



DISCLAIMER

This document or some parts of it may not be accessible when using adaptive technology.

If you require assistance with accessing the content of the document, please contact us and quote the document name and the web page you found it on:

email: Finance - finance@ashfield.gov.uk

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 2023/24 financial statements, which will apply from 2024/25, are:

- IFRS 16 Leases issued in January 2016,
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020. The amendments:
 - specify that an entity's right to defer settlement must exist at the end of the reporting period;
 - clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
 - clarify how lending conditions affect classification, and
 - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:
 - a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes; and
 - targeted disclosure requirements for affected entities.
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:
 - assess how supplier finance arrangements affect an entity's liabilities and cash flows; and

- understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

These are not expected to have a material impact on the statement of accounts for 2024/2025.

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 31st March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

a. 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 £6.625m, of which the Council's share as a billing authority is £2.650m, as detailed in note 21.

A change of 5% in the assumed RV reduction achieved for each NDR appeal could increase or decrease the provision requirement by around £331k. Of this, the Council's share as a billing authority would be £133k.

b. 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 £1,166k 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.

c. 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 £6.388m in the pension liability, and a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £2.409m. This is detailed at note 33f. Differences arising from actual experiences or future changes in assumptions will be reflected in subsequent periods.

d. 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 2024, the Council had a balance for outstanding debtors of £15.355m. The total allowance for credit loss is £2.811m, as detailed at note 17.

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 £865k to £781k. In terms of overpaid Housing Benefit collected through on-going benefit the provision for credit losses has decreased from £70k to £65k.

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 £6.076m (compared to a positive re-measurement of £88.490m in 2022/23) 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 2024, which has resulted in £16.1m being credited to the Revaluation Reserve. The valuation has required that £13.1m of Capital Expenditure be impaired.

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.

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.

	2023/24			2022/23 Restated		
	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	374	(46)	328	955	230	1,185
Transformation	5,552	(384)	5,168	2,741	2	2,743
Governance	2,675	(77)	2,598	2,285	137	2,962
Place	3,775	9,780	13,555	68	8,757	8,825
Operations	6,262	1,075	7,337	9,083	6,074	15,157
HRA - Housing Revenue Account	(12,447)	15,734	3,287	(4,166)	6,573	2,407
Net Cost Of Services	6,191	26,082	32,273	11,506	21,773	33,279
Other Income and Expenditure	(8,558)	(22,232)	(56,872)	(13,619)	(11,375)	(24,994)
(Surplus)/Deficit in Year	(2,367)	(22,232)	(24,599)	(2,113)	10,398	8,285
Opening General Fund, HRA and Earmarked Reserves Balance	(72,072)			(69,959)		
Plus Surplus on General Fund and HRA Balances in Year	(2,367)			(2,113)		
Closing General Fund, HRA and Earmarked Reserves Balance at 31 March	(74,439)			(72,072)		

Note – 2022/23 Cost of Services has been restated following realignment of Directorates.

6A. Notes to the Expenditure and Funding Analysis.

The note for 2023/24 is set out below:

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
	(Note a) £'000	(Note b) £'000	(Note c) £'000	£'000
Chief Executive Officer	0	(46)	0	(46)
Transformation	166	(297)	(253)	(384)
Governance	0	(77)	0	(77)
Place	10,148	(368)	0	9,780
Operations	1,533	(458)	0	1,075
HRA - Housing Revenue Account	11,948	(408)	4,194	15,734
Net Cost of Services	23,795	(1,654)	3,941	26,082
Other income and expenditure from the Expenditure and Funding Analysis	38,329	1,175	(87,818)	(48,314)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	62,124	(479)	(83,877)	(22,232)

The note for 2022/23 is set out below, restated as per the Comprehensive Income and Expenditure Statement:

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
	(Note a) £'000	(Note b) £'000	(Note c) £'000	£'000
Chief Executive Officer	0	230	0	230
Transformation	(20)	452	(430)	2
Governance	0	137	0	137
Place	8,228	529	0	8,757
Operations	5,335	739	0	6,074
HRA - Housing Revenue Account	4,053	647	1,873	6,573
Net Cost of Services	17,596	2,734	1,443	21,773
Other income and expenditure from the Expenditure and Funding Analysis	21,562	2,815	(35,752)	(11,375)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	39,158	5,549	(34,309)	10,398

a. 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.

b. Net Charge 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.

c. 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:

	2023/24	2022/23
	£'000	Restated £'000
Services		
Chief Executive Officer	(23)	(1)
Transformation	(24,889)	(24,611)
Governance	(189)	(277)
Place	(7,387)	(5,783)
Operations	(3,186)	(3,391)
HRA - Housing Revenue Account	(28,491)	(26,214)
Total income analysed on a segmental basis	(64,165)	(60,277)

7. Expenditure and Income Analysed by Nature

	2023/24 £'000	2022/23 £'000
Expenditure		
Employee benefits expenses	28,745	31,654
Other services expenses	45,313	40,767
Depreciation, amortisation, impairment	23,556	28,465
Interest Payments	3,357	3,601
Precepts and Levies	345	312
Loss/(Gain) on the disposal of assets	(108)	(39)
Total Expenditure	101,208	104,760
Income		
Fees, charges and other service income	(37,960)	(60,277)
Interest and investment income	(7,550)	(5,379)
Income from council tax, non-domestic rates, district rate income	(16,337)	(14,985)
Capital grants	(36,564)	(14,681)
Government grants and contributions	(27,396)	(1,153)
Total Income	(125,807)	(96,475)
Surplus or Deficit on the Provision of Services	(24,599)	8,285

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 2023/24

Adjustments to Revenue Resources

Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements

	General Fund Balance	Housing Revenue Account	Housing Major Repair Reserves	Capital Receipts Reserve	Capital Grants Reserve	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Pensions Costs (transferred to (or from) the Pensions Reserve)	75	409	0	0	0	(484)
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	10	0	0	0	0	(10)
Council Tax and NNDR (transfers to or from Collection Fund)	(472)	0	0	0	0	472
Holiday Pay (transferred to the Accumulated Absences Reserve)	(160)	(77)	0	0	0	237
Reversal of Entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(11,271)	(12,781)	(4,710)	0	0	28,762
Total Adjustments to Revenue Resources	(11,818)	(12,449)	(4,710)	0	0	28,977

Adjustments between Revenue and Capital Resources

Transfer of non-current asset sale proceeds from Revenue to the Capital Receipts Reserve	108	0	0	(1,334)	0	1,226
Statutory Provision for the repayment of debt (transfer from the Capital Adjustment Account)	2,438	0	0	0	0	(2,438)
Capital Expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	152	7,237	0	0	0	(7,389)
Total Adjustments between Revenue and Capital Resources	2,698	7,237	0	(1,334)	0	(8,601)

Adjustments to Capital Resources

Use of Capital Receipts Reserve to finance capital expenditure	0	0	0	1,153	0	(1,153)
Use of Major Repairs Reserve to finance capital expenditure	0	0	4,369	0	0	(4,369)
Application of Capital Grants to finance capital expenditure	36,564	0	0	0	(23,983)	(12,581)
Total Adjustments to Capital Resources	36,564	0	4,369	1,153	(23,983)	(18,103)
Total Adjustments	27,444	(5,212)	(341)	(181)	(23,983)	2,273

Statement for Prior Financial Period 2022/23	General Fund Balance	Housing Revenue Account	Housing Major Repair Reserves	Capital Receipts Reserve	Capital Grants Reserve	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments to Revenue Resources						
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements						
Pensions Costs (transferred to (or from) the Pensions Reserve)	4,886	647	0	0	0	(5,533)
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	0	0	0	0	0	0
Council Tax and NNDR (transfers to or from Collection Fund)	(726)	0	0	0	0	726
Holiday Pay (transferred to the Accumulated Absences Reserve)	42	19	0	0	0	(61)
Reversal of Entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	3,447	10,245	4,053	0	0	(17,745)
Total Adjustments to Revenue Resources	7,649	10,911	4,053	0	0	(22,613)
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from Revenue to the Capital Receipts Reserve	(39)	0	0	2,684	0	(2,645)
Statutory Provision for the repayment of debt (transfer from the Capital Adjustment Account)	(2,327)	0	0	0	0	2,327
Capital Expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(104)	(5,692)	0	0	0	5,796
Total Adjustments between Revenue and Capital Resources	(2,470)	(5,692)	0	2,684	0	5,478
Adjustments to Capital Resources						
Use of Capital Receipts Reserve to finance capital expenditure	0	0	0	(2,630)	0	2,630
Use of Major Repairs Reserve to finance capital expenditure	0	0	(5,253)	0	0	5,253
Application of Capital Grants to finance capital expenditure	0	0	0	0	(2,367)	2,367
Total Adjustments to Capital Resources	0	0	(5,253)	(2,630)	(2,367)	10,250
Total Adjustments	5,179	5,219	(1,200)	54	(2,367)	(6,885)

9. Grant Income

The Council received the following major Government grants and contributions to the Comprehensive Income and Expenditure Statement within 2023/24.

	2023/24 £'000	2022/23 £'000
Government Grants Credited to Services		
Rent Allowances Subsidy	11,237	10,786
Rent Rebates Subsidy	9,533	9,505
Benefits Administration Grant	317	344
Council Tax Admin Grant	257	169
New Burdens Grant (Other)	120	374
Non Domestic Rates Admin Allowance	153	151
Elections	127	0
Homelessness Assistance	380	318
Apprenticeship Levy	86	44
Domestic Abuse (LAs)	34	32
Levelling Up Fund Capacity Grant	76	0
Towns Fund - Enterprise Ashfield Scheme	963	641
Towns Fund - Library Innovation Centres	38	38
Towns Fund - Distribution and Manufacturing Centre	375	0
Rough Sleeper	1,257	1,263
Syrian Vulnerable Persons Resettlement Scheme	53	59
Homes for Ukrainians Housing Support Scheme	0	53
Afghan resettlement scheme	209	21
Asylum Resettlement	151	0
Safer Streets	134	68
External Audit Costs - Redmond Grant	22	0
Kirkby LPT	50	0
Local Digital Cyber Fund	0	124
UK Shared Prosperity Fund	608	317
Other Revenue Grants	26	14
Sub Total	26,206	24,321
	2023/24 £'000	2022/23 £'000
Other Grants and Contributions Credited to Services		
Discretionary Housing Payments	149	154
Mansfield Joint Crematorium	420	391
Rough Sleeper	163	152
Community Safety	0	249
Leisure Operator Contract Contribution	824	495
Elections	0	46
Health & Wellbeing	0	19
Other Revenue Grants and Contributions	168	198
Sub Total	1,724	1,704
Grants and Contributions Credited to Services Total	27,930	26,025

Grants Income (Continued)

Credited to Taxation and Non Specific Grant Income		
Revenue Support Grant (*CIES Government Grants)	397	204
New Homes Bonus Grant (*CIES Government Grants)	170	486
Lower Tier Service Grant	157	195
Services Grant	0	268
Funding Guarantee	466	0
Total Government Grants	1,190	1,153
Capital Grants and Contributions	36,564	14,681
Net Non-Domestic Rates Receipts	9,501	7,252
Total Grants	47,255	23,086
	2023/24	2022/23
	£'000	£'000
Memorandum Account NDR		
Retained Business Rates - transfer from Collection Fund	18,316	15,300
Tariff payable direct to Nottinghamshire County Council	(11,285)	(9,786)
Total Retained Business Rates	7,031	5,514
Small Business, Empty Rate & CARF - Sct 31 - Grant	3,364	3,371
Business Rates Levy	(2,195)	(2,057)
Returned Levy - Nottinghamshire Pooling Agreement Current Year	1,297	1,122
Levy Account Surplus Grant	33	33
Distribution of estimated NDR deficit/surplus	(99)	(752)
Renewable Energy NNDR wholly retained	24	21
Green Plant and Machinery Exemption	46	0
	9,501	7,252
Amount Credited to the Comprehensive Income and Expenditure Statement after adjustment for the Collection Fund Adjustment Account	9,034	7,930

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:

Revenue Grants Received in Advance - Short Term
 NNDR Covid Additional Restrictions Fund (CARF) Grant

2023/24 £'000	2022/23 £'000
0	1,686
0	1,686

Revenue Contribution Received in Advance - Long Term
 Section 106 Contributions

2023/24 £'000	2022/23 £'000
233	227
233	227

Capital Contribution Received in Advance - Long Term
 Section 106 Contributions
 Private Sector Enforced Sale Capital Receipt

2023/24 £'000	2022/23 £'000
2,595	2,568
109	109
2,704	2,677

10. Interest Payable and Other Charges

Loan Interest
 General Fund
Total Interest Payable and Other Charges

2023/24 £'000	2022/23 £'000
3,127	3,510
230	91
3,357	3,601

	Council Dwellings	Land and Buildings	Community Assets	Vehicles, Plant and Equipment	Infra- structure	Surplus Assets	Assets under Construction	Total
Cost or Valuation	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1st April 2023	275,009	73,890	4,057	8,616	1,728	1,495	15,054	379,849
Additions	12,806	993	10	1,754	0	0	8,074	23,637
Disposals	(1,181)	(5)	0	(514)	0	0	0	(1,700)
Reclassifications	5,056	7,001	126	192	0	0	(12,375)	0
Transferred to Assets Held for Sale	0	0	0	0	0	0	0	0
Derecognition - other	0	0	0	0	0	0	0	0
Revaluations / (Impairments)								
Recognised in the Revaluation Reserve	11,611	3,229	0	0	0	0	0	14,840
Recognised in Provision of Services	(13,062)	(3,238)	0	0	0	0	0	(16,300)
As at 31st March 2024	290,239	81,870	4,193	10,048	1,728	1,495	10,753	400,326
Depreciation and Impairments								
As at 1st April 2023	(303)	(5,321)	(1,392)	(4,043)	(402)	0	0	(11,461)
Charge for the year	(4,472)	(1,283)	(317)	(1,101)	(82)	0	0	(7,255)
Disposals	0	0	0	502	0	0	0	502
Reclassifications	0	0	0	0	0	0	0	0
Revaluations / (Impairments)								
Recognised in the Revaluation Reserve	4,472	887	0	0	0	0	0	5,359
Recognised in Provision of Services	0	0	0	0	0	0	0	0
As at 31st March 2024	(303)	(5,717)	(1,709)	(4,642)	(484)	0	0	(12,855)
Balance Sheet Net Amount at 31st March 2024	289,936	76,153	2,484	5,406	1,244	1,495	10,753	387,471

The tangible non-current assets at 31st March 2023 for comparative purposes are set out below:

	Council Dwellings	Land and Buildings	Community Assets	Vehicles, Plant and Equipment	Infra- structure	Surplus Assets	Assets under 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
Depreciation and Impairments								
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)
Balance Sheet Net Amount at 31st March 2023	274,706	68,569	2,665	4,573	1,326	1,495	15,054	368,388

Capital Commitments

The Council has entered into the following major contracts:

- Construction of leisure building and parking facilities at Kings Mill Reservoir from October 2023 to August 2024. This contract has an estimated value of £4.2m
- Social Housing Decarbonisation Fund phase 1 modernisation of dwellings. The contract has an estimated value of £1.6m; and
- Public Sector Decarbonisation Scheme Stage 1 at Hucknall Leisure Centre and Urban Road Office. The contract has an estimated value of £1.9m.

Effects of Changes in Estimates

In 2023/24, a desktop valuation of Council Dwelling stock was completed. Many of these valuations were revised upwards on the 31st March 2024. The desktop valuation has increased the building values. This is expected to result in an estimated £287k increase in Council Dwelling Depreciation in 2024/25.

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. 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 Dwellings	Land and Buildings	Community Assets	Vehicles, Plant and Equipment	Infra- structure	Surplus Assets	Assets under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross book value of assets 31st March 2024	290,239	81,870	4,193	10,048	1,728	1,495	10,753	400,326
Valued at historical cost	(305)	(13,947)	(4,193)	(10,048)	(1,728)	(1,320)	(10,753)	(42,294)
	289,934	67,923	0	0	0	175	0	358,032
Crematorium Valuation (2023/24)	0	366	0	0	0	0	0	366
Valued at current value:								
31st March 2024 by the Estates Manager (MRICS) employed by ADC	289,934	3,760	0	0	0	0	0	293,694
31st March 2023 by the Estates Manager (MRICS) employed by ADC	0	45,734	0	0	0	0	0	45,734
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
	289,934	67,923	0	0	0	175	0	358,032

13. 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:

	2023/24 £'000	2022/23 £'000
Rental Income From Investment Properties	4,881	4,519
Direct operating expenses arising from investment property	(453)	(11)
Net gain/(loss)	<u>4,428</u>	<u>4,508</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:

	2023/24 £'000	2022/23 £'000
Balance at Start of the Year	45,448	50,670
Net gains/losses from fair value adjustments	<u>814</u>	<u>(5,222)</u>
Balance at end of year	<u>46,262</u>	<u>45,448</u>

The fair value of investment properties is measured annually. The valuations at 31 March 2024 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 2024 and 31 March 2023 are below. This has been reviewed in 2023/24 and the properties moved to level 2 from level 1:

2023/24 Fair Value Hierarchy	Quoted prices in active markets for identical assets (level 1) £'000	Other significant observable inputs (level 2) £'000	Significant unobservable inputs (level 3) £'000	Fair Value as at 31 March 2023 £'000
Recurring fair value measurements using:				
Residential (market rental) properties	0	0	0	0
Office units	0	0	0	0
Commercial Units	0	46,262	0	46,262
Total	0	46,262	0	46,262

2022/23 Comparative Figures	Quoted prices in active markets for identical assets (level 1) £'000	Other significant observable inputs (level 2) £'000	Significant unobservable inputs (level 3) £'000	Fair Value as at 31 March 2022 £'000
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

14. 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 2023/24 is as follows:

	2023/24 £'000	2022/23 £'000
Council house sales	0	0
General fund assets	(108)	(39)
Total (Gain)/Loss	(108)	(39)

15. Financial Instruments

a. Financial liabilities held at amortised cost

	Long Term		Short Term	
	31st March 2024 £'000	31st March 2023 £'000	31st March 2024 £'000	31st March 2023 £'000
Financial Liabilities				
Borrowings at Amortised Cost	86,478	87,697	1,248	4,262
Finance Leases	0	0	0	0
Trade Creditors	0	0	10,574	11,743
Total Financial Liabilities	86,478	87,697	11,822	16,005

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

	Long Term		Short Term	
	31st March 2024 £'000	31st March 2023 £'000	31st March 2024 £'000	31st March 2023 £'000
Loans and Receivables				
Investments	0	0	5,143	0
Trade Debtors	0	0	7,966	4,634
Total Loans and Receivables	0	0	13,109	4,634

c. Gains and Losses on Financial Instruments

	2023/24 £'000	2022/23 £'000
Interest Expense		
Liabilities measured at 'Amortised Cost'	3,148	3,496
Interest Income		
Loans and Receivables	(2,248)	(854)
Net Gain / (Loss) for the Year	900	2,642

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 2024		31st March 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Financial Liabilities				
PWLB	55,354	43,852	56,563	48,870
Money Market	31,124	32,530	31,134	34,690
	<u>86,478</u>	<u>76,382</u>	<u>87,697</u>	<u>83,560</u>
Short Term Borrowing				
Money Market maturing in one year	0	0	3,014	3,085
PWLB maturing in one year	1,248	1,257	1,248	1,247
	<u>1,248</u>	<u>1,257</u>	<u>4,262</u>	<u>4,332</u>
	<u>87,726</u>	<u>77,639</u>	<u>91,959</u>	<u>87,892</u>
Loans and Receivables				
Other Securities	0	0	0	0
Direct Short Term Investments	5,143	5,143	0	0
Money Market less than 12 months	0	0	0	0
	<u>5,143</u>	<u>5,143</u>	<u>0</u>	<u>0</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 2024	31st March 2023
	£'000	£'000
Short Term Investments:		
Direct Short Term Investments	5,143	0
Money Market less than 12 months	0	0
Investments of Joint Crematorium Committee	0	0
	<u>5,143</u>	<u>0</u>
Long Term Investments:		
Other Securities	0	0
	<u>0</u>	<u>0</u>
Total Investments	<u>5,143</u>	<u>0</u>

16. Inventories

A breakdown of the balance sheet figure is given below:

	2023/24 £'000	2022/23 £'000
Balance at 1st April	587	601
Purchases	2,074	2,122
Recognised as an expense	(2,049)	(2,136)
Balance at 31st March	612	587

17. Debtors

An analysis of the balance sheet figure is given below:

	31st March 2024 £'000	31st March 2023 £'000
Central Government Bodies	3,382	1,356
Other Local Authorities	2,605	1,688
NHS Bodies	0	143
Other entities and individuals	9,368	8,122
Allowance for Credit Loss	(2,811)	(3,171)
	12,544	8,138

There were no long term debtors at 31st March 2023 and 2024.

Debtors For Local Taxation

	31st March 2024 £'000	31st March 2023 £'000
Council Tax	821	745
Non Domestic Rates	557	634
	1,378	1,379

18. Cash and Cash Equivalents

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

	31st March 2024 £'000	31st March 2023 £'000
Bank Current Accounts	(1,773)	(1,770)
Short Term Deposits	35,949	27,444
	34,176	25,674

19. 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 2023/24 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 Assets Held for Sale assets have been revalued in 2023/24.

	31st March 2024 £'000	31st March 2023 £'000
Opening Balance	1,179	1,120
Disposals	(28)	0
Revaluations / (Impairments)		
Recognised in the Revaluation Reserve	(151)	59
Closing Balance	1,000	1,179

20. Creditors

An analysis of the balance sheet figure is given below:

Note: The creditors with Central Government bodies as at 31 March 2024 include £0.219m (£0.471m in 2022/23) 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 2024/25.

Short Term Creditors	31st March 2024 £'000	31st March 2023 £'000
Central Government Bodies	621	1,538
Other Local Authorities	9,351	8,791
NHS Bodies	1,204	1,245
Other entities and individuals	11,475	11,901
	22,651	23,475

There were no long term creditors at 31st March 2023 and 2024.

21. 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 2023/24, with 2022/23 provided for comparative purposes.

	Balance at 31st March 2023 £'000	Receipts in year £'000	Payments in year £'000	Balance at 31st March 2024 £'000
Short Term:				
NDR Appeals	(2,418)	(1,652)	1,420	(2,650)
Legal costs	(8)	(20)	3	(25)
Long Term:				
Planning Appeal Costs	(125)	0	0	(125)
Insurance Funds:				
Municipal Mutual Insurance (MMI)	(79)	0	0	(79)
Liability	(140)	(57)	0	(197)
Property	(78)	0	0	(78)
Total	(2,848)	(1,729)	1,423	(3,154)

	Balance at 31st March 2022 £'000	Receipts in year £'000	Payments in year £'000	Balance at 31st March 2023 £'000
Short Term:				
NDR Appeals	(2,239)	(457)	278	(2,418)
Termination Costs	(13)	0	13	0
Legal costs	(20)	0	12	(8)
Long Term:				
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)
Total	(2,672)	(479)	303	(2,848)

a. Legal Costs

A provision was made in 2021/22 in respect of estimated legal costs on a disrepair claim which was settled in 2022/23. During 2023/24, 2 Housing disrepair cases have been identified which could incur legal costs of £20k. As this is not certain, a provision has been made for this.

b. Planning Appeal Costs

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

c. 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 £2.650m has been made, representing the Council's estimated share of such liabilities at 31 March 2024.

d. Insurances

At the end of the year, the Council had a £354k 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.

22. Usable Reserves

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

a. 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 31st March 2024 £'000	Movements in Year £'000	Balance at 31st March 2023 £'000	Movements in Year £'000	Balance at 31st March 2022 £'000
District Planning Inquiry	120	(81)	201	(31)	232
Elections	56	(96)	152	34	118
Harold Farr Bequest	0	0	0	(2)	2
Asset Repair & Renewal Reserve	600	(40)	640	(6)	646
LAMS Reserve	0	0	0	(16)	16
Joint Crematorium Reserve	642	7	635	94	541
Insurance Related Funds	376	36	340	(23)	363
Revenue Grant Reserve	3,808	644	3,164	214	2,950
NNDR Equalisation Reserve	5,982	0	5,982	2,771	3,211
Supported Housing Reserve	53	0	53	0	53
Commercial Property Investment Reserve	4,400	200	4,200	700	3,500
Economic Development and Place Reserve	226	(26)	252	(132)	384
Covid-19 Reserve	0	(381)	381	(505)	886
Selective Licensing	138	65	73	17	56
Licensing	271	23	248	34	214
Corporate Transformation Reserve	839	(209)	1,048	(280)	1,328
Legal Reserve	35	10	25	15	10
Winter Maintenance Reserve	20	5	15	5	10
Commercial Property Dilapidations Reserve	540	510	30	10	20
Leisure Maintenance Reserve	1,901	759	1,142	753	389
IT Reserve	25	10	15	15	0
	20,032	1,436	18,596	3,667	14,929

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 and to fund local by-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 2024/25.

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

The balance on this reserve of £381k at 1st April 2023 has been transferred to the General Fund Reserve in 2023/24.

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.

b. Taxation Earmarked Reserve

	Balance at 31st March 2024 £'000	Movements in Year £'000	Balance at 31st March 2023 £'000	Movements in Year £'000	Balance at 31st March 2022 £'000
NDR S31 Grant & NDR/CTax Compensation Reserve	0	(320)	320	(1,917)	2,237

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 was transferred back to the General Fund in the following year and the reserve released to fund the deficit.

It also contained 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. 2023/24 is the third and final year of the release process.

c. 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.

	£'000	£'000
Opening Balance	1,745	4,112
S106 Moved to Receipts in Advance		
Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement	36,564	14,681
Application of Capital Grants and Contributions within the period and adjusted through the Capital Adjustment Account	(12,581)	(17,048)
Closing balance	25,728	1,745

d. Capital Receipts Reserve

	£'000	£'000
Opening Balance	5,570	5,516
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	1,334	2,684
Use of the reserve to finance new expenditure	(1,153)	(2,630)
Closing Balance	5,751	5,570

23. 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 March 2024 £'000	Movements in Year £'000	Balance at 31st March 2023 £'000	Movements in Year £'000	Balance at 31st March 2022 £'000
Revaluation Reserve	(141,418)	(16,745)	(124,673)	(29,612)	(95,061)
Capital Adjustment Account	(126,283)	(1,279)	(125,004)	(1,080)	(123,924)
Pensions Reserve	20,251	(6,560)	26,811	(82,957)	109,768
Crematorium Pensions Reserve	48	(79)	127	(579)	706
Accumulated Absences Reserve	921	237	684	61	623
Collection Fund Adjustment Account - Council Tax	(89)	5	(94)	(48)	(46)
Collection Fund Adjustment Account - NNDR	877	467	410	(678)	1,088
Financial Instruments Adjustment Account	685	(10)	695	0	695
	(245,008)	(23,964)	(221,044)	(114,893)	(106,151)

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.

	2023/24 £'000	2022/23 £'000
Opening Balance	(124,673)	(95,061)
Asset Impairment	0	0
Revaluation of Assets	(20,199)	(33,356)
Heritage Assets	0	0
Investment Properties	(34)	706
Assets Held for Sale	151	(59)
Adjustment between current value depreciation and historic cost depreciation	2,943	2,566
Write out of revaluation on disposal; property, plant and equipment	394	531
Closing Balance	(141,418)	(124,673)

Note 25b Capital Adjustment Account

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.

	2023/24 £'000	2022/23 £'000
Opening Balance	(125,004)	(123,924)
Charges for depreciation and impairment of non-current assets	2,545	2,906
Revaluation losses / (gains) on Property Plant and Equipment	15,520	21,507
Capital Grants and Contributions	(12,581)	(17,048)
Revenue Expenditure Funded from Capital under Statute	5,987	3,960
Carrying Value of non-current assets written off on disposal	1,226	2,645
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,153)	(2,630)
Statutory Provision for the financing of capital investment	(2,438)	(2,327)
Capital Expenditure charged against Revenue	(7,389)	(5,796)
Reversal of Major Repair Allowance credited to the HRA	4,710	4,053
Use of the Major Repair Reserve to finance new capital expenditure	(4,369)	(5,253)
Other Reserve Movements		
Adjustment between current value depreciation and historic cost depreciation	(2,943)	(2,566)
Write out of revaluation on disposal; property, plant and equipment	(394)	(531)
Closing Balance	(126,283)	(125,004)

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.

	2023/24 £'000	2022/23 £'000
Opening Balance	26,811	109,768
Actuarial (gains) or losses on pension assets and liabilities	(6,076)	(88,490)
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	4,447	10,349
Employers pension contribution payable in the year	(4,931)	(4,816)
Closing Balance	20,251	26,811

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.

	2023/24 £'000	2022/23 £'000
Opening Balance	684	623
Movement in Year	237	61
	921	684

The implementation of a new HR system in 2023/24 standardised the annual leave year for all employees resulting in the significant reserve movement in 2023/24.

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.

	2023/24 £'000	2022/23 £'000
Opening Balance	695	695
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	(10)	0
	685	695

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.

	2023/24 £'000	2022/23 £'000
Opening Balance	(94)	(46)
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	5	(48)
	(89)	(94)
Business Rates		
Opening Balance	410	1,088
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	467	(678)
	877	410

g. Crematorium Pension Reserve

	2023/24 £'000	2022/23 £'000
Opening Balance	127	706
Actuarial (gains) or losses on pension assets and liabilities	(79)	(579)
Closing Balance	48	127

24. Cash Flow Statement Notes

a. Net Cash Flows from Operating Activities

	2023/24 £'000	2022/23 £'000
Net Surplus or (Deficit) on the Provision of Services-	24,599	(8,285)
Adjust net surplus or (deficit) on the provision of services for non-cash movements:		
Depreciation and Impairment	22,775	29,103
Increase/Decrease in Interest Creditors		0
Increase/Decrease in Creditors	(2,477)	(10,548)
Increase/Decrease in Debtors	(4,405)	291
Increase/Decrease in Inventories	(25)	14
Pension Liability	(484)	5,533
Contributions to/(from) Provisions	306	176
Carrying amount of non-current assets sold [property plant and equipment, investment property and intangible assets]	1,226	2,645
	16,916	27,214
Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities:		
Capital Grants credited to surplus or deficit on the provision of services	(36,564)	(14,681)
Proceeds from the sale of property plant and equipment, investment property and intangible assets	(1,334)	(2,684)
	(37,898)	(17,365)

b. Net Cash Flows from Operating Activities (Interest)

	2023/24 £'000	2022/23 £'000
Operating activities within the cash flow statement include the following cash flows relating to interest:		
Ordinary interest received		9
Interest Received	<u>0</u>	<u>9</u>
Interest charge for year	(3,127)	(3,510)
Other interest:	(230)	(91)
Interest Paid	<u>(3,587)</u>	<u>(3,601)</u>

c. Net Cash Flows from Investing Activities

	2023/24 £'000	2022/23 £'000
Purchase of Property, Plant and Equipment, investment property and intangible assets	(23,637)	(29,396)
Purchase of Investment Properties	0	0
Purchase/Sale of short and long term investments	(5,143)	14,012
Increase/Decrease in Creditors	0	0
Proceeds from the sale of property plant and equipment, investment property and intangible assets	1,334	2,684
Capital Grants Received	36,564	14,681
Total Cash Flows from Investing Activities	<u>9,118</u>	<u>1,981</u>

d. Cash Flow – Financing Activities

	2023/24 £'000	2022/23 £'000
Cash receipts of short and long term borrowing	0	0
Repayment of Short-Term and Long-Term Borrowing	(4,233)	(6,510)
Collection Fund Adjustment Account	0	0
Total Cash Flows from Financing Activities	(4,233)	(6,510)

25. Members' Allowances

The total amount paid under the Members' allowances scheme during the year was £492,427 (£486,739 in 2022/23).

26. Officers' Remuneration and Exit Packages

Officers' Remuneration

The remuneration paid to the Council's senior officers in 2023/24 was as follows:

Post	Salary, Fees and Allowances	Expenses Allowances	Total Remuneration Exc. Pension Contributions	Pension Contributions	Total Remuneration
	£	£	£	£	£
Chief Executive Officer	126,854	106	126,960	24,483	151,443
Executive Director - Operations	95,220	334	95,554	18,378	113,931
Executive Director - Transformation	95,220	117	95,337	18,378	113,714
Executive Director - Governance	95,220	66	95,286	18,378	113,664
Corporate Resources Director	85,698	0	85,698	16,540	102,238
Executive Director - Place Left 21.05.23	12,729	-1,684	11,044	2,482	13,526
Executive Director - Place Started 25.09.23	49,197	15	49,212	9,495	58,707
Assistant Director - Housing Operations	72,497	130	72,627	13,992	86,619
Assistant Director - Planning	71,933	177	72,110	13,883	85,993
Assistant Director - Housing Management	69,863	17	69,881	13,484	83,364
Assistant Director - Policy&Performance	69,828	0	69,828	13,477	83,305
Assistant Director - Assets	69,863	0	69,863	13,484	83,347
Assistant Director - Neighbourhoods	50,782	0	50,782	10,113	60,895
Assistant Director - Regeneration	69,863	531	70,394	13,484	83,877
Assistant Director - Strategic Housing	66,758	0	66,758	12,884	79,642
Assistant Director - Customer Experience	66,758	100	66,858	12,884	79,742
Assistant Director - Legal	63,756	167	63,923	12,305	76,228
Assistant Director - Corp Health&Safety	66,758	93	66,851	12,884	79,735
Assistant Director - Democracy	66,758	25	66,783	12,884	79,667
Assistant Director - Digital	50,069	0	50,069	9,663	59,732
Assistant Director - Revenues and Benefits	66,758	68	66,826	12,884	79,710

The information for 2022/23 on a similar basis for comparative purposes is:

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

Note: The Executive Director - Place was covered by an interim through an agency until the post was filled 04/07/2022.

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.

Remuneration (£)	2023/24	2022/23
50,000 – 54,999	10	4
55,000 – 59,999	0	4
60,000 – 64,999	3	6
65,000 – 69,999	8	2
70,000 – 74,999	3	1
75,000 – 79,999	0	0
80,000 – 84,999	0	0
85,000 – 89,999	1	3
90,000 – 94,999	0	0
95,000 – 99,999	3	0
100,000 – 104,999	0	0
105,000 – 109,999	0	0
110,000 – 114,999	0	0
115,000 – 119,999	0	1
120,000 – 124,999	0	0
125,000 – 129,999	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 (Including Special Payments)	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total Number of Exit Packages by Cost Band		Total Cost of Exit Packages in Each Band (£)	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
£0 - £20,000	3	2	3	6	6	8	43,336	27,541
£20,001 - £60,000	1	1	1	0	2	1	84,236	109,490
£60,001 - £80,000	0	0	1	0	1	0	72,072	0
£80,001 +	0	0	0	0	0	0	0	0
TOTAL	4	3	5	6	9	9	199,644	137,031

27. External Audit Costs

Fees payable to Mazars LLP in 2023/24 regarding external audit services were:

	2023/24 £'000	2022/23 £'000
External audit services carried out by the appointed auditor	184	71
Fees payable for other services during the year	0	4
	<u>184</u>	<u>75</u>

The 2023/24 figure includes £25k for external audit services for the 2022/23 audit.

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 2020/21 audit. Additional services were payable of £4k in respect of auditing the Pooling of Capital Receipts return.

28. 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 2023/24 is shown in Note 25.

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 35. There are three elected Members of the Council who were also Members of the Committee for 2023/24. These are Councillor T Hollis, Councillor H Smith and Councillor C Huskinson.

Payments totalling £344,327 were made to Parish Councils.

- A total of £283,772 was paid to Selston Parish Council, which related to the precept payment.
- A total of £60,555 was paid to Annesley and Felley Parish Council, which related to the precept payment.

During 2023/24, there were seven elected Members of the Council who were also Parish Councillors. Members of Selston Parish Council were Councillor A Gascoyne, Councillor J Gregory, Councillor A Hankin and Councillor D Justice. Members of Annesley and Felley Parish Council were Councillor J Bell, Councillor C Huskinson and Councillor A Meakin.

Related party transactions forms were returned by all Councillors. 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.

29. 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.

	2023/24	2022/23 Restated
	£'000	£'000
Opening Capital Financing Requirement	166,348	166,046
Capital Investment		
Operational Assets	23,637	29,396
REFCUS	5,987	3,960
	<u>29,624</u>	<u>33,356</u>
Sources of Finance		
Capital Receipts	1,153	2,630
Reserves	151	104
Government Grants and Other Contributions	12,581	17,048
Major Repairs Reserve	4,369	5,253
Minimum Revenue Provision	2,438	2,327
Revenue Contributions	7,238	5,692
	<u>27,930</u>	<u>33,054</u>
Closing Capital Financing Requirement	168,042	166,348
Movement in the Year	1,694	302
Explanation of Movement in the Year		
Increase in Underlying Need to Borrow (unsupported by Government Financial Assistance)	4,132	2,629
Minimum Revenue Provision	(2,438)	(2,327)
	<u>1,694</u>	<u>302</u>

30.Assets held as Lessee

The Council has no assets held as a lessee.

31.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 2024 was £9.471m and as at 31 March 2023 was £9.471m. (No revaluations have been carried out in 2023/24, these properties were subject to revaluation increase of £1.172m in 2022/23). The net book value of these assets is £9.351m in 2023/24 and £9.470m in 2022/23. The difference is due to depreciation charges in year.

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

	2023/24 £'000	2022/23 £'000
Within 1 Year	4,314	4,608
Between 2 and 5 Years	12,163	14,355
Later than 5 Years	12,902	14,252
	29,379	33,215

32. Revaluation Loss

During 2023/24, the Council has recognised revaluation losses as detailed in the following table:

	2023/24 £'000	2022/23 £'000
Revaluation Losses recognised within the surplus or Deficit of the provision of services	15,486	21,507
	<u>15,486</u>	<u>21,507</u>

33. 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 no early retirements during the year, which were not allowed for at the previous accounting date.

	Number	Salaries/ Pensions £'000	Average Age Current / Former 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.

	2023/24 £'000	2022/23 £'000
Comprehensive Income and Expenditure Statement		
Cost of Services:		
Current service cost	3,213	7,496
Financing and Investment Income and Expenditure		
Net Interest on the defined liability (asset)	1,170	2,798
Administration Expenses	64	55
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of services	4,447	10,349
Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement		
Remeasurement of the net defined benefit liability comprising;		
Return on plan assets in excess of interest	4,812	(6,360)
Other actuarial gains/(losses) on assets	0	(917)
Changes in financial assumptions	2,561	92,310
Change in demographic assumptions	2,231	13,538
Experience gain/(loss) on defined benefit obligation	(836)	(10,081)
Changes in effect of Asset Ceiling	(2,692)	0
Total Post-employment Benefits Charged to the Comprehensive Income and Expenditure Statement	6,076	88,490
Movement in reserves Statement		
reversal of net charges made for retirement benefits in accordance with the code	(4,447)	(10,349)
Actual amount charged against the General Fund		
Balance for pensions in the year:		
Employers' contributions payable to scheme	4,931	4,816
	484	(5,533)

Pensions Assets and Liabilities Recognised in the Balance Sheet

	2023/24 £'000	2022/23 £'000
Present value of the Defined benefit obligation	157,513	155,475
Fair Value of the plan assets (bid value)	(142,718)	(131,609)
Deficit/ Surplus	14,795	23,866
Present Value of unfunded obligation	2,764	2,945
Impact of Asset Ceiling Change	2,692	0
	20,251	26,811

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

	2023/24 £'000	2022/23 £'000
Opening fair value of Scheme assets	131,609	135,870
Interest on assets	6,318	3,527
Return on assets less interest	4,812	(6,360)
Actuarial gains and (losses)	0	(917)
Administration expenses	(64)	(55)
Employer contributions	4,931	4,816
Contributions by scheme participants	1,102	1,001
Benefits paid	(5,990)	(6,273)
Closing fair value of Scheme assets	142,718	131,609

d. Reconciliation of Present Value of the Scheme Liabilities

	2023/24 £'000	2022/23 £'000
Opening Defined Benefit Obligation	158,420	245,638
Current service cost	3,213	7,141
Interest cost	7,488	6,325
Change in financial assumptions	(2,561)	(92,310)
Change in demographic assumptions	(2,231)	(13,538)
Experience loss/(gain) on defined benefit obligation	836	10,081
Liabilities Assumed/ (extinguished) on settlements	0	0
Benefits paid (net of transfers in)	(5,727)	(6,020)
Past Service Cost including curtailments	0	355
Contributions by scheme participants	1,102	1,001
Unfunded pension costs	(263)	(253)
Closing Defined Benefit Obligation	160,277	158,420

e. Pension Scheme Assets Comprise

	31st March 2024		31st March 2023	
	£'000		£'000	
Equities	86,309	60.48%	76,709	58.29%
Gilts	3,417	2.39%	2,721	2.07%
Other Bonds	7,080	4.96%	7,795	5.92%
Property	15,172	10.63%	15,620	11.87%
Cash	8,592	6.02%	6,887	5.23%
Inflation-linked	7,260	5.09%	6,643	5.05%
Infrastructure	10,318	7.23%	10,344	7.86%
Private Equities	4,570	3.20%	4,890	3.72%
	142,718	100.00%	131,609	100.00%

The detail of the assets as at 31 March 2024, representing the percentages of the total Fund held in each asset class.

Asset Breakdown		% Quoted	% Unquoted
Fixed Interest Government Securities	UK	2.0%	
Index Linked Government Securities	UK	1.0%	
Corporate Bonds	UK	1.0%	
	Overseas	5.0%	
Equities	UK	17.0%	
	Overseas	41.0%	
Property	All		11.0%
Others	Private Equity		3.0%
	Infrastructure		8.0%
	Unit Trust Inflation Linked		5.0%
	Credit		3.0%
	Cash/Temporary Investments		3.0%
Total		67.0%	33.0%

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:

	2023/24	2022/23
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	20.4	20.7
Women	23.3	23.5
Longevity at 65 for future pensioners:		
Men	21.7	22.0
Women	24.7	25.0
Financial Assumptions:		
Increase in Retail Price Index	3.25%	3.15%
Increase in Consumer Price Index	2.90%	2.90%
Rate of increase in salaries	3.90%	3.90%
Rate of increase in pensions	2.90%	2.90%
Rate for discounting scheme liabilities	4.90%	4.80%

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	157,868	160,277	162,745
Projected service cost	2,961	3,061	3,165
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	160,467	160,277	158,009
Projected service cost	3,063	3,061	3,059
Adjustment to pension increases & deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	162,601	160,277	158,009
Projected service cost	3,166	3,061	2,959
Adjustment to mortality age rating assumption	+1 Year	None	-1 Year
Present value of total obligation	166,665	160,277	154,164
Projected service cost	3,173	3,061	2,953

Projected Pension Expense for year to 31 March 2025

	£'000
Service Costs	3,061
Net Interest on the defined liability (asset)	875
Administration Expense	64
Total	<u>4,000</u>
Employer contribution	4,568

Note these figures exclude the capitalised cost of any early retirements or augmentations, which may occur after 31 March 2024. These projections are based on the assumptions as at 31 March 2024, as described in the note.

34. 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 2024, 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. Housing Repairs Contractor

During 2023/24, the Council's main Housing Repairs contractor entered administration and ceased trading. At 31st March 2024, the Council estimated it was withholding a contract valuation sum of up to £560k, which it is possible could be offset against a bond held by the Council to a maximum of £460k. The winding up of the contractor is in progress at the date of publication and the Council's liability cannot be estimated with any certainty.

c. Disrepair Claims – Housing Properties

At 31st March 2024, the Council was aware of 35 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.

d. Bridges, Tunnels and Water Courses

Issues have been raised regarding bridges, tunnels and water courses on rights of way in the District, which the Council may be liable to rectify. The legal documentation available in connection with these sites is unavailable. Initial inspections of 3 bridges have been undertaken which raised safety concerns. Where appropriate, sites have been closed to the public. This has resulted in a full inspection of all such sites recommended, the findings of which could result

in a significant financial liability to the Council depending on legal ownership being confirmed. At present, this cannot be estimated with certainty.

35. Joint Crematorium Committee

The Council's share (currently 48.00% share) of income, expenditure, assets and liabilities in respect of the Joint Crematorium Committee is as follows;

	2023/24 £'000	2022/23 £'000
Gross Income	(979)	(943)
Gross Expenditure	559	552
Net (Surplus)/Deficit	(420)	(391)
 Total Assets at Year End	 2,166	 1,878
Total Liabilities at Year end	(504)	(547)
Net Assets at Year End	1,662	1,331
	2023/24 £'000	2022/23 £'000
Pension Values Included Within Assets & Liabilities		
Long Term Liability - Pension	(50)	(128)
Pension Reserve	50	127
	0	(1)

The Joint Crematorium is a member of the Local Government Pension Scheme. The Council's share above includes Pension Liabilities of £50k (£128k 2022/23).

36. 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:

Financial Asset Category	Criteria	Maximum Investment
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.

	Amount at 31st March 2024	Historical Experience of default	Historical experience adjusted for market conditions at 31st March 2024	Estimated maximum exposure to default and uncollectibility
	£'000	%	%	£'000
Deposits with banks and financial institutions	219,810	0.0	0.04	88
Bonds	0	0.0	0.0	0
Customers - Sundry Debtors	1,048	15.83	5.0	52
Housing Benefit Overpayments	1,562	50.0	50.0	781
Housing Benefit Overpayment Clawback	261	25.0	25.0	65

The Council does not allow credit for its customers and at the 31st March 2024, £2.609m was due for payment. The past due amount can be analysed by age as follows:

	31st March 2024	31st March 2023
	£'000	£'000
Less than 2 months	470	1,468
2 to 6 months	205	1,400
6 to 12 months	108	95
More than 1 year	1,826	1,747
	2,609	4,710

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 Interest Rates Payable %	Carrying Amount	
		31st March 2024	31st March 2023
		£'000	£'000
Source of Loan			
Public Works Loan Board	1.73% to 9.25%	56,602	57,811
Money Market	3.76% to 5.75%	31,124	34,148
		87,726	91,959
Maturity Within:			
Less than a year	4.625%	1,248	4,262
1-2 years	4.50%-4.625	2,783	4,031
2-5 years	4.75%-9.25%	1,207	9,090
5-10 years	2.6%-4.75%	15,928	8,044
More than 10 years	1.73% - 4.75%	66,560	66,532
		87,726	91,959

c. Market Rate Risk

The impact of a general rise in interest rates of one percent at 31st March 2024 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.

37. 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.