-Ashfield, Sutton-in-Ashfield and Hucknall) and a number of rural villages. The area boasts a mix of beautiful countryside, complemented by award winning urban and country parks. Ashfield is one of seven District Councils in Nottinghamshire.**

Ashfield has excellent transport links through the M1 motorway, bus, rail and tram links which makes the area an ideal business location. The District is also within one hour's drive of East Midlands Airport.

Ashfield has traditionally relied on the manufacturing sector for local employment but recognises the need to move to a more diverse local economy offering 'high value added' services as well as manufacturing. In 2022 the unemployment rate (16-64) was 2.7% which is lower than the East Midlands (3.0%) and Great Britain (3.7%), however, those in employment on average earn less (£564 per week gross, an increase of 5.6% on 2021) than the average weekly pay in Great Britain (£642, an increase of 4.9% since 2021 and the East Midlands (£572, an increase of 5.4% since 2021).

The Council is working with its partners to address the skills gap and promote the area as a place to invest, particularly for Creative, Business, Professional Financial Services, Advanced

Manufacturing and Knowledge Based Industries; and to connect local people to local jobs. The ongoing Towns Fund investment will help realise some of this ambition.

Since October 2016 the Council has managed its own housing stock and remains committed to providing good quality housing and continues to invest in its housing stock. In the last two financial years the Council has built 24 properties and in partnership with East Midlands Housing has delivered a further 22 new build properties. In the last 5 years the Council has also acquired 63 additional properties to grow its stock and help meet the social housing needs of Ashfield residents. During 2022/23 £6.5m was spent to maintain Council houses to the Decent Homes Standard. This is significantly more than in 2021/22 (£2.0m) largely as a consequence of the return of availability of materials and shorter lead times to works, post pandemic. As at the 31st March 2023 the Council has 6,623 Council dwellings.

Although the rate of building new homes in the District has declined in the last 3 years, new properties do continue to be built and the Council Tax base continues to grow. The majority of properties within the District are categorised at the lowest levels for Council Tax billing purposes, Band A to Band C. Band A: 53%, Band B: 20% and Band C: 16%. Of the £75.754m of Council Tax raised in 2022/23, the Council received £6.656m (8.8%) to help provide residents with the services on which they rely.

## 5. GOVERNANCE & RISK

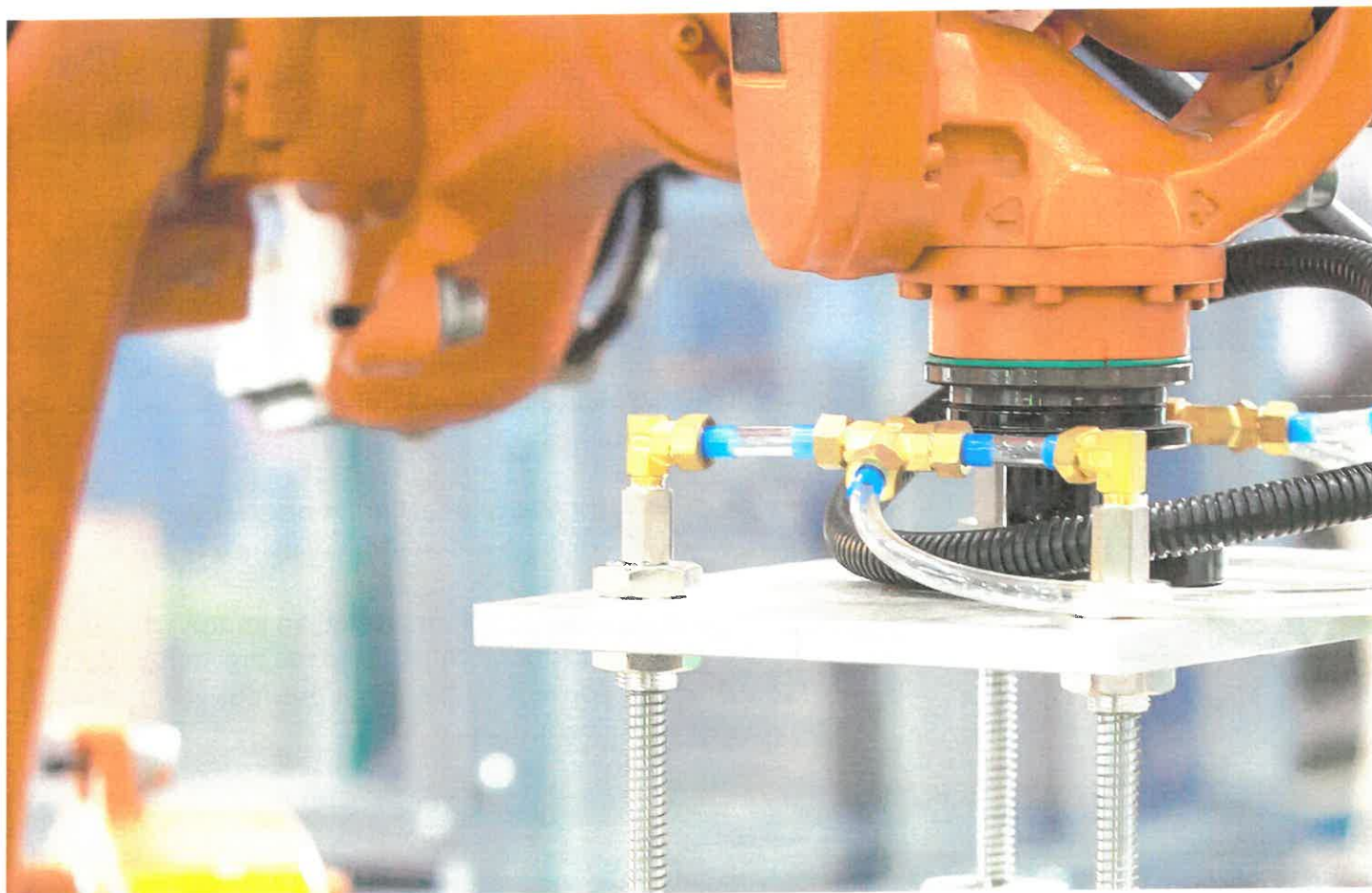
There have been no significant changes to the potential significant risks included in the Annual Governance Statement from 2021/22; they largely remain the same for 2022/23.

The only change is that the Towns Fund risk has been expanded to capture other external funding streams (Future High Streets, UK Prosperity Funding and Levelling Up funding).

Details of these potential significant risks and the mitigations in place are set out in the table below:

| Corporate Risk                         | Risk Mitigation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Future financial sustainability</b> | <p>Robust balanced budget for 2022/23. Ongoing work programme with Cabinet/SLT to identify savings and income generating opportunities to address the estimated funding gap: Digital Services Transformation agenda, service reviews, review of fees and charges, procurement savings, asset rationalisation.</p> <p>The Council also has robust reserves which will assist in transitioning to revised levels of central government funding whilst at the same time identifying and implementing 'Options for Change' to assist with addressing the Council's future financial challenges.</p>                                                                                                   |
| <b>Failure to adopt a Local Plan</b>   | <p>The Council has agreed to progress the Local Plan which will provide for certainty of housing for 10 years. Given the direction of travel by Government in relation to the green belt, and in acknowledgement of local opposition to two new settlements, it has been agreed to progress the Local Plan without the two new settlements originally proposed.</p> <p>Work has progressed on the evidence base and a meeting held with the Planning Inspectorate.</p> <p>A new Local Plan Development Scheme will be finalised in June 2023 with the new administration.</p> <p>It is expected that a draft plan will be consulted on in autumn 2023.</p>                                        |
| <b>Planning Appeals</b>                | <p>Following Internal Audit work during the 2021/22 a risk was identified relating to the planning appeal overturn level which was monitored during 2022/23.</p> <p>Department for Levelling Up, Housing and Communities requirements specify that at 10% a Council's Planning process may be placed in special measures. A process has been agreed to provide quarterly updates to the Leadership Team when the percentage is over 8%. Officers have regularly reported to the leadership team on the appeals risk during 2022/23.</p> <p>Member training was provided to all new members in May 2023. The position reported in March 2023 was 8.5%. Monitoring and reporting will continue.</p> |

| Corporate Risk                                     | Risk Mitigation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Data Matching and National Fraud Initiative</b> | <p>The Council must continue to develop and embed its corporate approach to anti-fraud (including data matching).</p> <p>The Anti-Fraud Officer Working Group will continue to deliver the action plan which was developed to better meet the Government's functional standard.</p> <p>Recent realignment of the function to the Corporate Resources Director will enable the Council to create greater operational resilience and improve capacity to identify and deal with suspected fraudulent activity.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>External Funding</b>                            | <p>The Council uses the Local Assurance Framework developed from D2N2's funding programme.</p> <p>The flagship project of the Towns Fund programme - the ADMC (Automated Distribution and Manufacturing Centre) is being reviewed by DLUHC (Department for Levelling Up, Communities and Housing) due to its high value (£20m Towns Fund).</p> <p>Six monthly monitoring returns are submitted to DLUHC for each of the four funds.</p> <p>The Levelling Up Funds Local Authority Assurance Framework sets out the annual cycle of assurance for grant recipients and the Chief Finance Officer is required to submit an assurance letter annually to confirm that the framework is being adhered to.</p> <p>Reports are taken to the Discover Ashfield (DA) Board (which acts as the town Deal Board for Towns Fund projects) every six weeks and to the Council's Strategic Leadership Team and Leadership team, as well as bi-monthly to the internal Regeneration Board. The DA Board also acts as the local partnership group for the UK Shared Prosperity Fund.</p> |



# 6. CORPORATE PLAN

The current Corporate Plan covers the period 2019 to 2023 and was originally approved by Cabinet in September 2019 with a refresh of the Plan being approved by Cabinet in June 2022.

## VISION

The purpose of the Council as set out in the current Corporate Plan is to:

- a. Serve the Communities and Residents of Ashfield;
- b. Provide good quality, value for money services; and
- c. To act strategically and plan for the future, working with others to bring about sustainable improvements in people's lives.

## PRIORITIES

The Council's Priorities as set out in the current Corporate Plan are:

- a. Health & Happiness;
- b. Homes & Housing;
- c. Economic Growth & Place;
- d. Cleaner & Greener;
- e. Safer & Stronger; and
- f. Innovate & Improve

Each Directorate has a number of service areas and each has a Service Plan which supports effective delivery of the Corporate Plan priorities.



## OVERALL PERFORMANCE

Corporate Plan progress is monitored through both the successful delivery of key projects and initiatives, and performance achieved against the corporate scorecard.

Overall, the corporate scorecard outturn for April 2022 to March 2023 indicates the following:

**79%**

of measures achieved or exceeded target, or were within a 10% variance of target.

**63%**

of measures indicated an improved position compared to the previous year, or were within 5% of previous year's performance levels.

# 7. OPERATIONAL PERFORMANCE / ACHIEVEMENTS

## 2022/23

The Council has delivered many significant achievements in 2022/23. Some of the key achievements set out by Corporate Plan Priority are:

### HEALTH AND HAPPINESS

- **Events** - Ashfield Day was a huge success with around 12,000 people attending across the day. The Food and Drink festival in Hucknall in August was also a great success with approximately 4,000 attendances. There were 1,405 attendances through the Holidays Activities and Food (HAF) during Easter, summer and October school holidays.
- **Health & Wellbeing** - Better Care Fund (BCF) expenditure on Disabled Facilities Grants (DFGs) has remained on track throughout the year.
- **The Leisure Transformation Programme** 2022/23 saw the completion and formal opening of the new state-of-the-art Kirkby Leisure Centre and further significant investment at Hucknall and Lammas Leisure Centres. The new learner pool being added to Hucknall Leisure Centre will be open, as planned, this summer.
- **Leisure Attendance** - From April 2022 to March 2023 there were over 1.3 million attendances at our Leisure Centres (a 25% increase compared with 2021/22) and the highest level of attendances in the last 9 years. We are now able to assess the value of the leisure facilities in meeting social value objectives such as reduced GP visits, hospital admissions, cancer, diabetes, education attainment and crime prevention. Social Value across the sites and active communities programme totalled £4.859m, an increase of £1.197m since 2021/22.
- **Support for Families** - The Council continues to facilitate the Coxmoor and Broomhill/Butler's Hill priority places partnership which now meets every six weeks.
- **The new Health Hub at Kirkby Leisure Centre** has received a donation from a local resident enabling the purchase of furnishings for the facility. New sessions including Singing for the Brain, Warm Hub, MSK (Muscular Skeletal), Escape Pain and Domestic Abuse support have been set up. The Health Hubs at Lammas and Hucknall provide a variety of sessions for people living with Dementia, Parkinson's and Autism.
- **Cost of Living** - A 15 point Cost of Living Action Plan was developed with input from Ashfield Voluntary Action and implemented on the Council's website. Since its launch there have been nearly 13,000 views.





## HOMES AND HOUSING

- **Housing** - Void re-let times – These have reduced by 20% from 29.8 days (April 2021 to March 2022) to 23.8 days (April 2022 to March 2023).
- **Housing Developments** - The Affordable Housing Development Programme which the Council has in place in respect of properties to rent with a total of 11 sites delivering over 100 units with more in the pipeline.
- **Homes made available under the Next Steps Accommodation Programme (NSAP)** are having a significant positive impact on levels of street homelessness. The Sanctuary Scheme has been reinvigorated preventing homelessness by ensuring survivors of domestic violence can remain safe in their home. The Council has also actively participated in the Homes for Ukraine Scheme and other asylum and resettlement schemes.
- **Social Housing White Paper** - following the introduction of the Social Housing White Paper, multiple sections of the Council are working to ensure that the necessary compliance is in place to meet the new standards and regulations coming into force for the Council's social housing stock. In July 2022 the Council was notified that it had to install carbon monoxide detectors in 6,153 properties. By the end of March 2023 all except 32 had been installed.
- **Welfare & Money Management Advice** - 955 tenants have been assisted throughout the year, and all tenancy support cases have been able to successfully remain in their tenancy following targeted support.
- **Tackling disrepair and poor housing** - Implementation of a new Selective Licensing Scheme for private rented properties in parts of Sutton and Stanton Hill has taken place with over 550 license applications received by the end of March 2023.
- **Suitable Housing** - Improvements to the thermal efficiency of older private properties achieved through various 'Green Homes' schemes.

## ECONOMIC GROWTH AND PLACE

- **Levelling Up Bid for the Science Discovery Centre and Planetarium** - was successful securing £3.1m match funding.
- **The four Future High Street projects** - have progressed well with the 14 Low Street project delivered for the end of May 2023 with the other projects well advanced and most will be delivered, as planned, during 2023/24.
- **Business Support** - quarterly update meetings are held with a range of industry sector stakeholders and partners to discuss delivery of business support and inward investment goals for the District. Our third Business Leaders Networking Event was held in March 2023 showcasing the business benefits of apprenticeships. These events are part of the local UK Shared Prosperity funding supporting local business delivery. Two further events are planned for May and November 2023.
- **Business Development** - proposals around Junction 27 of the M1 motorway are progressing with discussions with Highways England and Nottinghamshire County Council. Discussions also continue with partners around raising the profile of the potential of reopening the Maid Marian Line.
- **Town Centres** - Idlewells Market is at 91% occupancy with only 3 stalls vacant at the end of March 2023. Town Centre unit vacancy rates are also lower at 9%, 11% and 9% for Hucknall, Kirkby and Sutton respectively.
- **Towns Fund Key Projects** - Good progress is being made with eight of the seventeen Towns Fund projects now in the delivery phase and a number of these will be completed during 2023/24.
- **Dilapidated Buildings** - there have been several successes this year and good progress made dealing with dilapidated buildings.
- **UK Shared Prosperity Fund** - Work is ongoing to deliver the programme which includes the tendering of the local business and skills themed projects with other district/borough Councils to achieve greater value for money.
- **The Local Plan** - work has continued towards the next stage of consultation (Regulation 19) of the emerging Local Plan. Consideration is now being given to new Government guidance around housing numbers flexibility and a revised National Planning Policy Framework. Work has continued on completing the Local Plan evidence base.
- **The Skills strategy** - the Council's Education and Skills Improvement Plan (2022-2031) is being progressed with regular primary/secondary schools and adult skills partnership meetings. A Careers Fair was held on 4th November 2022 at the new Kirkby Leisure Centre involving key private and public sector partners. The event was a success bringing together over 720 individuals seeking job and training opportunities with 91 partners and businesses.
- **Social Value** - Excluding the Social Value from our Leisure contacts over £2.2m of social and economic value has now been delivered since measurement via the Social Value Portal commenced.



## CLEANER AND GREENER

- **Parks and Open Spaces** - The six Green Flag Awards for the main parks were retained this year and an application has been made for a Green Flag Award for the Kings Mill Reservoir site. The outcome will be known later in 2023. Implementation of the Green Spaces Programme has progressed and a review undertaken of the Green Space and Public Realm Investment Plan for the next 5 years. During 2022/23 £100k capital investment has been made into our parks and open spaces.
- **The Big Ashfield Spring Clean** - another successful year with free bulky waste collections continuing across the District. The Council also ran 'flying skips' over 3 weeks of the Spring Clean Event and collected over 70 tonnes of waste from residents.
- **Green Initiatives** - Following on from donating litter pickers during 2022, 16 primary schools received upcycled planters handmade by Council staff using recycled wood and filled with donated compost. The Council continues to have the second highest recycling rate in Nottinghamshire. During 2022/23 the Council planted circa 1,500 trees, significantly greater than its 1,000 annual commitment.
- **The Council's Climate Change Strategy** and Carbon Management Plan were approved at Council in the summer 2022. The Council has engaged specialist support to develop a Decarbonisation Plan for its non-domestic assets, looking at identifying measures to significantly reduce its carbon emissions. This work is nearing completion. The Council successfully bid for Public Sector Decarbonisation Phase 3 funding for the Urban Road offices and Hucknall Leisure Centre (total value of works £2m). Other funding bids for Green Homes Grants and Social Housing Decarbonisation have also been successful and are delivering £4m for works to improve the thermal efficiency of private sector and Council homes, and reduce energy demands thereby assisting in reducing the District's carbon footprint and helping to reduce fuel poverty. The Council continues to purchase zero carbon electricity certified under the Renewable Energy Guarantee of Origin (REGO). The electricity is generated from wind, solar, hydro, landfill gas and biomass pellets.



Dylan Elliot

## SAFER AND STRONGER

- **Anti-Social Behaviour** - The Council responded to 4,807 reports of anti-social behaviour, neighbourhood nuisance and environmental crime reports between 1st April 2022 and 31st March 2023. Based on the reporting period for the previous year of 5,754 reports, this is a 16% reduction in reported demand over the course of the year.
- **Enviro-crime** - A number of action and awareness days have been undertaken to address fly tipping, waste on land, littering and dog fouling across the District. The Council investigated 1,612 cases of environmental crime related reports last year, resulting in educational sessions and 318 notices being issued.
- **Safer Streets** - the Council, alongside partners and the Office of Police and Crime Commissioner, was successful in securing £750,000 for Mansfield and Ashfield as part of the Safer Streets Round 4 Funding programme. The funding is being used to address longstanding community concerns relating to feelings of safety, neighbourhood crimes and the perception of crime and anti-social behaviour in public places. The Council also received total funding of £169,333 from the Shared Prosperity Fund, Home Office Prevent Fund and Police Crime Commissioner to address community safety issues across the District.
- **Safeguarding Vulnerable People** - The Community Safety Team made 115 referrals to the MASH (Multi- Agency Safeguarding Hub) to safeguard vulnerable adults and children and protect them from further harm/abuse. The Council also chairs and operates the Partnership Complex Case Panel and dedicated Vulnerable Adult Support Scheme to assist those who present vulnerable or with multiple support needs.
- **CCTV** - The Council has increased its public space CCTV cameras to 51 devices across the District, to help promote feelings of safety, detect and deter crime and anti-social behaviour. The new equipment installed comprises of dedicated safe point cameras in all our town centers which has intruder alert activation and communicates directly with the Police control room. The cameras are monitored from Nottinghamshire Police Headquarters 24 hours, 7 days per week.
- **Partnership Working** - The Community Safety partnership works together to tackle crime and anti-social behaviour through the facilitation of neighborhood meetings, community action days and joint patrols in neighborhoods, town Centre's and public spaces across the District. The framework enables the Council to have a co-ordinated approach to tackle trends and emerging issues across Ashfield.
- **Domestic Abuse** - The Council has been successful in extending its White Ribbon Accreditation until November 2025. The accreditation illustrates the Council's commitment to ending violence against women and girls. Over £90,000 has been secured to address domestic abuse in 2022/2023, which comprises of £33,761 for domestic abuse statutory duty funding for safe accommodation and £60,000 for support provision for survivors of domestic abuse and help deliver the Sanctuary and Serenity Scheme to prevent homelessness and provide safe accommodation.





## INNOVATE AND IMPROVE

- **Customer Services** - the level of take-up for making payments easily, using digital channels, continues to increase with 88% of payments received during 2022/23 being made either by direct debit, online 'e-store', automated telephone or recurring card payments. Paypoint and post office transactions which are more expensive for the customer continue to decrease with a further 13% reduction during 2022/23. 20% of Council Tax payers and 80% of Business Rates payers are now signed up to the Revenues portal. The new Customer Portal, Ashfield 24/7, was launched in February 2022 and now has over 11,000 residents signed up. The Council Tax Energy Rebate Scheme was successfully administered quickly and at short notice with £150 payments made from April to November 2022 to 54,753 households (almost £8.2m).
- **Digital transformation** - The Digital Transformation Programme has now delivered approaching £3m of financial benefits (cashable and cost avoidance) over the last 5 years. In house digital development is now also leading more modern approaches in community projects, for example, a Safer Streets project has incorporated significantly less costly in house development, digital proof of concept using QR codes on lamp posts so residents can easily report street lighting issues to the County Council. Significant strides have also been made in the ongoing modernisation of the Council's solution architecture with a particular focus on moving business solutions to the 'cloud' to improve accessibility, usability and business continuity.
- **Partnering** - At the end of March 2023 there was a successful transition to our new Procurement Partner (Nottinghamshire County Council) ensuring continued access to specialist support and minimising anticipated cost increases. In February 2023 the Council started implementation of its new core Finance system 'One Council' from Technology One, with implementation expected to be complete by March 2024.

## 8. ORGANISATIONAL DELIVERY

### POLITICAL STRUCTURE

During 2022/23 the Council consisted of 35 Councillors, controlled by the Ashfield Independents (28) with 3 Conservative, 2 non-aligned and 2 Labour Councillors. In 2022/23 the Council's Cabinet comprised of ten Councillors:



Within Ashfield there are two parishes, Selston Parish Council and Annesley & Felley Parish Council who provide additional services to residents within their respective boundaries.

The JUS-t Neighbourhood Plan was made for a substantial part of the Parish of Selston following a referendum in October 2017. Currently no neighbourhood plan has been adopted by Annesley & Felley Parish Council.

The Teversal, Stanton Hill and Skegby Neighbourhood Forum brought forward a Neighbourhood Plan for Teversal, Stanton Hill and Skegby, which was also made in October 2017. The Forum was re-designated for a further five years following a decision of the Cabinet on 27th January 2020.

## MANAGEMENT STRUCTURE AND WORKFORCE

The Council's management structure – the Strategic Leadership Team (SLT) is documented in the Council's Constitution and is comprised of the Chief Executive, four Executive Directors and the Corporate Resources Director (& Section 151 Officer).

SLT is responsible for implementing the Council's strategic goals as determined by elected Members, and for the effective operational delivery and management of Council services.

As at 31st March 2023 the Council's workforce comprised 589 employees in post (544.11 full time equivalent posts) on the approved staffing establishment.

## KEY OPERATIONAL PARTNERING ARRANGEMENTS

In 2022/23 Ashfield District Council has key working relationships with the following organisations:

- Discover Ashfield Board – to oversee the development and implementation of Towns Fund and Future High Streets Fund projects.
- Mansfield District Council and Newark & Sherwood District Council for owning and operating the Mansfield Crematorium.
- Mansfield District Council for delivering shared services across both authorities for Human Resources & Payroll.
- Ashfield District Council is the Lead Partner for the Rough Sleeper Initiative funding/service.
- Mansfield District Council – Homefinder Lettings Scheme
- Mansfield District Council and Newark & Sherwood District Council – Private Sector Landlord Forum
- Broxtowe Borough Council - Ashfield provides Business Rates processing support to Broxtowe.
- J. Tomlinson Ltd, our delivery partner for completing capital improvements to the Council's housing stock.
- Nottingham City Homes for the Lifeline Service.
- Sport & Leisure Management Ltd for operating the Council's Leisure Centres.
- Nottingham City Council for provision of Procurement services (This ceased at the end of March 2023, and Nottinghamshire County Council is now the Procurement Service provider.
- Central Midlands Audit Partnership (CMAP) for the provision of our Internal Audit function.
- Erewash Borough Council for the provision of our Building Control function.



# 9. FINANCIAL PERFORMANCE

## 2022/23

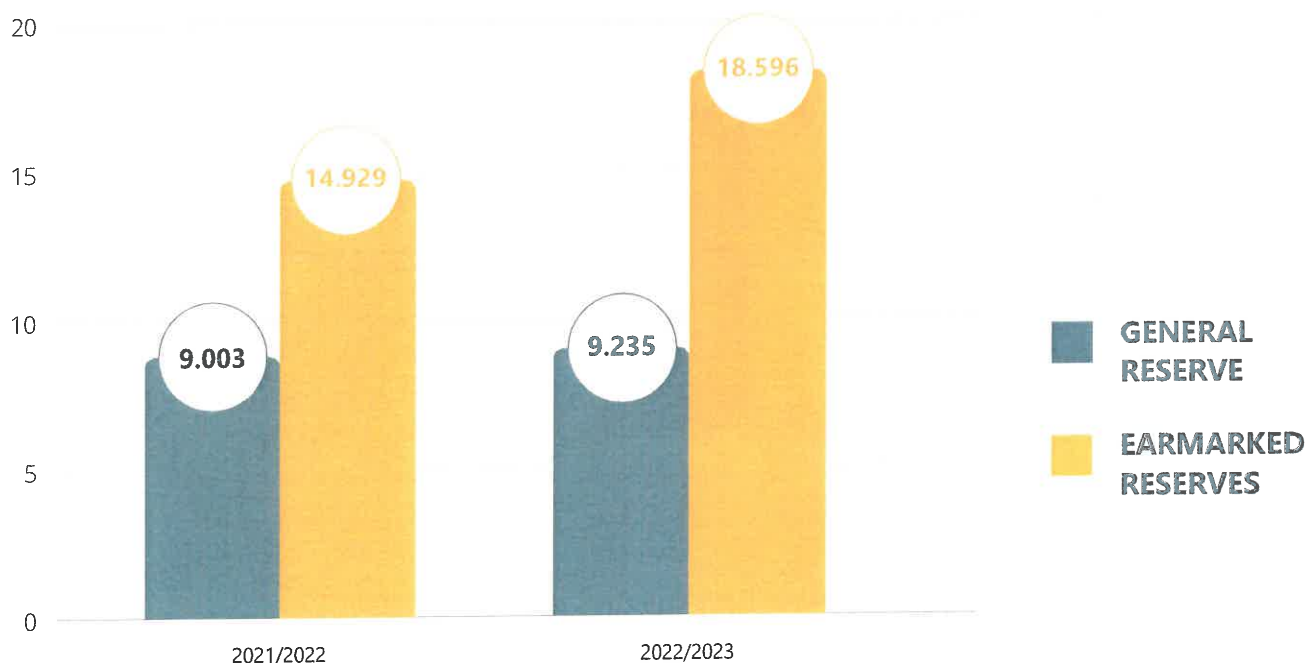
### GENERAL FUND REVENUE OUTTURN

The General Fund supports the day to day running of the Council's services, excluding Council Housing provision.

| Directorate                         | Revised Budget £'000 | Outturn £'000 | Variance £'000 |
|-------------------------------------|----------------------|---------------|----------------|
| Chief Executive                     | 670                  | 645           | (25)           |
| Legal & Governance                  | 1,973                | 2,066         | 93             |
| Resources & Business Transformation | (392)                | 291           | 683            |
| Place & Communities                 | 9,791                | 8,394         | (1,397)        |
| Housing & Assets                    | 2,426                | 2,226         | (200)          |
| <b>Net Cost of Services</b>         | <b>14,468</b>        | <b>13,622</b> | <b>(846)</b>   |

| Key Variance Explanations:                                  |              |
|-------------------------------------------------------------|--------------|
| Net staff cost savings (vacancies)                          | (160)        |
| Net additional service income                               | (327)        |
| Additional Grant income                                     | (920)        |
| Additional Housing Benefit & Discretionary Housing Payments | 367          |
| Planned use of earmarked reserves                           | 202          |
| Other items (net)                                           | (8)          |
|                                                             | <b>(846)</b> |

### GENERAL FUND RESERVES (£M)

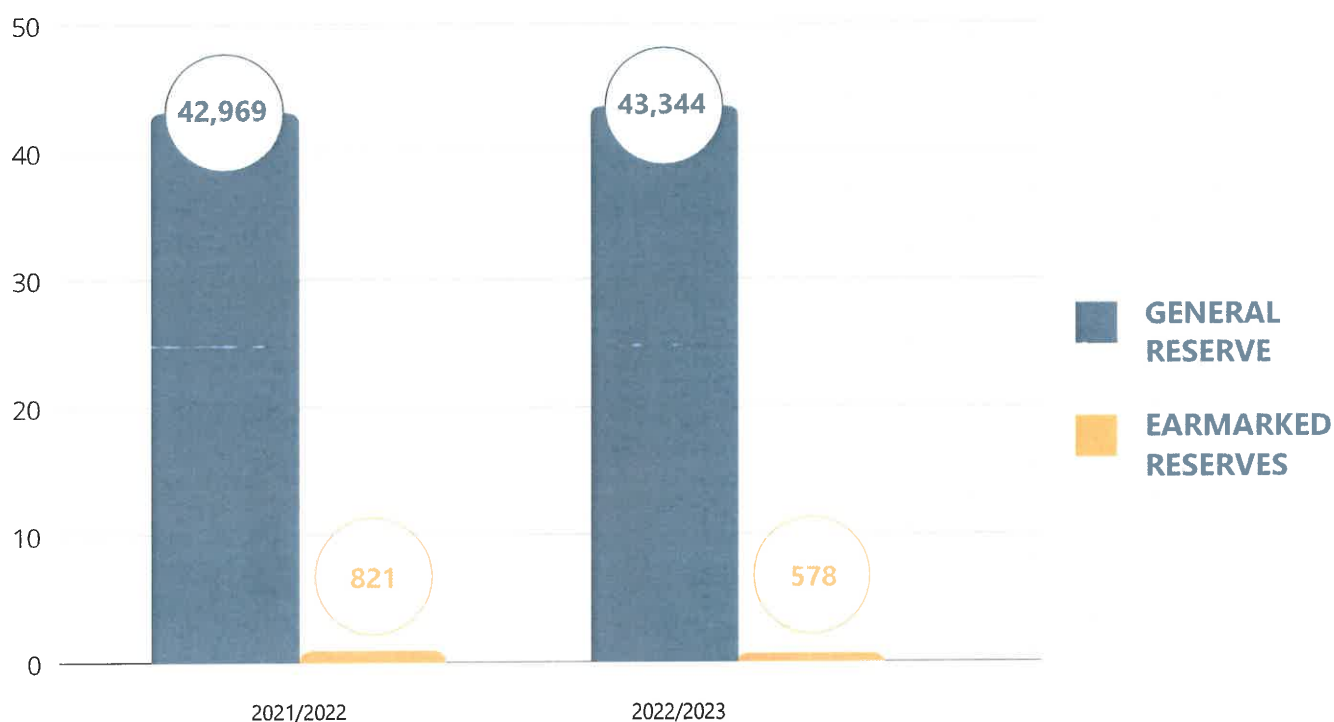


## HOUSING REVENUE ACCOUNT (HRA)

The HRA is a ring-fenced landlord's account for the management and maintenance of the Council's housing stock. This account funds both day to day revenue costs as well as funding borrowing costs for capital work to maintain and improve council properties. Compared to the 2022/23 revised budget the HRA achieved a surplus of £3.051m, these are shown in the Table below:

| Key reasons for HRA variances:                                                                                | £'000          |
|---------------------------------------------------------------------------------------------------------------|----------------|
| Reduced capital expenditure largely due to the delay on some housing capital schemes and replacement vehicles | (2,641)        |
| Additional rents and charges income and interest and investment income                                        | (1,233)        |
| Utility Price increases                                                                                       | 313            |
| Staffing expenditure - Pay Award less vacancies                                                               | 200            |
| Digital Transformation                                                                                        | 192            |
| Housing - Maintenance Repairs and Materials                                                                   | 140            |
| Other various minor variances (net)                                                                           | (22)           |
|                                                                                                               | <b>(3,051)</b> |

## HRA RESERVES (£M)



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

## CAPITAL SPENDING 2022/23

Capital monies are spent on building or enhancing the Council's asset base. There are rules and regulations regarding what can be classed as capital expenditure and this expenditure must be financed separately from the day to day running costs of the Council. During 2022/23 the Council spent £32.7m on capital works. Key projects were:

### Leisure Transformation Programme

Almost £4.7m was spent on the new Leisure Centre at Kirkby, this includes demolition works to the Festival Hall site and a new car park. Significant transformation works to both Hucknall and Lammas Leisure Centres also cost £3.9m.

### Parks and Open Spaces

Over £100k capital funding has been spent on Parks and Open Spaces infrastructure across the whole District during 2022/23.

### Disabled Facilities Grants

The Council spent £951k to meet the statutory duty to provide Mandatory Disabled Facilities Grants to qualifying applicants under the Housing Grants Construction and Regeneration Act 1996. These grants provide the funds for adaptations to modify environments to restore or enable independent living, privacy, confidence and dignity for individuals and their families in non-Council dwellings.

### Future High Streets and Towns Fund Projects

£3.4m was spent on progressing the above projects. The significant areas of spend have been the refurbishment and alterations to the vacant units at Low Street, Kings Mill Reservoir development and the Science Discovery Centre and Planetarium.

### Housing Projects

£17.3m was spent in 2022/23 on building new and improving existing Council dwellings throughout the District ensuring that the Decent Homes Standard is maintained. Other projects included the acquisition of houses to add to the Council's stock to help meet the social housing demands of our residents and undertaking disabled adaptations to Council properties and undertaking 'Green Homes work' to make properties more energy efficient.

## BALANCE SHEET

### Property, Plant & Equipment (PPE)

The value of PPE increased by £35.519m to £368.388m as at 31st March 2023. This increase is largely due to increases in revaluations of Council dwellings (£16.9m), new dwellings added to the Council's stock (£13.3m), revaluation due to expenditure on Council Leisure Centres (£8.6m) and the disposal of Council dwellings (-£2.6m).

Council dwellings are valued utilising the East Midland Council dwellings are valued utilising the East Midland Adjustment Factor, as required by Government. This Adjustment Factor reduces the value of social housing from the market level to a level which reflects the Government's assessment of valuation, taking account of 'right to buy' and other factors.

### Investment Properties & Assets Held for Sale

The overall value of Investment Properties decreased in year by £5.222m. This decrease was due to valuation reductions across the portfolio. The Assets Held for Sale value increased by £0.059m in the year.

### Long Term Provisions

The value of Long Term Provisions decreased by £2.217m to £422k at the end of March 2023. The main provision within this £2.840m is in respect of Business Rates appeals which is now classified as short term.

### Pension Liability

The Council is a member of the Nottinghamshire County Council Pension Fund. The Pension Liability decreased by £82.957m to £26.811m at 31st March 2023 largely due to changes to the financial and demographic assumptions, in line with economic information as advised by Barnett Waddingham, the Council's Pensions Actuary, which have reduced the pension liability.

# 10. OUTLOOK

## BUDGETS AND FUNDING

There is significant uncertainty about the level of funding the Council will receive beyond 2023/24. In the 2023/24 Local Government Finance Settlement it was stated that Local Government Funding Reform would not now take place until 2025/26 at the earliest.

This gives significant uncertainty to Council's in respect of their ability to plan financially for the medium term.

It is anticipated that a key outcome of the above will be a redistribution of resources to address the national social care pressure in both Adults' and Children's services and as District Councils do not provide these services, District Councils' resources are expected to reduce.

Ashfield District Council, like most Councils, receives support from Local Government Futures (LG Futures) and has used their resource forecasting model and the Council's own forecast expenditure requirements to estimate the anticipated funding gap for the next four financial years. Notwithstanding the uncertainty brought about by the delay of Local Government Funding Reform, the estimated cumulative funding gap from 2024/25 to 2026/27 as shown in the March 2023 MTFS updated position was £5.226m with the largest proportion of this funding gap (£4.151m) expected to be in 2025/26, assuming this is the year in which Local Government Funding Reform is implemented.

As set out in the Council's 2023/24 Budget Setting Report, robust plans are in place to identify options and implement actions to address the future estimated financial challenge.

This includes a line by line review of all of the Council's budgets and Medium-Term Financial Strategy (MTFS) assumptions; a review of fees and charges and income generating opportunities; a review of procurement and contracting arrangements; a review of services and future service delivery options; consideration of asset rationalisation potential and delivery of financial efficiencies from the investment in technology via the Council's Digital Transformation Strategy. The Strategic Leadership Team and the Council's Cabinet meet frequently to progress this work.

The Council has a strong track record of setting a balanced and deliverable budget and this robust approach will continue with the future development of the MTFS to ensure the Council's ongoing financial sustainability.

The Medium-Term Financial Strategy will be updated and presented to Cabinet as part of the annual budget setting process for 2024/25 and will reflect the 2022/23 Outturn, progress on identifying savings to help close the estimated funding gaps for future years and the level of core Central Government funding being made available to support the Council to deliver its services.

## CAPITAL INVESTMENT

In 2023/24 the Council will conclude its extensive Leisure Transformation Programme with the opening of the new second swimming pool at Hucknall Leisure Centre this summer.

The Council will continue to implement the remaining 3 (of 4) Future High Streets funded projects and the 17 Government approved Towns Fund projects. It is anticipated that at least 6 of these projects will be fully implemented in 2023/24 with significant progress made on implementing the remaining projects.

All of the above significant investment will deliver jobs and further education opportunities, long-term economic and productivity growth, new homes, improved transport infrastructure, reduced carbon and new cultural and visitor facilities to the District.

## FUNDING BIDS

In 2022/23 the Council was successful in its bid to the Government's Levelling Up Fund (Round 2) for the Science Discovery Centre and Planetarium in Sutton in Ashfield. However, its bid for funding for Hucknall was unsuccessful.

It is the intention that the Council will submit a further bid for Hucknall to the Levelling Up Fund (Round 3) during 2023/24.

As new external funding streams are announced in respect of moving to carbon net zero by 2050, the Council will continue to apply for this funding as it has with decarbonisation and Green Homes funding.

Where the Council enters into arrangements for new housing developments it will also submit funding applications to Homes England.



# 11. EXPLANATION OF THE FINANCIAL STATEMENTS

The Statement of Accounts is for the financial year 31st March 2023 and as required by the Code, comprises of Core and Supplementary Statements, together with Disclosure Notes. The style and format of the Accounts complies with the local authority accounting standards.

## THE CORE FINANCIAL STATEMENTS

### Comprehensive Income and Expenditure Statement (CIES)

This Statement records all of the Council's income and expenditure for the year. It includes both the amounts spent on local taxpayer services and also local rent payer services. The top half of the statement provides analysis of spend by Directorate on services that the Council is required to undertake by law (statutory duties such as street cleansing, planning and registration) and discretionary services focussed on local priorities and need. The bottom half of the statement deals with corporate transactions and funding.

### Movement in Reserves Statement (MiRS)

This statement summarises the movement in year on the Council's different reserves. These reserves are analysed into 'useable reserves' (i.e. those that can be used to fund expenditure or reduce local taxation) and 'unusable reserves' which must be set aside for specific purposes (as they relate to gains and losses on statutory adjustment accounts).

### Balance Sheet

The Balance Sheet is a 'snapshot' of the Council's financial position at the end of March 2023. It shows the Council's assets, liabilities, cash balances and reserves at 31st March 2023.

## Cash Flow Statement

The Cash Flow Statement shows the reasons for changes in the Council's cash balances during the year, and whether the change is due to operating activities (day to day costs), new investments, or financing activities (such as repayment of borrowing and other long term liabilities).

## THE SUPPLEMENTARY FINANCIAL STATEMENTS

### Housing Revenue Account (HRA)

This Account separately identifies expenditure incurred in the provision, management and maintenance of the Council's housing stock and demonstrates how this has been funded from rents, service charges and other income. In accordance with the Local Government and Housing Act 1989 this is maintained as a separate account and must operate with a positive working balance.

### The Collection Fund

The Collection Fund details all monies due from Council Tax and Non Domestic Rate payers and redistribution of some of these payments to other organisations on whose behalf the Council collects these taxes including the County Council, Nottinghamshire Police and Crime Commissioner and the Fire & Rescue Authority.

## ANNUAL GOVERNANCE STATEMENT (AGS)

This Statement sets out the Council's governance structures and its key internal controls.

## OTHER KEY SECTIONS IN THE STATEMENT OF ACCOUNTS

### Statement of Responsibilities

This Statement sets out the respective responsibilities of the Council and the Chief Finance Officer.

### Accounting Policies

These Policies explain the treatment and basis of the figures in the accounts in accordance with proper accounting practices.

### Notes to the Financial Statements

These provide additional information on important points included in the Core Financial Statements.

### Expenditure and Funding Analysis (EFA)

This Statement shows how annual expenditure is used and funded from Council resources in comparison with how those resources are consumed or earned by the Council. It also shows how this expenditure is allocated for decision making purposes across the Council's Directorates.

### Glossary of Terms and Abbreviations

Key terms used throughout this Statement of Accounts are more fully explained.

## Further Information

If you require further information concerning the Council's 2022/23 Accounts please contact:

The Corporate Resources Director  
Ashfield District Council  
Urban Road,  
Kirkby in Ashfield,  
Nottinghamshire  
NG17 8DA

Telephone: **01623 457362**  
or Email: **[pete.hudson@ashfield.gov.uk](mailto:pete.hudson@ashfield.gov.uk)**



Peter Ludlam

# THE STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

## RESPONSIBILITIES OF THE COUNCIL

### The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Corporate Resources Director;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Approve the Statement of Accounts.

I confirm that the Financial Statements were approved by the Audit Committee meeting held on 29th February 2024.

Signed on behalf of Ashfield District Council:



**Councillor W. Bostock**  
**Chairman of the Audit Committee**

## RESPONSIBILITIES OF THE CORPORATE RESOURCES DIRECTOR

The Corporate Resources Director is responsible for the preparation of the Council's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 ("the Code of Practice").

### In preparing this Statement of Accounts, the Corporate Resources Director has:

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

### The Corporate Resources Director has also

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

I confirm that the Statement of Accounts presents a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31st March 2023.



**P. Hudson, ACMA, CGMA**  
**Corporate Resources Director & Section 151 Officer**  
**29th February 2024**

# AUDIT CERTIFICATE AND OPINION

## Independent auditor's report to the Members of Ashfield District Council

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion on the financial statements

We have audited the financial statements of Ashfield District Council ("the Council") for the year ended 31 March 2023, which comprise the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Movement in Reserves Statement, and notes to the financial statements, including a summary of significant accounting policies.

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 2022/23, as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets ("the Code Update"), published in November 2022.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Council as at 31st March 2023 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Code Update.

#### 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 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 Corporate Resources Director and Section 151 Officer'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 2022/23 as amended by the Code Update, 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 Corporate Resources Director & Section 151 Officer with respect to going concern are described in the relevant sections of this report.

## **Other information**

The other information comprises the Annual Governance Statement and information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Corporate Resources Director & Section 151 Officer 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 Corporate Resources Director and Section 151 Officer for the financial statements**

As explained more fully in the Statement of the Corporate Resources Director's Responsibilities, the Corporate Resources Director & Section 151 Officer 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 2022/23 as amended by the Code Update, and for being satisfied that they give a true and fair view. The Corporate Resources Director & Section 151 Officer is also responsible for such internal control as the Corporate Resources Director & Section 151 Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Corporate Resources Director & Section 151 Officer is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Code Update 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 Corporate Resources Director & Section 151 Officer is responsible for assessing each year whether or not it is appropriate for the Council to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

## **Auditor's responsibilities for the audit of the financial statements**

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Council, we 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 Audit 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 which were contrary to applicable laws and regulations, including fraud.

We evaluated the Corporate Resources Director & Section 151 Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and

determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

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

- making enquiries of management and the Audit 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 Audit 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 Corporate Resources Director & Section 151 Officer'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 February 2023.

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](http://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 opinion, 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 2023.

We have nothing to report in this respect.

### **Responsibilities of the Council**

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

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

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, and to report where we have not been able to satisfy ourselves that it has done so. 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 January 2023.

### **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 Ashfield District 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 for 2021/22 and 2022/23.



**Mark Surridge, Key Audit Partner  
For and on behalf of Mazars LLP**

**Birmingham, UK**

**29<sup>th</sup> February 2024**

# STATEMENT OF ACCOUNTING POLICIES

## 1. GENERAL PRINCIPLES

The Statement of Accounts summarises the Council's transactions for the financial year 2022/23 and its position at the year-end 31st March 2023. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015. These Regulations require the accounts to be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise of the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 and International Financial Reporting Standards (IFRS).

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

## 2. 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.

## 3. 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 one working day.

Cash Equivalents are highly liquid investments that mature in 3 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 any bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

#### 4. EXCEPTIONAL ITEMS

When items of income and expenditure are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

#### 5. PRIOR PERIOD ADJUSTMENTS, CHANGES IN ACCOUNTING POLICIES AND ESTIMATES AND ERRORS

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

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

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

#### 6. CHARGES TO REVENUE FOR NON-CURRENT ASSETS

Service revenue accounts, support services and trading accounts are charged with the following amounts to record the real cost of holding non-current 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 Reserves against which the losses can be written off.
- Amortisation of intangible assets attributable to the service.

The Council is not required to raise Council Tax to cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation, impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

## 7. EMPLOYEE BENEFITS

### a. Benefits payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and accumulated flexi time for current employees and are recognised as an expense for the services in the year in which the employees render service to the Council. An accrual is made for the cost of holiday entitlements etc. earned by employees but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus and Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

### b. 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 in exchange for those benefits. These are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the 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.

### c. Post Employment Benefits

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

The Nottinghamshire Pension Fund is accounted for as a defined benefit scheme:

- The liabilities of Nottinghamshire 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 including mortality rates, employee turnover rates and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices using a discount rate based on an appropriate rate of return on high quality corporate bonds.
- The assets of the Fund attributable to the Council are included in the Balance Sheet at their fair value.
  - a) Quoted securities – current bid price
  - b) Unquoted securities – professional estimate
  - c) Unitised securities – current bid price
  - d) Property – market value

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

- Service Cost comprising
  - a) **Current Service Cost** - the increase in liabilities as result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Account to the services for which the employees worked
  - b) **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 Provision of Services in the Comprehensive Income and Expenditure Account as part of Non-Distributed Costs
  - c) **Net interest on the net defined liability (asset), i.e. the net interest expense for the Council** – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments
  - d) **Re-measurement comprising:**
    - the return on plan assets – excluding amounts included in net interest on the defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
    - actuarial gains and losses - changes in the net pension 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.

- e) **Contributions paid to Nottinghamshire Pension Fund** - Cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards.

In the Movement in Reserves Statement this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable to the fund but unpaid at the year-end.

The negative balance that arises on the Pensions reserve thereby measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

- **Discretionary Benefits**

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

## 8. EVENTS AFTER THE REPORTING PERIOD

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. For the purposes of consideration, Post Balance Sheet events can occur up to approval of the Statements by the Audit Committee.

## 9. FINANCIAL INSTRUMENTS

### a. Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument, which are initially measured at fair value, and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective interest rate of interest for each 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 borrowed.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest

charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

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

### b. Financial Assets

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

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

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified at amortised cost.

### Financial Assets measured at amortised costs

Loans and receivables 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. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Investments are classed as either long-term assets, if repayable after 12 months or longer, or current assets, if repayable within 12 months. Investments are shown in the Balance Sheet at amortised cost, using the effective interest rate that applies to the individual loans that comprise the total borrowing held by the Council.

The amount shown in the Balance Sheet represents the outstanding principal due to be repaid to the Council and the interest that is credited to the Comprehensive Income and Expenditure Statement is the amount receivable in the year under the loan agreement.

### c. 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 (debtors) held by the Council.

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

## 10. 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 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.

## Non-specific Grants

These are general grants allocated by central government directly to local authorities as additional revenue funding. They are non-ring-fenced and are credited to Taxation and Non-Specific Grant Income in the Comprehensive Income and Expenditure Statement. For example, New Homes Bonus funding.

## 11. INTANGIBLE ASSETS

Expenditure on assets that do not have a physical substance but are identifiable and controlled by the Council are capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

During 2022/23, no Council assets met the 'Intangible Assets' definition.

## 12. INTERESTS IN COMPANIES AND OTHER ENTITIES

The Council has no 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.

### (a) Joint Crematorium Committee

The Council is a constituent member of a joint crematorium committee with neighbouring authorities of Mansfield and Newark and Sherwood District Councils. Current activities are split between all the councils based on the number of residents of each district area cremated. The balance sheet is apportioned based on the current year's cremations from each area. The Council's share of running costs and income has been included in the Comprehensive Income and Expenditure Statement and the share of assets included within the Balance Sheet using these apportionments. Due to the nature of the relationship of the Council within the committee, Group Accounts are not required for this entity. Information on the Council's share of the income and expenditure and associated assets and liabilities is shown in note 38 to the Core Financial Statements.

### 13. INVENTORIES AND LONG TERM CONTRACTS

Inventories are included on the balance sheet at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

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.

### 14. INVESTMENT PROPERTIES

The Council does hold properties for investment purposes.

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

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted

by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

### 15. 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 and 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 building elements are considered separately for classification.

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

#### a. Operating Leases

##### The Council as Lessee

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from the use of the leased property plant or equipment. Charges are made on a straight-line basis over the life of the lease; even if this does not match the pattern of payments, (e.g. there is a rent-free period at the commencement of the lease).

##### The Council as Lessor

The Council does act in the capacity as lessor for the leases of land and properties it owns. Rents due under operating leases are accounted for on a straight-line basis as they become due. Land and property leased under operating leases are held as non-current assets within the Balance Sheet and valued in accordance with appropriate valuation practices.

## b. Finance Leases

### The Council as Lessee

Plant and Equipment held under finance leases are recognised on the Balance Sheet at the lower of the fair value of the asset at the lease inception and the present value of the minimum lease payments. The value of the asset is matched by a liability to pay the finance lessor.

The Council does not have any finance leases where it acts as lessee.

### The Council as Lessor

The Council does not have any finance leases where it acts as lessor.

## 16. OVERHEADS AND SUPPORT SERVICES

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

## 17. PROPERTY, PLANT AND EQUIPMENT

Assets that have physical substance and are held for use in the provision of services or for administrative purposes on a continuing basis are classed as Property, Plant and Equipment.

### Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not extend the previously assessed standard of performance of an asset (e.g. repairs and maintenance) is charged to revenue as it is incurred.

Property, Plant and Equipment may also include assets held under finance leases, which have been capitalised and included in the Balance Sheet at a value reflecting the fair value of the asset.

A de-minimis asset value of £10,000 has been set and expenditure on new assets of less than this amount is charged to the service revenue account as a proxy for depreciation, unless the expenditure forms part of a larger scheme.

### Measurement

Assets are initially measured at cost, which comprises all expenditure that is directly attributable to bringing an asset into working condition for its intended use. The Council does not capitalise borrowing costs incurred whilst assets are under construction.

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

| Asset Category                                                 | Basis of Valuation                                                         |
|----------------------------------------------------------------|----------------------------------------------------------------------------|
| Property, Plant and Equipment                                  | Fair value determined in the existing use of the asset                     |
| Dwellings                                                      | Fair value in the existing use value for social housing                    |
| Investment Properties                                          | Fair value to reflect market conditions at the end of the reporting period |
| Infrastructure, community assets and assets under construction | Depreciated historic cost once the asset becomes operational               |

Where there is no market based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate for fair value. Where assets have a short useful life then depreciated historical cost is used as a proxy for fair value.

Assets included in the Balance Sheet at fair value are re-valued where there have been material changes in their value, but as a minimum every 5 years. The Council's housing stock is re-valued annually by applying an appropriate housing price index to a series of beacon values at the start of the financial year.

Increases in valuations are matched by a credit to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Income and Expenditure Statement where they arise from the reversal of an impairment loss previously charged to a service revenue account.

Where decreases in value are identified they are accounted for by a debit to the Revaluation Reserve to the extent that an accumulated gain has been recorded against that asset; where there is no balance or an insufficient balance on the revaluation reserve for that asset the write down of the asset value is charged against the relevant service within the Comprehensive Income and Expenditure Statement.

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

Costs of dismantling assets such as roofs, windows and heating systems in Council Dwellings are included in the costs paid to the main contractor. The main contractor is responsible for the disposal of the dismantled assets. The dismantled assets have been assessed by the valuer as only having a negligible value.

## **Impairment**

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where there is an indication that there is a material impairment in the value of an asset when compared to the carrying value an impairment loss is recognised. The impairment loss is written down to the revaluation reserve to the extent that any balance for that asset is held within the revaluation reserve. Where there is no balance or an insufficient balance then the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

## **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 continued service use then it is reclassified as an Asset Held for Sale. The asset is re-valued immediately before classification and then carried at the lower of this amount or fair value less costs of disposal. Where there is a subsequent decrease in the valuation determined on classification to Asset Held for Sale then a loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in the fair value of Assets Held for Sale are only recognised to the extent that they reverse a previous loss recognised within the Comprehensive Income and Expenditure Statement. Depreciation is not charged on Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying value of the asset in the Balance Sheet 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 are credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation

gains relating to the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received in excess of £10,000 are categorised as capital receipts. Prior to 2021/22 a proportion of receipts relating to housing disposals was payable to the Government. This is no longer the case for 2022/23 and 2023/24. These receipts are required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Capital Receipt Reserve within the Movement in Reserves Statement.

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

### Depreciation

Depreciation is provided for on all Property, Plant and Equipment over a period of their estimated useful lives; freehold land is determined to have an infinite economic life and is not depreciated, assets under construction are not depreciated until they become operational in providing services. Depreciation is calculated using the straight-line method. Assets are depreciated over the estimated economic life of the asset, which has been assessed as being the following periods:

|                               |               |
|-------------------------------|---------------|
| Council dwellings             | 40 years      |
| Other HRA assets              | 10 - 80 years |
| Other Buildings               | 10 - 80 years |
| Vehicles, plant and equipment | 3 - 10 years  |
| Infrastructure                | 10 - 40 years |
| Community Assets              | 20 years      |

Revaluation gains are also depreciated. The difference between the depreciation on the current value and that, which would have been charged on the historic value, is transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

### Componentisation

The Council allocates the costs of an individual asset to its various components to calculate depreciation charges where the value of the asset exceeds £500K and more than one individual component exceeds 20% of the asset value. The impact on depreciation charges for assets below the threshold is not considered material. The componentisation is based on the following elements of the asset:-

- Boilers, heating and plant systems
- Lifts
- Roofs
- Windows and doors

In terms of Council Dwellings, these assets are collectively valued in excess of £500K. However, when comparing the value of depreciation charged on a component basis compared to the current 40-year life straight-line methodology, the difference is not considered material. Council Dwellings are therefore not currently subject to componentisation but the policy is to be reviewed on an annual basis.

## 18. HERITAGE ASSETS

The Council's Heritage Assets held are Historical Monuments, Statues and Artwork. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, no depreciation is charged on Heritage Assets as they are deemed to have an indeterminate life and have a high residual value.

### Historical Monuments

The Council has seven Cenotaphs that are located at various outside locations throughout the District. These monuments are reported in the Balance Sheet on an average replacement cost basis, which has been agreed following discussions with our internal valuer.

### Statues and Artwork Collection

The collection includes Statues, Sculptures and Mosaics situated within the local town and village streets throughout the District. The collection depicts the District's mining and engineering history to ensure the knowledge, culture and understanding of our heritage is preserved for future generations. An artwork example would be The Flight of Fancy sculpture that represents the Rolls Royce Flying Bedstead thrust measuring machine that was developed to research the use of direct lift. These items are reported in the Balance Sheet on an historic cost basis or on an insurance valuation basis and were mainly purchased from grant funding.

### Non Balance Sheet Items

The Council also holds a collection of items that are not recognised on the Balance Sheet as cost information is not readily available and the Council believes that the benefits of obtaining the valuation for these items would not justify the cost. These items are believed to have

a value of £10k or less. The majority of the collection is street mosaics, murals and sculptures purchased through grant funding or produced by the public art events. The Council has also received a number of donations including a Knitting machine and a Stocking machine dating back to the 18th and 19th century, both of which are believed to be forerunners to the Spinning Jenny. It is difficult to obtain a valuation on these two items as there is no comparable item that provides a market value. Most assets are located on public streets, in parks or are on display within public Council buildings. A few items are stored securely in the Council's Offices and not currently available for public viewing.

### Heritage Assets – General

Heritage Assets are reviewed by the Council for impairments such as where an item has suffered physical deterioration or breakage. Any impairment is measured and recognised within the Revaluation Reserve. The Council works closely with the Ashfield War Memorial Committee to preserve and maintain the local historical monuments. All other Heritage Assets are reviewed and maintained as required. Disposal proceeds are disclosed separately in the notes to the financial statements and accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

## 19. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### a. Provisions

Provisions are made where an event has taken place that gives the Council an obligation that probably requires settlement by a transfer of economic benefits, but where the timing of the transfer is uncertain. 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 to the appropriate service revenue account in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision set up in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year; where it becomes more likely than not that a transfer of economic benefits will not be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service revenue account.

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

### b. Contingent Liabilities

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

### c. Contingent Assets

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

## 20. RESERVES

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

The level of reserves and balances is reviewed annually to ensure they are appropriate. The General Fund Balance, Earmarked Reserve and Reserves arising from Capital Receipts together with Capital Grants Unapplied are deemed to be usable reserves in that they may be used to fund future expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments retirement benefits and employee benefits; these are termed unusable reserves and are not available to be used to fund future expenditure.

## 21. REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)

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

## 22. VALUE ADDED TAX

Value Added Tax (VAT) is excluded from all income and expenditure received and paid by the Council except where it is classed as irrecoverable by HM Revenue and Customs.

## 23. THE COLLECTION FUND

### i) Council Tax

The Council includes its share of the accrued Council Tax due for the year within its Comprehensive Income and Expenditure Statement. The difference between this sum and the local precept for Council and parish activities is reversed through the General Fund Balance to ensure only the level of Council Tax required to pay for Council activities is credited to the General Fund in the year. The balance is taken to the Collection Fund Adjustment Account, within the Balance Sheet.

Amounts collected on behalf of the other preceptors of Nottinghamshire County Council, Nottinghamshire Police and Crime Commissioner and Nottinghamshire Fire and Rescue Authority are treated as either debtors or creditors depending upon the respective share of the Collection Fund attributable to these bodies at 31st March.

### ii) Business Rates

The Council includes its share of accrued Business Rates due for the year within its Comprehensive Income and Expenditure Statement. The difference between this sum and the forecast amount due to the Council is reversed through the General Fund Balance to ensure only the level of Business Rates required to pay for Council activities is credited to the General Fund in the year. The balance is taken to the Collection Fund Adjustment Account, within the Balance Sheet.

Amounts collected on behalf of the other partners of the pool (Central Government, Nottinghamshire County Council and Nottinghamshire Fire and Rescue Authority) are treated as either debtors or creditors depending upon the respective share of the Collection Fund attributable to these bodies at 31st March.

## 24. FAIR VALUE MEASUREMENT

The Council measures some of its non- financial assets such as investment properties and potentially some of its financial instruments

at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

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

# THE CORE FINANCIAL STATEMENTS



## 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.

|                                                 | 2022/23       |                 |                 | 2021/22       |                 |                 |                 |
|-------------------------------------------------|---------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|
|                                                 | Expenditure   | Income          | Net Expenditure | Expenditure   | Income          | Net Expenditure | Note            |
|                                                 | £'000         | £'000           | £'000           | £'000         | £'000           | £'000           |                 |
| Chief Executive Officer                         | 1,186         | (1)             | 1,185           | 716           | (79)            | 637             |                 |
| Resources and Business Transformation           | 32,961        | (24,657)        | 8,304           | 31,348        | (25,336)        | 6,012           |                 |
| Legal and Governance                            | 2,146         | (230)           | 1,916           | 2,339         | (670)           | 1,669           |                 |
| Place & Communities                             | 25,677        | (6,493)         | 19,184          | 18,360        | (6,882)         | 11,478          |                 |
| Housing & Assets                                | 7,480         | (2,682)         | 4,798           | 5,560         | (2,522)         | 3,038           |                 |
| HRA - Housing Revenue Account                   | 28,621        | (26,214)        | 2,407           | 12,161        | (24,830)        | (12,669)        |                 |
| <b>Cost Of Services</b>                         | <b>98,071</b> | <b>(60,277)</b> | <b>37,794</b>   | <b>70,484</b> | <b>(60,319)</b> | <b>10,165</b>   |                 |
| <b>Other Operating Expenditure</b>              |               |                 |                 |               |                 |                 |                 |
| Parish Council Precepts                         |               |                 | 312             |               |                 | 289             | Collection Fund |
| Contribution to Housing Pooled Capital Receipts |               |                 | 0               |               |                 | 555             | Note 25b        |
| Net Loss or (Gain) on sale of Fixed Assets      |               |                 | (39)            |               |                 | (27)            | Note 16         |
| <b>Total Operating Expenditure</b>              |               |                 | <b>38,067</b>   |               |                 | <b>10,982</b>   |                 |

## Comprehensive Income and Expenditure Statement (Continued)

|                                                            | 2022/23<br>Net<br>Expenditure<br>£'000 | 2021/22<br>Net<br>Expenditure<br>£'000 | Note     |
|------------------------------------------------------------|----------------------------------------|----------------------------------------|----------|
| <b>Financing and Investment Income and Expenditure</b>     |                                        |                                        |          |
| Interest Payable and Other Charges                         | 3,601                                  | 3,517                                  | Note 10  |
| Interest Receivable and Investment Income                  | (5,379)                                | (4,429)                                |          |
| Pensions Net Interest Cost                                 | 2,798                                  | 2,438                                  | Note 35b |
| Crematorium Pensions Net Interest Cost                     | 17                                     | 14                                     |          |
|                                                            | <u>1,037</u>                           | <u>1,540</u>                           |          |
| Net Operating Expenditure                                  | <u>39,104</u>                          | <u>12,522</u>                          |          |
| <b>Taxation and Non-Specific Grant Income</b>              |                                        |                                        |          |
| Government Grants                                          | (1,153)                                | (1,858)                                | Note 9   |
| Capital Grants                                             | (14,681)                               | (11,984)                               | Note 9   |
| NNDR Receipts                                              | (7,930)                                | (7,355)                                | Note 9   |
| Council Tax                                                | (7,055)                                | (6,760)                                |          |
|                                                            | <u>(30,819)</u>                        | <u>(27,957)</u>                        |          |
| <b>(Surplus) or Deficit on Provision of Services</b>       | <u>8,285</u>                           | <u>(15,435)</u>                        |          |
| Surplus or deficit on revaluation of fixed assets          | (32,709)                               | (11,725)                               |          |
| Remeasurements on pension assets / liabilities             | (88,490)                               | (19,286)                               | Note 35b |
| Crematorium Remeasurements on pension assets / liabilities | (579)                                  | (53)                                   | Note 25g |
| <b>Other Comprehensive Income and Expenditure</b>          | <u>(121,778)</u>                       | <u>(31,064)</u>                        |          |
| <b>Total Comprehensive Income and Expenditure</b>          | <u>(113,493)</u>                       | <u>(46,499)</u>                        |          |

## **Movement in Reserves Statement**

This statement shows the movement in the year on the different reserves held by the Council, analysed into useable reserves (i.e. those that can be applied to fund expenditure or reduce taxation) and other reserves.

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

### Movement in Reserves Statement (Continued)

The movement in reserves statement for 2022/23 is set out below.

|                                                                                  | General<br>Fund<br>Balance<br>£'000 | Service<br>Earmarked<br>Reserves<br>£'000 | Taxation<br>Earmarked<br>Reserve<br>£'000 | Housing<br>Revenue<br>Account<br>£'000 | Housing Major<br>Repair<br>Reserves<br>£'000 | HRA<br>Earmarked<br>Reserves<br>£'000 | Capital<br>Receipts<br>Reserve<br>£'000 | Capital<br>Grants<br>Reserve<br>£'000 | Total<br>Usable<br>Reserves<br>£'000 | Total<br>Unusable<br>Reserves<br>£'000 | Total<br>Authority<br>Reserves<br>£'000 |
|----------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------|-------------------------------------------|----------------------------------------|----------------------------------------------|---------------------------------------|-----------------------------------------|---------------------------------------|--------------------------------------|----------------------------------------|-----------------------------------------|
| <b>Balance at 31 March 2022</b>                                                  | 9,003                               | 14,929                                    | 2,237                                     | 42,969                                 | 1,200                                        | 821                                   | 5,516                                   | 4,112                                 | 80,787                               | 106,151                                | 186,938                                 |
| Surplus or (deficit) on provision of services<br>(accounting basis)              | (3,198)                             | 0                                         | 0                                         | (5,087)                                | 0                                            | 0                                     | 0                                       | 0                                     | (8,285)                              | 0                                      | (8,285)                                 |
| Other Comprehensive Expenditure and Income                                       | 0                                   | 0                                         | 0                                         | 0                                      |                                              | 0                                     | 0                                       | 0                                     | 0                                    | 121,778                                | 121,778                                 |
| <b>Total Comprehensive Expenditure and<br/>Income</b>                            | (3,198)                             | 0                                         | 0                                         | (5,087)                                | 0                                            | 0                                     | 0                                       | 0                                     | (8,285)                              | 121,778                                | 113,493                                 |
| Adjustments between accounting basis &<br>funding basis under regulations        | 5,179                               | 0                                         | 0                                         | 5,219                                  | (1,200)                                      | 0                                     | 54                                      | (2,367)                               | 6,885                                | (6,885)                                | 0                                       |
| <b>Net Increase / (Decrease) before Transfers<br/>to/from Earmarked Reserves</b> | 1,981                               | 0                                         | 0                                         | 132                                    | (1,200)                                      | 0                                     | 54                                      | (2,367)                               | (1,400)                              | 114,893                                | 113,493                                 |
| Transfers to / (from) Earmarked Reserves                                         | (1,750)                             | 3,667                                     | (1,917)                                   | 243                                    | 0                                            | (243)                                 | 0                                       | 0                                     | 0                                    | 0                                      | 0                                       |
| <b>Increase / (Decrease) in Year</b>                                             | 231                                 | 3,667                                     | (1,917)                                   | 375                                    | (1,200)                                      | (243)                                 | 54                                      | (2,367)                               | (1,400)                              | 114,893                                | 113,493                                 |
| <b>Balance at 31 March 2023</b>                                                  | <b>9,234</b>                        | <b>18,596</b>                             | <b>320</b>                                | <b>43,344</b>                          | <b>0</b>                                     | <b>578</b>                            | <b>5,570</b>                            | <b>1,745</b>                          | <b>79,387</b>                        | <b>221,044</b>                         | <b>300,431</b>                          |
| Notes                                                                            | Note 24a                            | Note 24b                                  | HRA Statement                             | HRA Note 4                             | HRA Note 7                                   | Note 24d                              | Note 24c                                |                                       |                                      | Note 25                                |                                         |

### Movement in Reserves Statement (Continued)

The movement of reserves for 2021/22 for comparison purposes is set out below.

|                                                                                  | General<br>Fund<br>Balance<br>£'000 | Service<br>Earmarked<br>Reserves<br>£'000 | Taxation<br>Earmarked<br>Reserve<br>£'000 | Housing<br>Revenue<br>Account<br>£'000 | Housing Major<br>Repair<br>Reserves<br>£'000 | HRA<br>Earmarked<br>Reserves<br>£'000 | Capital<br>Receipts<br>Reserve<br>£'000 | Capital<br>Grants<br>Reserve<br>£'000 | Total<br>Usable<br>Reserves<br>£'000 | Total<br>Unusable<br>Reserves<br>£'000 | Total<br>Authority<br>Reserves<br>£'000 |
|----------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------|-------------------------------------------|----------------------------------------|----------------------------------------------|---------------------------------------|-----------------------------------------|---------------------------------------|--------------------------------------|----------------------------------------|-----------------------------------------|
| <b>Balance at 31 March 2021</b>                                                  | 7,901                               | 13,975                                    | 4,836                                     | 41,622                                 | 310                                          | 900                                   | 3,901                                   | 3,029                                 | <b>76,474</b>                        | <b>63,965</b>                          | <b>140,439</b>                          |
| Surplus or (deficit) on provision of services<br>(accounting basis)              | 6,268                               | 0                                         | 0                                         | 9,167                                  | 0                                            | 0                                     | 0                                       | 0                                     | 15,435                               | 0                                      | 15,435                                  |
| Other Comprehensive Expenditure and Income                                       | 0                                   | 0                                         | 0                                         | 0                                      |                                              | 0                                     | 0                                       | 0                                     | 0                                    | 31,064                                 | 31,064                                  |
| <b>Total Comprehensive Expenditure and<br/>Income</b>                            | <b>6,268</b>                        | <b>0</b>                                  | <b>0</b>                                  | <b>9,167</b>                           | <b>0</b>                                     | <b>0</b>                              | <b>0</b>                                | <b>0</b>                              | <b>15,435</b>                        | <b>31,064</b>                          | <b>46,499</b>                           |
| Adjustments between accounting basis &<br>funding basis under regulations        | (6,811)                             | 0                                         | 0                                         | (7,899)                                | 890                                          | 0                                     | 1,615                                   | 1,083                                 | (11,122)                             | 11,122                                 | 0                                       |
| <b>Net Increase / (Decrease) before Transfers<br/>to/from Earmarked Reserves</b> | <b>(543)</b>                        | <b>0</b>                                  | <b>0</b>                                  | <b>1,268</b>                           | <b>890</b>                                   | <b>0</b>                              | <b>1,615</b>                            | <b>1,083</b>                          | <b>4,313</b>                         | <b>42,186</b>                          | <b>46,499</b>                           |
| Transfers to / (from) Earmarked Reserves                                         | 1,645                               | 954                                       | (2,599)                                   | 79                                     | 0                                            | (79)                                  | 0                                       | 0                                     | 0                                    | 0                                      | 0                                       |
| <b>Increase / (Decrease) in Year</b>                                             | <b>1,102</b>                        | <b>954</b>                                | <b>(2,599)</b>                            | <b>1,347</b>                           | <b>890</b>                                   | <b>(79)</b>                           | <b>1,615</b>                            | <b>1,083</b>                          | <b>4,313</b>                         | <b>42,186</b>                          | <b>46,499</b>                           |
| <b>Balance at 31 March 2022</b>                                                  | <b>9,003</b>                        | <b>14,929</b>                             | <b>2,237</b>                              | <b>42,969</b>                          | <b>1,200</b>                                 | <b>821</b>                            | <b>5,516</b>                            | <b>4,112</b>                          | <b>80,787</b>                        | <b>106,151</b>                         | <b>186,938</b>                          |
| Notes                                                                            |                                     | Note 24a                                  | Note 24b                                  | HRA Statement                          | HRA Note 4                                   | HRA Note 7                            | Note 24d                                | Note 24c                              |                                      | Note 25                                |                                         |

## Balance Sheet

The Balance Sheet shows the value of the assets and liabilities recognised by the Council as at the 31 March 2023. The net assets of the Council (assets less liabilities) are matched by its reserves. Reserves are reported in two categories.

- Usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example, the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt).
- Those that the Council is not able to use to provide services. This category 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'.

|                                           | Note     | As at 31st<br>March 2023<br>£'000 | As at 31st<br>March 2022<br>£'000 |
|-------------------------------------------|----------|-----------------------------------|-----------------------------------|
| Property, Plant & Equipment               | Note 11  | 368,388                           | 332,869                           |
| Heritage Assets                           | Note 12  | 828                               | 828                               |
| Intangible Assets                         | Note 15  | 0                                 | 0                                 |
| Investment Properties                     | Note 14  | 45,448                            | 50,670                            |
| Long Term Debtors                         | Note 19  | 0                                 | 0                                 |
| <b>Long Term Assets</b>                   |          | <b>414,664</b>                    | <b>384,367</b>                    |
| Short Term Investments                    | Note 17e | 0                                 | 14,012                            |
| Inventories                               | Note 18  | 587                               | 601                               |
| Short Term Debtors                        | Note 19  | 8,138                             | 8,429                             |
| Cash and Cash Equivalents                 | Note 20  | 27,444                            | 30,825                            |
| Assets held for sale                      | Note 21  | 1,179                             | 1,120                             |
| <b>Current Assets</b>                     |          | <b>37,348</b>                     | <b>54,987</b>                     |
| Bank Overdraft                            | Note 20  | (1,770)                           | (2,186)                           |
| Short Term Borrowing                      | Note 17a | (4,262)                           | (6,503)                           |
| Short Term Creditors                      | Note 22  | (23,475)                          | (32,677)                          |
| Provisions                                | Note 23  | (2,426)                           | (656)                             |
| Revenue Grants Received in Advance        | Note 9   | (1,686)                           | (2,974)                           |
| <b>Current Liabilities</b>                |          | <b>(33,619)</b>                   | <b>(44,996)</b>                   |
| Long Term Creditors                       | Note 22  | 0                                 | 0                                 |
| Pension Liability                         | Note 35b | (26,811)                          | (109,768)                         |
| Crematorium Pension Liability             | Note 38  | (128)                             | (699)                             |
| Provisions                                | Note 23  | (422)                             | (2,639)                           |
| Long Term Borrowing                       | Note 17a | (87,697)                          | (91,966)                          |
| Revenue Contributions Received in Advance | Note 9   | (227)                             | (268)                             |
| Capital Contributions Received in Advance | Note 9   | (2,677)                           | (2,080)                           |
| <b>Long Term Liabilities</b>              |          | <b>(117,962)</b>                  | <b>(207,420)</b>                  |
| <b>Net Assets</b>                         |          | <b>300,431</b>                    | <b>186,938</b>                    |

|                                          | Note       | As at 31st<br>March 2023<br>£'000 | As at 31st<br>March 2022<br>£'000 |
|------------------------------------------|------------|-----------------------------------|-----------------------------------|
| <b>Usable Reserves</b>                   |            |                                   |                                   |
| General Fund Balance                     | MIR        | (9,234)                           | (9,003)                           |
| Service Earmarked Reserves               | Note 24a   | (18,596)                          | (14,929)                          |
| Taxation Earmarked Reserve               | Note 24b   | (320)                             | (2,237)                           |
| Housing Revenue Account                  | HRA SMB    | (43,344)                          | (42,969)                          |
| HRA Earmarked Reserves                   | HRA Note 7 | (578)                             | (821)                             |
| Major Repairs Reserve                    | HRA Note 4 | 0                                 | (1,200)                           |
| Usable Capital Receipts Reserve          | Note 24d   | (5,570)                           | (5,516)                           |
| Capital Grants Unapplied Reserve         | Note 24c   | (1,745)                           | (4,112)                           |
|                                          |            | <u>(79,387)</u>                   | <u>(80,787)</u>                   |
| <b>Unusable Reserves</b>                 |            |                                   |                                   |
| Revaluation Reserve                      | Note 25a   | (124,673)                         | (95,061)                          |
| Capital Adjustments Account              | Note 25b   | (125,004)                         | (123,924)                         |
| Pensions Reserve                         | Note 25c   | 26,811                            | 109,768                           |
| Crematorium Pensions Reserve             | Note 25g   | 127                               | 706                               |
| Accumulated Absences Account             | Note 25d   | 684                               | 623                               |
| Collection Fund Adj Acc - Council Tax    | Note 25f   | (94)                              | (46)                              |
| Collection Fund Adj Acc - NNDR           | Note 25f   | 410                               | 1,088                             |
| Financial Instruments Adjustment Account | Note 25e   | 695                               | 695                               |
|                                          |            | <u>(221,044)</u>                  | <u>(106,151)</u>                  |
| <b>Total Reserves</b>                    |            | <b><u>(300,431)</u></b>           | <b><u>(186,938)</u></b>           |

## Cash Flow Statement

The Cash Flow statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or income generated from services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources, which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of borrowing to the Council. Further explanation supporting the Cash Flow can be found at Note 26.

|                                                                                                                                  | 2022/23<br>£'000 | Restated<br>2021/22<br>£'000 | Note     |
|----------------------------------------------------------------------------------------------------------------------------------|------------------|------------------------------|----------|
| Net surplus or (deficit) on the provision of services                                                                            | (8,285)          | 15,435                       | Note 7   |
| Adjustment to surplus or deficit on the provision of services for non-cash movements                                             | 27,214           | 33,865                       | Note 26a |
| Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities | (17,365)         | (13,961)                     | Note 26a |
| Net Cash flows from operating activities                                                                                         | 1,564            | 35,339                       |          |
| Net Cash flows from Investing Activities                                                                                         | 1,981            | (24,293)                     | Note 26c |
| Net Cash flows from Financing Activities                                                                                         | (6,510)          | 0                            | Note 26d |
| Net increase or decrease in cash and cash equivalents                                                                            | (2,965)          | 11,046                       |          |
| Cash and cash equivalents at the beginning of the reporting period                                                               | 28,639           | 17,593                       | Note 20  |
| Cash and cash equivalents at the end of the reporting period                                                                     | 25,674           | 28,639                       | Note 20  |

# NOTES TO THE CORE FINANCIAL STATEMENTS



### **1. Accounting standards to be adopted**

The Code of Practice on Local Authority Accounting requires the Council to disclose the expected impact of new standards that have been issued but not yet adopted by the Code for the financial year. The standards applicable for 2022/23 financial statements, which will apply from 2023/24, are:

- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021;
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021;
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020 IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.

These are not expected to have a material impact on the Statement of Accounts for 2023/24.

### **2. Critical Judgements in Applying Accounting Policies**

In applying the accounting policies as set out in the Statement of Accounting Policies, the Council has had to make critical judgements about complex transactions and those involving uncertainty about future events.

### **Future Funding**

There is a high degree of uncertainty about future levels of funding for Local Government. However, the Council has determined that this uncertainty is not as yet sufficient to provide an indication that the assets of the Council might be impaired, as a result of a need to close facilities and reduce levels of service provision.

### **3. Assumptions made about the future and sources of uncertainty**

The Statement of Accounts contains estimated figures that are based upon assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Council's Balance Sheet at 31<sup>st</sup> March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

### **Business Rates Appeals**

The Business Rate Retention scheme introduced a requirement to maintain a provision for rating appeals. The system is complex and neither the number of successful appeals nor the percentage reduction in rateable value (RV) achieved can be pre-determined. The current provision totals £6.045m, of which the Council's share as a billing authority is £2.418m, as detailed in note 23.

A change of 5% in the assumed RV reduction achieved for each NDR appeal could increase or decrease the provision requirement by around £302k. Of this, the Council's share as a billing authority would be £121k.

### **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 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 Property, Plant and Equipment would increase by £894k for every year that useful lives have to be reduced. This figure has increased in the current year due to increases in valuations for land and buildings.

### **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 pension liability of changes in individual assumptions can be measured. For example, a one-year increase in the mortality assumption (life expectancy) would result in an increase of £6.422m in the pension liability, and a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £2.403m. This is detailed at note 35f. Differences arising from actual experiences or future changes in assumptions will be reflected in subsequent periods.

### **Arrears and Doubtful Debts**

An estimate of the expected credit loss for doubtful debts is based upon the age and type of each debt. A collective assessment matrix is used, including the value of items with shared characteristics, e.g. type of debt, the period overdue, together with a weighting factor for the probability of default. At 31 March 2023, the Council had a balance for outstanding debtors of £11.309m. The total allowance for credit loss is £3.171m, as detailed at note 19. The on-going potential impact of Covid-19 on arrears levels and doubtful debt has been considered in the estimates.

The largest type of arrears and doubtful debts relates to overpaid Housing Benefits. There is a provision that relates specifically to those cases where adjustment to on-going benefit is not possible and the debt is pursued through the usual recovery methods. Given the current position on the account and the expected rate of recovery, this provision has decreased from £922k to £865k. In terms of overpaid Housing Benefit collected through on-going benefit the provision for credit losses has decreased from £79k to £70k.

#### **4. Material Items of Income and Expense**

##### **a. Pensions**

The Council participates in the Local Government Pension Scheme administered locally by Nottinghamshire County Council. In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Statement, a positive re-measurement of £88.490m (compared to a positive re-measurement of £19.286m in 2021/22) is included in 'Other Comprehensive Income and Expenditure'.

##### **b. Impairment of Council Housing Stock**

A desktop valuation of all Council Dwellings was undertaken at 31st January 2023, which has resulted in £30.9m being credited to the Revaluation Reserve. The valuation has required that £9.2m of Capital Expenditure be impaired and a further £1.0m impairment from previous years.

#### **5. Events after the Balance Sheet Date**

There have been no Post Balance Sheet events.

For the purposes of consideration, Post Balance Sheet events can occur up to approval of the Statements by the Audit Committee on 29<sup>th</sup> February 2024.

#### **6. Expenditure and Funding Analysis**

This 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 this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

|                                                                             | 2022/23                                                         |                                                      |                                                                       | 2021/22                                                         |                                                      |                                                                       |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------|
|                                                                             | Net Expenditure Chargeable to the General Fund and HRA Balances | Adjustments between the Funding and Accounting Basis | Net Expenditure in the Comprehensive Income and Expenditure Statement | Net Expenditure Chargeable to the General Fund and HRA Balances | Adjustments between the Funding and Accounting Basis | Net Expenditure in the Comprehensive Income and Expenditure Statement |
|                                                                             | £'000                                                           | £'000                                                | £'000                                                                 | £'000                                                           | £'000                                                | £'000                                                                 |
| Chief Executive Officer                                                     | 955                                                             | 230                                                  | 1,185                                                                 | 397                                                             | 240                                                  | 637                                                                   |
| Resources and Business Transformation                                       | 3,785                                                           | 4,517                                                | 8,302                                                                 | 3,230                                                           | 2,782                                                | 6,012                                                                 |
| Legal and Governance                                                        | 1,780                                                           | 137                                                  | 1,917                                                                 | 1,532                                                           | 137                                                  | 1,669                                                                 |
| Place & Communities                                                         | 7,520                                                           | 11,664                                               | 19,184                                                                | 7,609                                                           | 3,869                                                | 11,478                                                                |
| Housing and Assets                                                          | 1,632                                                           | 3,167                                                | 4,799                                                                 | 1,425                                                           | 1,613                                                | 3,038                                                                 |
| HRA - Housing Revenue Account                                               | (4,166)                                                         | 6,573                                                | 2,407                                                                 | (5,160)                                                         | (7,509)                                              | (12,669)                                                              |
| <b>Net Cost Of Services</b>                                                 | <b>11,506</b>                                                   | <b>26,288</b>                                        | <b>37,794</b>                                                         | <b>9,033</b>                                                    | <b>1,132</b>                                         | <b>10,165</b>                                                         |
| Other Income and Expenditure                                                | (13,619)                                                        | (15,890)                                             | (29,509)                                                              | (9,758)                                                         | (13,934)                                             | (25,600)                                                              |
| <b>(Surplus)/Deficit in Year</b>                                            | <b>(2,113)</b>                                                  | <b>10,398</b>                                        | <b>8,285</b>                                                          | <b>(725)</b>                                                    | <b>(12,802)</b>                                      | <b>(15,435)</b>                                                       |
| <b>Opening General Fund, HRA and Earmarked Reserves Balance</b>             | <b>(69,959)</b>                                                 |                                                      |                                                                       | <b>(69,234)</b>                                                 |                                                      |                                                                       |
| Plus Surplus on General Fund and HRA Balances in Year                       | (2,113)                                                         |                                                      |                                                                       | (725)                                                           |                                                      |                                                                       |
| <b>Closing General Fund, HRA and Earmarked Reserves Balance at 31 March</b> | <b>(72,072)</b>                                                 |                                                      |                                                                       | <b>(69,959)</b>                                                 |                                                      |                                                                       |

## 6A. Notes to the Expenditure and Funding Analysis.

The note for 2022/23 is set out below:

| Adjustments from<br>General Fund to arrive at<br>the Comprehensive<br>Income and Expenditure<br>Statement amounts                                                                        | Adjustments for<br>Capital Purposes | Net Change for<br>the Pensions<br>Adjustments | Other Differences | Total<br>Adjustments |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------|-------------------|----------------------|
|                                                                                                                                                                                          | (Note a)                            | (Note b)                                      | (Note c)          |                      |
|                                                                                                                                                                                          | £'000                               | £'000                                         | £'000             | £'000                |
| Chief Executive Officer                                                                                                                                                                  | 0                                   | 230                                           | 0                 | 230                  |
| Resources and Business<br>Transformation                                                                                                                                                 | 4,495                               | 452                                           | (430)             | 4,517                |
| Legal and Governance                                                                                                                                                                     | 0                                   | 137                                           | 0                 | 137                  |
| Place & Communities                                                                                                                                                                      | 10,630                              | 1,034                                         | 0                 | 11,664               |
| Housing and Assets                                                                                                                                                                       | 2,933                               | 234                                           | 0                 | 3,167                |
| HRA - Housing Revenue<br>Account                                                                                                                                                         | 4,053                               | 647                                           | 1,873             | 6,573                |
| <b>Net Cost of Services</b>                                                                                                                                                              | <b>22,111</b>                       | <b>2,734</b>                                  | <b>1,443</b>      | <b>26,288</b>        |
| <b>Other income and<br/>expenditure from the<br/>Expenditure and Funding<br/>Analysis</b>                                                                                                | <b>17,047</b>                       | <b>2,815</b>                                  | <b>(35,752)</b>   | <b>(15,890)</b>      |
| <b>Difference between<br/>General Fund surplus or<br/>deficit and<br/>Comprehensive Income<br/>and Expenditure<br/>Statement Surplus or<br/>Deficit on the Provision of<br/>Services</b> | <b>39,158</b>                       | <b>5,549</b>                                  | <b>(34,309)</b>   | <b>10,398</b>        |

The note for 2021/22 is set out below:

| <b>Adjustments from<br/>General Fund to arrive at<br/>the Comprehensive<br/>Income and Expenditure<br/>Statement amounts</b>                                                             | <b>Adjustments for<br/>Capital Purposes</b> | <b>Net Change for<br/>the Pensions<br/>Adjustments</b> | <b>Other Differences</b> | <b>Total<br/>Adjustments</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------|--------------------------|------------------------------|
|                                                                                                                                                                                          | <b>(Note a)</b>                             | <b>(Note b)</b>                                        | <b>(Note c)</b>          |                              |
|                                                                                                                                                                                          | <b>£'000</b>                                | <b>£'000</b>                                           | <b>£'000</b>             | <b>£'000</b>                 |
| Chief Executive Officer                                                                                                                                                                  | 0                                           | 240                                                    | 0                        | 240                          |
| Resources and Business<br>Transformation                                                                                                                                                 | 2,662                                       | 393                                                    | (273)                    | 2,782                        |
| Legal and Governance                                                                                                                                                                     | 0                                           | 136                                                    | 1                        | 137                          |
| Place & Communities                                                                                                                                                                      | 2,923                                       | 946                                                    | 0                        | 3,869                        |
| Housing and Assets                                                                                                                                                                       | 1,409                                       | 204                                                    | 0                        | 1,613                        |
| HRA - Housing Revenue<br>Account                                                                                                                                                         | 3,901                                       | 611                                                    | (12,021)                 | (7,509)                      |
| <b>Net Cost of Services</b>                                                                                                                                                              | <b>10,895</b>                               | <b>2,531</b>                                           | <b>(12,293)</b>          | <b>1,132</b>                 |
| <b>Other income and<br/>expenditure from the<br/>Expenditure and Funding<br/>Analysis</b>                                                                                                | <b>13,749</b>                               | <b>2,452</b>                                           | <b>(30,135)</b>          | <b>(13,934)</b>              |
| <b>Difference between<br/>General Fund surplus or<br/>deficit and<br/>Comprehensive Income<br/>and Expenditure<br/>Statement Surplus or<br/>Deficit on the Provision of<br/>Services</b> | <b>24,644</b>                               | <b>4,983</b>                                           | <b>(42,428)</b>          | <b>(12,802)</b>              |

## 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 the Pensions Adjustments

This column is the net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income.

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

## Other Differences

This column highlights 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.

## 6B. Segmental Income

Income received on a segmental basis is analysed below:

|                                                   | 2022/23<br>£'000 | 2021/22<br>£'000 |
|---------------------------------------------------|------------------|------------------|
| <b>Services</b>                                   |                  |                  |
| Chief Executive Officer                           | (1)              | (79)             |
| Resources & Business Transformation               | (24,657)         | (25,336)         |
| Legal & Governance                                | (230)            | (670)            |
| Place & Communities                               | (6,493)          | (6,882)          |
| Housing & Assets                                  | (2,682)          | (2,522)          |
| HRA - Housing Revenue Account                     | (26,214)         | (24,830)         |
| <b>Total income analysed on a segmental basis</b> | <b>(60,277)</b>  | <b>(60,319)</b>  |

## 7. Expenditure and Income Analysed by Nature

|                                                                   | 2022/23<br>£'000 | 2021/22<br>£'000 |
|-------------------------------------------------------------------|------------------|------------------|
| <b>Expenditure</b>                                                |                  |                  |
| Employee benefits expenses                                        | 31,654           | 28,391           |
| Other services expenses                                           | 40,767           | 30,117           |
| Depreciation, amortisation, impairment                            | 28,465           | 14,428           |
| Interest Payments                                                 | 3,601            | 3,517            |
| Precepts and Levies                                               | 312              | 289              |
| Payments to Housing Capital Receipts Pool                         | 0                | 555              |
| Loss/(Gain) on the disposal of assets                             | (39)             | (27)             |
| <b>Total Expenditure</b>                                          | <b>104,760</b>   | <b>77,270</b>    |
| <b>Income</b>                                                     |                  |                  |
| Fees, charges and other service income                            | (60,277)         | (60,319)         |
| Interest and investment income                                    | (5,379)          | (4,429)          |
| Income from council tax, non-domestic rates, district rate income | (14,985)         | (14,115)         |
| Capital grants                                                    | (14,681)         | (11,984)         |
| Government grants and contributions                               | (1,153)          | (1,858)          |
| <b>Total Income</b>                                               | <b>(96,475)</b>  | <b>(92,705)</b>  |
| <b>Surplus or Deficit on the Provision of Services</b>            | <b>8,285</b>     | <b>(15,435)</b>  |

## **8. Adjustment between accounting basis and funding basis under statute**

This note details the adjustments that are made to the financial position as identified within the Comprehensive Income and Expenditure Statement in accordance with proper accounting practice to the resources that are specified by statutory provision as being available to the District Council to meet future capital and revenue expenditure.

### **General Fund Balance**

The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on 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 Housing Revenue Account (HRA) services.

### **Housing Revenue Account Balance**

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

### **Major Repairs Reserve**

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

### **Capital Receipts Reserve**

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

### **Capital Grants Unapplied**

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

Statement for Current Financial Period 2022/23

|                                                                                                                               | General Fund<br>Balance<br>£'000 | Housing<br>Revenue<br>Account<br>£'000 | Housing Major<br>Repair<br>Reserves<br>£'000 | Capital<br>Receipts<br>Reserve<br>£'000 | Capital Grants<br>Reserve<br>£'000 | Movement in<br>Unusable<br>Reserves<br>£'000 |
|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------|----------------------------------------------|-----------------------------------------|------------------------------------|----------------------------------------------|
| <b>Capital Adjustment Account</b>                                                                                             |                                  |                                        |                                              |                                         |                                    |                                              |
| Charges for depreciation and impairment of non-current assets                                                                 | (2,906)                          | 0                                      | 0                                            | 0                                       | 0                                  | (2,906)                                      |
| Revaluation losses on Property Plant and Equipment                                                                            | (11,262)                         | (10,245)                               | 0                                            | 0                                       | 0                                  | (21,507)                                     |
| Capital Grants and Contributions                                                                                              | 14,681                           | 0                                      | 0                                            | 0                                       | 2,367                              | 17,048                                       |
| Revenue Expenditure Funded from Capital under Statute                                                                         | (3,960)                          | 0                                      | 0                                            | 0                                       | 0                                  | (3,960)                                      |
| Non-current assets written off on disposal                                                                                    | 39                               | 0                                      | 0                                            | (2,684)                                 | 0                                  | (2,645)                                      |
| Statutory Provision for the financing of capital investment                                                                   | 2,327                            | 0                                      | 0                                            | 0                                       | 0                                  | 2,327                                        |
| Voluntary Revenue Provision                                                                                                   | 0                                | 0                                      | 0                                            | 0                                       | 0                                  | 0                                            |
| Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool                | 0                                | 0                                      | 0                                            | 0                                       | 0                                  | 0                                            |
| Capital Expenditure charged against Revenue                                                                                   | 104                              | 5,692                                  | 0                                            | 0                                       | 0                                  | 5,796                                        |
|                                                                                                                               | (977)                            | (4,553)                                | 0                                            | (2,684)                                 | 2,367                              | (5,847)                                      |
| <b>Capital Receipts Reserve</b>                                                                                               |                                  |                                        |                                              |                                         |                                    |                                              |
| Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement | 0                                | 0                                      | 0                                            | 0                                       | 0                                  | 0                                            |
| Use of the Capital Receipts reserve to finance new expenditure                                                                | 0                                | 0                                      | 0                                            | 2,630                                   | 0                                  | 2,630                                        |
|                                                                                                                               | 0                                | 0                                      | 0                                            | 2,630                                   | 0                                  | 2,630                                        |
| <b>Pension Reserve</b>                                                                                                        |                                  |                                        |                                              |                                         |                                    |                                              |
| Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement   | (9,702)                          | (647)                                  | 0                                            | 0                                       | 0                                  | (10,349)                                     |
| Employers pension contribution payable in the year                                                                            | 4,816                            | 0                                      | 0                                            | 0                                       | 0                                  | 4,816                                        |
|                                                                                                                               | (4,886)                          | (647)                                  | 0                                            | 0                                       | 0                                  | (5,533)                                      |

|                                                                                                                                                                                                                | General Fund<br>Balance<br>£'000 | Housing<br>Revenue<br>Account<br>£'000 | Housing Major<br>Repair<br>Reserves<br>£'000 | Capital<br>Receipts<br>Reserve<br>£'000 | Capital Grants<br>Reserve<br>£'000 | Movement in<br>Unusable<br>Reserves<br>£'000 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------|----------------------------------------------|-----------------------------------------|------------------------------------|----------------------------------------------|
| <b>Collection Fund Adjustment</b>                                                                                                                                                                              |                                  |                                        |                                              |                                         |                                    |                                              |
| Amount by which business rates income credited to the Comprehensive Income and Expenditure Statement is different from business rates income calculated for the year in accordance with statutory requirements | 678                              | 0                                      | 0                                            | 0                                       | 0                                  | 678                                          |
| Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements       | 48                               | 0                                      | 0                                            | 0                                       | 0                                  | 48                                           |
|                                                                                                                                                                                                                | <u>726</u>                       | <u>0</u>                               | <u>0</u>                                     | <u>0</u>                                | <u>0</u>                           | <u>726</u>                                   |
| <b>Accumulating Short term Compensated Absences Account</b>                                                                                                                                                    |                                  |                                        |                                              |                                         |                                    |                                              |
| Amount by which staff remuneration charged to the Comprehensive Income and Expenditure Statement on an accrual basis is different from that chargeable in the year in accordance with statutory requirements   | (42)                             | (19)                                   | 0                                            | 0                                       | 0                                  | (61)                                         |
| <b>Major Repairs Reserve</b>                                                                                                                                                                                   |                                  |                                        |                                              |                                         |                                    |                                              |
| Reversal of Major Repair Allowance credited to the HRA                                                                                                                                                         | 0                                | 0                                      | 0                                            | 0                                       | 0                                  | 0                                            |
| Use of the Major Repair Reserve to finance new capital expenditure                                                                                                                                             | 0                                | 0                                      | 5,253                                        | 0                                       | 0                                  | 5,253                                        |
| Excess of Depreciation Charged to HRA Compared to the Major Repairs Allowance Element of Housing Subsidy                                                                                                       | 0                                | 0                                      | (4,053)                                      | 0                                       | 0                                  | (4,053)                                      |
|                                                                                                                                                                                                                | <u>0</u>                         | <u>0</u>                               | <u>1,200</u>                                 | <u>0</u>                                | <u>0</u>                           | <u>1,200</u>                                 |
| <b>Financial Instrument Adjustment Account</b>                                                                                                                                                                 |                                  |                                        |                                              |                                         |                                    |                                              |
| Financial Instruments - Reconciliation to Amortised Costs                                                                                                                                                      | 0                                | 0                                      | 0                                            | 0                                       | 0                                  | 0                                            |
|                                                                                                                                                                                                                | <u>0</u>                         | <u>0</u>                               | <u>0</u>                                     | <u>0</u>                                | <u>0</u>                           | <u>0</u>                                     |
|                                                                                                                                                                                                                | <u>(5,179)</u>                   | <u>(5,219)</u>                         | <u>1,200</u>                                 | <u>(54)</u>                             | <u>2,367</u>                       | <u>(6,885)</u>                               |

Statement for Prior Financial Period 2021/22

|                                                                                                                               | General Fund<br>Balance<br>£'000 | Housing<br>Revenue<br>Account<br>£'000 | Housing Major<br>Repair<br>Reserves<br>£'000 | Capital<br>Receipts<br>Reserve<br>£'000 | Capital Grants<br>Reserve<br>£'000 | Movement in<br>Unusable<br>Reserves<br>£'000 |
|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------|----------------------------------------------|-----------------------------------------|------------------------------------|----------------------------------------------|
| <b>Capital Adjustment Account</b>                                                                                             |                                  |                                        |                                              |                                         |                                    |                                              |
| Charges for depreciation and impairment of non-current assets                                                                 | (2,418)                          | 0                                      | 0                                            | 0                                       | 0                                  | (2,418)                                      |
| Revaluation losses on Property Plant and Equipment                                                                            | (3,388)                          | 4,273                                  | 0                                            | 0                                       | 0                                  | 885                                          |
| Capital Grants and Contributions                                                                                              | 11,984                           | 0                                      | 0                                            | 0                                       | (1,083)                            | 10,901                                       |
| Revenue Expenditure Funded from Capital under Statute                                                                         | (1,294)                          | 0                                      | 0                                            | 0                                       | 0                                  | (1,294)                                      |
| Non-current assets written off on disposal                                                                                    | 27                               | 0                                      | 0                                            | 0                                       | 0                                  | 27                                           |
| Statutory Provision for the financing of capital investment                                                                   | 2,293                            | 0                                      | 0                                            | 0                                       | 0                                  | 2,293                                        |
| Voluntary Revenue Provision                                                                                                   | 0                                | 200                                    | 0                                            | 0                                       | 0                                  | 200                                          |
| Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool                | (555)                            | 0                                      | 0                                            | 0                                       | 0                                  | (555)                                        |
| Capital Expenditure charged against Revenue                                                                                   | 180                              | 4,047                                  | 0                                            | 0                                       | 0                                  | 4,227                                        |
|                                                                                                                               | 6,829                            | 8,520                                  | 0                                            | 0                                       | (1,083)                            | 14,266                                       |
| <b>Capital Receipts Reserve</b>                                                                                               |                                  |                                        |                                              |                                         |                                    |                                              |
| Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement | 0                                | 0                                      | 0                                            | (1,977)                                 | 0                                  | (1,977)                                      |
| Use of the Capital Receipts reserve to finance new expenditure                                                                | 0                                | 0                                      | 0                                            | 362                                     | 0                                  | 362                                          |
|                                                                                                                               | 0                                | 0                                      | 0                                            | (1,615)                                 | 0                                  | (1,615)                                      |
| <b>Pension Reserve</b>                                                                                                        |                                  |                                        |                                              |                                         |                                    |                                              |
| Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement   | (8,742)                          | (611)                                  | 0                                            | 0                                       | 0                                  | (9,353)                                      |
| Employers pension contribution payable in the year                                                                            | 4,384                            | 0                                      | 0                                            | 0                                       | 0                                  | 4,384                                        |
|                                                                                                                               | (4,358)                          | (611)                                  | 0                                            | 0                                       | 0                                  | (4,969)                                      |

|                                                                                                                                                                                                               | General Fund<br>Balance<br>£'000 | Housing<br>Revenue<br>Account<br>£'000 | Housing Major<br>Repair<br>Reserves<br>£'000 | Capital<br>Receipts<br>Reserve<br>£'000 | Capital Grants<br>Reserve<br>£'000 | Movement in<br>Unusable<br>Reserves<br>£'000 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------|----------------------------------------------|-----------------------------------------|------------------------------------|----------------------------------------------|
| <b>Collection Fund Adjustment</b>                                                                                                                                                                             |                                  |                                        |                                              |                                         |                                    |                                              |
| Amount by which business rate income credited to the Comprehensive Income and Expenditure Statement is different from business rates income calculated for the year in accordance with statutory requirements | 4,250                            | 0                                      | 0                                            | 0                                       | 0                                  | 4,250                                        |
| Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements      | 100                              | 0                                      | 0                                            | 0                                       | 0                                  | 100                                          |
|                                                                                                                                                                                                               | 4,350                            | 0                                      | 0                                            | 0                                       | 0                                  | 4,350                                        |
| <b>Accumulating Short term Compensated Absences Account</b>                                                                                                                                                   |                                  |                                        |                                              |                                         |                                    |                                              |
| Amount by which staff remuneration charged to the Comprehensive Income and Expenditure Statement on an accrual basis is different from that chargeable in the year in accordance with statutory requirements  | (19)                             | (10)                                   | 0                                            | 0                                       | 0                                  | (29)                                         |
| <b>Major Repairs Reserve</b>                                                                                                                                                                                  |                                  |                                        |                                              |                                         |                                    |                                              |
| Reversal of Major Repair Allowance credited to the HRA                                                                                                                                                        | 0                                | 0                                      | 0                                            | 0                                       | 0                                  | 0                                            |
| Use of the Major Repair Reserve to finance new capital expenditure                                                                                                                                            | 0                                | 0                                      | 3,011                                        | 0                                       | 0                                  | 3,011                                        |
| Excess of Depreciation Charged to HRA Compared to the Major Repairs Allowance Element of Housing Subsidy                                                                                                      | 0                                | 0                                      | (3,901)                                      | 0                                       | 0                                  | (3,901)                                      |
|                                                                                                                                                                                                               | 0                                | 0                                      | (890)                                        | 0                                       | 0                                  | (890)                                        |
| <b>Financial Instrument Adjustment Account</b>                                                                                                                                                                |                                  |                                        |                                              |                                         |                                    |                                              |
| Amortisation of Premiums and Discounts                                                                                                                                                                        | 0                                | 0                                      | 0                                            | 0                                       | 0                                  | 0                                            |
| Financial Instruments - Reconciliation to Amortised Costs                                                                                                                                                     | 9                                | 0                                      | 0                                            | 0                                       | 0                                  | 9                                            |
|                                                                                                                                                                                                               | 9                                | 0                                      | 0                                            | 0                                       | 0                                  | 9                                            |
|                                                                                                                                                                                                               | 6,811                            | 7,899                                  | (890)                                        | (1,615)                                 | (1,083)                            | 11,122                                       |

## 9. Grant Income

The Council received the following major Government grants and contributions to the Comprehensive Income and Expenditure Statement within 2022/23.

|                                                   | 2022/23<br>£'000 | 2021/22<br>£'000 |
|---------------------------------------------------|------------------|------------------|
| <b>Government Grants Credited to Services</b>     |                  |                  |
| Rent Allowances Subsidy                           | 10,786           | 11,571           |
| Rent Rebates Subsidy                              | 9,505            | 9,815            |
| Benefits Administration Grant                     | 344              | 348              |
| Council Tax Admin Grant                           | 169              | 175              |
| New Burdens Grant (Other)                         | 374              | 69               |
| Non Domestic Rates Admin Allowance                | 151              | 147              |
| Elections                                         | 0                | 137              |
| Homelessness Assistance                           | 318              | 322              |
| Apprenticeship Levy                               | 44               | 48               |
| Domestic Abuse (LAs)                              | 32               | 32               |
| Future High Streets Funding                       | 0                | 0                |
| Towns Fund - Capacity Funding                     | 0                | 0                |
| Towns Fund - Enterprise Ashfield Scheme           | 641              | 279              |
| Towns Fund - Library Innovation Centres           | 38               | 0                |
| Rough Sleeper                                     | 1,263            | 1,286            |
| Syrian Vulnerable Persons Resettlement Scheme     | 59               | 138              |
| Homes for Ukrainians Housing Support Scheme       | 53               | 0                |
| Afghan resettlement scheme                        | 21               | 0                |
| Safer Streets                                     | 68               | 261              |
| Summer Holidays Activities & Food                 | 0                | 138              |
| Restoring Your Railway                            | 0                | 28               |
| Local Digital Cyber Fund                          | 124              | 0                |
| UK Shared Prosperity Fund                         | 317              | 0                |
| Other Revenue Grants                              | 14               | 22               |
| <u>Covid Related Grants</u>                       |                  |                  |
| Council Tax Hardship Fund                         | 0                | 0                |
| Local Council Tax Support Scheme                  | 0                | 159              |
| Reopening of High Streets                         | 0                | 147              |
| Local Authority Compliance and Enforcement Grant  | 0                | 0                |
| Track & Trace Administration Grant                | 0                | 53               |
| COVID Administration Grants                       | 0                | 131              |
| Local Authority Discretionary Grant Fund          | 0                | 0                |
| Track & Trace Support Payment Discretionary Grant | 0                | 16               |
| Local Restrictions Support Grant - Open           | 0                | 0                |
| Additional Restrictions Grant                     | 0                | 1,219            |
| Cold Weather Funding                              | 0                | 0                |
| National Leisure Recovery Fund                    | 0                | 19               |
| <b>Sub Total</b>                                  | <b>24,321</b>    | <b>26,560</b>    |

## Grants Income (Continued)

|                                                                                                                                   | 2022/23<br>£'000         | 2021/22<br>£'000         |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>Other Grants and Contributions Credited to Services</b>                                                                        |                          |                          |
| Discretionary Housing Payments                                                                                                    | 154                      | 88                       |
| Mansfield Joint Crematorium                                                                                                       | 391                      | 353                      |
| Rough Sleeper                                                                                                                     | 152                      | 67                       |
| Community Safety                                                                                                                  | 249                      | 58                       |
| Leisure Centre                                                                                                                    | 0                        | 0                        |
| Leisure Operator Contract Contribution                                                                                            | 495                      | 188                      |
| Elections                                                                                                                         | 46                       | 69                       |
| Health & Wellbeing                                                                                                                | 19                       | 68                       |
| Contain Funding (Covid Related)                                                                                                   | 0                        | 221                      |
| Other Revenue Grants and Contributions                                                                                            | 198                      | 210                      |
| <b>Sub Total</b>                                                                                                                  | <b>1,704</b>             | <b>1,322</b>             |
| <b>Grants and Contributions Credited to Services Total</b>                                                                        | <b>26,025</b>            | <b>27,882</b>            |
| <b>Credited to Taxation and Non Specific Grant Income</b>                                                                         |                          |                          |
| Revenue Support Grant (*CIES Government Grants)                                                                                   | 204                      | 198                      |
| New Homes Bonus Grant (*CIES Government Grants)                                                                                   | 486                      | 651                      |
| Lower Tier Service Grant                                                                                                          | 195                      | 182                      |
| Services Grant                                                                                                                    | 268                      |                          |
| Covid Grant (*CIES Government Grants)                                                                                             | 0                        | 817                      |
| Sales, Fees and Charges compensation (*CIES Government Grants)                                                                    | 0                        | 10                       |
| <b>Total Government Grants</b>                                                                                                    | <b>1,153</b>             | <b>1,858</b>             |
| Capital Grants and Contributions                                                                                                  | 14,681                   | 11,984                   |
| Net Non-Domestic Rates Receipts                                                                                                   | 7,252                    | 3,105                    |
| <b>Total Grants</b>                                                                                                               | <b>23,086</b>            | <b>16,947</b>            |
|                                                                                                                                   | <b>2022/23<br/>£'000</b> | <b>2021/22<br/>£'000</b> |
| <b>Memorandum Account NDR</b>                                                                                                     |                          |                          |
| Retained Business Rates - transfer from Collection Fund                                                                           | 15,300                   | 15,192                   |
| Tariff payable direct to Nottinghamshire County Council                                                                           | (9,786)                  | (9,786)                  |
| Total Retained Business Rates                                                                                                     | 5,514                    | 5,406                    |
| Small Business, Empty Rate & CARF - Sct 31 - Grant                                                                                | 3,371                    | 3,006                    |
| Business Rates Levy                                                                                                               | (2,057)                  | (1,939)                  |
| Returned Levy - Nottinghamshire Pooling Agreement                                                                                 | 0                        | (5)                      |
| Returned Levy - Nottinghamshire Pooling Agreement                                                                                 | 1,122                    | 1,086                    |
| Levy Account Surplus Grant                                                                                                        | 33                       | 0                        |
| Distribution of estimated NDR deficit/surplus                                                                                     | (752)                    | (4,497)                  |
| Renewable Energy NNDR wholly retained                                                                                             | 21                       | 21                       |
| Taxation Income Guarantee Scheme                                                                                                  | 0                        | 27                       |
|                                                                                                                                   | <b>7,252</b>             | <b>3,105</b>             |
| Amount Credited to the Comprehensive Income and Expenditure Statement after adjustment for the Collection Fund Adjustment Account | <b>7,930</b>             | <b>7,355</b>             |

### Grants Income (Continued)

Note: Sales Fees and Charges Compensation Grant from Central Government was included in Taxation and Non-Specific Grants instead of Credited to Services in 2021/22. The compensation was provided to mitigate the net budget gap, which irrecoverable losses had created. This presentation means it is shown transparently and consistently with the non-specific Covid-19 Grant in 2021/22.

### Grants received in advance

The Council has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that had not been met at the Balance Sheet date, which may require the monies to be returned to the giver.

The balances at the year-end are:

|                                                        | 2022/23<br>£'000 | 2021/22<br>£'000 |
|--------------------------------------------------------|------------------|------------------|
| <b>Revenue Grants Received in Advance - Short Term</b> |                  |                  |
| NNDR Covid Additional Restrictions Fund (CARF) Grant   | 1,686            | 2,718            |
| Discretionary Council Tax Rebate Grant                 | 0                | 256              |
|                                                        | <u>1,686</u>     | <u>2,974</u>     |

|                                                             | 2022/23<br>£'000 | 2021/22<br>£'000 |
|-------------------------------------------------------------|------------------|------------------|
| <b>Revenue Contribution Received in Advance - Long Term</b> |                  |                  |
| Section 106 Contributions                                   | 227              | 268              |
|                                                             | <u>227</u>       | <u>268</u>       |

|                                                             |              |              |
|-------------------------------------------------------------|--------------|--------------|
| <b>Capital Contribution Received in Advance - Long Term</b> |              |              |
| Section 106 Contributions                                   | 2,568        | 1,971        |
| Private Sector Enforced Sale Capital Receipt                | 109          | 109          |
|                                                             | <u>2,677</u> | <u>2,080</u> |

## 10. Interest Payable and Other Charges

|                                                 | 2022/23<br>£'000 | 2021/22<br>£'000 |
|-------------------------------------------------|------------------|------------------|
| Loan Interest                                   | 3,510            | 3,514            |
| General Fund                                    | 91               | 3                |
| <b>Total Interest Payable and Other Charges</b> | <u>3,601</u>     | <u>3,517</u>     |

## 11. Tangible Non-current Assets

Tangible non-current assets at 31<sup>st</sup> March 2023 are set out below:

|                                                    | Council<br>Dwellings | Land and<br>Buildings | Community<br>Assets | Vehicles,<br>Plant and<br>Equipment | Infra-<br>structure | Surplus<br>Assets | Assets under<br>Construction | Total          |
|----------------------------------------------------|----------------------|-----------------------|---------------------|-------------------------------------|---------------------|-------------------|------------------------------|----------------|
| Cost or Valuation                                  | £'000                | £'000                 | £'000               | £'000                               | £'000               | £'000             | £'000                        | £'000          |
| As at 1st April 2022                               | 247,484              | 64,903                | 941                 | 9,525                               | 96                  | 693               | 20,351                       | 343,993        |
| Additions                                          | 12,373               | 32                    | 0                   | 1,614                               | 0                   | 0                 | 15,377                       | 29,396         |
| Disposals                                          | (2,609)              | 0                     | 0                   | (1,248)                             | 0                   | 0                 | 0                            | (3,857)        |
| Reclassifications                                  | 911                  | 15,454                | 3,116               | (1,270)                             | 1,632               | 802               | (20,645)                     | 0              |
| Transferred to Assets Held for Sale                | 0                    | 0                     | 0                   | 0                                   | 0                   | 0                 | 0                            | 0              |
| Derecognition - other                              | 0                    | (638)                 | 0                   | 0                                   | 0                   | 0                 | 0                            | (638)          |
| Revaluations / (Impairments)                       |                      |                       |                     |                                     |                     |                   |                              |                |
| Recognised in the Revaluation Reserve              | 27,095               | 0                     | 0                   | 0                                   | 0                   | 0                 | 0                            | 27,095         |
| Recognised in Provision of Services                | (10,245)             | (5,861)               | 0                   | (5)                                 | 0                   | 0                 | (29)                         | (16,140)       |
| As at 31st March 2023                              | 275,009              | 73,890                | 4,057               | 8,616                               | 1,728               | 1,495             | 15,054                       | 379,849        |
| <b>Depreciation and Impairments</b>                |                      |                       |                     |                                     |                     |                   |                              |                |
| As at 1st April 2022                               | (303)                | (6,624)               | (471)               | (3,686)                             | (40)                | 0                 | 0                            | (11,124)       |
| Charge for the year                                | (3,813)              | (1,504)               | (65)                | (1,574)                             | (3)                 | 0                 | 0                            | (6,959)        |
| Disposals                                          | 0                    | 0                     | 0                   | 1,212                               | 0                   | 0                 | 0                            | 1,212          |
| Reclassifications                                  | (3)                  | 1,218                 | (856)               | 0                                   | (359)               | 0                 | 0                            | 0              |
| Revaluations / (Impairments)                       |                      |                       |                     |                                     |                     |                   |                              |                |
| Recognised in the Revaluation Reserve              | 3,816                | 2,445                 | 0                   | 0                                   | 0                   | 0                 | 0                            | 6,261          |
| Recognised in Provision of Services                | 0                    | (856)                 | 0                   | 5                                   | 0                   | 0                 | 0                            | (851)          |
| As at 31st March 2023                              | (303)                | (5,321)               | (1,392)             | (4,043)                             | (402)               | 0                 | 0                            | (11,461)       |
| <b>Balance Sheet Net Amount at 31st March 2023</b> | <b>274,706</b>       | <b>68,569</b>         | <b>2,665</b>        | <b>4,573</b>                        | <b>1,326</b>        | <b>1,495</b>      | <b>15,054</b>                | <b>368,388</b> |

The tangible non-current assets at 31<sup>st</sup> March 2022 for comparative purposes are set out below:

|                                             | Council<br>Dwellings | Land and<br>Buildings | Community<br>Assets | Vehicles,<br>Plant and<br>Equipment | Infra-<br>structure | Surplus<br>Assets | Assets under<br>Construction | Total    |
|---------------------------------------------|----------------------|-----------------------|---------------------|-------------------------------------|---------------------|-------------------|------------------------------|----------|
| Cost or Valuation                           | £'000                | £'000                 | £'000               | £'000                               | £'000               | £'000             | £'000                        | £'000    |
| As at 1st April 2021                        | 229,687              | 64,719                | 941                 | 8,776                               | 96                  | 1,953             | 6,183                        | 312,355  |
| Additions                                   | 6,891                | 548                   | 0                   | 1,016                               | 0                   | 0                 | 15,787                       | 24,242   |
| Disposals                                   | (2,163)              | 0                     | 0                   | (328)                               | 0                   | 0                 | 0                            | (2,491)  |
| Reclassifications                           | 847                  | 711                   | 0                   | 61                                  | 0                   | 0                 | (1,619)                      | 0        |
| Transferred to Assets Held for Sale         | 0                    | (4)                   | 0                   | 0                                   | 0                   | (1,300)           | 0                            | (1,304)  |
| Revaluations / (Impairments)                |                      |                       |                     |                                     |                     |                   |                              |          |
| Recognised in the Revaluation Reserve       | 7,599                | (47)                  | 0                   | 0                                   | 0                   | 40                | 0                            | 7,592    |
| Recognised in Provision of Services         | 4,623                | (1,024)               | 0                   | 0                                   | 0                   | 0                 | 0                            | 3,599    |
| As at 31st March 2022                       | 247,484              | 64,903                | 941                 | 9,525                               | 96                  | 693               | 20,351                       | 343,993  |
| <b>Depreciation and Impairments</b>         |                      |                       |                     |                                     |                     |                   |                              |          |
| As at 1st April 2021                        | (303)                | (5,166)               | (406)               | (2,831)                             | (37)                | 0                 | 0                            | (8,743)  |
| Charge for the year                         | (3,649)              | (1,536)               | (65)                | (1,066)                             | (3)                 | 0                 | 0                            | (6,319)  |
| Disposals                                   | 0                    | 0                     | 0                   | 211                                 | 0                   | 0                 | 0                            | 211      |
| Reclassifications                           | 0                    | 0                     | 0                   | 0                                   | 0                   | 0                 | 0                            | 0        |
| Revaluations / (Impairments)                |                      |                       |                     |                                     |                     |                   |                              |          |
| Recognised in the Revaluation Reserve       | 3,649                | 31                    | 0                   | 0                                   | 0                   | 0                 | 0                            | 3,680    |
| Recognised in Provision of Services         | 0                    | 47                    | 0                   | 0                                   | 0                   | 0                 | 0                            | 47       |
| As at 31st March 2022                       | (303)                | (6,624)               | (471)               | (3,686)                             | (40)                | 0                 | 0                            | (11,124) |
| Balance Sheet Net Amount at 31st March 2022 | 247,181              | 58,279                | 470                 | 5,839                               | 56                  | 693               | 20,351                       | 332,869  |

### **Capital Commitments**

The Council has entered into the following major contracts:

- The refurbishment of Council Dwellings from early 2021/22 to 2024/25. This contract has an estimated value of £33m, and
- Main contractor for the new Kirkby Leisure Centre from January 2021 to October 2023. The total contract value is estimated to be £12m.

### **Effects of Changes in Estimates**

In 2022/23, a desktop valuation of Council Dwelling stock was completed. Many of these valuations were revised upwards on the 31<sup>st</sup> March 2023. The desktop valuation has increased the building values. This is expected to result in an estimated £781k increase in Council Dwelling Depreciation in 2023/24.

### **Revaluations**

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. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

The significant assumptions applied in estimating the fair values are:

- It has been assumed for the purpose of these valuations that there are no onerous covenants or conditions, which would be imposed on the disposals of the assets.
- The Council housing stock has been valued on the basis of existing use value discounted for social housing, in accordance with the financial framework for Stock Valuation for Resource Accounting Guidance for Valuers 2016 (as supplied by the Department for Levelling Up, Housing and Communities (formerly Department for Communities and Local Government)).

## 12. Heritage Assets

### Cenotaphs

The Authority has seven cenotaphs at various locations throughout the District. The valuation for these cenotaphs is based on the average replacement cost and this has been agreed following discussions with our internal valuer.

### Statues and Artwork

Insurance valuations were used to value the Harold Larwood Statue in Kirkby. All other Heritage Assets comprising of Walter Jack Painting Brierley Park, Mosaic Marker Stone at Spring Street Hucknall, Flight of Fancy Statue at Hucknall Market Place and the Miners Statue at Station Road Hucknall are all valued at historic cost.

|                          | Cenotaphs  | Statues<br>and<br>Artwork | Total      |
|--------------------------|------------|---------------------------|------------|
|                          | £'000      | £'000                     | £'000      |
| <b>Cost or Valuation</b> |            |                           |            |
| 1st April 2022           | 330        | 498                       | 828        |
| Acquisitions             | 0          | 0                         | 0          |
| <b>31st March 2023</b>   | <b>330</b> | <b>498</b>                | <b>828</b> |
| <b>Cost or Valuation</b> |            |                           |            |
| 1st April 2021           | 330        | 498                       | 828        |
| Acquisitions             | 0          | 0                         | 0          |
| <b>31st March 2022</b>   | <b>330</b> | <b>498</b>                | <b>828</b> |

### 13. Tangible Non-Current Asset Valuations

The following table shows the progress of the Council's rolling programme for the revaluation of non-current assets. The purpose of the rolling programme is to ensure that all assets valued at current value are re-valued at least every five years. The table shows the annual movement in asset values arising from the revaluation programme, undertaken by Mr M Kirk MRICS, Registered Valuer.

|                                                                                      | Council<br>Dwellings | Land and<br>Buildings | Community<br>Assets | Vehicles,<br>Plant and<br>Equipment | Infra-<br>structure | Surplus<br>Assets | Assets under<br>Construction | Total    |
|--------------------------------------------------------------------------------------|----------------------|-----------------------|---------------------|-------------------------------------|---------------------|-------------------|------------------------------|----------|
|                                                                                      | £'000                | £'000                 | £'000               | £'000                               | £'000               | £'000             | £'000                        | £'000    |
| <b>Gross book value of assets 31st March 2023</b>                                    | 275,009              | 73,890                | 4,057               | 8,616                               | 1,728               | 1,495             | 15,054                       | 379,849  |
| Valued at historical cost                                                            | (304)                | (4,943)               | (4,057)             | (8,616)                             | (1,728)             | (1,320)           | (15,054)                     | (36,022) |
|                                                                                      | 274,705              | 68,947                | 0                   | 0                                   | 0                   | 175               | 0                            | 343,827  |
| Crematorium Valuation (2018/19)                                                      | 0                    | 1,206                 | 0                   | 0                                   | 0                   | 0                 | 0                            | 1,206    |
| Valued at current value:                                                             |                      |                       |                     |                                     |                     |                   |                              |          |
| 31st March 2023 by the Estates Manager (MRICS) employed by ADC                       | 274,705              | 45,934                | 0                   | 0                                   | 0                   | 0                 | 0                            | 320,639  |
| 31st March 2022 by the Estates Manager (MRICS) employed by ADC                       | 0                    | 64                    | 0                   | 0                                   | 0                   | 0                 | 0                            | 64       |
| 31st March 2021 by the Estates Manager (MRICS) employed by ADC                       | 0                    | 17,904                | 0                   | 0                                   | 0                   | 175               | 0                            | 18,079   |
| 31st March 2020 by the Estates Manager (MRICS) employed by ADC                       | 0                    | 95                    | 0                   | 0                                   | 0                   | 0                 | 0                            | 95       |
| 31st January 2019 and 31st March 2019 by the Estates Manager (MRICS) employed by ADC | 0                    | 3,744                 | 0                   | 0                                   | 0                   | 0                 | 0                            | 3,744    |
|                                                                                      | 274,705              | 68,947                | 0                   | 0                                   | 0                   | 175               | 0                            | 343,827  |

## 14. Investment Properties

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

|                                                            | 2022/23<br>£'000 | 2021/22<br>£'000 |
|------------------------------------------------------------|------------------|------------------|
| Rental Income From Investment Properties                   | 4,519            | 4,514            |
| Direct operating expenses arising from investment property | (11)             | (121)            |
| Net gain/(loss)                                            | <u>4,508</u>     | <u>4,393</u>     |

There are no restrictions on the authority's ability to realise the value inherent in its investment property or on the authority's right to the remittance of income and the proceeds of disposal. The authority has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement. The following table summarises the movement in the fair value of investment properties over the year:

|                                              | 2022/23<br>£'000 | 2021/22<br>£'000 |
|----------------------------------------------|------------------|------------------|
| Balance at Start of the Year                 | 50,670           | 52,793           |
| Additions:                                   |                  |                  |
| - Purchases                                  | 0                | 0                |
| - Construction                               | 0                | 0                |
| - Subsequent expenditure                     | 0                | 0                |
| Disposals                                    | 0                | 0                |
| Net gains/losses from fair value adjustments | (5,222)          | (2,123)          |
| Transfers:                                   |                  |                  |
| - to/from inventories                        | 0                | 0                |
| - to/from property, plant and equipment      | 0                | 0                |
| Other Changes                                | 0                | 0                |
| Balance at end of year                       | <u>45,448</u>    | <u>50,670</u>    |

The fair value of investment properties is measured annually. The valuations at 31 March 2023 were carried out by Carter Towler Chartered Surveyors, Hellier Langston Limited, Innes England, Lambert Smith Hampton, Ryden LLP and Sanderson Wetherall.

### Fair Value Hierarchy

Details of the authority's investment properties and information about the fair value hierarchy as at 31 March 2023 and 31 March 2022 are as follows:

|                                          | Quoted prices<br>in active<br>markets for<br>identical assets<br>(level 1)<br>£'000 | Other<br>significant<br>observable<br>inputs (level 2)<br>£'000 | Significant<br>unobservable<br>inputs (level 3)<br>£'000 | Fair Value as at<br>31 March 2023<br>£'000 |
|------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------|
| <b>2022/23 Fair Value Hierarchy</b>      |                                                                                     |                                                                 |                                                          |                                            |
| Recurring fair value measurements using: |                                                                                     |                                                                 |                                                          |                                            |
| Residential (market rental) properties   | 0                                                                                   | 0                                                               | 0                                                        | 0                                          |
| Office units                             | 0                                                                                   | 0                                                               | 0                                                        | 0                                          |
| Commercial Units                         | 45,448                                                                              | 0                                                               | 0                                                        | 45,448                                     |
| Total                                    | 45,448                                                                              | 0                                                               | 0                                                        | 45,448                                     |

|                                          | Quoted prices<br>in active<br>markets for<br>identical assets<br>(level 1)<br>£'000 | Other<br>significant<br>observable<br>inputs (level 2)<br>£'000 | Significant<br>unobservable<br>inputs (level 3)<br>£'000 | Fair Value as at<br>31 March 2022<br>£'000 |
|------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------|
| <b>2021/22 Comparative Figures</b>       |                                                                                     |                                                                 |                                                          |                                            |
| Recurring fair value measurements using: |                                                                                     |                                                                 |                                                          |                                            |
| Residential (market rental) properties   | 0                                                                                   | 0                                                               | 0                                                        | 0                                          |
| Office units                             | 0                                                                                   | 0                                                               | 0                                                        | 0                                          |
| Commercial Units                         | 50,670                                                                              | 0                                                               | 0                                                        | 50,670                                     |
| Total                                    | 50,670                                                                              | 0                                                               | 0                                                        | 50,670                                     |

## 15. Intangible Non-Current Assets

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include both purchased licenses and internally generated software. There have been no software purchases in 2022/23 which meet the definition of intangible non-current assets.

## 16. Gains and Losses from the Sale of Assets

The Comprehensive Income and Expenditure Statement includes gains and losses from the sale of Council assets. The value of the gains and losses for 2022/23 is as follows:

|                          | 2022/23     | 2021/22     |
|--------------------------|-------------|-------------|
|                          | £'000       | £'000       |
| Council house sales      | 0           | 0           |
| General fund assets      | (39)        | (27)        |
| <b>Total (Gain)/Loss</b> | <b>(39)</b> | <b>(27)</b> |

## 17. Financial Instruments

### a. Financial liabilities held at amortised cost

|                                    | Long Term     |               | Short Term    |               |
|------------------------------------|---------------|---------------|---------------|---------------|
|                                    | 31st March    | 31st March    | 31st March    | 31st March    |
|                                    | 2023          | 2022          | 2023          | 2022          |
|                                    | £'000         | £'000         | £'000         | £'000         |
| <b>Financial Liabilities</b>       |               |               |               |               |
| Borrowings at Amortised Cost       | 87,697        | 91,966        | 4,262         | 6,503         |
| Finance Leases                     | 0             | 0             | 0             | 0             |
| Trade Creditors                    | 0             | 0             | 11,743        | 7,399         |
| <b>Total Financial Liabilities</b> | <b>87,697</b> | <b>91,966</b> | <b>16,005</b> | <b>13,902</b> |

**b. Financial Assets – Loans and receivables held at amortised cost**

|                                    | Long Term  |            | Short Term   |               |
|------------------------------------|------------|------------|--------------|---------------|
|                                    | 31st March | 31st March | 31st March   | 31st March    |
|                                    | 2023       | 2022       | 2023         | 2022          |
|                                    | £'000      | £'000      | £'000        | £'000         |
| <b>Loans and Receivables</b>       |            |            |              |               |
| Investments                        | 0          | 0          | 0            | 14,012        |
| Trade Debtors                      | 0          | 0          | 4,634        | 7,257         |
| <b>Total Loans and Receivables</b> | <b>0</b>   | <b>0</b>   | <b>4,634</b> | <b>21,269</b> |

**c. Gains and Losses on Financial Instruments**

|                                          | 2022/23<br>£'000 | 2021/22<br>£'000 |
|------------------------------------------|------------------|------------------|
| <b>Interest Expense</b>                  |                  |                  |
| Liabilities measured at 'Amortised Cost' | 3,496            | 3,514            |
| <b>Interest Income</b>                   |                  |                  |
| Loans and Receivables                    | (854)            | (32)             |
| <b>Net Gain / (Loss) for the Year</b>    | <b>2,642</b>     | <b>3,482</b>     |

**d. Fair Value of Assets and Liabilities carried at Amortised Cost**

Financial liabilities and financial assets (represented by loans and receivables) are carried in the Balance Sheet at amortised cost. Link Group plc provides the fair values to be utilised.

|                                   | 31st March 2023 |               | 31st March 2022 |                |
|-----------------------------------|-----------------|---------------|-----------------|----------------|
|                                   | Carrying Amount | Fair Value    | Carrying Amount | Fair Value     |
|                                   | £'000           | £'000         | £'000           | £'000          |
| <b>Financial Liabilities</b>      |                 |               |                 |                |
| PWLB                              | 56,563          | 48,870        | 57,811          | 60,324         |
| Money Market                      | 31,134          | 34,690        | 34,155          | 46,182         |
|                                   | <u>87,697</u>   | <u>83,560</u> | <u>91,966</u>   | <u>106,506</u> |
| <b>Short Term Borrowing</b>       |                 |               |                 |                |
| Money Market maturing in one year | 3,014           | 3,085         | 1,499           | 1,557          |
| PWLB maturing in one year         | 1,248           | 1,247         | 5,004           | 5,083          |
|                                   | <u>4,262</u>    | <u>4,332</u>  | <u>6,503</u>    | <u>6,640</u>   |
|                                   | <u>91,959</u>   | <u>87,892</u> | <u>98,469</u>   | <u>113,146</u> |
| <b>Loans and Receivables</b>      |                 |               |                 |                |
| Other Securities                  | 0               | 0             | 0               | 0              |
| Direct Short Term Investments     | 0               | 0             | 14,012          | 13,982         |
| Money Market less than 12 months  | 0               | 0             | 0               | 0              |
|                                   | <u>0</u>        | <u>0</u>      | <u>14,012</u>   | <u>13,982</u>  |

#### e. Investments

Under the Council's accounting policy on Cash Equivalents, instant access accounts are deemed to be classified as cash equivalents within the balance sheet and cash flow statements while investments of greater than 3 months, are classified as investments.

|                                            | 31st March<br>2023<br>£'000 | 31st March<br>2022<br>£'000 |
|--------------------------------------------|-----------------------------|-----------------------------|
| <b>Short Term Investments:</b>             |                             |                             |
| Direct Short Term Investments              | 0                           | 14,012                      |
| Money Market less than 12 months           | 0                           | 0                           |
| Investments of Joint Crematorium Committee | <u>0</u>                    | <u>0</u>                    |
|                                            | <u>0</u>                    | <u>14,012</u>               |
| <b>Long Term Investments:</b>              |                             |                             |
| Other Securities                           | <u>0</u>                    | <u>0</u>                    |
|                                            | <u>0</u>                    | <u>0</u>                    |
| <b>Total Investments</b>                   | <u><u>0</u></u>             | <u><u>14,012</u></u>        |

## 18. Inventories

A breakdown of the balance sheet figure is given below:

|                          | 2022/23<br>£'000 | 2021/22<br>£'000 |
|--------------------------|------------------|------------------|
| Balance at 1st April     | 601              | 515              |
| Purchases                | 2,122            | 1,817            |
| Recognised as an expense | (2,136)          | (1,731)          |
| Balance at 31st March    | <u>587</u>       | <u>601</u>       |

## 19. Debtors

An analysis of the balance sheet figure is given below:

|                                | 31st March<br>2023<br>£'000 | 31st March<br>2022<br>£'000 |
|--------------------------------|-----------------------------|-----------------------------|
| Central Government Bodies      | 1,356                       | 1,615                       |
| Other Local Authorities        | 1,688                       | 1,381                       |
| NHS Bodies                     | 143                         | 8                           |
| Other entities and individuals | 8,122                       | 8,342                       |
| Allowance for Credit Loss      | (3,171)                     | (2,917)                     |
|                                | <u>8,138</u>                | <u>8,429</u>                |

|                   | 31st March<br>2023<br>£'000 | 31st March<br>2022<br>£'000 |
|-------------------|-----------------------------|-----------------------------|
| Long Term Debtors | <u>0</u>                    | <u>0</u>                    |
|                   | <u>0</u>                    | <u>0</u>                    |

### Debtors For Local Taxation

|                    | 31st March<br>2023<br>£'000 | 31st March<br>2022<br>£'000 |
|--------------------|-----------------------------|-----------------------------|
| Council Tax        | 745                         | 632                         |
| Non Domestic Rates | 634                         | 799                         |
|                    | <u>1,379</u>                | <u>1,431</u>                |

## 20. Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

|                       | 31st March<br>2023<br>£'000 | 31st March<br>2022<br>£'000 |
|-----------------------|-----------------------------|-----------------------------|
| Bank Current Accounts | (1,770)                     | (2,186)                     |
| Short Term Deposits   | 27,444                      | 30,825                      |
|                       | <u>25,674</u>               | <u>28,639</u>               |

## 21. Assets Held For Sale

International Financial Reporting Standard 5 requires Non-Current Assets Held for Sale and Discontinued Operations to be reported separately in the balance sheet. The Council in 2022/23 has several assets that meet the definition of Assets Held for Sale i.e. surplus garage plots and sites and land on Diamond Avenue in Kirkby in Ashfield. Existing Asset Held for Sale assets have been revalued in 2022/23.

|                                       | 31st March<br>2023<br>£'000 | 31st March<br>2022<br>£'000 |
|---------------------------------------|-----------------------------|-----------------------------|
| Opening Balance                       | 1,120                       | 226                         |
| Transfer From Land and Buildings      | 0                           | 0                           |
| Transfer From Surplus Assets          | 0                           | 1,300                       |
| Transfer From Housing Revenue Account | 0                           | 4                           |
| Disposals                             | 0                           | (226)                       |
| Revaluations / (Impairments)          |                             |                             |
| Recognised in the Revaluation Reserve | 59                          | 114                         |
| Recognised in Provision of Services   | 0                           | (298)                       |
| Closing Balance                       | <u>1,179</u>                | <u>1,120</u>                |

## 22. Creditors

An analysis of the balance sheet figure is given below:

Note: The creditors with Central Government bodies as at 31 March 2023 include £0.471m (£3.746m in 2021/22) in relation to S31 grants paid by Central Government to cover additional business rates relief granted to businesses during 2022/23. This was paid to the Council to ease cashflow pressures, due to the Council being the billing authority for the collection fund. This amount will not fall on the Council's General Fund and will be repaid to Central Government in 2023/24.

The creditors with Central Government bodies as at 31 March 2023 also include £0.520m (£12.598m in 2021/22) balance of grant income, where the Council has acted as agent for Central Government in paying Business Grants to eligible recipients. The

Council is acting as agent as it has no control over the amount allocated to recipients. The balance represents the cash being held on behalf of Central Government as at 31 March 2023. The balance at 31 March 2023 relates to an ongoing scheme and will be paid out in future grants as the Council continues to act as agent in distributing the grants, with any remaining balance being returned to Central Government when the scheme is closed.

|                                | 31st March<br>2023<br>£'000 | 31st March<br>2022<br>£'000 |
|--------------------------------|-----------------------------|-----------------------------|
| <b>Short Term Creditors</b>    |                             |                             |
| Central Government Bodies      | 1,538                       | 16,738                      |
| Other Local Authorities        | 8,791                       | 5,906                       |
| NHS Bodies                     | 1,245                       | 696                         |
| Other entities and individuals | 11,901                      | 9,337                       |
|                                | <b>23,475</b>               | <b>32,677</b>               |
| <b>Long Term Creditors</b>     | 0                           | 0                           |
|                                | <b>0</b>                    | <b>0</b>                    |

## 23.Provisions

The Council has created provisions in respect of a number of issues that may result in a cost to the Council. These are analysed below for 2022/23, with 2021/22 provided for comparative purposes.

|                                  | Balance at<br>31st March<br>2022<br>£'000 | Receipts in<br>year<br>£'000 | Payments in<br>year<br>£'000 | Balance at<br>31st March<br>2023<br>£'000 |
|----------------------------------|-------------------------------------------|------------------------------|------------------------------|-------------------------------------------|
| <b>Short Term:</b>               |                                           |                              |                              |                                           |
| NDR Appeals                      | (2,239)                                   | (457)                        | 278                          | (2,418)                                   |
| Termination Costs                | (13)                                      | 0                            | 13                           | 0                                         |
| Legal costs                      | (20)                                      | 0                            | 12                           | (8)                                       |
| <b>Long Term:</b>                |                                           |                              |                              |                                           |
| Planning Appeal Costs            | (125)                                     | 0                            | 0                            | (125)                                     |
| Insurance Funds:                 |                                           |                              |                              |                                           |
| Municipal Mutual Insurance (MMI) | (57)                                      | (22)                         | 0                            | (79)                                      |
| Liability                        | (140)                                     | 0                            | 0                            | (140)                                     |
| Property                         | (78)                                      | 0                            | 0                            | (78)                                      |
| <b>Total</b>                     | <b>(2,672)</b>                            | <b>(479)</b>                 | <b>303</b>                   | <b>(2,848)</b>                            |
|                                  |                                           |                              |                              |                                           |
|                                  | Balance at<br>31st March<br>2021<br>£'000 | Receipts in<br>year<br>£'000 | Payments in<br>year<br>£'000 | Balance at<br>31st March<br>2022<br>£'000 |
| <b>Short Term:</b>               |                                           |                              |                              |                                           |
| Accumulated Absences             | (594)                                     | (623)                        | 594                          | (623)                                     |
| Termination Costs                | 0                                         | (13)                         | 0                            | (13)                                      |
| Legal costs (Land Charges)       | (7)                                       | (20)                         | 7                            | (20)                                      |
| Dilapidations                    | (31)                                      | 0                            | 31                           | 0                                         |
| <b>Long Term:</b>                |                                           |                              |                              |                                           |
| Planning Appeal Costs            | (125)                                     | (90)                         | 90                           | (125)                                     |
| NDR Appeals                      | (2,154)                                   | (633)                        | 548                          | (2,239)                                   |
| Insurance Funds:                 |                                           |                              |                              |                                           |
| Municipal Mutual Insurance (MMI) | (57)                                      | 0                            | 0                            | (57)                                      |
| Liability                        | (124)                                     | (97)                         | 81                           | (140)                                     |
| Property                         | (25)                                      | (73)                         | 20                           | (78)                                      |
| <b>Total</b>                     | <b>(3,117)</b>                            | <b>(1,549)</b>               | <b>1,371</b>                 | <b>(3,295)</b>                            |

### a. Termination Costs

As at the 31 March 2022 a service restructure had been approved and the affected employees have agreed their termination offers. The payments were made in 2022/23.

#### **b. Legal Costs**

A provision was made in 2021/22 in respect of estimated legal costs on a disrepair claim. This was settled in 2022/23. The remaining balance will be required to contest expected claims in 2023/24.

#### **c. Dilapidations**

During 2021/22 the balance on this provision was fully utilised to meet the dilapidation obligation it had been set aside to fund. The obligation was in relation to a commercial property. There are no provisions for dilapidations in 2022/23.

#### **d. Planning Appeal Costs**

This arises as a result of reviewing planning appeals and the payment of legal costs should these be successful.

#### **e. National Non-Domestic Rates (NDR) Appeals**

The Business Rate Retention regime places a liability on the Council to refund ratepayers who successfully appeal against the rateable value of their properties on the rating list. A provision of £2.418m has been made, representing the Council's estimated share of such liabilities at 31 March 2023.

#### **f. Insurances**

At the end of the year, the Council had a £297k insurance provision, which is maintained to meet its outstanding liability (within the policy excess) for claims. The amount of provision required is calculated by the Council's Insurers. Most claims come to fruition within 1-2 years. The factors affecting these values can change and the Insurance Companies regularly review the provision requirement. The main risk is that several incurred but not reported claims could affect its adequacy. Over and above this provision, the Council also maintains Insurance Fund Reserves.

### **24. Usable Reserves**

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement and the following note.

#### **Service Earmarked Reserves**

This note sets out the amounts set aside from the General Fund balances to earmarked reserves for future service expenditure plans. Further detail on the movement of reserves can be found within the Narrative Statement.

|                                           | Balance at<br>31st March<br>2023<br>£'000 | Movements<br>in Year<br>£'000 | Balance at<br>31st March<br>2022<br>£'000 | Movements<br>in Year<br>£'000 | Balance at<br>31st March<br>2021<br>£'000 |
|-------------------------------------------|-------------------------------------------|-------------------------------|-------------------------------------------|-------------------------------|-------------------------------------------|
| District Planning Inquiry                 | 201                                       | (31)                          | 232                                       | (80)                          | 312                                       |
| Elections                                 | 152                                       | 34                            | 118                                       | 54                            | 64                                        |
| Harold Farr Bequest                       | 0                                         | (2)                           | 2                                         | 0                             | 2                                         |
| Asset Repair & Renewal Reserve            | 640                                       | (6)                           | 646                                       | (96)                          | 742                                       |
| LAMS Reserve                              | 0                                         | (16)                          | 16                                        | (60)                          | 76                                        |
| Joint Crematorium Reserve                 | 635                                       | 94                            | 541                                       | (35)                          | 576                                       |
| Insurance Related Funds                   | 340                                       | (23)                          | 363                                       | (26)                          | 389                                       |
| Revenue Grant Reserve                     | 3,164                                     | 214                           | 2,950                                     | (502)                         | 3,452                                     |
| NNDR Equalisation Reserve                 | 5,982                                     | 2,771                         | 3,211                                     | 1,086                         | 2,125                                     |
| Supported Housing Reserve                 | 53                                        | 0                             | 53                                        | 35                            | 18                                        |
| Commercial Property Investment Reserve    | 4,200                                     | 700                           | 3,500                                     | 350                           | 3,150                                     |
| Economic Development and Place Reserve    | 252                                       | (132)                         | 384                                       | 0                             | 384                                       |
| Brexit Reserve                            | 0                                         | 0                             | 0                                         | (51)                          | 51                                        |
| Covid-19 Reserve                          | 381                                       | (505)                         | 886                                       | 0                             | 886                                       |
| Selective Licensing                       | 73                                        | 17                            | 56                                        | 30                            | 26                                        |
| Licensing                                 | 248                                       | 34                            | 214                                       | 59                            | 155                                       |
| Corporate Transformation Reserve          | 1,048                                     | (280)                         | 1,328                                     | (18)                          | 1,346                                     |
| Legal Reserve                             | 25                                        | 15                            | 10                                        | 5                             | 5                                         |
| Winter Maintenance Reserve                | 15                                        | 5                             | 10                                        | 5                             | 5                                         |
| Commercial Property Dilapidations Reserve | 30                                        | 10                            | 20                                        | 10                            | 10                                        |
| Leisure Maintenance Reserve               | 1,142                                     | 753                           | 389                                       | 188                           | 201                                       |
| IT Reserve                                | 15                                        | 15                            | 0                                         | 0                             | 0                                         |
|                                           | <b>18,596</b>                             | <b>3,667</b>                  | <b>14,929</b>                             | <b>954</b>                    | <b>13,975</b>                             |

Details of the major usable reserves are set out below:

#### **District Planning Inquiry Reserve**

This reserve is to fund the costs of having and maintaining a Local Plan as required by legislation.

#### **Elections Reserve**

This reserve is used to smooth election related expenditure over the 4-year cycle for District Elections.

#### **Asset Repair & Renewal Reserve**

This reserve is to part fund investment into the Council's land, buildings & vehicles, further stock condition surveys and to progress the asset rationalisation programme.

#### **Joint Crematorium Reserve**

This reserve is to fund Ashfield District Council's proportion of any maintenance expenditure to the crematorium, which is jointly run between Ashfield District Council, Mansfield District Council and Newark and Sherwood District Council.

#### **Insurance Related Reserves**

To provide self-insurance for smaller value claims and to smooth claims between years. Also, to fund future liability claims because of liquidation of MMI and Independent Insurance Company.

#### **Revenue Grant Reserve**

This reflects the unused element of revenue grants awarded to the Council, for which the conditions of the grant are expected to be met or for which there are no conditions. The reserve will be used to meet future years' revenue expenditure as required. This includes several Covid-19 related grants such as Council Tax Hardship Fund, New Burdens and Homelessness. It also contains Towns Fund capacity and revenue

scheme funding to be utilised in 2023/24.

#### **National Non-Domestic Rates (NDR) Equalisation Reserve**

This reserve holds gains relating to the variations to the NDR forecast and is utilised to fund deficits on the collection of NDR in future years and will be used to smooth out financial consequences following the implementation of Local Government funding reform.

#### **Commercial Property Investment Reserve**

This reserve is to provide funding to mitigate the impact of void periods on revenue and to mitigate fluctuations within the property market.

#### **Economic Development and Place Reserve**

To provide funding for feasibility studies to unlock external funding or to support projects that will result in economic growth or support inward investment.

#### **Covid-19 Reserve**

This reserve reflects the unused element of the non-specific grant income received to mitigate against Covid-19 pressures in 2020/21. The reserve will be utilised as additional Covid-19 impacts, and pressures are identified.

#### **Licensing Reserve**

This reserve is to hold surpluses on licencing functions, to ensure that they are earmarked for reinvestment back into the service, and to cover any future deficits incurred in delivering the service.

#### **Corporate Transformation Reserve**

This reserve is to fund changes in service delivery through service reviews and technology investment to enable change to take place.

#### **Leisure Maintenance Reserve**

This reserve is to fund future maintenance expenditure at our leisure centres.

#### **Taxation Earmarked Reserve**

|                                               | Balance at<br>31st March<br>2023<br>£'000 | Movements<br>in Year<br>£'000 | Balance at<br>31st March<br>2022<br>£'000 | Movements<br>in Year<br>£'000 | Balance at<br>31st March<br>2021<br>£'000 |
|-----------------------------------------------|-------------------------------------------|-------------------------------|-------------------------------------------|-------------------------------|-------------------------------------------|
| NDR S31 Grant & NDR/CTax Compensation Reserve | 320                                       | (1,917)                       | 2,237                                     | (2,599)                       | 4,836                                     |

This reserve was established to account for the Council's share of Section 31 grant received from Central Government to offset additional business rates reliefs given during the Covid-19 pandemic, as directed by Central Government. Due to the collection fund accounting rules, the impact of the additional reliefs created a deficit taken to the Collection Fund Adjustment Account in the year following that when the reliefs were granted. This deficit is transferred back to the General Fund in the following year and the reserve released to fund the deficit.

It also contains Council Tax and NDR Tax Income Guarantee Compensation. This has been paid by Central Government to partly compensate for losses on the Collection Fund due to the impact of the Covid-19 pandemic in 2020/21. As outlined above due to the Collection Fund accounting rules, these losses created a deficit taken to the Collection Fund Adjustment Account as at 31 March 2022. The relief measure allowed for this element of the deficit to be taken to the general fund over three years, this element of the reserve will be released over three years to match the spreading of the deficit. 2022/23 is the second year of the release process.

### Capital Grants Unapplied Reserve

This reserve details the amounts received in unspent capital grant and contribution income that does not have material conditions attached and is therefore available for financing future capital expenditure purposes.

|                                                                                                                       | 2022/23<br>£'000 | 2021/22<br>£'000 |
|-----------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Opening Balance</b>                                                                                                | 4,112            | 3,029            |
| S106 Moved to Receipts in Advance                                                                                     |                  |                  |
| Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement                       | 14,681           | 11,984           |
| Application of Capital Grants and Contributions within the period and adjusted through the Capital Adjustment Account | (17,048)         | (10,901)         |
| <b>Closing balance</b>                                                                                                | <b>1,745</b>     | <b>4,112</b>     |

## Capital Receipts Reserve

|                                                                                     | 2022/23<br>£'000 | 2021/22<br>£'000 |
|-------------------------------------------------------------------------------------|------------------|------------------|
| <b>Opening Balance</b>                                                              | 5,516            | 3,901            |
| Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES | 2,684            | 1,977            |
| Use of the reserve to finance new expenditure                                       | (2,630)          | (362)            |
| <b>Closing Balance</b>                                                              | <b>5,570</b>     | <b>5,516</b>     |

## 25. Unusable Reserves

The unusable reserves arise from accounting entries and cannot be used to finance expenditure. The table below contains an analysis of the unusable reserves.

|                                                  | Balance at 31st<br>March 2023<br>£'000 | Movements<br>in Year<br>£'000 | Balance at 31st<br>March 2022<br>£'000 | Movements<br>in Year<br>£'000 | Balance at 31st<br>March 2021<br>£'000 |
|--------------------------------------------------|----------------------------------------|-------------------------------|----------------------------------------|-------------------------------|----------------------------------------|
| Revaluation Reserve                              | (124,673)                              | (29,612)                      | (95,061)                               | (8,803)                       | (86,258)                               |
| Capital Adjustment Account                       | (125,004)                              | (1,080)                       | (123,924)                              | (14,683)                      | (109,241)                              |
| Pensions Reserve                                 | 26,811                                 | (82,957)                      | 109,768                                | (14,317)                      | 124,085                                |
| Crematorium Pensions Reserve                     | 127                                    | (579)                         | 706                                    | (53)                          | 759                                    |
| Accumulated Absences Reserve                     | 684                                    | 61                            | 623                                    | 29                            | 594                                    |
| Collection Fund Adjustment Account - Council Tax | (94)                                   | (48)                          | (46)                                   | (100)                         | 54                                     |
| Collection Fund Adjustment Account - NNDR        | 410                                    | (678)                         | 1,088                                  | (4,250)                       | 5,338                                  |
| Financial Instruments Adjustment Account         | 695                                    | 0                             | 695                                    | (9)                           | 704                                    |
|                                                  | <b>(221,044)</b>                       | <b>(114,893)</b>              | <b>(106,151)</b>                       | <b>(42,186)</b>               | <b>(63,965)</b>                        |

#### a. Revaluation Reserve

The revaluation reserve contains the gains made by the Council arising from increases in the value of Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downward
- used in the provision of services and the gains are consumed through depreciation
- disposed of and the gains realised.

|                                                                              | 2022/23<br>£'000 | 2021/22<br>£'000 |
|------------------------------------------------------------------------------|------------------|------------------|
| Opening Balance                                                              | (95,061)         | (86,258)         |
| Asset Impairment                                                             | 0                | 0                |
| Revaluation of Assets                                                        | (33,356)         | (11,272)         |
| Heritage Assets                                                              | 0                | 0                |
| Investment Properties                                                        | 706              | (340)            |
| Assets Held for Sale                                                         | (59)             | (114)            |
| Adjustment between current value depreciation and historic cost depreciation | 2,566            | 2,386            |
| Write out of revaluation on disposal; property, plant and equipment          | 531              | 537              |
| Closing Balance                                                              | <u>(124,673)</u> | <u>(95,061)</u>  |

The reserve contains revaluation gains accumulated since 1 April 2007, the date that the reserve was created; prior to this date revaluation gains were consolidated into the Capital Adjustment Account.

## b. Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for the financing of these assets under statutory provision.

The table below identifies the transactions posted to this account during the period.

|                                                                                                                               | 2022/23<br>£'000 | 2021/22<br>£'000 |
|-------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Opening Balance                                                                                                               | (123,924)        | (109,241)        |
| Charges for depreciation and impairment of non-current assets                                                                 | 2,906            | 2,418            |
| Revaluation losses / (gains) on Property Plant and Equipment                                                                  | 21,507           | (885)            |
| Capital Grants and Contributions                                                                                              | (17,048)         | (10,901)         |
| Revenue Expenditure Funded from Capital under Statute                                                                         | 3,960            | 1,294            |
| Carrying Value of non-current assets written off on disposal                                                                  | 2,645            | 2,506            |
| Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement | (2,630)          | (917)            |
| Statutory Provision for the financing of capital investment                                                                   | (2,327)          | (2,293)          |
| Voluntary Revenue Provision                                                                                                   | 0                | (200)            |
| Capital Expenditure charged against Revenue                                                                                   | (5,796)          | (4,227)          |
| Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool                | 0                | 555              |
| Reversal of Major Repair Allowance credited to the HRA                                                                        | 4,053            | 3,901            |
| Use of the Major Repair Reserve to finance new capital expenditure                                                            | (5,253)          | (3,011)          |
| <u>Other Reserve Movements</u>                                                                                                |                  |                  |
| Adjustment between current value depreciation and historic cost depreciation                                                  | (2,566)          | (2,386)          |
| Write out of revaluation on disposal; property, plant and equipment                                                           | (531)            | (537)            |
| <b>Closing Balance</b>                                                                                                        | <b>(125,004)</b> | <b>(123,924)</b> |

### c. Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding those benefits in accordance with statutory provision.

The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible.

The debit balance on the Pension Reserve shows a substantial shortfall in the resources the Council has set aside to meet the benefits earned by past and current employees.

The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

|                                                                                                                             | 2022/23<br>£'000 | 2021/22<br>£'000 |
|-----------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Opening Balance                                                                                                             | 109,768          | 124,085          |
| Actuarial (gains) or losses on pension assets and liabilities                                                               | (88,490)         | (19,286)         |
| Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement | 10,349           | 9,353            |
| Employers pension contribution payable in the year                                                                          | (4,816)          | (4,384)          |
| <b>Closing Balance</b>                                                                                                      | <b>26,811</b>    | <b>109,768</b>   |

#### d. Accumulated Absences Reserve

The Accumulated Absences Account absorbs the difference that would otherwise arise on the General Fund Balance from providing for compensated absences earned but not taken in year.

|                  | 2022/23<br>£'000 | 2021/22<br>£'000 |
|------------------|------------------|------------------|
| Opening Balance  | 623              | 594              |
| Movement in Year | 61               | 29               |
|                  | <u>684</u>       | <u>623</u>       |

#### e. Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expense relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

|                                                                                                                                                                                               | 2022/23<br>£'000 | 2021/22<br>£'000 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Opening Balance                                                                                                                                                                               | 695              | 704              |
| Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements | 0                | (9)              |
|                                                                                                                                                                                               | <u>695</u>       | <u>695</u>       |

#### f. Collection Fund Adjustment Account

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

|                                                                                                                                                                                                          | 2022/23<br>£'000 | 2021/22<br>£'000 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Council Tax</b>                                                                                                                                                                                       |                  |                  |
| Opening Balance                                                                                                                                                                                          | (46)             | 54               |
| Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements | (48)             | (100)            |
|                                                                                                                                                                                                          | <u>(94)</u>      | <u>(46)</u>      |
| <b>Business Rates</b>                                                                                                                                                                                    |                  |                  |
| Opening Balance                                                                                                                                                                                          | 1,088            | 5,338            |
| Amount by which NNDR income credited to the Comprehensive Income and Expenditure Statement is different from NNDR income calculated for the year in accordance with statutory requirements               | (678)            | (4,250)          |
|                                                                                                                                                                                                          | <u>410</u>       | <u>1,088</u>     |

#### g. Crematorium Pension Reserve

|                                                               | 2022/23<br>£'000 | 2021/22<br>£'000 |
|---------------------------------------------------------------|------------------|------------------|
| Opening Balance                                               | 706              | 759              |
| Actuarial (gains) or losses on pension assets and liabilities | (579)            | (53)             |
| <b>Closing Balance</b>                                        | <u>127</u>       | <u>706</u>       |

## 26. Cash Flow Statement Notes

### a. Net Cash Flows from Operating Activities

|                                                                                                                                        | 2022/23<br>£'000 | Restated<br>2021/22<br>£'000 |
|----------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------------------|
| Net Surplus or (Deficit) on the Provision of Services-                                                                                 | (8,285)          | 15,435                       |
| Adjust net surplus or (deficit) on the provision of services<br>for non-cash movements:                                                |                  |                              |
| Depreciation and Impairment                                                                                                            | 29,103           | 5,434                        |
| Increase/Decrease in Creditors                                                                                                         | (10,548)         | 15,374                       |
| Increase/Decrease in Debtors                                                                                                           | 291              | 5,490                        |
| Increase/Decrease in Inventories                                                                                                       | 14               | (86)                         |
| Pension Liability                                                                                                                      | 5,533            | 4,969                        |
| Contributions to/(from) Provisions                                                                                                     | 176              | 178                          |
| Carrying amount of non-current assets sold [property plant<br>and equipment, investment property and intangible assets]                | 2,645            | 2,506                        |
|                                                                                                                                        | <b>27,214</b>    | <b>33,865</b>                |
| Adjust for items included in the net surplus or deficit on the<br>provision of services that are investing or financing<br>activities: |                  |                              |
| Capital Grants credited to surplus or deficit on the<br>provision of services                                                          | (14,681)         | (11,984)                     |
| Proceeds from the sale of property plant and equipment,<br>investment property and intangible assets                                   | (2,684)          | (1,977)                      |
|                                                                                                                                        | <b>(17,365)</b>  | <b>(13,961)</b>              |

**b. Net Cash Flows from Operating Activities (Interest)**

|                                                                                                            | <b>2022/23</b> | <b>Restated</b> |
|------------------------------------------------------------------------------------------------------------|----------------|-----------------|
|                                                                                                            | <b>£'000</b>   | <b>2021/22</b>  |
|                                                                                                            |                | <b>£'000</b>    |
| Operating activities within the cash flow statement include the following cash flows relating to interest: |                |                 |
| Ordinary interest received                                                                                 | 9              | 36              |
| Interest Received                                                                                          | <u>9</u>       | <u>36</u>       |
| Interest charge for year                                                                                   | (3,510)        | (3,514)         |
| Other interest:                                                                                            | (91)           | (3)             |
| Interest Paid                                                                                              | <u>(3,601)</u> | <u>(3,517)</u>  |

**c. Net Cash Flows from Investing Activities**

|                                                                                                   | <b>2022/23</b>      | <b>Restated</b>        |
|---------------------------------------------------------------------------------------------------|---------------------|------------------------|
|                                                                                                   | <b>£'000</b>        | <b>2021/22</b>         |
|                                                                                                   |                     | <b>£'000</b>           |
| Purchase of Property, Plant and Equipment, investment property and intangible assets              | (29,396)            | (24,242)               |
| Purchase of Investment Properties                                                                 | 0                   | 0                      |
| Purchase/Sale of short and long term investments                                                  | 14,012              | (14,012)               |
| Proceeds from the sale of property plant and equipment, investment property and intangible assets | 2,684               | 1,977                  |
| Capital Grants Received                                                                           | 14,681              | 11,984                 |
| <b>Total Cash Flows from Investing Activities</b>                                                 | <u><b>1,981</b></u> | <u><b>(24,293)</b></u> |

#### d. Cash Flow – Financing Activities

|                                                   | 2022/23<br>£'000 | Restated<br>2021/22<br>£'000 |
|---------------------------------------------------|------------------|------------------------------|
| Cash receipts of short and long term borrowing    | 0                | 0                            |
| Repayment of Short-Term and Long-Term Borrowing   | (6,510)          | 0                            |
| Collection Fund Adjustment Account                | 0                | 0                            |
| <b>Total Cash Flows from Financing Activities</b> | <b>(6,510)</b>   | <b>0</b>                     |

#### 27.Members' Allowances

The total amount paid under the Members' allowances scheme during the year was £486,739 (£452,931 in 2021/22).

## 28. Officers' Remuneration and Exit Packages

### Officers' Remuneration

The remuneration paid to the Council's senior officers in 2022/23 was as follows:

| Post                                     | Salary, Fees and Allowances | Bonuses | Expenses Allowances | Compensation for Loss of Office | Total Remuneration Excl. Pension Contributions | Pension Contributions | Total Remuneration |
|------------------------------------------|-----------------------------|---------|---------------------|---------------------------------|------------------------------------------------|-----------------------|--------------------|
|                                          | £                           | £       | £                   | £                               | £                                              | £                     | £                  |
| Chief Executive Officer                  | 115,884                     | 0       | 211                 | 0                               | 116,096                                        | 20,859                | 136,955            |
| Executive Director - Operations          | 88,148                      | 0       | 262                 | 0                               | 88,410                                         | 15,867                | 104,277            |
| Executive Director - Transformation      | 86,233                      | 0       | 0                   | 0                               | 86,233                                         | 15,522                | 101,756            |
| Executive Director - Governance          | 86,233                      | 0       | 0                   | 0                               | 86,233                                         | 15,522                | 101,756            |
| Corporate Resources Director             | 71,799                      | 0       | 0                   | 0                               | 71,799                                         | 12,924                | 84,723             |
| Assistant Director - Housing Operations  | 66,973                      | 0       | 29                  | 0                               | 67,002                                         | 12,055                | 79,058             |
| Executive Director - Place               | 64,456                      | 0       | 1,684               | 0                               | 66,140                                         | 11,602                | 77,742             |
| Assistant Director - Planning            | 64,404                      | 0       | 327                 | 0                               | 64,731                                         | 11,593                | 76,323             |
| Assistant Director - Housing Management  | 64,183                      | 0       | 173                 | 0                               | 64,356                                         | 11,553                | 75,909             |
| Assistant Director - Policy&Performance  | 64,183                      | 0       | 168                 | 0                               | 64,351                                         | 11,553                | 75,904             |
| Assistant Director - Assets              | 64,183                      | 0       | 0                   | 0                               | 64,183                                         | 11,553                | 75,736             |
| Assistant Director - Neighbourhoods      | 63,622                      | 0       | 0                   | 0                               | 63,622                                         | 11,452                | 75,073             |
| Assistant Director - Regeneration        | 61,136                      | 0       | 0                   | 0                               | 61,136                                         | 11,005                | 72,141             |
| Assistant Director - Strategic Housing   | 58,267                      | 0       | 104                 | 0                               | 58,371                                         | 10,488                | 68,860             |
| Assistant Director - Customer Experience | 57,023                      | 0       | 120                 | 0                               | 57,143                                         | 10,264                | 67,407             |
| Assistant Director - Legal               | 56,009                      | 0       | 0                   | 0                               | 56,009                                         | 9,477                 | 65,486             |
| Assistant Director - Corp Health&Safety  | 54,976                      | 0       | 208                 | 0                               | 55,184                                         | 9,896                 | 65,080             |
| Assistant Director - Democracy           | 52,145                      | 0       | 0                   | 0                               | 52,145                                         | 9,386                 | 61,531             |

Note 1: The Director of Place and Communities was covered by an interim through an agency until the post was filled 04/07/2022.

The information for 2021/22 on a similar basis for comparative purposes is:

| Post                                                     | Salary, Fees and Allowances | Bonuses | Expenses Allowances | Compensation for Loss of Office | Total Remuneration Excl. Pension Contributions | Pension Contributions | Total Remuneration |
|----------------------------------------------------------|-----------------------------|---------|---------------------|---------------------------------|------------------------------------------------|-----------------------|--------------------|
|                                                          | £                           | £       | £                   | £                               | £                                              | £                     | £                  |
| Chief Executive Officer (Started 1/08/2021)              | 73,004                      | 0       | 68                  | 0                               | 73,072                                         | 13,141                | 86,213             |
| Director Place & Communities (Left 31/07/2021)           | 27,488                      | 0       | 0                   | 0                               | 27,488                                         | 4,948                 | 32,436             |
| Asst Director Planning & Regulatory Services             | 61,848                      | 0       | 37                  | 0                               | 61,885                                         | 11,133                | 73,018             |
| Director of Resources and Business Transformation        | 82,464                      | 0       | 13                  | 0                               | 82,477                                         | 14,844                | 97,320             |
| Assistant Director Assets and Investments                | 61,848                      | 0       | 0                   | 0                               | 61,848                                         | 11,133                | 72,981             |
| Assistant Director of Housing Operations                 | 69,418                      | 0       | 166                 | 0                               | 69,584                                         | 12,495                | 82,079             |
| Assistant Director Housing Management & Tenancy Services | 59,464                      | 0       | 0                   | 0                               | 59,464                                         | 10,704                | 70,168             |
| Director of Housing and Assets                           | 85,619                      | 0       | 104                 | 0                               | 85,723                                         | 15,412                | 101,134            |
| Corporate Finance Manager                                | 68,231                      | 0       | 0                   | 0                               | 68,231                                         | 12,281                | 80,512             |
| Chief Executive Officer (Left 31/07/2021)                | 38,254                      | 0       | 100                 | 0                               | 38,354                                         | 6,886                 | 45,240             |
| Director of Legal and Governance (Monitoring Officer)    | 82,464                      | 0       | 0                   | 0                               | 82,464                                         | 14,844                | 97,308             |
| Asst Director Resources & Transformation                 | 68,540                      | 0       | 0                   | 0                               | 68,540                                         | 11,133                | 79,673             |

Note 1: The Director of Place and Communities post became vacant 31/07/2021, the vacant post was recruited to on an Interim basis through an agency for the remainder of 2021/22.

The number of employees whose remuneration (excluding employers' pension contributions) was £50k or more in bands of £5,000 was as follows. This includes all senior management from the above tables.

| <b>Remuneration (£)</b> | <b>2022/23</b> | <b>2021/22</b> |
|-------------------------|----------------|----------------|
| 50,000 – 54,999         | 4              | 5              |
| 55,000 – 59,999         | 4              | 4              |
| 60,000 – 64,999         | 6              | 3              |
| 65,000 – 69,999         | 2              | 2              |
| 70,000 – 74,999         | 1              | 1              |
| 75,000 – 79,999         | 0              | 0              |
| 80,000 – 84,999         | 0              | 2              |
| 85,000 – 89,999         | 3              | 1              |
| 90,000 – 94,999         | 0              | 0              |
| 95,000 – 99,999         | 0              | 0              |
| 100,000 – 104,999       | 0              | 0              |
| 105,000 – 109,999       | 0              | 0              |
| 110,000 – 114,999       | 0              | 0              |
| 115,000 – 119,999       | 1              | 0              |

## Exit Packages

The numbers of exit packages with total cost per band and total cost of compulsory and other redundancies are set out in the table below, which shows the costs without pension strain adjustments as per IAS 19.

| Exit Package Cost Band<br>(Including Special<br>Payments) | Number of Compulsory<br>Redundancies |          | Number of Other<br>Departures Agreed |          | Total Number of Exit<br>Packages by Cost Band |          | Total Cost of Exit Packages in<br>Each Band (£) |                |
|-----------------------------------------------------------|--------------------------------------|----------|--------------------------------------|----------|-----------------------------------------------|----------|-------------------------------------------------|----------------|
|                                                           | 2021/22                              | 2022/23  | 2021/22                              | 2022/23  | 2021/22                                       | 2022/23  | 2021/22                                         | 2022/23        |
| £0 - £20,000                                              | 1                                    | 3        | 4                                    | 3        | 5                                             | 6        | 6,930                                           | 43,336         |
| £20,001 - £60,000                                         | 0                                    | 1        | 0                                    | 1        | 0                                             | 2        | 0                                               | 84,236         |
| £60,001 - £80,000                                         | 0                                    | 0        | 0                                    | 1        | 0                                             | 1        | 0                                               | 72,072         |
| £80,001 +                                                 | 0                                    | 0        | 0                                    | 0        | 0                                             | 0        | 0                                               | 0              |
| <b>TOTAL</b>                                              | <b>1</b>                             | <b>4</b> | <b>4</b>                             | <b>5</b> | <b>5</b>                                      | <b>9</b> | <b>6,930</b>                                    | <b>199,644</b> |

## 29. External Audit Costs

Fees payable to Mazars LLP in 2022/23 regarding external audit services were:

|                                                              | 2022/23<br>£'000 | 2021/22<br>£'000 |
|--------------------------------------------------------------|------------------|------------------|
| External audit services carried out by the appointed auditor | 71               | 64               |
| Fees payable for other services during the year              | 4                | 4                |
|                                                              | <u>75</u>        | <u>68</u>        |

Included within the 2022/23 figure for external audit services fee are the agreed additional fees of £21k for the 21/22 audit and a reduction of £3k in respect of 20/21 audit.

Additional services were payable of £4k in respect of auditing the Pooling of Capital Receipts return.

## 30. Related Party Transactions

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

### a. Central Government

Central Government has effective control 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 transactions that the Council has with other parties (e.g. Council Tax bills, Housing Benefits). Details of major grants received from the Government are set out in Note 9 of the accounts.

### b. Members

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' allowances paid in 2022/23 is shown in Note 27. The Council is jointly responsible for the operation of the Mansfield and District Joint Crematorium Committee, along with Mansfield District Council and Newark and Sherwood District Council. Details of the Council's share of transactions are shown at Note 38. There are three elected Members of the Council who were also Members of the Committee for 2022/23. These are Councillor T Hollis, Councillor H Smith and Councillor D Martin.

Payments totalling £312,835 were made to Parish Councils.

- A total of £257,385 was paid to Selston Parish Council, which related to the precept payment.
- A total of £55,450 was paid to Annesley and Felley Parish Council, which related to the precept payment.

During 2022/23, there were seven elected Members of the Council who were also Parish Councillors. Members of Selston Parish Council were Councillor C Chapman, Councillor D Martin and Councillor A Hankin. Members of Annesley and Felley Parish Council were Councillor R.E. Madden, Councillor A Meakin, Councillor J.B. Zadrozny, Councillor D Martin and Councillor D Williamson.

Related party transactions forms were returned by all except one, Councillor. From the records held by the Council, there is no evidence of any third party relationships which require inclusion.

In all instances where payments are involved, proper consideration of declarations of interest has been given. The relevant Members did not take part in any discussion or decision relating to payments. Details of all transactions are recorded in Register of Members' Interests, which is available for public inspection.

The disclosure note has been prepared using the Council's Register of Members Declarations of Interest and appointments made by the Council in addition to a specific declaration obtained in respect of related party transactions as part of the closure of accounts process.

### **c. Officers**

Senior Officers of the Council have control over the day-to-day management of the Council and all Senior Officers have been asked to declare any related party transactions. All Senior Officers returned the declarations with nothing to declare.

## **31. Capital Financing Requirement**

The total amount of capital expenditure incurred in the year is shown in the table, 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 Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR movement is analysed in the Explanation of Movement in the Year which is at the base of the table below.

|                                                                                           | 2022/23<br>£'000 | 2021/22<br>£'000 |
|-------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Opening Capital Financing Requirement</b>                                              | <b>166,685</b>   | <b>162,143</b>   |
| <b>Capital Investment</b>                                                                 |                  |                  |
| Operational Assets                                                                        | 29,396           | 24,242           |
| Investment Properties                                                                     | 0                | 0                |
| REFCUS                                                                                    | 3,960            | 1,294            |
|                                                                                           | <u>33,356</u>    | <u>25,536</u>    |
| <b>Sources of Finance</b>                                                                 |                  |                  |
| Capital Receipts                                                                          | 2,630            | 362              |
| Reserves                                                                                  | 104              | 116              |
| Government Grants and Other Contributions                                                 | 17,048           | 10,901           |
| Major Repairs Reserve                                                                     | 5,253            | 3,011            |
| Minimum Revenue Provision                                                                 | 2,327            | 2,293            |
| Voluntary Revenue Provision                                                               | 0                | 200              |
| Revenue Contributions                                                                     | 5,692            | 4,111            |
|                                                                                           | <u>33,054</u>    | <u>20,994</u>    |
| <b>Closing Capital Financing Requirement</b>                                              | <b>166,987</b>   | <b>166,685</b>   |
| <b>Movement in the Year</b>                                                               | <b>302</b>       | <b>4,542</b>     |
| <b>Explanation of Movement in the Year</b>                                                |                  |                  |
| Increase in Underlying Need to Borrow<br>(unsupported by Government Financial Assistance) | 1,991            | 7,035            |
| Minimum Revenue Provision                                                                 | (2,327)          | (2,293)          |
| Voluntary Revenue Provision                                                               | 0                | (200)            |
|                                                                                           | <u>(336)</u>     | <u>4,542</u>     |

### 32.Assets held as Lessee

The Council has no assets held as a lessee.

### 33.Assets held as Lessor

#### a. Finance Leases

The Council has no assets held under finance leases.

#### b. Operating Leases

With regard to the Council's activity as a lessor, the gross value of assets held for use in operating leases as at 31st March 2023 was £9.471m and as at 31 March 2022 was £8.299m (these properties were subject to revaluation increase of £1.172m in 2022/23 and £0.275m 2021/22). The net book value of these assets is £9.470m in 2022/23 and £8.024m in 2021/22. The difference is due to changes following in year valuation.

The future minimum lease payments receivable under non-cancellable leases in future years are:-

|                       | 2022/23<br>£'000 | 2021/22<br>£'000 |
|-----------------------|------------------|------------------|
| Within 1 Year         | 4,608            | 5,053            |
| Between 2 and 5 Years | 14,355           | 17,310           |
| Later than 5 Years    | 14,252           | 24,954           |
|                       | <u>33,215</u>    | <u>47,317</u>    |

### 34. Revaluation Loss

During 2022/23, the Council has recognised revaluation losses as detailed in the following table:

|                                                                                          | 2022/23<br>£'000 | 2021/22<br>£'000 |
|------------------------------------------------------------------------------------------|------------------|------------------|
| Revaluation Losses recognised within the surplus or Deficit of the provision of services | 21,507           | (885)            |
|                                                                                          | <u>21,507</u>    | <u>(885)</u>     |

### 35. Retirement Benefits

#### a. Participation in pension schemes

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

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

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

There were 5 early retirements during the year, which were not allowed for at the previous accounting date.

|                     | Number | Salaries/<br>Pensions<br>£'000 | Average Age<br>Current / Former<br>Employees |
|---------------------|--------|--------------------------------|----------------------------------------------|
| Active members      | 556    | 14,126                         | 47                                           |
| Deferred pensioners | 744    | 1,791                          | 50                                           |
| Pensioners          | 812    | 5,055                          | 73                                           |
| Unfunded pensioners | 122    | 279                            | 78                                           |

The pension scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the pensions committee of Nottinghamshire County Council. A team within the County Council undertakes day to day administration of the fund. Where appropriate, some functions are delegated to the Fund's professional advisors. The principal risks to the authority 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 note.

#### **b. Transactions relating to retirement benefits**

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

|                                                                                                  | 2022/23<br>£'000 | 2021/22<br>£'000 |
|--------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Comprehensive Income and Expenditure Statement</b>                                            |                  |                  |
| Cost of Services:                                                                                |                  |                  |
| Current service cost                                                                             | 7,496            | 6,848            |
| Financing and Investment Income and Expenditure                                                  |                  |                  |
| Net Interest on the defined liability (asset)                                                    | 2,798            | 2,438            |
| Administration Expenses                                                                          | 55               | 67               |
| Total Post-employment Benefits charged to the Surplus<br>or Deficit on the Provision of services | 10,349           | 9,353            |
| Other Post-employment Benefits charged to the<br>Comprehensive Income and Expenditure Statement  |                  |                  |
| Remeasurement of the net defined benefit liability<br>comprising;                                |                  |                  |
| Return on plan assets in excess of interest                                                      | (6,360)          | 8,474            |
| Other actuarial gains/(losses) on assets                                                         | (917)            | 0                |
| Changes in financial assumptions                                                                 | 92,310           | 11,414           |
| Change in demographic assumptions                                                                | 13,538           | 0                |
| Experience gain/(loss) on defined benefit obligation                                             | (10,081)         | (602)            |
| Liabilities assumed/ (extinguished) on settlements                                               | 0                | 0                |
| Settlement prices received/(paid)                                                                | 0                | 0                |
| Total Post-employment Benefits Charged to the<br>Comprehensive Income and Expenditure Statement  | 88,490           | 19,286           |
| Movement in reserves Statement                                                                   |                  |                  |
| reversal of net charges made for retirement benefits in<br>accordance with the code              | (10,349)         | (9,353)          |
| Actual amount charged against the General Fund                                                   |                  |                  |
| Balance for pensions in the year:                                                                |                  |                  |
| Employers' contributions payable to scheme                                                       | 4,816            | 4,384            |
|                                                                                                  | (5,533)          | (4,969)          |

### **Pensions Assets and Liabilities Recognised in the Balance Sheet**

|                                                 | <b>£'000</b>     | <b>£'000</b>     |
|-------------------------------------------------|------------------|------------------|
| Present value of the Defined benefit obligation | 155,475          | 241,751          |
| Fair Value of the plan assets (bid value)       | <u>(131,609)</u> | <u>(135,870)</u> |
| Deficit/ Surplus                                | 23,866           | 105,881          |
| Present Value of unfunded obligation            | <u>2,945</u>     | <u>3,887</u>     |
|                                                 | <u>26,811</u>    | <u>109,768</u>   |

### **c. Reconciliation of the Movements in the Fair Value of the Scheme (Plan) Assets:**

|                                            | <b>£'000</b>          | <b>£'000</b>          |
|--------------------------------------------|-----------------------|-----------------------|
| Opening fair value of Scheme assets        | 135,870               | 125,618               |
| Interest on assets                         | 3,527                 | 2,506                 |
| Return on assets less interest             | (6,360)               | 8,474                 |
| Actuarial gains and (losses)               | (917)                 | 0                     |
| Administration expenses                    | (55)                  | (67)                  |
| Employer contributions                     | 4,816                 | 4,384                 |
| Contributions by scheme participants       | 1,001                 | 913                   |
| Benefits paid                              | (6,273)               | (5,958)               |
| Settlement Prices Received/ Paid           |                       |                       |
| <b>Closing fair value of Scheme assets</b> | <u><b>131,609</b></u> | <u><b>135,870</b></u> |

#### d. Reconciliation of Present Value of the Scheme Liabilities

|                                                      | £'000          | £'000          |
|------------------------------------------------------|----------------|----------------|
| Opening Defined Benefit Obligation                   | 245,638        | 249,703        |
| Current service cost                                 | 7,141          | 6,848          |
| Interest cost                                        | 6,325          | 4,944          |
| Change in financial assumptions                      | (92,310)       | (11,414)       |
| Change in demographic assumptions                    | (13,538)       | 0              |
| Experience loss/(gain) on defined benefit obligation | 10,081         | 602            |
| Liabilities Assumed/ (extinguished) on settlements   | 0              | 0              |
| Benefits paid (net of transfers in)                  | (6,020)        | (5,700)        |
| Past Service Cost including curtailments             | 355            | 0              |
| Contributions by scheme participants                 | 1,001          | 913            |
| Unfunded pension costs                               | (253)          | (258)          |
| <b>Closing Defined Benefit Obligation</b>            | <b>158,420</b> | <b>245,638</b> |

#### e. Pension Scheme Assets Comprise

|                  | £'000          |                | £'000          |                |
|------------------|----------------|----------------|----------------|----------------|
| Equities         | 76,709         | 58.29%         | 82,107         | 60.43%         |
| Gilts            | 2,721          | 2.07%          | 3,976          | 2.93%          |
| Other Bonds      | 7,795          | 5.92%          | 9,208          | 6.78%          |
| Property         | 15,620         | 11.87%         | 17,347         | 12.77%         |
| Cash             | 6,887          | 5.23%          | 8,097          | 5.96%          |
| Inflation-linked | 6,643          | 5.05%          | 7,113          | 5.24%          |
| Infrastructure   | 10,344         | 7.86%          | 8,022          | 5.90%          |
| Private Equities | 4,890          | 3.72%          | 0              | 0.00%          |
|                  | <b>131,609</b> | <b>100.00%</b> | <b>135,870</b> | <b>100.00%</b> |

The detail of the assets as at 31 March 2023, representing the percentages of the total Fund held in each asset class.

| Asset Breakdown                      |                            | % Quoted     | % Unquoted   |
|--------------------------------------|----------------------------|--------------|--------------|
| Fixed Interest Government Securities | UK                         | 2.0%         | 0.0%         |
| Corporate Bonds                      | UK                         | 1.0%         | 0.0%         |
|                                      | Overseas                   | 5.0%         | 0.0%         |
| Equities                             | UK                         | 17.0%        | 0.0%         |
|                                      | Overseas                   | 41.0%        | 0.0%         |
| Property                             | All                        | 0.0%         | 12.0%        |
| Others                               | Private Equity             | 0.0%         | 4.0%         |
|                                      | Infrastructure             | 0.0%         | 8.0%         |
|                                      | Unit trusts                | 0.0%         | 5.0%         |
|                                      | Inflation Linked           | 0.0%         | 0.0%         |
|                                      | Credit                     | 0.0%         | 3.0%         |
|                                      | Cash/Temporary Investments | 0.0%         | 2.0%         |
| <b>Total</b>                         |                            | <b>66.0%</b> | <b>34.0%</b> |

#### **f. Basis for estimating assets and liabilities**

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

The principal assumptions used by the actuary were:

##### **Mortality assumptions:**

###### **Longevity at 65 for current pensioners:**

|       |      |      |
|-------|------|------|
| Men   | 20.7 | 21.6 |
| Women | 23.5 | 24.3 |

###### **Longevity at 65 for future pensioners:**

|       |      |      |
|-------|------|------|
| Men   | 22.0 | 23.0 |
| Women | 25.0 | 25.8 |

##### **Financial Assumptions:**

|                                         |       |       |
|-----------------------------------------|-------|-------|
| Increase in Retail Price Index          | 3.15% | 3.55% |
| Increase in Consumer Price Index        | 2.90% | 3.20% |
| Rate of increase in salaries            | 3.90% | 4.20% |
| Rate of increase in pensions            | 2.90% | 3.20% |
| Rate for discounting scheme liabilities | 4.80% | 2.60% |

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some of the 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.

|                                                        | £'000   | £'000   | £'000   |
|--------------------------------------------------------|---------|---------|---------|
| Adjustment to discount rate:                           | +0.1%   | 0.0%    | -0.1%   |
| Present value of total obligation                      | 156,017 | 158,420 | 160,884 |
| Projected service cost                                 | 2,826   | 2,921   | 3,019   |
| Adjustment to long term salary increase                | +0.1%   | 0.0%    | -0.1%   |
| Present value of total obligation                      | 158,613 | 158,420 | 158,228 |
| Projected service cost                                 | 2,923   | 2,921   | 2,919   |
| Adjustment to pension increases & deferred revaluation | +0.1%   | 0.0%    | -0.1%   |
| Present value of total obligation                      | 160,734 | 158,420 | 156,162 |
| Projected service cost                                 | 3,021   | 2,921   | 2,825   |
| Adjustment to mortality age rating assumption          | +1 Year | None    | -1 Year |
| Present value of total obligation                      | 164,842 | 158,420 | 152,277 |
| Projected service cost                                 | 3,026   | 2,921   | 2,818   |

#### **Projected Pension Expense for year to 31 March 2024**

|                                               | £'000        |
|-----------------------------------------------|--------------|
| Service Costs                                 | 2,921        |
| Net Interest on the defined liability (asset) | 1,177        |
| Administration Expense                        | 55           |
| <b>Total</b>                                  | <u>4,153</u> |
| Employer contribution                         | 4,370        |

Note these figures exclude the capitalised cost of any early retirements or augmentations, which may occur after 31 March 2023. These projections are based on the assumptions as at 31 March 2023, as described in the note.

## **36. Contingent Assets and Liabilities**

### **a. Insurance**

The Independent Insurance Company was the Council's Liability Insurer between 1992 and 1998 and was forced into liquidation in 2001. As at 31st March 2023, there were no outstanding claims against the Council. As the Independent Insurance Company no longer exists, the costs will fall to the Council once individual claims are settled.

In September 1992, Municipal Mutual Insurance (MMI), the Council's former insurers, ceased accepting new business. MMI and its policyholders including local authorities established a "scheme of arrangement" for the orderly run down of the company. The Council has paid to date a levy during the scheme of arrangement of £143k. The estimated full liability after the levy payment is £430k. The level provided for in the reserve, in relation to full potential liability, is as advised by the insurance brokers. The adequacy of the reserve is reviewed annually, taking this into account.

### **b. Disrepair Claims**

There was one disrepair case ongoing at 31st March 2023. The Council may incur fees in defending the claim and a compensation amount may have to be paid. It is not possible to estimate the compensation amounts or legal costs. It is expected that the cost of resolving this will be in the region of £572k but as stated, cannot be quantified accurately.

### **c. Disrepair Claims – Housing Properties**

At 31st March 2023, the Council was aware of 15 disrepair cases relating to Housing Revenue properties. It is not possible to anticipate the outcome of these or, if the Council is liable, the financial liability to the Council from any award of compensation to the tenant and legal and surveyor fees.

## **37. Deferred Credits**

There were no deferred credits utilised to fund capital expenditure in either 2022/23 or 2021/22.

### 38. Joint Crematorium Committee

The Council's share (currently 44.69% share) of income, expenditure, assets and liabilities in respect of the Joint Crematorium Committee is as follows;

|                               | 2022/23<br>£'000 | 2021/22<br>£'000 |
|-------------------------------|------------------|------------------|
| Gross Income                  | (943)            | (861)            |
| Gross Expenditure             | 552              | 633              |
| Net (Surplus)/Deficit         | <u>(391)</u>     | <u>(228)</u>     |
| <br>Total Assets at Year End  | 1,878            | 1,829            |
| Total Liabilities at Year end | <u>(547)</u>     | <u>(1,039)</u>   |
| Net Assets at Year End        | <u>1,331</u>     | <u>790</u>       |

|                                                                | 2022/23<br>£'000 | 2021/22<br>£'000 |
|----------------------------------------------------------------|------------------|------------------|
| <b>Pension Values Included Within Assets &amp; Liabilities</b> |                  |                  |
| Long Term Liability - Pension                                  | (128)            | (699)            |
| Pension Reserve                                                | 127              | 706              |
|                                                                | <u>(1)</u>       | <u>7</u>         |

The Joint Crematorium is a member of the Local Government Pension Scheme. The Council's share above includes Pension Liabilities of £128k (£699k 2021/22).

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

#### a. Credit Risk

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

This risk is minimised by an investment policy which requires that deposits are not made with financial institutions unless they meet minimum standards. It also imposes a maximum amount which can be invested with each financial institution.

The credit criteria in respect of financial assets held by the Council are as detailed below:

| <b>Financial Asset Category</b>          | <b>Criteria</b>                                                                                                                | <b>Maximum Investment</b> |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Deposits with banks & building societies | We are guided by the rating agencies and credit default swap data. Please refer to the Council's Treasury Management Strategy. | £5m per counter-party     |

The following analysis summarises the Council's potential exposure to credit, based on experience of default and failure to collect over the last five financial years, adjusted to reflect current market conditions.

|                                                | <b>Amount at 31st<br/>March 2023</b> | <b>Historical<br/>Experience of<br/>default</b> | <b>Historical<br/>experience<br/>adjusted for<br/>market<br/>conditions at<br/>31st March 2023</b> | <b>Estimated<br/>maximum<br/>exposure to<br/>default and<br/>uncollectibility</b> |
|------------------------------------------------|--------------------------------------|-------------------------------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
|                                                | <b>£'000</b>                         | <b>%</b>                                        | <b>%</b>                                                                                           | <b>£'000</b>                                                                      |
| Deposits with banks and financial institutions | 20,438                               | 0.0                                             | 0.04                                                                                               | 8                                                                                 |
| Bonds                                          | 0                                    | 0.0                                             | 0.0                                                                                                | 0                                                                                 |
| Customers - Sundry Debtors                     | 2,845                                | 15.34                                           | 5.0                                                                                                | 142                                                                               |
| Housing Benefit Overpayments                   | 1,730                                | 50.0                                            | 50.0                                                                                               | 865                                                                               |
| Housing Benefit Overpayment Clawback           | 281                                  | 25.0                                            | 25.0                                                                                               | 70                                                                                |

The Council does not allow credit for its customers and at the 31st March 2023, £4.710m was due for payment. The past due amount can be analysed by age as follows:

|                    | 31st March 2023 | 31st March 2022 |
|--------------------|-----------------|-----------------|
|                    | £'000           | £'000           |
| Less than 2 months | 1,468           | 990             |
| 2 to 6 months      | 1,400           | 157             |
| 6 to 12 months     | 95              | 217             |
| More than 1 year   | 1,747           | 1,821           |
|                    | <b>4,710</b>    | <b>3,185</b>    |

## **b. Liquidity Risk**

The Council manages its cash flow on a daily basis 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 Loans Board. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Council will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates.

An analysis of the long term borrowings included in the balance sheet is shown below:

|                         | Ranges of<br>Interest Rates<br>Payable<br>% | Carrying Amount          |                          |
|-------------------------|---------------------------------------------|--------------------------|--------------------------|
|                         |                                             | 31st March 2023<br>£'000 | 31st March 2022<br>£'000 |
| <b>Source of Loan</b>   |                                             |                          |                          |
| Public Works Loan Board | 1.73% to 9.25%                              | 57,811                   | 62,815                   |
| Money Market            | 3.76% to 5.75%                              | 34,148                   | 35,654                   |
|                         |                                             | <b>91,959</b>            | <b>98,469</b>            |
| <b>Maturity Within:</b> |                                             |                          |                          |
| Less than a year        | 4.625%-5.75%                                | 4,262                    | 6,504                    |
| 1-2 years               | 4.625%                                      | 4,031                    | 4,260                    |
| 2-5 years               | 4.25%-9.25%                                 | 9,090                    | 4,031                    |
| 5-10 years              | 2.6%-4%                                     | 8,044                    | 9,089                    |
| More than 10 years      | 1.73% - 4.75%                               | 66,532                   | 74,585                   |
|                         |                                             | <b>91,959</b>            | <b>98,469</b>            |

#### c. Market Rate Risk

The impact of a general rise in interest rates of one percent at 31st March 2023, is minimal for the Council with regards to interest payable and carries no risk on interest receivable. This is due to most borrowings being on fixed rate terms. However, the fair value of financial liabilities would decrease. This is a memorandum item only and does not change the Balance Sheet or other accounts.

#### d. Price Risk

The Council does not invest in equity shares and is not a shareholder in any businesses. The Council is not exposed to any losses arising from movements in the price of shares.

#### e. Foreign Exchange Risk

The Council has no financial assets or liabilities that are denominated in foreign currency and therefore has no exposure to gains or losses arising from movements in exchange rates.

#### **40. Trust Funds**

The Council acts as custodian trustee for a number of Trusts.

The Teversal Community Centre and Recreation Ground Trust exists for the provision and maintenance of a community centre and recreation ground for the use of the inhabitants of Teversal, Stanton Hill, Skegby and the neighbourhood thereof. Over the past few years, the Trust has incurred deficits and is working with the Council on a restructure.

The Council is also sole trustee for three recreation charities, for which no separate bank account exists. These are:

- ☐ Sutton-in-Ashfield Recreation Grounds
- ☐ Kirkby-in-Ashfield Recreation Ground, Lord Francis Park
- ☐ Skegby Recreation Ground

In each case, the value of the parcels of land is low as they are parts of larger recreational areas, which cannot be used for any other purpose. At present, there is no valuation of the land areas attributable to the Trusts. There are no other assets or liabilities relating to the three Trusts.

# SUPPLEMENTARY FINANCIAL STATEMENTS



## 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 accounting practices, rather than the amount to be funded from rents and government grants. Councils 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 on which rents are raised, is shown in the movement on the HRA Statement.

|                                                                                                                   | 2022/23<br>£'000 | 2021/22<br>£'000 |
|-------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Income</b>                                                                                                     |                  |                  |
| Dwelling Rents (gross)                                                                                            | (25,668)         | (24,318)         |
| Non-dwelling Rents (gross)                                                                                        | (140)            | (146)            |
| Charges for Services and Facilities                                                                               | (307)            | (227)            |
| Contribution Towards Expenditure                                                                                  | (98)             | (139)            |
| <b>Total Income</b>                                                                                               | <b>(26,213)</b>  | <b>(24,830)</b>  |
| <b>Expenditure</b>                                                                                                |                  |                  |
| Repairs and Maintenance                                                                                           | 8,761            | 7,811            |
| Supervision and Management                                                                                        | 5,122            | 4,215            |
| Rents, Rates, Taxes and other charges                                                                             | 131              | 197              |
| Depreciation and impairments of fixed assets                                                                      | 14,297           | (372)            |
| Debt Management Costs                                                                                             | 43               | 47               |
| Contribution to the Bad Debt Provision                                                                            | 177              | 183              |
| <b>Total Expenditure</b>                                                                                          | <b>28,531</b>    | <b>12,081</b>    |
| <b>Net Cost of HRA Services as included in the whole authority Comprehensive Income &amp; Expenditure Account</b> | <b>2,318</b>     | <b>(12,749)</b>  |
| HRA share of Corporate and Democratic Core                                                                        | 89               | 81               |
| <b>Net Cost of HRA Services</b>                                                                                   | <b>2,407</b>     | <b>(12,668)</b>  |
| Interest payable and similar charges                                                                              | 3,547            | 3,547            |
| Interest and investment income                                                                                    | (867)            | (46)             |
| <b>(Surplus) or deficit for the year on HRA services</b>                                                          | <b>5,087</b>     | <b>(9,167)</b>   |

## Statement of Movement on the HRA Balance (SMB)

|                                                                                                                         | 2022/23<br>£'000 | 2021/22<br>£'000 | Note   |
|-------------------------------------------------------------------------------------------------------------------------|------------------|------------------|--------|
| <b>Balance on the Housing Revenue Account at the end of the previous year</b>                                           | (42,969)         | (41,622)         |        |
| <b>(Surplus) or deficit for the year on the HRA Income and Expenditure Account</b>                                      | 5,087            | (9,167)          |        |
| <b>Adjustments between accounting basis and funding basis under statute</b>                                             |                  |                  |        |
| Items included in the HRA Income and Expenditure Account but excluded from the movement on the HRA Balance for the year |                  |                  |        |
| Accumulated Absences Account                                                                                            | (19)             | (10)             |        |
| IAS 19 Pension Adjustment                                                                                               | (647)            | (611)            |        |
| Impairment of fixed assets charged to HRA                                                                               | (10,245)         | 4,273            |        |
| <b>Net (Increase) or decrease in the HRA Balance before transfers to or from reserves:</b>                              |                  |                  |        |
| Transfer to/from Revenue Grants Reserve                                                                                 | 20               | 0                | Note 7 |
| Transfer to/from Eco Funding Reserve                                                                                    | (20)             | 0                | Note 7 |
| Transfer to/from Insurance Reserve                                                                                      | (20)             | (47)             | Note 7 |
| Transfer to/from HRA Technology Investment                                                                              | 0                | (2)              | Note 7 |
| Transfer to/from HRA Corporate Change Reserve                                                                           | (193)            | 0                | Note 7 |
| Transfer to/from HRA Welfare Reform Reserve                                                                             | (30)             | (30)             | Note 7 |
| Capital expenditure funded by the HRA                                                                                   | 5,692            | 4,047            | Note 5 |
| Transfer to the Capital Adjustment Account                                                                              | 0                | 200              |        |
| <b>Net additional amount required by statute to be debited or (credited) to the HRA balance for the year</b>            | <b>(5,462)</b>   | <b>7,820</b>     |        |
| <b>Increase or Decrease in the year to the Housing Revenue Account Balance</b>                                          | <b>(375)</b>     | <b>(1,347)</b>   |        |
| <b>Balance Carried forward</b>                                                                                          | <b>(43,344)</b>  | <b>(42,969)</b>  |        |

## Notes to the Housing Revenue Account

### 1. The number and types of dwellings in the housing stock

|                                     | As at 31st<br>March 2023<br>Number | As at 31st<br>March 2022<br>Number |
|-------------------------------------|------------------------------------|------------------------------------|
| Houses and bungalows                | 4,382                              | 4,395                              |
| Low rise flats                      | 1,719                              | 1,717                              |
| Medium rise flats                   | 522                                | 521                                |
| <b>Total Dwellings</b>              | <b>6,623</b>                       | <b>6,633</b>                       |
| <br><b>Garages and Garage Plots</b> | <br><b>1,188</b>                   | <br><b>1,188</b>                   |

### 2. Housing stock valuations

| Description                    | As at 31st<br>March 2023<br>£'000 | As at 31st<br>March 2022<br>£'000 |
|--------------------------------|-----------------------------------|-----------------------------------|
| Operational assets             |                                   |                                   |
| - Council Dwellings            | 274,706                           | 247,182                           |
| - Other land and buildings     | 2,141                             | 2,234                             |
| - Vehicles Plant and Equipment | 869                               | 1,097                             |
| - Assets Under Construction    | 5,197                             | 1,094                             |
| - Assets Held for Disposal     | 179                               | 120                               |
| <b>Total</b>                   | <b>283,092</b>                    | <b>251,727</b>                    |

### 3. Vacant Possession Value of Council Dwellings

|                                       | As at 31st<br>March 2023<br>£'000 | As at 31st<br>March 2022<br>£'000 |
|---------------------------------------|-----------------------------------|-----------------------------------|
| Market value - Vacant possession      | 654,062                           | 588,529                           |
| Existing use value for social housing | 274,706                           | 247,182                           |
| <b>Difference</b>                     | <b>379,356</b>                    | <b>341,347</b>                    |

The 'difference' between the market value and the Balance Sheet value for dwellings represents the economic cost to the Government of providing Council housing at less than open market rents. The vacant property adjustment factor for the East Midlands is 42%.

#### 4. Major Repairs Reserve

During 2001/02, the Council established a Major Repairs Reserve. The reserve is utilised to fund capital expenditure on Council properties.

|                                         | As at 31st<br>March 2023<br>£'000 | As at 31st<br>March 2022<br>£'000 |
|-----------------------------------------|-----------------------------------|-----------------------------------|
| Balance brought forward                 | (1,200)                           | (310)                             |
| Financing of HRA Capital<br>Expenditure | 5,253                             | 3,011                             |
| Less Depreciation                       | (4,053)                           | (3,901)                           |
| <b>Balance Carried Forward</b>          | <b>0</b>                          | <b>(1,200)</b>                    |

#### 5. Capital Expenditure

|                                 | 2022/23<br>£'000 | 2021/22<br>£'000 |
|---------------------------------|------------------|------------------|
| <b>Operational assets</b>       |                  |                  |
| Dwellings                       | 12,373           | 6,892            |
| Other land and buildings        | 0                | 316              |
| Vehicles, Plant and Equipment   | 16               | 662              |
| Work in Progress                | 4,961            | 579              |
| <b>Total Operational Assets</b> | <b>17,350</b>    | <b>8,449</b>     |
| <b>Funded by:</b>               |                  |                  |
| Capital receipts and grants     | 6,405            | 1,391            |
| Contributions from Revenue      | 5,692            | 4,047            |
| Major Repairs Reserve           | 5,253            | 3,011            |
| <b>Total Funding</b>            | <b>17,350</b>    | <b>8,449</b>     |

#### 6. Capital Receipts from Disposal of Assets

|                             | 2022/23<br>£'000 | 2021/22<br>£'000 |
|-----------------------------|------------------|------------------|
| Disposal of dwellings       | 2,609            | 2,163            |
| <b>Total from Disposals</b> | <b>2,609</b>     | <b>2,163</b>     |

## 7. HRA Earmarked Reserves

|                              | Balance at<br>31st March<br>2023 | Movements<br>in Year | Balance at<br>31st March<br>2022 | Movements<br>in Year | Balance at<br>31st March<br>2021 |
|------------------------------|----------------------------------|----------------------|----------------------------------|----------------------|----------------------------------|
|                              | £'000                            | £'000                | £'000                            | £'000                | £'000                            |
| HRA Revenue Grants           | (45)                             | (20)                 | (25)                             | 0                    | (25)                             |
| HRA Eco-Funding              | (243)                            | 20                   | (263)                            | 0                    | (263)                            |
| HRA Insurance                | (124)                            | 20                   | (144)                            | 47                   | (191)                            |
| HRA Technology<br>Investment | (26)                             | 0                    | (26)                             | 2                    | (28)                             |
| HRA Corporate<br>Change      | 0                                | 193                  | (193)                            | 0                    | (193)                            |
| HRA Welfare Reform           | (140)                            | 30                   | (170)                            | 30                   | (200)                            |
|                              | <b>(578)</b>                     | <b>243</b>           | <b>(821)</b>                     | <b>79</b>            | <b>(900)</b>                     |

### **Eco-Funding Reserve**

This was established to help fund future carbon saving or renewable energy works.

### **HRA Insurance Reserve**

To fund new in-year claims and increases to the insurance provision. Such movements are not budgeted for as this is based upon claims received and settled during the period.

### **HRA Technology Investment Reserve**

To fund the upgrading of out-of-date technology and the introduction of new technology to support the move to digital delivery of services and improve customer experience and to support the move to more agile working.

### **HRA Corporate Change Reserve**

To provide the finance injection to fund emerging commercial services (including business development support). It is also to fund changes in service delivery through service reviews, including redundancy costs to enable that change to take place. This reserve was fully utilised in 2022/23.

### **HRA Welfare Reform Reserve**

To support and react to the high volume of issues raised by the welfare reforms and to help mitigate the impact of the changes on the Council.

## 8. Depreciation in the year ending 31st March

|                            | 2022/23<br>£'000 | 2021/22<br>£'000 |
|----------------------------|------------------|------------------|
| Operational assets         |                  |                  |
| - Dwellings and garages    | 3,813            | 3,649            |
| - Other land and buildings | 77               | 49               |
| - Vehicles                 | 163              | 202              |
| <b>Total</b>               | <b>4,053</b>     | <b>3,900</b>     |

## 9. Impairment

A desktop valuation of all Council Dwellings was undertaken at 31st January 2023, which has resulted in £30.4m being credited to the Revaluation Reserve. The valuation has required that £9.4m of Capital Expenditure be impaired and a further £1.1m reversal of impairment from previous years.

## 10. Pension Contribution

A contribution of £425k has been made for 2022/23 to the back-funding costs relating to employees within Housing Services.

## 11. Rent Arrears

|                                | As at 31st<br>March 2023<br>£'000 | As at 31st<br>March 2022<br>£'000 |
|--------------------------------|-----------------------------------|-----------------------------------|
| Current tenants                | 424                               | 392                               |
| Former tenants                 | 417                               | 380                               |
| <b>Total rent arrears</b>      | <b>841</b>                        | <b>772</b>                        |
| Deduct - Credit Loss Allowance | (399)                             | (398)                             |
| <b>Net arrears</b>             | <b>442</b>                        | <b>374</b>                        |
| Overpayments                   | (640)                             | (592)                             |
| <b>Total arrears</b>           | <b>(198)</b>                      | <b>(218)</b>                      |

## Collection Fund

|                                                   | 2022/23<br>£'000 | 2021/22<br>£'000 |
|---------------------------------------------------|------------------|------------------|
| <b>INCOME</b>                                     |                  |                  |
| Income from Council Tax                           | 75,754           | 71,530           |
| Transitional Protection - Council Tax             | 0                | 387              |
| Contributions to previous year estimated deficit: |                  |                  |
| Ashfield District Council                         | 0                | 55               |
| Nottinghamshire County Council                    | 0                | 425              |
| Nottinghamshire Police Authority                  | 0                | 63               |
| Nottinghamshire Fire Authority                    | 0                | 23               |
|                                                   | 0                | 566              |
| Income Collectable from Business Ratepayers       | 38,756           | 38,237           |
| Transitional Protection - NDR                     |                  |                  |
| Contributions to previous year estimated deficit: |                  |                  |
| Ashfield District Council                         | 751              | 4,497            |
| Nottinghamshire County Council                    | 169              | 1,012            |
| Nottinghamshire Fire Authority                    | 19               | 112              |
| Central Government                                | 940              | 5,622            |
|                                                   | 1,879            | 11,243           |
| <b>Total Income</b>                               | <b>116,389</b>   | <b>121,963</b>   |
| <b>EXPENDITURE</b>                                |                  |                  |
| <u>Council Tax Precepts and Demands</u>           |                  |                  |
| Nottinghamshire County Council                    | 55,986           | 53,325           |
| Nottinghamshire Police                            | 8,658            | 8,239            |
| Nottinghamshire Fire and Rescue                   | 2,880            | 2,798            |
| Ashfield District Council                         | 6,656            | 6,425            |
| Parish Councils                                   | 312              | 289              |
|                                                   | 74,492           | 71,076           |
| Distribution of previous year estimated surplus:  |                  |                  |
| Ashfield District Council                         | 39               | 0                |
| Nottinghamshire County Council                    | 308              | 0                |
| Nottinghamshire Police Authority                  | 48               | 0                |
| Nottinghamshire Fire Authority                    | 16               | 0                |
|                                                   | 411              | 0                |
| <u>Business Rates:</u>                            |                  |                  |
| Payment to Ashfield District Council              | 15,300           | 15,192           |
| Payment to Nottinghamshire County Council         | 3,443            | 3,418            |
| Payment to Nottinghamshire Fire and Rescue        | 382              | 380              |
| Payment to Central Government                     | 19,125           | 18,990           |
|                                                   | 38,250           | 37,980           |

|                                                 |                |                |
|-------------------------------------------------|----------------|----------------|
| Transitional Protection - NDR                   | 6              | 44             |
| Costs of Collection                             | 151            | 147            |
| Renewable Energy Disregard                      | 21             | 21             |
| <u>Bad and Doubtful Debts &amp; Provisions:</u> |                |                |
| Council Tax Write Offs                          | 113            | 142            |
| Council Tax Provisions                          | 209            | 224            |
| NDR Write Offs                                  | 201            | 438            |
| NDR Provisions                                  | (139)          | 18             |
| Change in Appeals provision requirement         | 448            | 212            |
| <b>Total Expenditure</b>                        | <b>114,163</b> | <b>110,302</b> |
| Movement on Fund Balance - Council Tax          | (529)          | (1,041)        |
| Movement on Fund Balance - NDR                  | (1,697)        | (10,620)       |
| Opening Balance - Council Tax                   | (483)          | 558            |
| Opening Balance - NDR                           | 2,722          | 13,342         |
| Closing Balance - Council Tax                   | (1,012)        | (483)          |
| Closing Balance - NDR                           | 1,025          | 2,722          |
| <b>Balance at 31st March</b>                    | <b>13</b>      | <b>2,239</b>   |

## Notes to the Collection Fund

### 1.General

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities such as Ashfield District 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 (NDR).

### 2.Business Rates Retention

With effect from 1<sup>st</sup> April 2013, the Business Rates Retention scheme was introduced. These arrangements provide a direct link between business rates growth and the amount of money local authorities have to spend on services. Local authorities can keep a proportion of the business rates collected in their area after certain contributions to the Government have been made.

Under the current system of business rates retention, NDR income is distributed between Central Government (50%), Ashfield District Council (40%) less a tariff amount paid to central government, Nottinghamshire County Council (9%) and Nottinghamshire Fire Authority (1%).

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

### 3.Income from Business Ratepayers

NDR is paid by businesses. Central Government specifies an annual rate in the pound (51.2p in 2022/23 for businesses with a rateable value (RV) of greater than £51k and 49.9p for businesses with a RV of less than £51k) and local businesses pay an annual NDR bill calculated by multiplying the RV of their premises by this annual rate; there are reliefs for small businesses, charities etc. The Council is responsible for collecting the NDR income and then distributing to Central Government and Preceptors.

Non-domestic rateable value on the Revenue's accounting system as at 31<sup>st</sup> March 2023 was £100.5m (£97.9m in 2021/22). The NDR income collectable in 2022/23, after reliefs but before accounting adjustments was £38.756m (£38.237m in 2021/22).

#### 4. Council Tax

The Council set a Band D Council Tax of £195.46 for the financial year 2022/23. When taking into account parish precepts, the equivalent average Council Tax is £204.65.

The Council tax base, which is used in the tax calculation, is based on the number of chargeable dwellings in each valuation band, adjusted for dwellings where exemptions or discounts apply, converted to an equivalent number of Band D dwellings.

The tax base for the year was 34,052.7 as shown below.

|                                     | Total Net No.<br>of Dwellings | Ratio to<br>Band "D" | Band "D"<br>Equivalent<br>s |
|-------------------------------------|-------------------------------|----------------------|-----------------------------|
| Disabled Persons Relief             | 48.1                          | 5/9                  | 26.7                        |
| Band "A"                            | 20,044.7                      | 6/9                  | 13,363.1                    |
| Band "B"                            | 9,697.1                       | 7/9                  | 7,542.2                     |
| Band "C"                            | 7,863.4                       | 8/9                  | 6,989.7                     |
| Band "D"                            | 3,884.5                       | 1                    | 3,884.5                     |
| Band "E"                            | 1,386.1                       | 11/9                 | 1,694.2                     |
| Band "F"                            | 477.1                         | 13/9                 | 689.1                       |
| Band "G"                            | 108.7                         | 15/9                 | 181.2                       |
| Band "H"                            | 8.3                           | 2                    | 16.6                        |
| <b>Total</b>                        | <b>43,518.0</b>               |                      | <b>34,387.3</b>             |
| Less Provision for Bad Debts        |                               |                      | 334.6                       |
| <b>Council Tax Base for 2022/23</b> |                               |                      | <b>34,052.7</b>             |

The Band D Council Tax, including parish precepts, is calculated as follows:

|                                              |                    |
|----------------------------------------------|--------------------|
| Council requirement from the Collection Fund | <u>£ 6,968,776</u> |
| Divided by Council Tax Base                  | 34,052.7           |
| Equals Band D equivalent                     | £204.65            |

#### 5. Distribution of the Collection Fund Balance

The distribution of the Collection Fund balance based upon the actual position is shown in the tables below.

##### a. Council Tax Balance Distribution – Surplus

|                                  | 2022/23<br>£'000 | 2021/22<br>£'000 |
|----------------------------------|------------------|------------------|
| Nottinghamshire County Council   | (760)            | (363)            |
| Nottinghamshire Police Authority | (118)            | (56)             |
| Nottinghamshire Fire Authority   | (39)             | (19)             |
| Ashfield District Council        | (94)             | (45)             |
|                                  | <u>(1,011)</u>   | <u>(483)</u>     |

## b.NDR Balance Distribution - Deficit

|                                | 2022/23<br>£'000 | 2021/22<br>£'000 |
|--------------------------------|------------------|------------------|
| Nottinghamshire County Council | 92               | 245              |
| Nottinghamshire Fire Authority | 10               | 27               |
| Ashfield District Council      | 410              | 1,089            |
| Central Government             | 512              | 1,361            |
|                                | <u>1,024</u>     | <u>2,722</u>     |

The surplus or deficit on the Collection Fund consists of two elements:-

- Council Tax: - the surplus or deficit of this element is distributed between the Council (as billing authority), Nottinghamshire County Council, Nottinghamshire Police Authority and Nottinghamshire Fire Authority based on estimates of the year-end balance on 15<sup>th</sup> January each year. Any remaining surplus or deficit will be carried forward to the following year and will influence the level of Council Tax to be raised for that year.
- NDR: - the surplus or deficit of this element is distributed between the Council (as billing authority), Nottinghamshire County Council, Nottinghamshire Fire Authority and Central Government on proportions outlined in the Business Rates Retention scheme, based on estimates of the year-end balance on 31<sup>st</sup> January each year. Any remaining surplus or deficit will be carried forward to the following year and will influence the level of NDR to be raised for that year.

However, as part of the Covid-19 support measures, the regulations were amended to allow the 2020/21 in-year deficit for both Council Tax and NDR to be spread over 2021/22 to 2023/24 rather than impacting in full in the following year.

The Covid-19 support measures also included a 75% Taxation Income Guarantee Compensation scheme to fund the losses on Council Tax and NDR. This funding was moved to an earmarked reserve (see note 24) in 2020/21 to be released to fund the deficit as it is charged back to general fund in 2021/22 to 2023/24.

## 6.Collection Fund Adjustment Account

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

|                                                                                                                                                                                                          | 2022/23<br>£'000 | 2021/22<br>£'000 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Balance at 1 April                                                                                                                                                                                       | 1,043            | 5,393            |
| Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements | (48)             | (100)            |
| Amount by which NDR income credited to the Comprehensive Income and Expenditure Statement is different from NDR income calculated for the year in accordance with statutory requirements                 | (678)            | (4,250)          |
| Balance at 31 March                                                                                                                                                                                      | <u>317</u>       | <u>1,043</u>     |

**ANNUAL GOVERNANCE  
STATEMENT  
2022/2023**



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## INTRODUCTION

Ashfield District Council is responsible for ensuring that its business is conducted in accordance with the law and proper accounting standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

As part of the arrangements for preparing the Annual Statement of Accounts, the Council is required by law to undertake an annual review of the effectiveness of its system of internal control and produce an Annual Governance Statement. Good practice requires that such a statement should extend beyond a narrow focus on financial controls to cover the way in which the Council determines what its local community wants and needs; decides how those requirements are to be met; and ensures that it delivers what is required without wasting public money.

## WHAT IS CORPORATE GOVERNANCE?

Corporate governance is part of the overall control framework and contributes to the Council's robust governance arrangements. Good corporate governance ensures organisations are doing the right things in the correct manner in an open, honest, inclusive and accountable way. Good governance leads to good management, performance and outcomes. It ensures the Council delivers the visions and priorities set out in its Corporate Plan.

Ashfield District Council is committed to good corporate governance. The Council has a framework of policies and procedures in place which collectively make up its governance arrangements. The Council has adopted a Local Code of Corporate Governance which sets out the Council's arrangements and is based on the guidance "Delivering Good Governance in Local Government" published by CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) in 2016. The CIPFA/SOLACE guidance identifies seven core principles and various sub principles.

The seven core principles are detailed on page 4 and are also used as the framework for assessing the effectiveness of the Council's governance arrangements.

The Council's governance framework aims to ensure that in conducting its business it:

- Operates in a lawful, open, inclusive and honest manner
- Makes sure that public money is safeguarded, properly accounted for and used efficiently, effectively and economically
- Has effective arrangements for the management of risks
- Secures continuous improvements in the way that it operates.

The governance framework comprises the culture, values, systems and processes by which the Council is directed and controlled. The framework brings together an underlying set of legislative requirements, good practice principles and management processes.

A key part of the governance framework is the system of internal control: this is designed to manage the risk of failure to achieve policies, aims and objectives to a level which the Council has determined as acceptable. The effectiveness of internal control is subject to regular review by both external and internal audit and the Annual Report of Internal Audit for 2022/23 provides an opinion on the effectiveness of the internal control system over the year ending 31st March 2023.

## THE PRINCIPLES OF GOOD GOVERNANCE

The Council aims to achieve good standards of governance by:



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

Ensuring openness and comprehensive stakeholder engagement

Defining outcomes in terms of sustainable economic, social, and environmental benefits

Determining the interventions necessary to optimise the achievement of the intended outcomes

Developing the entity's capacity, including the capability of its leadership and the individuals within it

Managing risks and performance through robust control and strong public financial management

Implementing good practices in transparency, reporting, and audit to deliver effective accountability

---

## HOW THE COUNCIL WORKS

The Council consists of 35 elected Councillors. The way the Council operates is prescribed by its Constitution which sets out the roles and responsibilities of the Council, Cabinet, Committees, Panels and other Groups and specifies the powers and duties that are delegated to those bodies and to individual Councillors and Officers. The Constitution is subject to regular review and is updated to ensure compliance with legal and regulatory requirements and conformance to recognised good practice.

The Council has determined that a Cabinet made up of the Leader and Executive Lead Members should have the power to discharge all Executive functions. The role of the Council and its Regulatory Committees (such as Planning and Licensing Committees) is set out in the Constitution. The Council has also established a Principal Select Committee and two Select Committees to carry out its Scrutiny function with the power to review decisions made. The Audit Committee provides assurance as to the adequacy of the Council's risk management framework and control environment and scrutinises the Council's financial performance and reporting.

The Standards and Personnel Appeals Committee has been established to promote and maintain high standards of conduct by Members and Officers.

During 2022 the Local Government Association supported the Chief Executive in carrying out a Decision - Making Accountability (DMA) Review. DMA is a methodology which supports organisational design. DMA is used to identify efficient and cost-effective organisational structures for the future.

It is a robust, proven framework to help diagnose and design healthy management hierarchies. The DMA review took into account the Council's 5 year Strategic Direction and new streams of work including Devolution, Climate Change, Physical Regeneration projects such as Towns Fund, UK Shared Prosperity Fund (UKSPF) and Levelling Up, and changes to Social Housing Regulations. The DMA review identified how the Council can maximise its ability and organisational structures to

deliver these ambitious projects. The DMA review also provided an opportunity to align functions and to improve synergy between service areas.

The DMA Review informed a review of senior management structures and the Chief Executive implemented a revised structure during late 2022 / early 2023. The roles of the Directors were



revised and renamed Executive Directors. The roles of third tier managers were also revised and are now consistently entitled Assistant Directors and collectively now referred to as Corporate Leadership Team (CLT).

During 2022/2023 the management of the Council was the responsibility of the Chief Executive (Head of Paid Service) supported by the Strategic Leadership Team (SLT) (formerly Corporate Leadership Team).

SLT comprises four Executive Directors (formerly Directors) for Governance, Operations, Transformation and Place, each reporting directly to the Chief Executive.

Each Executive Director deputises in the absence of the Chief Executive according to delegations of responsibility from the Chief Executive. The Executive Director, Governance is also the Monitoring Officer. The Corporate Resources Director is the appointed Chief Financial Officer (Section 151 Officer) and is also a member of SLT.

The Strategic Direction for the Council was reviewed and updated in March 2022. The Council's vision and ambition for the District are clearly identified in a set of Corporate Priorities which are presented in the Corporate Plan which supports the development of annual service plans for all individual services. A new Corporate Plan was adopted in 2019 and was revised in July 2020 to take account of the pandemic. The Corporate Plan was refreshed and approved at Cabinet on 29 June 2021 and also on 21 June 2022. A robust project management approach is in place to ensure successful delivery of the Corporate Plan through programme and project management. The Council has established a Performance Management Framework: clear performance targets are set for each Service and performance achieved is subject to regular monitoring using objective performance indicators.

Service Performance is monitored regularly by the Chief Executive at Performance Boards.

Employees receive an annual Personal Development Review linked to a competency framework.



A Budget and Policy Framework has been established to ensure that budget and policy decisions are taken in an appropriate manner and the Medium-Term Financial Strategy (MTFS) – supported by robust budgeting and budgetary control arrangements – ensures that the Council’s financial position is sustainable and that a balanced budget is set each year.

The Council’s Risk Strategy sets out the way in which risks are identified, evaluated and managed. Risk Registers are maintained and reviewed by SLT, Cabinet and Audit Committee to ensure that appropriate and timely action is taken to deal with the risks that have been identified. The Corporate Risk Strategy, Risk Register and Risk Appetite Framework were approved at Audit Committee and Cabinet in March 2022 and a further update was reported to Cabinet in June 2022 and February 2023. The Central Midlands Audit Partnership (CMAP), on behalf of the Council, carries out a programme of audits annually to provide assurance about the effectiveness of risk management, control and governance processes. A Fraud Risk Register is in place to identify and mitigate against potentially fraudulent activities the Council may be the victim of and was extensively reviewed and updated during 2022/23. The Fraud Risk Register is monitored on a quarterly basis; there are no high-level fraud risks identified.

## THE ROLE OF THE CHIEF FINANCIAL OFFICER IN ASHFIELD DISTRICT COUNCIL

CIPFA published a Statement in 2010 on the ‘Role of the Chief Financial Officer in Local Government’. It identifies the five key principles that define the core activities and behaviours of the role and the organisational arrangements to support them. The table below explains how the Council’s arrangements comply with the statement.

### Key Principle

The CFO in a public service organisation is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the organisation’s strategic objectives sustainably and in the public interest.

### Council’s Arrangements

The Roles and Responsibilities of the Strategic Leadership Team (SLT) are set out in job descriptions. These were updated as part of the DMA review undertaken in 2022/23. A new job description was put in place for the Corporate Resources Director (formerly Corporate Finance Manager) and Section 151 Officer (CRD) role in February 2023.

The CRD reports to the Executive Director, Transformation and is also a member of the SLT. Monthly meetings also take place between the Chief Executive and CRD.

An up-to-date scheme of delegation exists; for financial year 2022/23 this was confirmed by Annual Council in May 2022 and for 2023/24 at the Annual Council in May 2023.

The Authority’s governance arrangements allow the CRD to bring influence to bear on all material business decisions, and has direct access to all SLT members, the Audit Committee, CMAP (internal audit partners) and External Audit.

The CRD manages the Finance Team (which also includes Treasury Management, Creditors, Rent Accounting and Insurance functions, Strategic Procurement, Commercial Development and Anti-Fraud). It is considered that such responsibilities still enable the role to have a clear focus on financial management particularly since the introduction of the Chief Accountant post in March 2018. Through the DMA process the role of Chief Accountant has been renamed Financial Services Manager (FSM).

SLT receive regular updates on the MTFS, budget monitoring and year end outturn. The CRD



ensures that their knowledge and awareness of financial issues is up to date through regular briefings. Three of the four Principal Accountants have each been allocated specific Directorates in order to provide direct support and challenge when necessary. One Principal Accountant has responsibility for Capital and Treasury Management. The four Principal Accountants report directly to the FSM.

By having the above measures in place, the CRD is able to contribute to the effective leadership and corporate management of the Council. The CRD leads the development of the MTFS and annual budget process to ensure financial sustainability.

### **Key Principle**

The CFO in a public service organisation must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy.

### **Council's Arrangements**

The Council has a medium term business and financial planning process to deliver the Council's strategic objectives, including an MTFS, an annual budget process and regular and timely monitoring of budget performance.

Professional advice on decisions which have financial implications is provided by the Finance Team and is included in every report. In addition, accountants work with budget holders in advance of major decisions to ensure that the financial implications are accurate and well understood.

The CRD assesses the adequacy of reserves and a reserves policy was introduced as part of the Financial Regulations update in May 2018. The latest review informed the assurance given in the 2023/24 Annual Budget and Council Tax Setting report to Council on 2 March 2023.

Timely, accurate and impartial information is provided to decision makers, which helps to ensure effective stewardship of public money and that the Council achieves the objectives it has set out in its Corporate Plan.

The Council maintains a prudential financial framework which is reported on three times each year, to ensure that its commitments remain within its available resources.

An appropriate accounting system is in place, and through this system regular financial monitoring reports are produced for Officers and Members. The Council will be implementing a new core financial system from February 2023 which is expected to be fully operational by no later than March 2024.

### **Key Principle**

The CFO in a public service organisation must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

### **Council's Arrangements**

The CRD is responsible for ensuring that appropriate advice is given on all financial matters, for keeping financial records, and for maintaining an effective system of financial control.

Systems and processes for financial administration, financial control and protection of the Council's resources are well designed. Such arrangements are subject to independent risk based auditing

by Internal Audit. The Council's Internal Audit arrangements are provided by Central Midlands Audit Partnership. The Monitoring Officer is responsible for ensuring an effective Internal Audit function is in place.



The Annual Governance Statement includes all the Council's significant governance issues.

Annual accounts are published on a timely basis and are presented by the CRD to Cabinet, Audit Committee and senior officers.

The Council has an Audit Committee. Comprehensive Member training took place following the May 2019 District Council elections. Treasury Management training was provided by Link Asset (Treasury Management Advisors) in January 2022 and in June 2021 some of the Audit Committee Members attended virtual Audit Committee training provided by Mazars, the Council's External Auditors. Audit Committee and related training will be provided to Members following the District Elections in May 2023.

The Council has received positive Value for Money conclusions/ reports since 2009/2010.

Financial competencies are embedded in person specifications and staff appraisals.

The Finance Team lead initiatives to improve non-financial managers' understanding of finance.

Financial training is provided for elected Members as required. Financial Management training was rolled out to Members and relevant Officers after the May 2019 elections. Key financial updates have been provided to Members linked to the setting of the 2023/2024 Budget. Local Government Finance training was provided to all Members on 15 May 2023 following the District Council elections.

An independent Financial Health Check was carried out by the Local Government Associations (LGA) in 2022/2023 which concluded that the Council "is well managed financially."

### Key Principle

The CFO must lead and direct a finance function that is resourced to be fit for purpose.

#### Council's Arrangements

The Finance function has the resources, expertise and systems to perform its role effectively. As part of implementation of the new Core Finance system, additional temporary resource has been made available to the team to ensure a successful implementation. Additional project management and technical resource has also been made available to the digital services team to support an effective implementation. Ensuring the required expertise is in place will also require constant review in light of the innovative projects which are being explored.

All the Finance staff within the Council report via the FSM to the CRD.

### Key Principle

The CFO must be professionally qualified and suitably experienced.

#### Council's Arrangements

The CRD is a CIMA qualified accountant (2002) with over 20 years post-qualification Local Government experience who has previously undertaken the role of Deputy Section 151 Officer at this Council. The CRD has been S151 Officer at this Council for 5 years.

He has wide ranging senior local government finance experience, gained from employment at two other authorities, including the role of Director of Service Finance for a period of 5 years and Chief Finance Manager for a period of 6 years.

His role is well understood by Members and Officers throughout the Council.

## THE ROLE OF THE MONITORING OFFICER IN ASHFIELD DISTRICT COUNCIL

The Council is required to ensure it has in place effective arrangements for the discharge of the statutory Monitoring Officer Function.

The Constitution sets out the statutory role and functions of the Monitoring Officer and recognises



that the Council must ensure the Monitoring Officer has access to sufficient resources in order to undertake the role.

The Executive Director, Governance is appointed by Council to be the Monitoring Officer. The Executive Director, Governance has 14 years experience of acting as the Monitoring Officer for the Council and is a qualified Solicitor with 24 years post-qualification experience in Local Government. The Monitoring Officer is a member of SLT and is directly line managed by the Chief Executive. The Executive Director, Governance has sufficient resources available including suitable Deputy Monitoring Officer provision. The Monitoring Officer and Deputies attend appropriate training each year.

The Monitoring Officer is responsible for ensuring an effective Internal Audit function is in place and is lead Chief Officer for both the Audit Committee and Standards and Personnel Appeals Committee.

## **HOW DOES THE COUNCIL REVIEW THE EFFECTIVENESS OF ITS GOVERNANCE FRAMEWORK?**

The initial review of the effectiveness of the Council's governance framework was conducted by the Council's Executive Director, Governance (Monitoring Officer).

### **To inform the initial review process:**

The Corporate Leadership Team carried out a Corporate Assurance Assessment

Each Director provided a Statement of Assurance

The Council's Chief Financial Officer (S151 Officer) was consulted

The Constitution review, performance reporting and risk management arrangements were taken into account

The findings reported by External Audit and other external review bodies were considered

The work of Internal Audit and other internal assurance providers were also considered.

The results of the review work were formulated into a draft Governance Statement during March and April 2023. The SLT reviewed the draft Governance Statement and considered whether the improvements proposed represented an appropriate and proportionate response to the significant governance issues identified.

The draft Governance Statement, modified to reflect the views of SLT, was then considered by Members of the Council's Audit Committee. The Executive Director, Governance (Monitoring Officer) then finalised the Annual Governance Statement in readiness for the close of accounts. A draft Statement of Accounts (including the Annual Governance Statement) will be completed by the end of May 2023. The Annual Governance Statement will be considered for formal approval as part of the Statement of Accounts by the Council's Audit Committee at its meeting in July 2023.

## **HOW DO WE KNOW OUR ARRANGEMENTS ARE WORKING?**

### **Review of Effectiveness 2022/23**

The Council has assessed itself against the key criteria for good corporate governance by undertaking a Corporate Assurance Assessment. A score of 93%, or "good" was recorded. The Council will continue to work on identified areas to ensure further improvements are made. Ongoing improvements and significant issues are recorded later in this statement.

Key changes, developments and achievements during 2022/2023 have been reviewed against our



Corporate Plan and Local Code of Corporate Governance to assess compliance and a brief summary is set out in Appendix 1.

The current Local Code of Corporate Governance was reviewed and approved by Audit Committee in November 2022.

The Council has assessed whether the key areas identified in the 2022/2023 Annual Governance Statement have been delivered and an update is set out on pages 12–17.

The CIPFA Financial Management Code requires the Council to carry out a self- assessment against the requirements of this Code. An introductory report was presented to the Audit Committee in July 2021 and the self-assessment was presented to the Audit Committee in October 2021. The self-assessment demonstrated that the Council has processes in place to comply with each of the 6 Principles (Organisational Leadership, Accountability, Transparency, Standards, Assurance, Sustainability). An action plan was put in place to strengthen the compliance position further. The self-assessment and action plan will be reviewed and reported to Audit Committee in Autumn 2023.

As a result of the review work undertaken the Council's governance arrangements are deemed to be good and are fit for purpose.

## INTERNAL AUDIT OPINION 2022/23

Central Midlands Audit Partnership (CMAP), who provide internal audit services to the Council, has provided its opinion for 2022/23. Based on the work undertaken during the year, CMAP is able to give an opinion that the Council has a "satisfactory system of internal control" (the highest level of assurance opinion which can be given).

Their full report will be presented to the Council's Audit Committee in July 2023.

An external assessment of conformance with the Public Sector Internal Audit Standards (PSIAS) was carried out during September 2022. The overall assessment concluded that CMAP "generally conforms with the Public Sector Internal Audit Standards". CMAP compare favourably with peer groups in the local government and private sector. A report regarding the PSIAS was presented to Audit Committee in November 2022.

## PROGRESS REGARDING IMPROVEMENT ACTIONS IDENTIFIED IN 2022/2023

| Improvement Actions 2022/23             | Progress Made During 2022/2023                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Digital Transformation Programme</b> | <b>ONGOING</b><br><br>Remains ongoing as per rolling Digital Services Transformation (DST) Road Map and Programme Implementation Plan.<br><br>Recognising increasing importance of DST in supporting delivery of customer experience and corporate priorities, a dedicated Assistant Director-Digital role has been added to the Establishment and recruitment is taking place during May/June 2023. |



|                                                                                           |                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Review and Refresh the People Strategy</b>                                             | <p><b>MARCH 2023 – REVISED COMPLETION MARCH 2024</b></p> <p>Refreshed People Strategy remains work in progress. Review of recruitment is ongoing. Audit and action plan developed. 2023/24 will see implementation of action plan.</p> <p>2022 Employee Survey completed. Outcomes being integrated into existing forums and work programmes.</p> |
| <b>Review and refresh the Council's statements on Equalities Framework and Objectives</b> | <b>COMPLETED</b>                                                                                                                                                                                                                                                                                                                                  |
| <b>Social Housing White Paper</b>                                                         | <b>COMPLETED</b>                                                                                                                                                                                                                                                                                                                                  |
| <b>Customer / Resident surveys</b>                                                        | <p><b>MARCH 2023 – REVISED COMPLETION MARCH 2024</b></p> <p>Completed for tenant engagement/tenant satisfaction measures.</p> <p>Wider engagement/satisfaction survey being reviewed as a cross-Council task and finish group.</p>                                                                                                                |



## **PROGRESS REGARDING SIGNIFICANT ISSUES IDENTIFIED IN 2022/2023**

### **Financial Sustainability**

#### **Significant Issues 2022/2023**

There remains significant uncertainty about the level of Central Government funding from 2022/2023 linked to the implementation of the Fair Funding Review, potential changes to retained business rates levels, the proposed business rates reset, New Homes Bonus funding and post COVID-19 financial recovery. Every Local Authority faces this uncertainty.

The MTFS update approved by Council in March 2021 reflects the priorities as set out in the Corporate Plan and both may require refinement once the future financial landscape becomes clearer.

A new MTFS will be produced in the Autumn and will reflect the Autumn 2021 Spending Round announcement.

The Council does have robust reserves which will assist in transitioning to revised levels of central government funding whilst at the same time identifying and implementing 'Options for Change' to assist with addressing the Council's future financial challenges. The Council's General Reserve at the 31st March 2021 was £7.877m; £6.527m above the minimum required balance as set out in the Council's Constitution.

#### **Progress Made During 2022/2023**

In the Local Government Finance Settlement for 2023/2024 the Government confirmed that the implementation of Local Government Finance Reform would not now take place until 2025/2026. The 2023/2024 Settlement provided a one year settlement with high level funding indications for 2024/2025. This included confirmation that the newly introduced Funding Guarantee was for 2023/2024 only and no commitment was given in respect of New Homes Bonus other than Local Authorities would receive confirmation of the way forward during 2023/2024.

As a consequence of the above medium to longer term financial planning remains a challenge for the Council (and all other Councils).

An update to the Medium Term Financial Strategy was produced and approved by Council in March 2023 as part of the Annual Budget and Council Tax Setting Report, however, further updates to this will be required once greater clarity about the future level of Central Government funding becomes clearer.

The Council has robust reserves which will assist in transitioning to revised levels of central government funding whilst at the same time identifying and implementing 'Options for Change' to assist with addressing the Council's estimated future financial challenges.

The Council's General Reserve at the 31 March 2023 was £9.234m; £231k greater than in 2022/23. The Council's Earmarked Reserves at the 31 March 2023 were £18.596m.

### **Data Matching and National Fraud Initiative**

#### **Significant Issues 2022/2023**

The Council must continue to develop and embed its corporate approach to anti- fraud (including data matching).



The Anti-Fraud Officer Working Group will continue to deliver the action plan which was developed to better meet the Government's functional standard.

The Council will consider how it can create greater operational resilience and improve capacity to identify and deal with suspected fraudulent activity.

### **Progress Made During 2022/2023**

Progress in relation to this work stream continues.

In order to ensure the Council takes a corporate approach to dealing with fraud and corruption, the Anti-Fraud and Corruption Strategy Group meets on a quarterly basis. The work of the Anti-Fraud and Corruption Strategy Group includes a quarterly review of the Fraud Risk Register. There are no high level risks.

To ensure appropriate operational resilience and resource levels the Council's arrangements regarding Anti-Fraud, including Data Matching, were considered as part of the Decision Making Accountability work undertaken by the Local Government Association during 2022/2023. The responsibility for Anti-Fraud will, following a transition and handover period, be moving to the Corporate Resources Director's remit to enable operational resources to be allocated to lead on the workstream.

### **Local Plan**

#### **Significant Issues 2022/2023**

Although the work undertaken by Ashfield has been delivered to timescales, the Council has, following consultation on the draft local plan during 2021/2022, sought further clarification from the Government as to emerging policy and guidance. Given the intended overhaul of the planning system identified in the Levelling Up and Regeneration Bill and the continuing lack of clarity in relation to the green belt and approach to housing numbers, it is clear that some further understanding of policy intention is required.

A new Local Plan Timetable will be developed once further clarity is received.

#### **Progress Made During 2022/2023**

The Council has agreed to progress the Local Plan which will provide for certainty of housing for 10 years. Given the direction of travel by Government in relation to the green belt and in acknowledgement of local opposition to two new settlements it has been agreed to progress the Local Plan without the two new settlements originally proposed. Work has progressed on the evidence base and a meeting held with the Planning Inspectorate. A new Local Plan Development Scheme will be finalised in June 2023 with the new administration. It is expected that a draft plan will be consulted on it autumn 2023.

### **Planning Appeals**

#### **Significant Issues 2022/2023**

Following Internal Audit work during the year a risk was identified relating to the planning appeal overturn level which will continue to be monitored during 2022/23. The appeal overturn rate was



8.16% in May 2022. Department for Levelling Up, Housing and Communities requirements specifies that at 10% a Council's Planning process may be placed in special measures. A process has been agreed to provide quarterly updates to the Leadership Team when the percentage is over 8%. Member training is being provided as an ongoing process.

### **Progress Made During 2022/2023**

Officers have regularly reported to the Leadership Team on the appeals risk. Member training will be provided to all new members in May 2023. The position last reported in March was 8.5%.

### **Towns Fund**

#### **Significant Issues 2022/2023**

The £3.6 billion Towns Fund is part of the Government's plan for levelling up the UK economy. Towns across England are working with the Government to address growth constraints and to ensure there is a course of recovery from the impact of the COVID-19 Pandemic. The overarching aims of the Towns Fund are to drive the sustainable economic regeneration of towns to deliver long term economic and productivity growth. To access the funding, towns were invited to develop and submit a Town Investment Plan detailing how and where they would spend Towns Fund money, and the impacts that this would have on the local economy, for local people and local businesses. Kirkby in Ashfield and Sutton in Ashfield were both invited to be part of the Town Deal. In June 2021, the Government announced that £62.6 million has been awarded to the two towns, as part of the Government's Towns Fund. The next step in the process was to develop robust business cases for the suite of projects making up the Kirkby in Ashfield and Sutton in Ashfield Town Investment Plan followed by delivery of projects over the next 5 years. Governance processes are in place as part of the Business Case Development stage which will then transition into the delivery stage over the length of the programme.

### **Progress Made During 2022/2023**

The funding is being managed as part of the Council's Regeneration Programme with comprehensive project and financial management processes in place. This includes the Local Assurance Framework developed from D2N2's funding programme. The framework is being used to locally assure the business cases for each of the projects. The flagship project of the programme - the ADMC (Automated Distribution and Manufacturing Centre) is also being reviewed by DLUHC (Department for Levelling Up, Communities and Housing) due to its high value (£20m Towns Fund). An internal audit process review was undertaken on the programme during February/ March 2023. Six monthly monitoring returns are submitted to DLUHC. The Levelling Up Funds Local Authority Assurance Framework sets out the annual cycle of assurance for grant recipients and the Chief Finance Officer is required to submit an assurance letter annually to confirm that the framework is being adhered to.



## IMPROVEMENT ACTIONS

As part of the Council's drive to continuously improve its existing governance framework to meet changing conditions, the following actions have been identified to take place during 2023/2024:

| Improvement Action for 2023/2024                                                                                                                                                                                                                                                                                                                                                            | Lead Officer(s)                                                     | Target Date    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|----------------|
| <b>Digital Transformation Programme</b><br>Remains ongoing as per rolling Digital Services Transformation (DST) Road Map and Programme Implementation Plan.                                                                                                                                                                                                                                 | Executive Director, Transformation & Assistant Director, Digital    | Ongoing        |
| <b>Review and Refresh the People Strategy</b> <ul style="list-style-type: none"> <li>Refreshed People Strategy remains work in progress.</li> <li>Review of recruitment is ongoing. Audit and action plan developed. 2023/24 will see implementation of action plan.</li> <li>2022 Employee Survey completed. Outcomes being integrated into existing forums and work programmes</li> </ul> | Executive Director, Transformation & Executive Director, Governance | March 2024     |
| <b>New Corporate Plan 2023-2027</b>                                                                                                                                                                                                                                                                                                                                                         | Chief Executive                                                     | September 2023 |
| <b>Review of Communication and Engagement Strategy and Protocols</b>                                                                                                                                                                                                                                                                                                                        | Assistant Director- Policy and Performance                          | March 2024     |
| <b>Housing Peer Challenge Key Actions</b> <ul style="list-style-type: none"> <li>Increase tenant involvement in decision making at an operational and strategic level.</li> <li>Optimise use of Member Scrutiny to evidence regulatory standards are being met.</li> </ul>                                                                                                                  | Executive Director, Operations & Assistant Director, Democracy      | March 2024     |
| <b>Customer / Resident surveys</b><br>Wider engagement/satisfaction survey being reviewed as a cross-Council task and finish group.                                                                                                                                                                                                                                                         | Assistant Director, Policy and Performance                          | March 2024     |
| <b>Culture and Governance Review</b><br>This includes a review of: <ul style="list-style-type: none"> <li>The role and effectiveness of Audit Committee</li> <li>Members' Code of Conduct and associated policies and procedures</li> </ul> An Action Plan will be developed in conjunction with the relevant Committee following the reviews.                                              | Executive Director, Governance                                      | March 2024     |



## SIGNIFICANT GOVERNANCE ISSUES

While the effectiveness review and other developments during the year demonstrate that corporate governance arrangements and the internal control framework are fit for purpose and effective, as part of continuing efforts to improve governance arrangements the following significant governance issues have been identified for improvement during 2023/2024.

| Key Improvement Area for 2023/2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Lead Officer(s)                                    | Target Date |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-------------|
| <p><b>Financial Sustainability</b></p> <p>There remains significant uncertainty about the level of Central Government funding from 2023/24 linked to the implementation of Local Government Finance Reform which the Government has confirmed will not be until 2025/26 at the earliest. Every Local Authority faces this uncertainty.</p> <p>The MTFS update approved by Council in March 2023 as part of the 2023/24 Annual Budget and Council Tax Setting Report reflects the priorities as set out in the Corporate Plan and may require refinement once the future financial landscape becomes clearer.</p> <p>An MTFS update will be produced in the Autumn/Winter 2023/24 and will reflect the Autumn 2023 Spending Round announcement and any financial implications arising from the new Corporate Plan which will be prepared following the District Council Elections in May 2023.</p> <p>The Council does have robust reserves which will assist in transitioning to revised levels of central government funding whilst at the same time identifying and implementing 'Options for Change' to assist with addressing the Council's future financial challenges. The Council's General Reserve at the 31st March 2023 was £9.234m; £7.884m above the minimum required balance as set out in the Council's Constitution.</p> | Corporate Resources Director (Section 151 Officer) | Ongoing     |



| Key Improvement Area for 2023/2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Lead Officer(s)                                                                            | Target Date |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-------------|
| <p><b>Anti-Fraud and Data Matching and National Fraud Initiative</b></p> <p>The Council must continue to develop and embed its corporate approach to anti-fraud (including data matching).</p> <p>Realignment of the function will enable the Council to create greater operational resilience and improve capacity to identify and deal with suspected fraudulent activity.</p> <p>The Anti-Fraud Officer Working Group will continue to develop and deliver an action plan to better meet the Government's functional standard.</p>                                                                                                                                                                                                         | Corporate Resources Director (Section 151 Officer)                                         | Ongoing     |
| <p><b>Local Plan</b></p> <p>The Council has agreed to progress the Local Plan which will provide for certainty of housing for 10 years. Given the direction of travel by Government in relation to the green belt and in acknowledgement of local opposition to two new settlements it has been agreed to progress the Local Plan without the two new settlements originally proposed.</p> <p>Work has progressed on the evidence base and a meeting held with the Planning Inspectorate.</p> <p>A new Local Plan Development Scheme will be finalised in June 2023 with the new administration.</p> <p>It is expected that a draft plan will be consulted on in autumn 2023.</p>                                                             | Executive Director, Place & Assistant Director, Planning                                   | Ongoing     |
| <p><b>Planning Appeals</b></p> <p>Following Internal Audit work during the 2021/22 a risk was identified relating to the planning appeal overturn level which was monitored during 2022/23.</p> <p>Department for Levelling Up, Housing and Communities requirements specifies that at 10% a Council's Planning process may be placed in special measures. A process has been agreed to provide quarterly updates to the Leadership Team when the percentage is over 8%. Officers have regularly reported to the leadership team on the appeals risk during 2022/23.</p> <p>Member training will be provided to all new members in May 2023. The position reported in March 2023 was 8.5%.</p> <p>Monitoring and reporting will continue.</p> | Director of Place and Communities and Assistant Director, Planning and Regulatory Services | Ongoing     |



| Key Improvement Area for 2023/2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Lead Officer(s)                                              | Target Date |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-------------|
| <p><b>Regeneration Funding</b></p> <p><b>c.£76m plus match and co-funding</b></p> <ul style="list-style-type: none"> <li>• Towns Fund</li> <li>• Future High Streets Fund</li> <li>• Levelling Up Fund</li> <li>• UK Shared Prosperity Fund</li> </ul> <p>This includes the Local Assurance Framework developed from D2N2's funding programme.</p> <p>The flagship project of the programme - the ADMC (Automated Distribution and Manufacturing Centre) is being reviewed by DLUHC (Department for Levelling Up, Communities and Housing) due to its high value (£20m Towns Fund).</p> <p>Six monthly monitoring returns are submitted to DLUHC for each of the four funds.</p> <p>The Levelling Up Funds Local Authority Assurance Framework sets out the annual cycle of assurance for grant recipients and the Chief Finance Officer is required to submit an assurance letter annually to confirm that the framework is being adhered to.</p> <p>Reports are taken to the Discover Ashfield (DA) Board every six weeks and to the Council's Strategic Leadership Team and Leadership team, as well as bi-monthly to the internal Regeneration Board.</p> <p>The DA Board acts as the Town Deal Board (for Towns Fund) and as the local partnership group for the UK Shared Prosperity Fund.</p> | Executive Director, Place & Assistant Director, Regeneration | Ongoing     |



The review of the Council's governance arrangements demonstrates that these are fit for purpose but to ensure continuous improvement, areas have been identified which require further work. We propose over the coming year as set out above to further enhance the Council's governance arrangements and will monitor their implementation as part of our annual review.



Theresa Hodgkinson, Chief Executive



Councillor Jason Zadrozny, Leader of the Council



## **APPENDIX 1 – THE GOVERNANCE FRAMEWORK AND REVIEW OF EFFECTIVENESS PUTTING THE PRINCIPLES INTO EFFECT**

### **PRINCIPLE A – BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW**

#### **How Does the Council Achieve This?**

The Council set out its Purpose in the Corporate Plan 2019-2023 which are:

- The Council exists to serve the communities and residents of Ashfield
- We will provide good quality, value for money services
- We will act strategically and plan for the future, working with others to bring about sustainable improvements in people's lives.

#### **The Council's values, as set out in the new Corporate Plan are:**

- People Focussed
- Honest
- Proud
- Ambitious

The Council has identified the following priorities:

- Health and Happiness
- Homes and Housing
- Economic Growth and Place
- Cleaner and Greener
- Safer and Stronger
- Innovate and Improve

The Key Projects, Programmes and Initiatives set out in the Corporate Plan reflect these values and priorities and the Council's Budget and Performance frameworks monitor how the Council performs against them. The Corporate Plan has been refreshed at regular intervals during the last 4 years.

Councillors and Officers are both guided by codes of conduct which have been agreed by Council. The Officer Code was updated in May 2023 and has been well communicated and understood throughout the organisation.

The Members' Code of Conduct was reviewed during 2020/21 by the Standards and Personnel Appeals Committee.



The revised Code was adopted at the Council AGM in May 2021. The new Code incorporates elements of the Local Government Association's Model Code. The Council's Standards and Personnel Appeals Committee takes an active lead role in upholding standards and investigating any complaints made against Members. A number of complaints have been received during the year.

Members and Officers are required to complete Register of Interests forms and to disclose gifts and hospitality.

Members and Officers are reminded about this requirement at least annually. The Members' Gifts and Hospitality Register is published and refreshed guidance was issued following a review by the Standards and Personnel Appeals Committee. The Committee also receives an update regarding any declarations of gifts and hospitality at each meeting.

The Chief Executive, the Strategic Leadership Team, and senior officers continually lead by example and promote the Council's priorities and values.

The Chief Executive personally addresses colleagues on key matters such as budgets and key organisational change issues. The Chief Executive speaks to senior and middle managers as part of the Corporate Leadership Team / Extended Leadership Team, allowing two-way dialogue on all key issues. An all-staff conference was held during in December 2022.

The Employee Survey was carried out during 2022. The results of the Employee Survey had extremely positive outcomes with upwards trends across the majority of themed areas. 80% of those who responded said they are proud to work for the Council. Areas for improvement highlighted by the Employee Survey will be channelled via the Cross Council Working Together Group.

The Constitution is regularly updated and a review is carried out annually.

A suite of Anti-Fraud and Corruption Policies and Procedures are in place which were reviewed in February 2020 and March 2022 by the Audit Committee. A "Governance" hub is available on the intranet and the Council's website which contains links to these policies and a wider range of governance documents, such as the Constitution.

The Anti-Fraud and Corruption Officer Working Group with clear terms of reference meets quarterly to oversee the Council's approach to fraud and corruption and reports to SLT and Audit Committee. The Fraud Risk Register is reviewed at each meeting of the Working Group and there are currently no high level fraud risks.

The Council's Whistleblowing Policy is reviewed annually, and the Audit Committee and the Standards and Personnel Appeals Committee receive reports regarding the way complaints received under the policy have been dealt with.

The Council has adopted a Modern Slavery and Human Trafficking Transparency Statement and Policy Statement which are reviewed annually. At its meeting in November 2019, the Council agreed to adopt the Co-operative Party's Charter against Modern Slavery ensuring that the Council's procurement practices do not support slavery. The Council adopted a Domestic Abuse Policy and a Hate Crime Policy in November 2022 and in February 2023 the Cabinet approved an Anti-Social Behaviour Policy.



A number of Council services are provided externally and these are reviewed with strong partner engagement and contract management.

Each of the statutory officers is able to operate with the appropriate independence; the organisational culture respects and supports their integrity and provides the staffing arrangements to support their work.

A Member/Officer Protocol informs the relationship between Officers and Members.



## PRINCIPLE B – ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

### How does the Council achieve this?

The Council operates in an open and transparent way, and takes the vast majority of its decisions in public meetings at Council, Cabinet and Committees. The Constitution encourages debate around key decisions and Council meetings include the scope for questions from Councillors and members of the public.

The Council consults widely with internal and external stakeholders on key policy changes in accordance with its agreed policies. The Cabinet approved the Community Engagement Strategy in July 2020.

The Council has a well-developed approach to working with partners to achieve Corporate Plan outcomes. Co- location with the DWP and police partners has provided a positive impact leading to better ways of dealing with complex cases. Officers and the police hold bi-weekly Neighbourhood Tasking meetings.

A wide variety of communication methods are used to seek the views of different stakeholders. The Council's magazine "Ashfield Matters" is produced four times a year. The Council continues to develop its use of social media channels such as Facebook, Twitter and YouTube, to promote Council campaigns, provide information to residents and businesses, deal with customer enquiries and engage with local communities. The Council's accessible Website was launched in Autumn 2020.

Ashfield 24/7, the digital platform for residents to access the Council, was launched in February 2022.

Senior Managers continue to meet with the Trade Unions on a regular basis to actively engage and consult on employee related issues.

The Place Enhancement Programme continues to develop ways to improve the public perception of the District and promote the area. As part of this Programme, the Discover Ashfield Board, which is independently chaired by a local business leader, meets regularly. The Board was responsible for creating and launching the "Discover Ashfield" brand. A "Discover Ashfield – New Narrative" was approved at Cabinet in December 2022.

Considerable engagement and consultation has taken place with partners and stakeholders in relation to the development of the schemes for the Future High Streets Fund and the Towns Fund. Discover Ashfield acts as the Town Deal Board and provides oversight of the project programme including signing off business cases before submission to Government for approval of funding. The public was extensively consulted during 2021 regarding the draft Local Plan and the Hucknall Town Centre Masterplan during 2022.

Regeneration officers have created a Business Support Directory.



The Tenant Satisfaction Survey was carried out during 2022 to establish a base line position of tenant perception of housing services, ahead of such a survey becoming a regulatory requirement in 2023/24. This resulted in an action plan created by the cross-Council Tenant Satisfaction Measures working group.



## PRINCIPLE C – DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL, AND ENVIRONMENTAL BENEFITS

### How does the Council achieve this?

The Corporate Plan sets out clearly the outcomes to which the Council is committed. It continually checks the deliverability of these outcomes against the available resources and for this purpose both the Corporate Plan and the Medium Term Financial Plan are reviewed.

The Council's performance indicators and its Corporate Scorecard and Place Scorecard are considered regularly by senior management, Overview and Scrutiny Committee and Cabinet. Comprehensive and regular dialogue, on priorities, performance and financial planning take place between the Cabinet and SLT, with the result that the Council is able to shape its ambitions around the resources available to it, and its partners. Long-term impacts of decisions are forecast using the Council's Weighted Benefit Model for individual projects, and the Medium Term Financial Strategy for the whole of the Council's services; the MTFS was updated and approved by Council in March 2023. The Treasury Management Strategy and Related Policy Statements were approved at Audit Committee and Cabinet in February 2023. The Council's updated Capital Strategy, Commercial Property and Investment Strategy and Commercial Property Indicators were approved at Audit Committee and Cabinet in February 2023 before approval at Council in March 2023. The LGA carried out an independent financial health check during December 2021 which was very positive and demonstrated the Council has robust policies and processes in place; the report was published as part of a report to Cabinet in February 2022 and Council in March 2022.

The Council's Corporate and Fraud Risks are identified and recorded in registers and regularly monitored through CLT, Cabinet and Audit Committee. The Corporate Risk Strategy, Risk Register and Risk Appetite Framework were approved at Audit Committee and Cabinet in March 2022. The Council's Risk Management processes received a reasonable assurance during a recent internal audit review.

In accordance with the Council's Social Value Policy, from January 2021 to December 2022, social and local economic value of over £1.7m, local employment with a value of over £1.3m (the equivalent of 48 jobs) and over £300k of local spend has been delivered. The new Kirkby Leisure Centre has delivered a social and local economic value of £12.76m, with 91.44% of waste being diverted from landfill; 32% of spend was within a 30 miles radius and 22% within a 10 miles radius; 95% of spend was with SME organisations. The improvement works at Hucknall Leisure Centre to date have generated £9,448 of social and local economic value with 57% of spend being within a 10 miles radius and 99.84% of waste has been diverted from landfill. The updated Social Value Policy was approved by Cabinet in February 2023. During 2020/2021 the Council also adopted the Ashfield Health and Wellbeing Partnership Strategy 2021-25 and the Environmental Charter.



## PRINCIPLE D – DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES

### How Does the Council Achieve This?

The Council's interventions which aim to achieve its Corporate Plan objectives are planned through a number of Programme Boards or are monitored as a regular agenda item at directorate management team meetings. The current programme boards are:-

- Regeneration
- Commercial Investment Working Group
- Digital and Service Transformation
- Discover Ashfield
- Health and Well Being
- Efficiency (assets, procurement and restructures)
- Social Housing Regulatory Board

Where relevant, Project Boards sit underneath these boards, working specifically on key projects.

The programme boards consider the merits of a range of projects for achieving the aims of the Corporate Plan. They employ the Council's Weighted Benefit Model to assess the impact against key priorities, and the affordability of the intervention.

The Strategic Leadership Team considers the priority order for new projects, and their affordability in the context of the Medium Term Financial Strategy.



## **PRINCIPLE E – DEVELOPING THE ENTITY’S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT**

### **How does the Council achieve this?**

The Leader and Chief Executive have clearly defined roles. Regular meetings between senior managers and Executive Lead Members allow for timely discussion of emerging policies and issues, and overviews of strategic developments such as the budget and MTFS.

Comprehensive training programmes are in place for officers and Members; this Learning and Development programme is shared between Ashfield and Mansfield as part of the Human Resources Shared Service. Working between the two organisations gives valuable insights into different approaches to organisational management and development. A whole staff conference took place in December 2022 and staff recognition awards were held in January 2023.

The Leadership Development Framework was reviewed as part of the implementation of the Decision-Making Accountability Review and subsequent structure and role review for SLT and CLT.

The Members’ Development Strategy was revised by the Standards and Personnel Appeals Committee in December 2021.

Mandatory training has been identified and incorporated into the Code of Conduct.

A comprehensive Member Induction programme to ensure new and returning Members are well equipped for their roles as Councillors was developed by the Standards and Personnel Appeals Committee for implementation in May 2023.

The Council has a People Strategy in place which is currently under review. A review of recruitment and retention has been undertaken and an action plan developed to ensure the Council is able to recruit and retain staff. A recent internal audit review of People Management arrangements reported a reasonable level of assurance.

The digital and service transformation (DST) programme retains an iterative, strategic and operational approach, realigning priority projects to the changing and developing needs of the Council and its residents and is being integrated into the ongoing service reviews, hybrid working and asset rationalisation programmes underpinned by enhanced customer experience and driving efficiencies through use of technology. 24/7 access to services has been enhanced by the launch of the customer portal and rapid expansion of online payments and 2-way engagement with services. By March 2023, the DST programme had enabled almost £3 million of efficiencies directly supporting a sustainable medium term financial strategy.



## **PRINCIPLE F – MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT**

### **How does the Council achieve this?**

The Council's Corporate Risk Register is regularly updated and considered by Cabinet and the Audit Committee. The Anti-Fraud and Corruption Working Group monitors the Fraud Risk Register quarterly and reports to the Audit Committee annually.

Risk Management informs service planning and project planning and is a specific consideration when new capital projects are being developed. The Corporate Risk Register is aligned to the Corporate Plan and its priorities.

The Council has well-developed Emergency Planning processes and procedures and contributes to regional training events and Local Resilience Forum Sub-Groups. Each service has a Business Continuity Plan and a Critical Function Plan (if appropriate). The Council's Business Continuity and Emergency Planning procedures have been successfully implemented and improved as a result of the pandemic.

The Council has a mature performance management system and reporting, developed over a number of years and reflecting all of the Council's key performance areas. This is summarised in a Corporate Scorecard which is scrutinised quarterly. Data accuracy is regularly audited. A revised Data Quality Strategy was approved in May 2022.

The Council has a good track record of setting robust budgets and spending within the approved budget. The Council's finances have been guided by a well-developed and communicated MTFS for several years. This MTFS is informed by regional and national expertise and the latest iteration is informed by resource modelling from Local Government Futures (LG Futures). By setting and implementing annual savings plans, the Council has been able to consistently deliver within its net approved budget. The Council has achieved unqualified accounts and a positive Value For Money assessment throughout this period. The LGA's Financial Health check provided assurance regarding the Council's financial arrangements.

Financial Health and Resilience and Payment Card internal audits confirmed a reasonable level of assurance. The Commercial Investment Plan and Capital Strategy which includes due diligence and risk mitigation processes was updated and approved at Cabinet and Council in February and March 2023 respectively.

Internal Control is achieved by a wide range of processes working successfully, and CMAP's assessment of internal control can be found earlier in this document. The Council's Data Management arrangements are updated regularly in line with Government guidelines and best practice and these are subject to regular detailed audits. Implementation of GDPR was successfully managed through the Project Management Framework and continues to be developed in line with new guidance and advice from the Information Commissioner.



In line with the Social Housing White Paper an action plan was devised and reported to Cabinet during 2021/22 and 2022/23. The reports outlined progress and requirements to ensure that risks and performance were enhanced and presented for regular scrutiny by the 'responsible body' of the Council. A composite 'compliance' risk was also added to the Corporate Risk Register. The social housing function was also benchmarked against other providers on a national basis by Housemark, comparing performance and cost. Housemark provided a benchmarking report and presented it to CLT and Housing DMT. An action plan was then devised in order to investigate the small number of service indicators which fell below the median.



## **PRINCIPLE G – IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY**

### **How does the Council achieve this?**

The Council's decision making is transparent; the Forward Plan of Key Decisions is accessible and is reviewed on a weekly basis by SLT. Decisions are readily available through the Council's website on the user-friendly "modern. gov" system. A recent audit report looking at delegated decision making gave assurance that the Council's processes and procedures are sound.

The budget and performance are subject to reports at least quarterly.

The Council's Pay Policy Statement and Gender Pay Gap have been published.

The Annual Governance Statement and Corporate Assurance Checklist are updated annually.

In line with the Regulator of Social Housing's expectation of tenant 'co- regulation' of the Housing Services, the social housing service produced a tenant annual report which provided benchmarked performance and cost data to tenants. Data and policy reviews were also presented, discussed and refreshed with various tenant groups.

The department also produced a self- assessment against the Social Housing Ombudsman code which was approved by Cabinet and published on the Council's website.

Audit recommendations are owned by management and are largely acted upon in a timely manner. There are a number of processes in place for monitoring recommendations including through CMAP reminders, reports through SLT and Performance Boards.

The Council's Corporate Complaints Strategy and Procedures were reviewed and updated during 2021/22.

The Council is working towards publishing its Housing Peer Challenge which took place in late 2022/23. All points have been accepted ahead of this with an action plan being drawn up.



## Glossary of Terms and Abbreviations

**Accounting Period** – The period of time covered by the accounts that is normally the year commencing on 1<sup>st</sup> April and finishing on 31<sup>st</sup> March. The end of the accounting period is the balance sheet date.

**Accrual** – An amount included in the accounts to cover income or expenditure relating to an accounting period but for which payment has not yet been made or received. The concept is that income and expenditure are recognised as they are earned or incurred, not as cash is received or paid.

**Actuarial Gains and Losses** – For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

- events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses), or
- the actuarial assumptions have changed

**Agency Services** – Services, which are performed by the Council, where the authority legally responsible for the service reimburses the Council (the authority doing the work) for the cost of the work.

**Amortisation** – The reduction in the value of an asset over its useful life.

**Assets Held for Sale** – Those assets that are actively being marketed with the expectation that disposal will occur within a 12 month period.

**Balance Sheet** – A statement of the recorded assets, liabilities and other balances as they stand in monetary terms, at the end of an accounting period.

**Billing Authority** – A local authority responsible for collecting the Council Tax and National Non-Domestic Rates from within its district boundaries (the Council is a billing authority).

**Budget** – A statement defining the Council's financial plans over a specified period of time (usually an accounting period 1<sup>st</sup> April to 31<sup>st</sup> March).

**Business Rates/ Non Domestic Rates (NDR)** – Income collected from business ratepayers, based on a national rate in the pound set by Central Government multiplied by the rateable value of the premises they occupy. This rate is collected by the billing authority on behalf of Central Government and is redistributed from the billing authority's NDR pool between itself, Central Government and Nottinghamshire County Council and Nottinghamshire Fire and Rescue Authority.

**Capital Expenditure** – Expenditure on new assets such as land, buildings and other structures or on the enhancement of existing assets so as to significantly prolong their useful life or increase their market value.

**Capital Financing** – The raising of money to pay for capital expenditure. Methods include borrowing, leasing, using capital receipts, government grants or contributions, major repairs reserve or from revenue contributions.

**Capital Financing Charges** – The annual costs to services for the use of assets comprising depreciation, leasing charges and other costs of funding capital expenditure.

**Capital Receipts** – The income from the sale of council houses, buildings, land and other assets. A proportion of capital receipts can be used to finance new capital expenditure, within rules set down by central government, but they cannot be used to finance revenue expenditure.

**Cash Equivalents** – They are 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.

**Code** – The Code refers to the code of practice on local authority accounting. The code of practice is based upon approved accounting standards and provides the accounting standards under which the Statement of Accounts is prepared. From 2010/11 the Code is based on International Financial Reporting Standards.

**Community Assets** – Assets that may have restrictions on their use and disposal. Examples include playing fields and parks.

**Council Tax** – A tax levied by the local Council, which is the billing authority, on households within its area and distributed to the County Council, Police and Fire Authorities, and to the Council's own General Fund.

**Council Tax Bands** – All domestic properties in a Local Authority's area are valued by Central Government's Valuation Office Agency, and placed in one of 8 bands ranging from A to H. Each Band is averaged out in relation to Band D, Bands A to C paying less, and Bands E to H paying more on an increasing scale.

**Council Tax Benefit** – Assistance provided to adults on low incomes to help them pay their council tax bill.

**Current Assets** – The assets held by an organisation at the balance sheet date that will be used in the next accounting period e.g. inventories, cash and trade receivables.

**Current Liability** – The liabilities held by an organisation at the balance sheet date that will be repaid within the next year e.g. creditors, overdrafts.

**Current Service Cost (Pensions)** - The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

**Defined Benefit Scheme** – A pension scheme where the benefits are set independently of the contributions paid and the performance of the investments in the fund.

**De Minimis** – A term generally used to describe something that is too small to be considered.

**Depreciation** – The measure of the reduction in value of a non-current asset due to age, consumption or other reduction in useful life during the accounting period.

**Discretionary Benefits** – Retirement Benefits which the employer has no legal,

contractual or constructive obligation to award and are awarded under the Council's discretionary powers.

**Earmarked Reserves** – Amounts set aside for a specific purpose to meet future commitments or potential liabilities, for which it is not appropriate to establish provisions.

**Expected Rate of Return on Pension Assets** – For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

**Fair Value** – The amount for which an asset could be exchanged; or a liability settled, between knowledgeable, willing parties in an arm's-length transaction.

**Financial Instruments** – Contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another.

**Finance Lease** – A lease that transfers all of the risks and rewards of ownership of an asset to the lessee.

**General Fund** – The main revenue fund of the Council. Day to day spending on services is met from this fund. The exception to this is for the provision of Council dwellings which is met from the Housing Revenue Account.

**Housing Benefit** – Allowances paid to persons on low income to meet, in whole or part, their rent. The Local authority pays the benefit but most of the cost is refunded by central government through rent allowances for private sector tenants and the rent rebate element of housing subsidy for the Council's own tenants.

**Housing Revenue Account / (HRA)** – This is a statutory account which covers all revenue expenditure and income related to the provision of Council dwellings. It includes an optional sub – division, the Housing Repairs Account.

**Housing Subsidy** – The Government grant paid to housing authorities towards the cost of providing, managing and maintaining Council dwellings.

**Impairment** – The reduction in the market value of a non-current asset due to significant changes in the market (i.e. Introduction of new technology), obsolescence, or damage, etc.

**Intangible Assets** – Assets that do not have physical substance but are identifiable and controlled by the Council, e.g. IT software.

**Interest Cost (Pensions)** – For defined benefit schemes, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

**IFRS** – International Financial Reporting Standards. Guidelines and rules set by the International Accounting Standards Board (IASB) that companies and organisations can follow when compiling financial statements.

**Investment Properties** - Investment property is property that has been purchased with the intention of earning a return on the investment, either through rental income, the future resale of the property or both.

**Long Term Borrowing / investment** – Borrowing / investments repayable after more than one year.

**Long Term Receivables** – Amounts due to the council more than one year after the Balance Sheet date.

**Minimum Revenue Provision (MRP)** – The minimum amount that must be charged against the Council's revenue accounts each year, as a provision to repay borrowing and finance leases.

**Net Book Value** – The amount at which non-current assets are included in the balance sheet, i.e. their historic value or current valuation less depreciation.

**Net Realisable Value** – The open market value of an asset in its existing use.

**Non-Current Assets** – Tangible assets that yield benefits to the local authority and the services it provides for a period of more than one year, for example, land, buildings and equipment.

**Non – Distributed Costs** – Overheads for which no specific user benefits and are not apportioned to services.

**Non – Operational Assets** – Non-current assets held but not currently used by the Council in delivering services; for example property surplus to requirements or land awaiting sale or redevelopment.

**Operating Lease** – An operating lease is a rental agreement that places all of the risks and rewards of ownership of an asset with the lessor.

**Operational Assets** – Non-current assets held and used in delivering services.

**Past Service Cost** - For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

**Precept** – The amounts of tax that the Council is required to raise through Council Tax on behalf of other authorities for services they provide in the Billing Authority's area.

**Precepting Authorities** – Those Authorities who are not Billing Authorities, e.g. "major" Authorities such as the County Council and Police and Fire Authorities and "local Precepting Authorities" such as Parish, Town or Community Councils.

**Projected Unit Method** - An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is one in which the scheme liabilities at the valuation date relate to:

- the benefits for pensioners, deferred pensioners and their dependents, allowing where appropriate for future increases, and

- the accrued benefits for members in service on the valuation date. The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not.

**Provision** - An amount set aside to provide for a liability that it is likely will be incurred but the exact amount and the date on which it will arise are uncertain.

**Public Works Loan Board (PWLb)** – A Central Government agency, that provides loans to Local Authorities.

**Rateable Value (RV)** - The annual assumed rental value of a property that is used for business rate purposes.

**Related Party Transactions** – A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a charge is made.

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

**Reserve** – An amount set-aside for a specific purpose in one financial year and used to meet expenditure in future years. There are two types of reserves, usable and unusable reserves. Usable reserves are those reserves that can be applied to fund expenditure or reduce local taxation. Unusable reserves are other reserves, such as the revaluation reserve, that arise from accounting requirements

**Residual Value** – the net realisable value of an asset at the end of its useful life.

**Retirement Benefits** – All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

**Revenue Expenditure Funded from Capital under Statute (REFCUS)** – Spending on items normally classed as revenue but which are defined by statute as capital e.g. improvement grants.

**Revenue Expenditure** – Spending on day-to-day items, including, salaries and wages, premises costs and supplies and services.

**Revenue Support Grant (RSG)** – Contribution from Central Government towards the cost of local authority services.

**Scheme Liabilities** – The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities are measured using the projected unit method to reflect the benefits that the employer is committed to provide for service up to the valuation date.

**Service Reporting Code of Practice (SeRCOP)** – The SeRCOP provides refers to the code of practice on local authority financial reporting to stakeholders. The SeRCOP is based on International Financial Reporting Standards.

**Short Term Borrowing/ Investments** – Borrowing and investments repayable on

demand or within one year.

**Tangible Assets** – Assets with physical substance.

**Trade Payables (Creditors)** – An amount owed by the Council for work done, goods received or services provided but for which payment has not yet been made.

**Trade Receivables (Debtors)** – An amount owing to the Council but for which money has not yet been received.

**Useful Life** – The period over which the local authority will derive benefits from the use of a tangible non-current asset.

**Vested Rights** – In relation to a defined benefit scheme, these are:

- for active members, benefits to which they would unconditionally be entitled on leaving the scheme
- for deferred pensioners, their preserved benefits
- for pensioners, pensions to which they are entitled

They include where appropriate the related benefits for spouses or other dependants.

**Work In Progress / WIP** – the cost of work done on an uncompleted project as at the Balance Sheet date.

