Scan the code above or visit www.nwleics.gov.uk/meetings for a full copy of the agenda.

Meeting	**AUDIT AND GOVERNANCE COMMITTEE**
Time/Day/Date	6.30 pm on Wednesday, 5 August 2026
Location	Abbey Room, Stenson House, London Road, Coalville, LE67 3FN
Officer to contact	Democratic Services (01530 454512)

AGENDA

Circulation:

P Helm (Chair)
Councillor J G Simmons (Deputy Chair)
Councillor R Boam
Councillor D Cooper
Councillor D Everitt
Councillor M French
Councillor P Moult
Councillor G Rogers
Councillor N Smith
Councillor R Sutton
Mrs E Hutchinson

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Abbey Room, Stenson House, London Road, Coalville, LE67 3FN on WEDNESDAY, 10 JUNE 2026

Present: Councillor

Councillors J G Simmons, R Sutton, P Moult, D Cooper, D Everitt, G Rogers, N Smith and M French

In Attendance: Councillors

Officers: Ms K Beavis, Mrs A Crouch and Mrs C Hammond

1. APOLOGIES FOR ABSENCE

Mr P Helm, the new Chair of Audit and Governance, was introduced to the Committee by the deputy chair.

Apologies were received from Councillor R Boam & Mrs E Hutchinson.

2. DECLARATION OF INTERESTS

There were no interests declared.

3. MINUTES

Before the minutes were agreed, a member provided some clarification notes. It was noted that they had circulated the value for money report from Azets, to members, as it was requested at the 29 April 2026 meeting.

Consideration was given to the minutes of the meetings held on 29 April 2026.

It was moved by Councillor R Sutton, seconded by Councillor J Simmons and

RESOLVED THAT:

The minutes of the meetings held on 29 April 2026 be approved and signed by the Chair as an accurate record of proceedings.

4. OUTSTANDING ACTIONS UPDATE

Before the update, the Head of Finance updated the Committee regarding the attendance of the Council's Chief Executive. Members and Officers discussed the invitation of the Chief Executive and how it is proposed to move forward. It was explained that a meeting would be arranged for members to have the opportunity to inform the audit scope which would contribute to the Unit 4 audit report and to discuss questions for the Chief Executive. It was agreed that the Chief Executive would be invited to the next available meeting so a discussion could take place and supplementary questions could be asked.

Consideration was given to the Outstanding Actions update.

In response to a member's request, it was agreed to change the status of the action 2 to 'amber' as it's resolution was ongoing.

In response to another request, it was agreed that responses sent to members as a result of an action would be sent to all members.

The Outstanding Actions update was noted.

5. COMMITTEE WORK PLAN

Consideration was given to the Committee's work plan.

The Head of Finance proposed quarterly Unit 4 update reports to the Committee; which they accepted.

The Committee's work plan was noted.

6. 2025/26 ANNUAL AUDIT PLAN

The report was presented by the Director of Public Sector of External Audit of Azets.

A discussion followed. In response to a member, the Committee were assured by the Head of Finance that the Council would meet the statutory deadline to produce accounts for audit on 30 June, and that members would be emailed once this was live on the Council's website. The accounts would be presented in draft at the next Committee meeting and again in January for approval. Assurance was sought from the Head of Finance as to whether the finance team had capacity to work on building back assurance. It was confirmed by the Head of Finance that capacity was being reviewed with the aim of increasing this with an additional staff member.

The Director of Public Sector External Audit explained the scope of the work currently being undertaken by Azets to the Committee, in response to a request from a member. They explained that they were close to completion on some of the work and were therefore focusing on this to provide full assurance where possible. Some areas of work had begun but not completed due to competing priorities. A key priority of Azets was to complete a full audit of the 2025-26 financial statements to avoid repeating build-back assurance work next year. A detailed, phased plan would be developed, agreed with stakeholders and aligned with the Council's financial timetable before being presented to the Committee.

The report was noted and members thanked for their comments.

7. SIRO (SENIOR INFORMATION RISK OFFICER) ANNUAL REPORT

The report was presented by the Legal Team Leader – Governance.

A discussion followed with enquiries from members. In response to a member's concern about capacity due to the increase of requests, the Legal Team Leader – Governance explained to the Committee that the Legal Team were exploring whether there was capacity to address all information requests. The Legal Team Leader – Governance had recently become more involved in the responses which had increased resource capacity but expressed that reviewing whether this was sufficient was required.

Another member enquired about the statutory timescale and whether responses met the required timeframe. The Legal Team Leader – Governance agreed to providing a response outside of the meeting.

In response to enquiries, it was explained to the Committee that it was believed the increase of requests was due to AI's assistance in making requests more accessible and public awareness and this was reflected nationally. A member was interested in how the

Council fared in comparison to other councils on request rates. This was received and was taken away to look further into.

The report was noted and members thanked for their comments.

8. MEMBER CODE OF CONDUCT ANNUAL REPORT

The report was presented by the Legal Team Leader – Governance.

A discussion followed with members making several enquiries regarding ongoing complaints. Concerns were raised about delays to complaints and cancelled determination subcommittees. In response, the Monitoring Officer assured the Committee that they would be provided with an update at the next meeting. They also explained that the Monitoring officer has delegated authority to avoid a hearing (e.g. where no breach is found or issues are resolved), to use resources more efficiently. Some members expressed concerns about this discretion, so the Monitoring Officer suggested that it should be considered by the Constitution working group. Wider concerns included whether councillor-to-councillor complaints are proportionate, and whether stricter timelines are needed due to delays or lack of engagement. These were also suggested to be considered by the working group.

A member requested a more detailed breakdown of the data provided to the Committee regarding complaints due to an increase in the number of complaints. The Monitoring Officer agreed to analyse and share more detailed data.

It was moved by Councillor R Sutton, seconded by Councillor P Moult and

RESOLVED THAT:

The Member Code of Conduct annual report 2025/26 be recommended for submission to Council on 11 June 2026.

9. TREASURY MANAGEMENT STEWARDSHIP REPORT 2025/26

The report was presented by the Head of Finance.

A brief discussion followed. A member noted that investment allocations had improved but questioned whether the shift should happen faster. The Head of Finance explained that the figures were a snapshot at year-end and that funds were actively managed, with diversification maintained between investment types.

A member raised a concern about inflation and global volatility and asked how investments were protected. The Head of Finance responded that investments were monitored daily, adjusted as needed and supported by quarterly meetings and ongoing advice from Arlingclose, including regular updates between meetings.

The report was noted and members thanked for their comments.

10. KEY JUDGEMENTS AND ESTIMATES IN THE STATEMENT OF ACCOUNTS

The report was presented by the Head of Finance.

The report was noted.

11. DRAFT ANNUAL GOVERNANCE STATEMENT 2025-26

The report was presented by the Head of Finance.

A discussion was held between a member and Officers in relation to a proposed change made to page 129 of the report. The member found the draft improved in comparison to the previous annual governance statements. Members were assured by the Head of Finance that the report was in draft, with the finalised report to be approved in January 2027. It was suggested by the Chair that authority could be delegated to the Head of Finance, in consultation with the chair and/or deputy chair to make amendments. The member suggested changes to make, which included adding a direct quote from an Azets report about the Committee, to replace wording detailing changes to the Committee. The Monitoring Officer proposed a change to the recommendations to reflect this, which the Chair, the Head of Finance and the member agreed to.

Further changes to wording were suggested by members, including pages 135-136, 140 and 146, to better reflect a decision made by the deputy chair and to improve the accuracy of meaning. These were taken on board by the Chair and Officers.

It was moved by Councillor J Simmons, seconded by Councillor G Rogers and

RESOLVED THAT:

The draft Annual Governance Statement 2025-26 be approved for publication subject to minor amendments delegated to the Acting Section 151 Officer and the Chair.

12. UNIT 4 UPDATE

The report was presented by the Head of Finance.

Following the presentation of the report, a discussion was held. In response to a member's question, the Head of Finance explained that bank reconciliations for 2025-26 were up to date and current up to May. This was agreed internally but hadn't been externally audited as yet and was part of the backstop work. Delays had occurred due to the module not being available on the Unit 4 system when it went live. This module is now in place and processes were improving. It was later explained that the Council piloted the Unit 4 system which was why there was a lack of availability for some of its aspects and that this was something that would be picked up as part of the Internal Audit review.

In response to a member, the Head of Finance explained to the Committee that the finance team were implementing the Unit 4 budgeting module by December 2026. This was expected to significantly improve real-time financial monitoring and control for budget holders and senior managers.

A member asked about the change of support provider for the system and whether the progress made was due to this change. It was explained that the progress was a combination of internal work and support from Vision ERP, the new provider, who understand local government and the system itself.

It was assured that Officer governance was in place with weekly meetings to ensure action diligence. The meetings would be moving to fortnightly soon and then monthly which demonstrated that work around Unit 4 had improved and it was becoming more 'business as usual'.

At the end of the discussion, a member commended the finance team on the significant progress made in the past 6 months. They understood how difficult it could be to resolve issues, particularly when working with external agencies, from working with systems themselves. They added that the position the team was in now was a ‘much brighter picture…so well done. Keep up the good work’.

The report was noted and members were thanked for their comments.

13. AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT

The report was presented by the Audit Manager.

A discussion followed which began with a member expressing concerns as to whether the report should be approved and taken to Council. They expressed that the report was about the Committee and the quality of its work, that it contained little evaluative assessment and evidence and that there were missing details. They added that changes were needed but it was time-pressured to do so due to Council being the next day.

In response to a question, the Monitoring Officer explained that there would be difficulty making changes given the time frame, advised against changes unless there was qualification and reasoning to do so and that the report followed the criteria set out in the position statement. Opportunities were given to Members to be involved in the process prior to the meeting..

The Chair shared their independent view which was that the report demonstrated that the Committee was moving in the right direction, had discharged its obligations in ensuring that there was an appropriate risk management framework in place, that it reflected the level of challenge from members to Officers and the achievements of the Committee in the past 12 months. The Audit manager also confirmed that the report met the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and that it was shared in advance with members, giving them the opportunity to have input in to the report, but no feedback was received. They reiterated that the report fully reflected what the Committee had achieved in their performance during the year.

In response to queries about the possibility of deferring the report to allow changes to be made, the Head of Finance explained that the Audit and Governance Committee annual report was taken into consideration when writing the AGS, and if it was not considered at Council the following night, it would not be a finalised document, by the time the draft AGS was published on the 30 June.
It was acknowledged by a member that while the Committee was functioning, the report may not fully capture all issues or provide enough detail but there was uncertainty around what was specifically missing. The member that expressed their concerns about the report responded with ‘evidence, evaluation, effectiveness’.

It was moved by Councillor J Simmons, seconded by Councillor D Everitt and

RESOLVED THAT:

1) The draft Audit and Governance Committee annual report be noted and comments provided.

2) Authority be delegated to the Audit Manager in consultation with the deputy chair to make any additions or amendments to the report arising from those comments prior to submission to Council on 11 June 2026.

3) The draft Audit and Governance Committee annual report 2025/26 be approved.

The meeting commenced at 6.30 pm

The Chair closed the meeting at 8.39 pm

Audit and Governance Committee

Outstanding Actions

Key:
Green = completed
Amber = working towards
Red = to be completed

Action No.	Meeting Date and Agenda Item	Action	Comments	Responsible Officer	Target dates/rationale for delays	Status and last updated
1	12/11/25 Item 7	To provide the Committee with a briefing on Unit 4.	A Unit 4 update report will be presented to the June meeting.	Anna Crouch		01/06/2026 Green
2	12/11/25 Item 7	To arrange discussions with Cllr P Moult and the Chair with the intention to undertake a root cause analysis on the human processes regarding the implementation of the Unit 4 system.	A review of Unit 4 implementation has been included within the internal audit plan for 2026/27, the plan was approved by the Committee at the meeting on 29/04/2026. Action shown as amber as it reflects the changes to the agreed action	(Paul Stone) Anna Crouch	The target date is dependent on the date of the meeting to be held with members of the committee and then the scoping and approval of the audit engagement plan and the time to carry out the audit.	29/04/2026 Amber

Agenda Item 4.

3	04/02/2026 Item 7	To provide a response to Cllr Rogers in relation to the following question raised during discussion: ‘What checks and balances are in place to make sure only the correct type of waste is put into trade waste bins, how is this dealt with?’	Response sent via email on 09/02/2026	Kerry Beavis/Paul Sanders		08/02/2026 Green
4	04/02/2026 Item 7	To provide a response to Cllr Moult in relation to the following question raised during discussion: ‘Where is stock such as radiators/doors etc stored, is it still a storage unit as it was in the past?’	Yes, we store at Market Street but often order and collect to fit same day as we do not have capacity to store every door/ window etc Response sent via email on 10/02/2026	Gary Hall		10/02/2026 Green
5	04/02/2026 Item 7	Outstanding finance audit recommendations: It was agreed to provide more narrative in future reports so that members have more information and it is clear what progress has been made.	Further details were provided in the Audit progress report at the Committee meeting of 29/04/2026	(Paul Stone) Kerry Beavis		29/04/2026 Green

6	04/02/2026 Item 12	Corporate risk no.35 re Local Plan: Members felt the risk was not accurate considering the timeframes for submission the plan. It was agreed to go back to planning officers to review the risk.	Risk no. 35 was updated on the Corporate Risk Register, reported to Committee on 29/04/2026, including an update of actions and new actions to be followed	(Paul Stone) Kerry Beavis		29/04/2026 Green
7	04/02/2026 Item 12	Corporate risk no.21 re Driver and fleet compliance: In response to members concern that it was a particularly high-risk score, it was agreed to get further details for the next meeting.	Corporate Risk 21 was discussed at risk meetings. It remains high because there is still no finalised policy or driver's handbook in place. Although some mitigating actions exist, they are not sufficient to significantly reduce the risk score. Draft versions of the policy and handbook have been developed and reviewed by unions, and their feedback is	(Paul Stone) Kerry Beavis		29/04/2026 Green

			currently being incorporated. Once these documents are finalised and implemented, it is expected that the risk score will decrease further.			
8	29/04/2026 Item 9	Cllr Smith asked for more information regarding Health and Safety incidents	Information on the number of incidents for 2025/26 provided to Cllr Smith via email on the 28/05/26/	Kerry Beavis/Anna Crouch		28/05/2026 Green
9	10/06/2026 Item 5	To have all upcoming reports on the work plan for the next Council year	The workplan has been circulated to Officers to check and reports have been added to the Work Programme	Beth		28/07/2026 Green
10	10/06/2026 Item 5	To add Unit 4 update reports to the work plan	Unit 4 update reports have been added to the system.	Beth		18/06/2026 Green

11	10/06/2026 Item 7	Cllr Rogers asked for more information about the number of incidents of responses not meeting the required timeframe.	Awaiting figures due to staff leave. Aiming to circulate before 5th August	Emma Lant		28/07/2026 Amber
12	10/06/2026 Item 7	Cllr Sutton requested a comparison between NWLDC and other Council's for information request rates.	Awaiting figures due staff leave. Aiming to circulate before 5th August	Emma Lant		28/07/2026 Amber
13	10/06/2026 Item 8	Cllr Moult requested a more detailed breakdown of complaints data presented in Member Code of Conduct annual report	Emma has collated comparison figures for the last 5 years Emma to email	Emma Lant		16/07/2026 Green

AUDIT AND GOVERNANCE COMMITTEE – WORK PROGRAMME (as at 28/07/26)

Issue	**Report Author**	**Meeting at which will be reported**
November 2026		
Unit 4 Update	Anna Crouch, Head of Finance	11 November 2026
Future External Arrangements	Anna Crouch, Head of Finance	11 November 2026
External Auditor's Annual Report 2025/26	Anna Crouch, Head of Finance, Jon Illingworth, Strategic Director of Resources	11 November 2026
Treasury Management Update Report (Q2)	Anna Crouch, Head of Finance, Georgina Gwillim, Finance Team Manager	11 November 2026
Internal Audit Progress Report (Q2)	Kerry Beavis, Audit Manager	11 November 2026
Corporate Risk Update	Kerry Beavis, Audit Manager	11 November 2026
Standards and Ethics Quarterly Report (Q2)	Emma Lant, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer	11 November 2026
Review of Corporate Governance Policies	Emma Lant, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer	11 November 2026
Annual Review of Corporate Governance Policies - Procurement Strategy	Jon Illingworth, Strategic Director of Resources	11 November 2026

Issue	Details	Report Author	Meeting at which will be reported
January 2027			
Unit 4 Update		Anna Crouch, Head of Finance	13 January 2027
Annual Governance Statement 2026/27		Jon Illingworth, Strategic Director of Resources	13 January 2027
Audit Completion Report		Anna Crouch, Head of Finance	13 January 2027
Statement of Accounts		Anna Crouch, Head of Finance	13 January 2027
Annual IT Health Check		Sam Outama, ICT Team Manager	13 January 2027
February 2027			
Annual IT Health Check Report		Sam Outama, ICT Team Manager	10 February 2027
Treasury Management Update Report (Q3)		Georgina Gwillim, Finance Team Manager, Anna Crouch, Head of Finance	10 February 2027
Internal Audit Progress Report (Q3)		Kerry Beavis, Audit Manager	10 February 2027
Corporate Risk Update		Dele Abibu, Kerry Beavis, Audit Manager	10 February 2027
Standards and Ethics Quarterly Report (Q3)		Emma Lant, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer	10 February 2027
Annual Review of the Council's Constitution		Emma Lant, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer	10 February 2027
Annual Review of the Code of Conduct Complaints Arrangements		Emma Lant, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer	10 February 2027
External Quality Assessment		Kerry Beavis, Audit Manager	10 February 2027

Issue	Details	Report Author	Meeting at which will be reported
April 2027			
Unit 4 Update		Anna Crouch, Head of Finance	28 April 2027
Audit and Governance Committee Annual Report		Anna Crouch, Head of Finance	28 April 2027
2026/27 Annual Audit Plan		Jon Illingworth, Strategic Director of Resources, Anna Crouch, Head of Finance	28 April 2027
Draft Accounting Policies, Key Judgements and Estimates 2026/27		Anna Crouch, Head of Finance	28 April 2027
Internal Audit Annual Plan		Kerry Beavis, Audit Manager	28 April 2027
Internal Audit Progress Report (Q4)		Kerry Beavis, Audit Manager	28 April 2027
Corporate Risk Update		Kerry Beavis, Audit Manager	28 April 2027
Standards and Ethics Quarterly Report (Q4)		Emma Lant, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer	28 April 2027
SIRO (Senior Information Risk Officer) Annual Report		Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer, Laurent Flinders, Information Governance Officer	28 April 2027
Member Code of Conduct Annual Report		Emma Lant, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer	28 April 2027
Internal Audit Charter and Mandate		Kerry Beavis, Audit Manager	28 April 2027

This page is intentionally left blank

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 5 AUGUST 2026

Title of Report	**EXTERNAL AUDIT - BUILDING BACK ASSURANCE**	
Presented by	Jon Illingworth Strategic Director of Resources (Section 151 Officer)	
Background Papers	None	**Public Report:** Yes
Financial Implications	There are no financial implications as a direct result of this report.	
	Signed off by the Section 151 Officer: yes	
Legal Implications	There are no legal implications as a direct result of this report.	
	Signed off by the Deputy Monitoring Officer: yes	
Staffing and Corporate Implications	There are no staffing or corporate implications as a direct result of this report	
	Signed off by the Head of Paid Service: yes	
Purpose of Report	To present the External Auditor's Building Back Assurance update and provide members with an overview of the work being undertaken to restore full audit assurance over the Council's Statement of Accounts following a number of years where disclaimer audit opinions have been issued.	
Recommendations	**FOR AUDIT AND GOVERNANCE COMMITTEE TO NOTE THE EXTERNAL AUDITOR'S BUILDING BACK ASSURANCE UPDATE.**	

1.0 BACKGROUND

1.1 Timely and reliable financial reporting is fundamental to good governance, transparency and public accountability. The Council, together with its external auditor, is committed to restoring confidence in the financial statements following several years in which audit opinions have been disclaimed as a consequence of the national local audit backlog and the absence of sufficient historic assurance.

1.2 The Building Back Assurance programme is a structured approach developed by the Council's external auditors, Azets, in accordance with statutory guidance issued through the Local Audit Reset and Recovery Implementation Guidance (LARRIG). The objective is to progressively rebuild audit assurance over key financial balances and ultimately return to a position where a full audit opinion can be issued.

1.3 The predecessor auditor issued disclaimer opinions for the financial years 2021/22 and 2022/23. Disclaimer opinions were also issued by Azets for 2023/24 and 2024/25. As a result, assurance over opening balances and historic transactions needs to be rebuilt before a full audit opinion can be restored.

1.4 Nationally, the Government introduced statutory backstop dates to address the audit backlog across local government. These arrangements require auditors to issue audit reports before specified deadlines, even where all planned audit procedures have not been completed. For 2025/26, the statutory backstop date is 31 January 2027.

2.0 BUILDING BACK ASSURANCE STRATEGY

2.1 At the time of writing, the external auditor's update was still being finalised. Representatives from Azets will present the Strategy at this meeting.

Policies and other considerations, as appropriate	
Council Priorities:	A Well-Run Council
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	None
Environment, Climate Change and Zero Carbon	None
Consultation/Community/Tenant Engagement:	None
Risks:	None
Officer Contact	Anna Crouch Head of Finance anna.crouch@nwleicestershire.gov.uk

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 5 AUGUST 2026

Title of Report	**DRAFT STATEMENT OF ACCOUNTS 2025/26**	
Presented by	Anna Crouch Head of Finance (Deputy S151 Officer)	
Background Papers	Statement of Accounts 2025/26 (unaudited) Annual Governance Statements 2025-26 (Draft) Notice of Public Rights	**Public Report:** Yes
Financial Implications	There are no financial implications as a direct result of this report. **Signed off by the Section 151 Officer**: yes	
Legal Implications	There are no legal implications as a direct result of this report. **Signed off by the Deputy Monitoring Officer**: yes	
Staffing and Corporate Implications	There are no staffing or corporate implications as a direct result of this report. **Signed off by the Head of Paid Service**: yes	
Purpose of Report	To update the Audit and Governance Committee on the draft (pre-audit) Statement of Accounts	
Recommendations	**THAT THE AUDIT AND GOVERNANCE COMMITTEE NOTES:** **1. THE DRAFT (PRE-AUDIT) STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026;** **2. THAT THE STATEMENT OF ACCOUNTS HAS BEEN AUTHORISED FOR ISSUE BY THE THEN ACTING 151 OFFICER IN ACCORDANCE WITH THE ACCOUNTS AND AUDIT REGULATIONS 2015, AS AMENDED;** **3. THE ARRANGEMENTS AND TIMETABLE FOR THE STATUTORY PERIOD FOR THE EXERCISE OF PUBLIC RIGHTS; AND** **4. THAT THE AUDITED STATEMENT OF ACCOUNTS WILL BE PRESENTED TO COMMITTEE MEETING ON THE 13 JANUARY 2027 FOR APPROVAL FOLLOWING COMPLETION OF THE EXTERNAL AUDIT.**	

1.0 BACKGROUND

1.1 The Statement of Accounts provides a comprehensive summary of the Council's financial performance and financial position for the financial year ended 31 March 2026. It has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and the Accounts and Audit Regulations 2015, as amended.

1.2 The accounts are required to present a true and fair view of the Council's financial affairs and include the core financial statements, notes to the accounts, the Narrative Statement and the Annual Governance Statement.

1.3 The draft (pre-audit) accounts have been prepared by officers and authorised for issue by the Head of Finance and at the time of publication, Acting Section 151 Officer. As these accounts have not yet been subject to external audit, they are presented to the Committee as a draft (pre-audit) version and remain subject to review, amendment and audit findings.

2.0 DRAFT (PRE-AUDIT) STATEMENT OF ACCOUNTS 2025/26

2.1 The Draft (Pre-Audit) Statement of Accounts is attached as Appendix A.

2.2 The accounts provide information on:

- The Council's financial performance during 2025/26.
- The movement in usable and unusable reserves.
- The Council's assets and liabilities as at 31 March 2026.
- Cash flow movements during the year.
- Capital expenditure and financing.
- Pension fund liabilities and other long-term commitments.

2.3 Members should note that the accounts may be subject to amendment during the external audit. Any significant changes identified through the audit process will be reported to the Committee when the audited accounts are presented for approval.

2.4 The external audit will be undertaken by the Council's appointed auditor, Azets LLP, in accordance with the Local Audit and Accountability Act 2014 and the National Audit Office Code of Audit Practice.

3.0 STATUTORY PERIOD FOR THE EXERCISE OF PUBLIC RIGHTS

3.1 The Accounts and Audit Regulations 2015 require local authorities to make the draft (pre-audit) Statement of Accounts available for public inspection and to provide a period during which local government electors may inspect the accounting records and supporting documentation, ask questions of the external auditor and raise objections where appropriate.

3.2 The regulations require the period for the exercise of public rights to be a single period of 30 working days. During this period, the Council must make the accounting records and supporting documents available for inspection at reasonable times upon request.

3.3 The Council has published:

- The Draft (Pre-Audit) Statement of Accounts.

- The Annual Governance Statement.
- The notice of public rights.
- Details of how electors may inspect the accounts and supporting records.

3.4 These documents are available on the Council's website and supporting records can be inspected by making an appointment with the Council's Finance Team.

3.5 The period for the exercise of public rights will run from 1 July 2026 to 11 August 2026, comprising 30 working days in accordance with statutory requirements.

4.0 EXTERNAL AUDIT PROCESS

4.1 Following publication of the draft (pre-audit) accounts and completion of the public inspection period, the Council's external auditor will undertake the audit of the 2025/26 Statement of Accounts.

4.2 The audit will include:

- Examination of the financial statements.
- Review of supporting evidence and working papers.
- Consideration of accounting estimates and judgements.
- Evaluation of governance and financial reporting arrangements.

4.3 Upon completion of the audit, the auditor will issue their Audit Findings Report and audit opinion which will be presented to this Committee alongside the final audited Statement of Accounts.

4.4 Current regulations require audited accounts to be published by the statutory backstop date of 31 January 2027 for the 2025/26 financial year where audit work remains ongoing.

5.0 SUMMARY

5.1 The Draft (Pre-Audit) Statement of Accounts for 2025/26 has been prepared and published in accordance with statutory requirements. The accounts are now subject to the public inspection process and external audit review. The Committee is asked to note the draft (pre-audit) accounts and the arrangements for the statutory exercise of public rights prior to the audited accounts being brought back to a future meeting for approval.

Policies and other considerations, as appropriate	
Council Priorities:	A Well-Run Council
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	None
Environment, Climate Change and Zero Carbon	None
Consultation/Community/Tenant Engagement:	Statutory public inspection commenced on the 1 July 2026 and ends on the 11 August 2026.
Risks:	Failure to comply with statutory accounting and publication requirements could result in regulatory non-compliance and reputational damage to the Council.
Officer Contact	Anna Crouch Head of Finance (Deputy S151 Officer) anna.crouch@nwleicestershire.gov.uk

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

STATEMENT OF ACCOUNTS 2025/26 (UNAUDITED)

CONTENTS

Section 1 Narrative Report

27

1. North West Leicestershire as a place

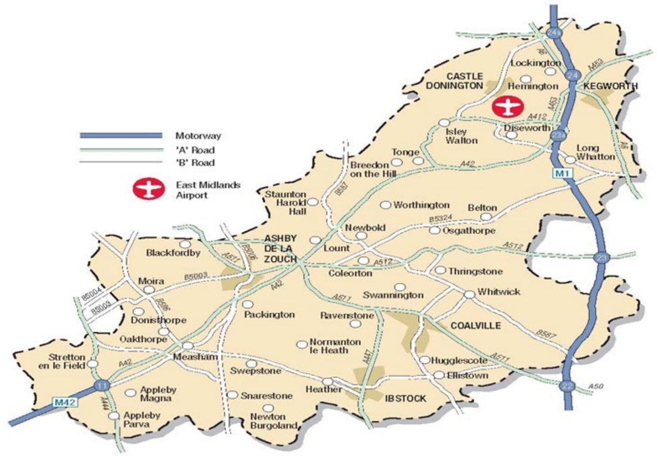
North West Leicestershire is a semi-rural district with a population of approximately 110,000. Most people live in the district's two main towns of Coalville and Ashby de la Zouch. Around the district are a handful of large villages (Castle Donington, Kegworth, Ibstock and Measham) and numerous smaller villages.

In the 1990s and 2000s, Coalville and the wider area underwent significant regeneration and the district's economy has been one of the fastest growth areas in the East Midlands. The coal mining sites formerly used for mineral extraction are now home to a diverse array of business parks and industrial estates providing local employment and drawing from a wide regional labour market.

North West Leicestershire sits at the axis of the Midlands, strategically located within 25 miles of Birmingham, Derby, Leicester and Nottingham. It is served by the M1/M42 (A42) and A50 and is also home to East Midlands Airport – the UK's busiest 'pure' cargo airport.

The district has one of the highest jobs density figures in the Region – indicating a very high level of jobs and this is because our location has proved to be a major attraction to inward investors and developers as well as continuing to be a place that indigenous businesses call home. Key employment sectors in the district are wholesale and retail trade, transport and storage, manufacturing and professional, scientific and technical activities.

We are very proud that our district lies at the heart of the National Forest which spans across parts of Derbyshire, Leicestershire, and Staffordshire. We are a key partner in an ongoing project that is transforming former mining areas through tree planting and forest activities.



2. The council

Governance

We operate a cabinet style government with separation of executive and scrutiny functions. All Cabinet members have been allocated a specific portfolio and are responsible for driving forward the Council's key strategic aims.

Political structure in 2025/26

The Council's political structure as at the 31 March 2026 was:

- Alliance – 19 (Conservative Party (12 councillors), Liberal Democrat Party (5 councillors) and Independent (2 councillors)
- Labour Party – 17 councillors
- Independent – 2 councillors

The council's Leader, Councillor Richard Blunt was re-elected in May 2025. Councillor Blunt subsequently appointed six Cabinet Members for various portfolios and the delegation of executive functions.

Chief Officer Structure

Councillors are supported by the Corporate Leadership Team (CLT) which is led by the Council's Chief Executive. CLT are responsible for the overall management of the Council, for setting and monitoring overall direction and ensuring high performance in the delivery of council services. Including the Chief Executive, CLT is made up of eleven members: three Strategic Directors and seven Heads of Service (which include the Monitoring Officer and Section 151 Officer).

Reviewing our governance

Every year we undertake a review of our governance framework, assessing against the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' 2016. In 2024, the framework was reviewed and updated and continues to be maintained and applied during 2025/26. The framework was updated to include clearer principles within three layers: policies, standards and procedures and guidance. The four policies that sit within the framework were reviewed and redefined: Data Protection Policy, Information Security Policy, Information Rights Policy and the Records Management Policy. Information Governance Framework

This review of effectiveness is informed by the work of senior managers and directors within the Council who have responsibility for the development and maintenance of the internal control environment, the Internal Audit Annual Report, the work of the Audit and Governance Committee plus the comments of external auditors and other review agencies and inspectorates. Our Annual Governance Statement summarises our view of the arrangements and can be found on our website.

Our priorities

The Council's vision is that we support a clean, green and prosperous place where people want to live, work and visit. Our Council Delivery Plan for 2023 - 2028 sets out our four priorities and aims for the coming years. Our priority areas are:

- **Planning and regeneration:** Providing an effective planning service to our communities
- **Housing and Communities:** Providing a high-quality housing service to our tenants, which includes delivering an excellent repairs service
- **Clean and Green:** looking after the environment we live in
- **A well-run council:** Making sure our services are provided in a positive and friendly way, that we provide good value for money and that our finances are in good order.

The Council Delivery Plan links our priorities directly to our departmental business plans and the work of each service through specific service plans. This allows our performance to be monitored against our objectives using a performance roadmap detailed within the Council Delivery Plan [Council Delivery Plan 2023-2028]. There are 18 Key Performance Indicators (KPI's) in the plan. Monitoring reports were presented to Cabinet and Scrutiny throughout the year to ensure that the delivery plan stays on target.

The Devolution Agenda

The landscape of local government continues to evolve, with central government progressing a programme of devolution and local government reorganisation (LGR). Devolution involves the transfer of powers and funding from central government to regional areas, typically through the creation of strategic authorities.

As part of this national programme, areas with two-tier local government structures, such as Leicester, Leicestershire and Rutland, are expected to reorganise into unitary authorities, with a single council responsible for delivering all local services within each area.

In the East Midlands, a Combined Authority has already been established covering Nottinghamshire and Derbyshire. Whilst Leicestershire authorities previously explored opportunities to be included within a devolution deal, this was not progressed at that stage. Work continues across the Leicester, Leicestershire and Rutland area to prepare for both devolution and reorganisation.

Three proposals for Local Government Reorganisation have been submitted to Government for consideration across Leicester, Leicestershire and Rutland:

- A three-unitary model covering North Leicestershire, South Leicestershire and Leicester City (supported by district and borough councils and Rutland County Council)
- A single unitary authority for Leicestershire (proposed by Leicestershire County Council)
- An expanded Leicester City model with a further unitary authority for the remaining areas (proposed by Leicester City Council)

The Government will determine the preferred option, with a decision expected during July 2026.

Elections to the shadow authorities are expected to take place in May 2027 and Vesting Day for new authorities will be April 2028.

The implementation of LGR is expected to result in the creation of one or more new unitary authorities across the area. This would mean that North West Leicestershire District Council will likely be replaced by a new authority from April 2028.

Until any changes are formally approved and implemented, the Council will continue to operate as normal, delivering services to residents while contributing to the wider programme of reorganisation and transition.

Who works for the council?

The council employs 547 individuals across a wide range of services, many of whom are part-time and hold multiple roles. Our full-time equivalent number of employees is 480 and four of these are apprenticeship roles. The majority of the council's services are provided in-house, and our employed positions reflect this, with roles across many job types including manual operatives, skilled tradesmen and accredited service professionals.

Our People Plan

The Council's People Plan sets out our ambition to develop a sustainable, ambitious, effective and efficient workforce that reflects the communities we serve.

Originally developed in 2018, the Plan continues to be reviewed and updated to ensure it remains aligned with the Council Delivery Plan and the organisation's evolving priorities.

The People Plan is structured around five key themes:

- Being an employer of choice
- Developing and supporting staff
- Leadership
- A happy and healthy workforce
- Communicating and listening

The Council has made good progress against these themes, including maintaining its Investors in People Silver accreditation, which reflects our ongoing commitment to supporting and developing our workforce.

Our Values

Our corporate values are:

Trust – We are honest, fair and transparent and we value trust

Respect – We respect each other and our customers in a diverse, professional and supportive environment

Excellence – We will always work to be the best that we can be

Pride – We are proud of the role we play in making North West Leicestershire a happy, healthy and vibrant place to live and work

Growth – We will work together to grow and continually improve.

3. The council's non-financial performance

Below is a summary of some of our key achievements in the year under each of the council's four priorities.

Planning and Regeneration

- The Planning and Development Team has continued to perform strongly, exceeding national targets for the timely processing of planning applications.
- Good progress has continued on the emerging Local Plan, with work progressing towards Regulation 19 consultation and submission for examination.
- Regeneration activity has gathered momentum, with the Coalville Regeneration Framework and wider district regeneration work progressing well.

Housing and Communities

- The housing service has shown significant improvement, with tenant satisfaction rising to 78% and repairs satisfaction improving to 71%.
- These improving trends provide assurance ahead of the mobilisation of the new repairs contractor in 2026/27.

Clean and Green

- Environmental performance remained strong, with the Council achieving a 43.5% recycling rate, the highest in Leicestershire and ranking in the upper half nationally.
- Progress continued on waste service modernisation and the introduction of food waste arrangements.
- Progress was also made on climate and biodiversity commitments, including EV infrastructure and the delivery of Tree Management Strategy actions.

A Well-run Council

- The complaints response targets have improved this year and continue to do so. A complaints action plan is now in place with regular meetings taking place with high volume service areas.
- The Council has also made significant progress in financial reporting, with the Statements of Accounts for the financial years 2021/22 through to 2024/25 now published.

4. The council's financial performance

Financial Outturn for 2025/26

The Council has two main accounts, the General Fund and Housing Revenue Account as well as a Special Expenses account covering services to parishes and unparished areas.

Each account has a revenue budget for provision of services and a capital budget for delivery of significant projects.

General Fund

Our General Fund account summarises the expenditure on the council's main services which are paid for in part by council tax.

A balanced (breakeven) budget was set for 2025/26, with no planned use of reserves. The year end position resulted in a contribution to reserve balances of £1.15 million.

2025/2026 GENERAL FUND REVENUE OUTTURN POSITION

Directorate & Service Area	Annual Budget	Outturn	Outturn Variance
	£'000	£'000	£'000
Chief Executive	3,013	3,001	-12
Place	2,247	3,008	761
Community Services	7,951	8,673	722
Resources	5,310	5,684	374
Corporate & Democratic Core (CDC) & Other Budgets	629	312	-317
Net Recharges from General Fund	-1,714	-2,799	-1,085
Corporate Items & Financing	1,638	567	-1,071
NET COST OF SERVICES after recharges	**19,074**	**18,446**	**-628**
Financed By			
New Homes Bonus	679	679	0
Transfer from/(to) Collection Fund	0	40	40
Council Tax	6,269	6,266	-3
Business Rates Income	8,674	8,674	0
Minimum Funding Guarantee	1,577	1,577	0
Revenue Support Grant	131	131	0
Other Grants	1,744	2,230	486
TOTAL FUNDING AVAILABLE	**19,074**	**19,597**	**523**
UNDERSPEND / (OVERSPEND) 2025/2026	**0**	**1,151**	**1,151**

The analysis shows the major variances in the General Fund revenue budget for 2025/26.

Adverse variances are mainly driven by higher employee costs, including salaries, National Insurance (NI), pensions, agency and overtime, along with increased fleet, repairs, utilities, and bad debt provision.

Favourable variances are largely due to higher recharges and grant income, reduced contingency and contract costs, and underspends on salaries and other budgets.

Major Variances	**£'000**
Adverse Variances	
Finance - Salaries, NI, pension, agency, consultancy (net of earmarked reserve)	-488
Economic Dev & Regen - Salaries, NI, pension (offset by increase in net recharges)	-455
Refuse & Recycling - increased salaries, NI, pension, agency, overtime	-398
Refuse & Recycling - hire of vehicles	-244
Refuse & Recycling - fleet mgt recharges/mtce of vehicles	-220
Fleet - reduced recharge to HRA	-184
Commercial Properties - increased repairs & maintenance and reduced rent	-167
ICT - increased maintenance	-166
Finance - Increase in bad debt provision	-158
Council Offices - demolition costs	-130
Whitwick Business Centre - increased utility costs	-118
Other adverse variances	-142
Total Adverse Variances	**-2,870**
Favourable Variances	
Net Recharges	1,085
Investment Income	669
Non-Specific Grant Income	486
Net Financing costs - including leases	404
Contingency - reduced	333
Revenues and Benefits - reduced rent allowances net of gov grant	292
Leisure Contractor - reduced contract payments	150
Community Services - reduced fuel	138
Strategic Housing - grant income covering a greater proportion of the running costs	135
Council Tax/NNDR - summons income	127
Customer Services underspent salaries and various other minor variances	108
External Audit increased costs offset by grants, recharges & earmarked reserves	94
Total Favourable Variances	**4,021**
Net Variances	**1,151**

Housing Revenue Account (HRA)

The Housing Revenue Account (HRA) summarises income and expenditure relating to the rented housing accommodation of the 4,017 homes provided by the Council.

The HRA is a ring-fenced account, meaning that HRA funds are maintained separately from other council finances and must only be spent on the council's housing stock and tenants' services. Its primary source of income is from collecting £20.6 million of rent from properties let at either social or affordable rental rates.

2025/2026 HRA OUTTURN POSITION

	Annual Budget	Outturn	Outturn Variance
	£'000	**£'000**	**£'000**
Income	-21,930	-21,660	270
Operating Expenditure	17,595	19,115	1,520
Net Cost of HRA Services	**-4,335**	**-2,545**	**1,790**
Interest Payable	1,862	1,724	-138
Interest Receivable	-294	-698	-404
Net Income from Operations	**-2,766**	**-1,518**	**1,248**
Appropriations	2,766	1,518	-1,248
NET (SURPLUS)/DEFICIT	**-**	**-**	**-**

Major Variances	£'000
Adverse Variances	
Increase in Responsive Repairs spend	-2,464
Additional heating repair costs	-255
Rent and Service charge income lower than budgeted	-262
Depreciation and impairment of fixed assets higher than budgeted	-1,789
Other adverse variances	-374
Total Adverse Variances	**-5,144**
Favourable Variances	
Proceeds from Council House Sales were higher than expected	645
Additional Grant Income	2,709
Additional Investment Income	542
Use of Reserves to fund overspend	1,248
Total Favourable Variances	**5,144**
NET VARIANCES	**-**

Capital

We spent £3.17 million on capital schemes in the General Fund and £12.37 million in the HRA capital programme in 2025/26, totalling £15.54 million.

General Fund

The main spending areas are the UK Shared Prosperity Fund Investment Programme Projects and Marlborough Centre Purchase and Renovation works.

Capital Programme Scheme	Annual Budget	Outturn	(Under)/ Over Spend	(Slippage) Accelerated Spend
	£'000	£'000	£'000	£'000
Coalville Regeneration Projects	2,681	362	-2,319	-2,319
UKSPF* and REPF**	2,401	1,780	-621	-621
Carbon Zero	535	24	-511	-511
ICT Systems	220	186	-34	-34
Vehicle, Plant and Equipment	8,327	149	-8,178	-8,178
New Construction or Renovation	4,660	665	-3,995	-3,995
Special Expenses	22	0	-22	-22
TOTAL	**18,846**	**3,166**	**-15,680**	**-15,680**

*UK Shared Prosperity Investment Fund (UKSPF) Plan Programme

** Rural England Prosperity Fund (REPF)

Housing Revenue Account

The main spend on the HRA capital programme is the Home Improvement programme which maintains and keeps the housing stock in a decent condition.

Capital Programme Scheme	Annual Budget	Outturn	(Under)/ Over Spend	(Slippage) Accelerated Spend
	£'000	£'000	£'000	£'000
Home Improvement Programme	9,815	10,425	610	610
Estate Improvements	500	503	3	3
Other Capital Programmes	2,250	841	-1,409	-1,409
New Supply	3,013	602	-2,411	-2,411
TOTAL	**15,578**	**12,371**	**-3,207**	**-3,207**

Our Assets and Liabilities

Pension Liabilities

£15.6 million

This is how much the council owes across future years offset by the value of assets invested in the pension fund. Net liabilities increased by £4.6 million from the previous year and is now a pension liability of £15.6m.

The pension fund, which is a Local Government Pension Scheme, is revalued every three years to set the future contribution rates. The scheme was revalued in 2022.

38

Cash flow
£19.1 million

The Council's cash flow shows a decrease of £1.4 million in its cash and cash equivalents from the previous year. Generally, cash balances have been healthy throughout the year and the Council invests these in accordance with its Treasury Management Strategy Statement which aims to minimise risk to these balances.

Borrowing
£54.1 million

As at 31 March 2026 the Council has total external borrowing of £54.1 million (2025: £55.4m), a decrease of £1.3 million when compared with the previous year. Most of this borrowing was taken out to fund the Housing Revenue Account self-financing and are made up of Public Works Loan Board loans. All of our borrowing complies with the Prudential Code which means it is prudent, sustainable and affordable.

Provisions
£2.2 million

This provision for Business Rates appeals was created as a result of the adoption in 2013/14 of the Business Rates Retention scheme through which the Council bears part of the risk for future appeals. The Council's estimate of the value of outstanding appeals up to 31 March 2026 is £5.5 million (2024/25: £7.2 million), the value of appeals used in completing the Collection Fund position as at 31 March 2026. The Council receives 40% of business rates as part of the localised system and must therefore bear 40% of the appeals provision which is £2.2 million.

39

Financial health

The Council has maintained a good level of financial health but like all local authorities faces significant pressures from reduced funding and demand pressures.

Usable Revenue Reserves

Usable revenue reserves are the most recognised and accepted measure of Local Government financial health. They help the Council to cope with unpredictable financial pressures and plan for future spending commitments. The Council will continue to use reserves to balance competing pressures for example:

- Using reserves to offset funding reductions and protect services – although this can only be a short-term strategy as reserves are a one-off funding resource – the Medium Term Financial Plan Reserve is held to provide resources to meet anticipated funding reductions which will provide time and resources to adapt the authority for lower levels of funding
- Using reserves to provide 'one-off' expenditure to meet corporate priorities.
- Investing in making changes that reduce the cost of providing services in the longer-term.
- Increasing reserves to strengthen resilience against future, uncertain cost pressures.

General Fund usable revenue reserve balances at 31 March 2026 were £35 million, an increase of £6 million on the previous year.

The HRA has usable revenue reserves of £1.7 million, a decrease of £1.7 million compared with the previous year. The reason for the reduction is due to higher expenditure, in particular in relation to Responsive Repairs as there has been a focus on clearing the repairs backlog in year.

Funding Outlook

The Council has set its budget for 2026/27 in the context of a challenging economic and local government funding environment, alongside local operational pressures.

The 2026/27 budget benefits from increased Government funding, including changes arising from the Fair Funding Review and the business rates reset. As a result, the Council is able to set a balanced budget for 2026/27 and over the medium term without the need for significant savings. The Council has also benefited from strong historic business rates growth, which has generated a funding surplus in 2026/27. This surplus is being transferred to reserves to support future investment and maintain financial resilience.

Whilst the short-term position is stable, the Council continues to face a range of ongoing financial pressures. These include inflationary cost increases, particularly in pay, contracts and essential services, alongside rising service demands and specific cost pressures such as waste service changes, homelessness, and local government reorganisation. There remain uncertainties around future funding levels, particularly beyond the current settlement period and the end of transitional arrangements linked to funding reforms.

The Council's financial strategy for 2026/27 focuses on maintaining a sustainable cost base, reducing reliance on one-off funding for ongoing expenditure, and maximising income through council tax, fees and charges. A modest council tax increase has been approved, and fees and charges have been uplifted broadly in line with inflation to ensure cost recovery.

Reserves remain at an appropriate and prudent level and play a key role in supporting financial stability. The Council is using one-off resources to fund non-recurring expenditure and to invest in priorities, including the capital programme and a new Legacy Fund for community investment. The Council's approach includes building and maintaining reserves to support future capital investment and mitigate financial risks.

The Council continues to deliver its Transformation Programme, which is expected to improve efficiency, reduce costs and support long-term financial sustainability. This programme has already reduced the projected future funding gap and will remain a key component of the Council's financial planning.

Looking ahead, whilst the Council is well placed to deliver a balanced budget in the short term, there remains a potential financial challenge beyond 2028/29 when current funding arrangements and transitional protections are expected to end. The Council will therefore continue to focus on prudent financial management, long-term planning and maintaining resilience to respond to future funding uncertainty and cost pressures.

5. Risk Management

41

We have a Risk Management Policy in place which is used to direct the risk management approach of the council.

The overall objective of the Council's risk management approach is the identification, analysis, management and financial control of those risks which can impact on the Council's ability to pursue its approved delivery plan.

A Corporate Risk Register is regularly reviewed by the Audit and Governance Committee who note all updates and request additional feedback, if appropriate.

The Corporate Risk Register is a live document constantly under review to ascertain progress on managed risks and new risks that could impact on the Council. Our risk review cycle aligns with the service planning process and service risks monitored by service areas.

The Corporate Risk Group (CRG) is represented by each of the Council's services. The CRG identify new risks and review the corporate risk register, whilst the review of all risk management activity is part of the terms of reference of the Audit and Governance Committee. Risks are reported to Cabinet as part of the Quarterly Performance Management Report. In addition, all reports to Council, Cabinet and Committees have a risk management section for consideration of risks associated with specific decisions. All service areas and corporate projects maintain service and project-based risk registers.

The key risks are identified in the Council's corporate risk register and appropriate control measures are put in place to mitigate these risks.

6. Basis of preparation

When assessing what to include in these financial statements, the principle of materiality has been applied. This ensures that the core issues considered to have an impact on the council's strategies, governance, performance and aspirations in respect of matters such as the services it provides and the wellbeing of its local community, are presented. This includes matters that are ordinarily outside of the scope of financial reporting, but which are deemed to have a significant effect on the authority's ability to meet its objectives. Where information in this report is based on other information published by the council, it is prepared on that same basis and is reconcilable and referenced to that published information.

The Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required: -

- To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Head of Finance
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- To approve the Statement of Accounts.

The Responsibilities of the S151 Officer

The Section 151 Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice'). In preparing this Statement of Accounts, the S151 Officer 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 S151 Officer has also: -

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

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

29 June 2026

Anna Crouch
Head of Finance (Acting S151 Officer)

Date

Section 2 Core Statements

Core Statements

1. Introduction

The following pages summarise the financial activities of North West Leicestershire District Council for 2025/26. The Council's Accounts have been produced in accordance with the *Code of Practice on Local Authority Accounting 2025/26* and the Service Reporting Code of Practice 2025/26, supported by the International Financial Reporting Standards (IFRS). Explanatory notes to the accounts have been included to give further information where appropriate. The layout of the accounts follows the recommendations of the Code.

For 2025/26 the accounts consist of these 'core' Financial Statements:

- **Comprehensive Income and Expenditure Statement** which shows income and expenditure of all main services.
- **Movement in Reserves Statement** which shows the movement in the year on the different reserves held by the council analysed into 'usable' reserves

  (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves (i.e. those that cannot be used to fund expenditure)
- **Balance Sheet** which sets out the overall financial position of the council at 31 March 2026 showing its assets, liabilities and reserves
- **Cash Flow Statement** which summarises the movements of cash and cash equivalents into and out of the Council arising from transactions with third parties
- **Notes to the Core Financial Statements** which provide explanations of key figures within the statements.

Other key financial statements:

- **The Expenditure and Funding Analysis (EFA)** – This shows how annual expenditure is used and funded from resources by the Council in comparison with how those resources by the Council are consumed or earned by the Council. It also shows how this expenditure is allocated for the decision-making purposes between the council's portfolio holders
- **The Housing Revenue Account (HRA) Income & Expenditure Account** and **Statement of Movement on the HRA balance** – details income and expenditure on HRA services included in the whole Council Income & Expenditure Account and the latter reconciles the surplus for the year to the movement on the HRA balance.
- **The Collection Fund Income and Expenditure Account** – this fulfils the Council's Statutory requirement as a billing authority to maintain a separate Collection Fund showing transactions for the Council Tax and Non-Domestic Rates and how these have been distributed to precepting authorities and the General Fund.

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.

2024/25					2025/26		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Notes	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
0	(19)	(19)	Chief Executive		(4)	0	(4)
98	(42)	56	Human Resources & Organisational Development		118	(73)	45
1,035	(502)	534	Legal and Support Services		909	(308)	601
0	(14)	(14)	Strategic Director of Place		(15)	0	(15)
3,909	(345)	3,565	Property & Economic Regeneration		2,626	(662)	1,964
7,374	(3,957)	3,417	Planning		4,784	(2,684)	2,100
142	(165)	(23)	Joint Strategic Planning		163	(186)	(23)
14,066	(4,323)	9,743	Community Services		13,911	(4,365)	9,546
2,217	(1,347)	870	Strategic Housing		2,178	(1,388)	790
0	(10)	(10)	Strategic Director of Resources		(22)	0	(22)
275	(87)	188	Finance		526	(73)	453
13,709	(11,871)	1,838	Revenues & Benefits		12,088	(10,252)	1,836
115	(27)	88	ICT		257	(159)	98
0	(61)	(61)	Customer Services		(94)	(6)	(100)
152	(175)	(23)	Internal Audit		182	(218)	(36)
52	0	52	Business Change		129	(2)	127
1,546	(21)	1,526	Corporate and Democratic Core		1,503	(73)	1,430
144	0	144	Non Distributed Costs		(713)	0	(713)
18,004	(21,719)	(3,715)	Housing Services - HRA		21,982	(21,659)	323
62,840	**(44,684)**	**18,156**	**Cost of Services**		**60,508**	**(42,108)**	**18,400**
		3,211	Other Operating Expenditure	5			3,195
		(559)	Financing and Investment Income and Expenditure	6			(1,001)
		(34,650)	Taxation and Non-Specific Grant Income	7			(33,043)
		(13,843)	**(Surplus)/Deficit on Provision of Services**				**(12,449)**
		(5,432)	(Surplus)/Deficit on revaluation of non-current assets	14			1,336
		0	(Surplus)/Deficit on revaluation of available for sale financial assets				0
		25,618	Actuarial (gains)/losses on pension assets/liabilities	29			(14,460)
		20,186	**Other Comprehensive Income and Expenditure**				**(13,124)**
		6,344	**Total Comprehensive Income and Expenditure**				**(25,573)**

Movement in Reserves Statement

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

	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority reserves £'000
Balance as at 1 April 2024	**15,316**	**1,392**	**11,859**	**4,235**	**2,513**	**35,316**	**274,425**	**309,741**
Total Comprehensive Income and Expenditure	11,559	2,283	0	0	0	13,843	(20,186)	(6,344)
Adjustments between accounting basis and funding basis under regulations	2,073	(298)	1,418	(3,061)	(736)	(603)	603	(1)
Increase/(Decrease) in Year	**13,633**	**1,986**	**1,418**	**(3,061)**	**(736)**	**13,239**	**(19,584)**	**(6,344)**
Balance as at 31 March 2025	**28,950**	**3,378**	**13,277**	**1,174**	**1,777**	**48,556**	**254,840**	**303,396**
Total Comprehensive Income and Expenditure	10,931	1,518	0	0	0	12,449	13,124	25,573
Adjustments between accounting basis and funding basis under regulations	(4,941)	(3,208)	5,851	(1,128)	253	(3,173)	3,173	0
Increase/(Decrease) in Year	**5,990**	**(1,690)**	**5,851**	**(1,128)**	**253**	**9,276**	**16,297**	**25,573**
Balance at 31 March 2026 carried forward	**34,940**	**1,688**	**19,128**	**46**	**2,030**	**57,832**	**271,137**	**328,969**

Balance Sheet

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

The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use.

The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2025		NOTES	31 March 2026	
£'000			£'000	£'000
368,214	Property Plant and Equipment	8	368,786	
10,362	Investment Property	9	9,904	
1,052	Intangible Assets	8	1,167	
806	Heritage Assets	8	872	
1,228	Surplus Assets	8	1,881	
422	Right of Use Assets	27	394	
382,084	**Long Term Assets**			**383,004**
10,000	Short Term Investments	30	14,000	
150	Inventories		145	
16,150	Short Term Debtors	10	20,656	
20,466	Cash and Cash Equivalents	11	19,105	
46,766	**Current Assets**			**53,906**
(1,297)	Short Term Borrowing	30	(1,327)	
(20,115)	Short Term Creditors	12	(24,283)	
(717)	Provisions	31	(899)	
(22,130)	**Current Liabilities**			**(26,509)**
(54,020)	Long Term Borrowing	30	(52,696)	
(2,575)	Other Long Term Liabilities	31	(1,702)	
(35,116)	Pension Liability	29	(15,628)	
(2,315)	Revenue Grants Receipt In Advance		(2,308)	
(9,252)	Capital Grants Receipt In Advance	24	(9,059)	
(46)	Deferred Liabilities	30	(39)	
(103,324)	**Long Term Liabilities**			**(81,432)**
303,396	**Net Assets**			**328,969**
28,950	General Fund Balance		34,940	
3,378	Housing Revenue Account		1,688	
13,277	Capital Receipts Reserve		19,128	
1,174	Major Repairs Reserve		46	
1,777	Capital Grants Unapplied		2,030	
48,556	**Usable Reserves**			**57,832**

Balance Sheet

31 March 2025 £'000		NOTES	31 March 2026 £'000	£'000
145,100	Revaluation Reserve	14	139,702	
150,817	Capital Adjustment Account	14	155,479	
(927)	Financial Instruments Adjustment Account	14	(900)	
(35,116)	Pension Reserve	14	(15,628)	
(4,800)	Collection Fund Adjustment Account	14	(7,245)	
(234)	Accumulated Absences Account	14	(271)	
254,840	**Unusable Reserves**			**271,137**
303,396	**Total Reserves**			**328,969**

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 from the recipients of services provided by the Council.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery.

Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

2024/25 £'000	Direct Method	NOTES	2025/26 £'000
13,843	**Net surplus or (deficit) on the provision of services**		**12,449**
3,658	Adjustments to net surplus or deficit on the provision of services for non-cash movements	15	9,483
(2,892)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	15	(10,639)
14,608	**Net Cash flows from operating activities**		**11,293**
(6,191)	Net Cash flows from Investing Activities	16	(13,169)
6,255	Net Cash flows from Financing Activities	17	515
14,672	**Net increase or (decrease) in cash and cash equivalents**		**(1,361)**
5,794	Cash and cash equivalents at the beginning of the reporting period		20,466
20,466	**Cash and cash equivalents at the end of the reporting period**	11	**19,105**

Section 3 Notes to the Core Financial Statements

Notes to the accounts

Accounting policies

1. General Principles

The Statement of Accounts has been prepared with reference to the objective of showing the results of the stewardship and accountability of elected members and management for the resources entrusted to them, and on the underlying assumption of a going concern basis.

The Statement of Accounts summarises the Council's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026.

The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which requires the statement to be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the Local Government Act 2003.

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

The Council's accounting policies are updated annually to reflect any changes in IFRS, including changes in International Public Sector Accounting Standards (IPSAS), HM Treasury guidance, CIPFA guidance or any other change in statute, guidance or framework impacting on the Council's accounts.

In December 2024, CIPFA issued a consultation on the 2025/26 Code of Practice which will apply to the 2025/26 Statement of Accounts. [Consultation on the 2025/26 Code of Practice on Local Authority Financial Reporting in the UK]

In the Exposure drafts, CIPFA details the amendments to IFRS 16 Lease liabilities for sale and lease back transactions. In common with many other local authorities, the Council has decided to implement IFRS 16 in 2025/26 in line with the mandatory deadline. CIPFA also confirms the contents of the Narrative Statement.

The Council's accounting policies as far as possible have been developed to ensure that the accounts are understandable, relevant, free from material error or misstatement, reliable and comparable, and are applied consistently. A glossary of terms can be found at the end of this document.

The concept of going concern assumes that the Council's functions and services will continue in operational existence for the foreseeable future. The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which the Council operates. If the Council was in financial difficulty, the prospects are that alternative arrangements might be made by central government either for the continuation of the services it provides, the provision of exceptional financial support, or for assistance with the recovery of a budget deficit over more than one financial year. These provisions confirm that, as Councils cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in this note, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in preparing the Statement of Accounts are as follows:

• Funding environment and financial sustainability – There remains uncertainty around future levels of funding for local government. However, the Council has determined that this uncertainty is not sufficient to indicate that the assets of the Council may be impaired or that services will be discontinued.

• Partnership and shared service arrangements – The Council operates a number of shared service and partnership arrangements. Judgement is applied in determining the appropriate accounting treatment, including whether the Council has control or joint control over these arrangements.

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 24 hours.

Cash equivalents are highly liquid investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

4. Exceptional items

When items of income and expense 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

Services, support services and trading accounts are debited with the following amounts to record the 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 Reserve 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 fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund balance (Minimum Revenue Provision) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

MRP has previously being determined as 4% of the opening balance for the financial period (the Regulatory Method). Going forward the Section 151 Officer has revised this policy for 2019/20 onwards to the asset life method, based on Option 3 of the MHCLG guidance, whereby MRP is determined by reference to the useful life of the asset.

7. Council tax and non-domestic rates (England)

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves.

Billing authorities are required by statute to maintain a separate fund (the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the Council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

8. Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end.

They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g., cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

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.

Post-employment Benefits

Employees of the Council are members of the Local Government Pensions Scheme, administered by Leicestershire County Council. The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Leicestershire County Council pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bonds.
- The assets of Leicestershire County Council pension fund attributable to the Council are included in the Balance Sheet at their fair value:
    - Quoted securities – current bid price
    - Unquoted securities – professional estimate
    - Unitised securities – current bid price
    - Property – market value.

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

- Service cost comprising:
    - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
    - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.
    - Net interest on the net defined benefit liability (asset), i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- Re-measurements comprising:
    - The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- Contributions paid to the Leicestershire County Council pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

57

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

Discretionary Benefits

The Council 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.

9. 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.

10. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and 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 rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

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.

Financial Assets

Financial assets are classified using an approach that is based on 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).

There are some exceptions, where the Council holds strategic investments to help it meet other policy objectives, such as the support of economic development in the district.

This means that some investments are ones where contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets measured at amortised cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

The Council has not given any loans to external or voluntary organisations, nor provided guarantees against loans they have received from financial institutions.

When soft loans are made, a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement. Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected credit loss model

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

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

Financial assets measured at Fair Value through Profit or Loss (FVPL)

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

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

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

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

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

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

An equity instrument can be elected into a FVOCI treatment rather than a FVPL treatment if it is not held for trading. The Council has reviewed its assets that would be measured at FVPL on the basis of the business model and has elected to classify instruments as either FVPL or FVOCI on an instrument-by-instrument basis based on the assessed benefit to the council from the chosen classification.

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.

11. 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 in the form of 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 and Expenditure (non-ringfenced 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.

12. Heritage Assets

The Council has three heritage assets which are held in support of increasing the knowledge, understanding and appreciation of the Council's history and local area. These are Moira Furnace, a listed monument of historical interest located in Moira, the Memorial Clock Tower, a Grade II listed building that services as a historic war memorial located in the centre of Coalville and the 'Heart of the Forest' Sculpture in Ashby.

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.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment – see note 18. The Council will occasionally dispose of heritage assets. The proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts (again see note 18 below).

13. Intangible Assets

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

Intangible assets are measured initially at cost. Previously, amounts were only revalued where the fair value of the assets held by the Council were determined by reference to an active market. In accordance with the 2025/26 Code, intangible assets are measured at historical cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves
Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

14. Inventories and Long-term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the weighted average costing formula. 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.

15. Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value, 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.

16. Leases

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

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

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

The Council as Lessee Finance Leases

From 1 April 2024, North West Leicestershire District Council has applied IFRS 16 Leases as adopted by the CIPFA Code of Practice on Local Authority Accounting. The new accounting standard requires that the rights to use items acquired under all leases are recognised as assets on the Balance Sheet, together with a liability for the payments to be made for the acquisition. Previously this was only done for leases where the Council acquired substantially all the risks and rewards of ownership of the leased item (finance leases).

At the commencement of a lease, a liability is recognised for the obligation to make future payments (discounted to their present value using the interest rate implicit in the lease or (where this is not readily determinable) our incremental borrowing rate. The right acquired under the lease to use the leased item is recognised as an asset, measured on the commencement date at cost based on the lease liability plus any payments made before that date. Initial direct costs of the Council are added to the carrying amount of the asset. Liabilities are recalculated where rents change as a result of a change in an index or rate used to determine future payments. Adjustments to liabilities are matched with adjustments to the cost of the right-of-use asset.

Lease payments are apportioned between: a charge for the acquisition of the right to use the property, plant or equipment which is applied to write down the lease liability, and a finance charge which is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Right-of-use assets recognised under leases are accounted for using the policies applied generally to Property, Plant and Equipment assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life. This will include valuation where the cost model does not provide a reliable proxy for the current value of the right-of-use asset. The Council is not required to use council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Therefore, the Minimum Revenue Provision arrangements also apply to leased assets. Where leases are for items of low value, or the lease term is less than 12 months from commencement, amounts paid under the lease are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased item. For this purpose, the Council has determined that items with a value of less than £10k when new are low value. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments.

Operating leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is recognised in the Comprehensive Income and Expenditure Statement on a straight -line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease).

17. Overheads and Support Services

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

18. Property, plant and equipment

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

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accrual's basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

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

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

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

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income and
Expenditure line of the Comprehensive Income and Expenditure Statement unless the donation has been made conditionally.

Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund and the Balance taken to the Capital Adjustment Account in the Movement in Reserves Statement.

From 1 April 2025, in line with the 2025/26 Code, Property, Plant and Equipment are subject to a mandatory five-year revaluation cycle (or five-year rolling basis) supported by appropriate indexation in intervening years. Where no suitable index exists, a desktop valuation may be used in year three. A full revaluation is not the default method to evidence the absence of impairment; proportionate impairment assessments apply. Transitional arrangements allow prospective application without restatement of prior years.

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

- Infrastructure, community assets and assets under construction – depreciated historical cost
- Dwellings – current value, determined using the basis of existing use value for social housing (EUV– SH)
- Council offices – current value, determined as the amount that would be paid for the asset in its existing use (existing use value EUV), except for a few offices that are situated close to
  the Council’s housing properties, where there is no market for office accommodation, and that are measured at depreciated replacement cost (instant build) as an estimate of current value
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant’s perspective
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value. Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a service.

- Where decreases in value are identified, they are accounted for by:
- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down

against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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

Impairment

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

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

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.
- Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain community assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases – straight-line allocation over the useful life of the property as estimated by the valuer.

Where an item of property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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

Disposals and non-current assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on the Provision of Services. Depreciation is not charged on assets held for sale.

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

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale.

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

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts.

A proportion of capital receipts relating to housing disposals is payable to the government (50% for land and other assets, net of statutory deductions and allowances and for dwellings, amounts determinable under the Right to Buy and One for One Agreement that the Council signed in 2012). The balance of receipts remains within the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the 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 in the Movement in Reserves Statement.

19. Provisions, contingent liabilities, and contingent assets

Provisions

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

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Council has an obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

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

Contingent liabilities

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

Contingent assets

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

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 transferring amounts out of the General Fund Balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund Balance so that there is no net charge against council tax for the expenditure.

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

21. Revenue Expenditure Funded from Capital under Statute

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

22. VAT

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

23. Accounting standards that have been issued but have not yet been adopted

The Council is required to disclose information relating to the impact of changes in accounting standards on the financial statements as a result of new standards that have been issued but are not yet required to be adopted. In the 2025/26 accounts, the Council is required to disclose the following changes to Accounting Standards which may have an impact on the Council's accounts in 2025/26.

There are no accounting standards issued but not yet adopted that are expected to have a material impact on the Council's 2025/26 financial statemens,

Notes to core financial statement

1 Critical Judgements In Applying Accounting Policies

In applying the accounting policies set out in Section 3, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statements of Accounts are:

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 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.

2 Assumptions Made About The Future and Other Major Sources of Estimation Uncertainty

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

The items in the Council's Balance Sheet at 31 March 2026 for which there is a significant risk of adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Property, Plant and Equipment	Asset valuations for the council's property portfolio are based on market prices and are reviewed annually to ensure that the Council does not materially misstate its non-current assets. The Council's external valuers provided valuations as at 31 March 2026. The carrying value of Property, Plant and Equipment at 31 March 2026 is £369m.	A reduction in the estimated valuations would result in reductions to the Revaluation Reserve and/or a loss as appropriate in the Comprehensive Income and Expenditure Statement. If the value of the Council's properties were to reduce by 10%, this would result in a charge to the Comprehensive Income and Expenditure Statement and/or Revaluation Reserve of approximately of £36.9m.

Notes to core financial statement

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions Liability	Estimation of the net pension liability 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. An independent firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied, although ultimate responsibility for forming these assumptions remains with the Authority. The carrying amount of the net pension liability at 31 March 2026 is £15.628m.	The effects on the net pensions liability are included in Note 29. The Council's actuaries provide an annual statement of the pension liabilities and assets, which includes the liability linked to leisure staff that were transferred to Everyone Active In May 2019.
Business Rates Appeals Provision	Since the 1 April 2013, Local Authorities are liable for successful appeals against business rates charged to businesses in proportion to their share (40%). There was £7k outstanding in the 2017 list of appeals with the Valuation Office Agency at 31 March 2026. An appeals provision of £5.53 m is held in the Collection Fund currently to counter the potential impact of successful appeals in future years. The Council has exercised judgement in determining the level of provision required for outstanding business rates appeals. This involves estimating the likelihood of success and the value of appeals based on historic trends and Valuation Office Agency data.	If the estimated success rate of existing appeals increased in monetary value by 10%, then this would require the Council to increase its share of the provision for appeals by an approximate £221k. The provision is held within the Collection Fund and reflects the Council's share of the total liability.
Arrears	Each year the Council reviews the significant balances for Council Tax, Business Rates and sundry debtor arrears. Officers make a judgement on the likelihood of these debts being repaid in the future based on a number of factors, including the age of debts, past experience and the economic climate. We cannot be certain that the current allowance will be sufficient. The Council has exercised judgement in assessing the recoverability of outstanding debts, including council tax, business rates and sundry debtors, based on collection rates, the age of debts and prevailing economic conditions.	If collection rates were to deteriorate, a doubling of the amount of impairment of doubtful debts would require an additional £1.07m for Council Tax debts, and £1.69m for business rates to be set aside as an allowance.

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

Notes to core financial statement

3 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

	Usable Reserves					
2025/26	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserves £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:						
Charges for depreciation and impairment of non-current assets	1,201	3,851				(5,052)
Revaluation gains and (losses) on Property Plant and Equipment	(2,150)	2,127				23
Movements in the market value of Investment Properties	552	(11)				(541)
Amortisation of intangible assets	173					(173)
Depreciation of Heritage Assets	17					(17)
Capital grants and contributions applied	(1,584)	(2,710)				4,294
Transfer of depreciation to Major Repairs Account		(3,851)		3,851		0
Revenue expenditure funded from capital under statute	1,178					(1,178)
Principal Repaid on Self Financing Loans		(1,318)				1,318
Amount of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	622	5,724				(6,346)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	(1,193)					1,193
Capital expenditure charged against the General Fund and HRA balances	(1,582)					1,582
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(253)				253	

2025/26 - continued	Usable Reserves General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserves £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
Adjustments primarily involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement		(6,369)	6,369			
Use of the Capital Receipts Reserve to finance new capital expenditure			(518)			518
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals						
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool						
Transfer from Deferred Capital Receipts Reserve upon receipt of cash						
Adjustments primarily involving the Deferred Capital Receipts Reserve:						
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement						
Adjustment involving the Major Repairs Reserve:						
Use of the Major Repairs Reserve to finance new capital expenditure				(4,979)		4,979
Adjustments involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from the finance costs chargeable in the year in accordance with statutory requirements	(27)					27
Adjustments involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(623)	565				58
Employer's pensions contributions and direct payments to pensioners payable in the year	(3,723)	(1,246)				4,969
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	2,445					(2,445)

Notes to core financial statement

2025/26 - continued	Usable Reserves					
	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserves £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
Adjustments involving the Accumulated Absences Account:						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	6	30				(36)
Adjustments involving the Collection Fund Adjustment Account:						
Total Adjustments	**(4,941)**	**(3,208)**	**5,851**	**(1,128)**	**253**	**3,173**

Notes to core financial statement

2024/25	Usable Reserves General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserves £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:						
Charges for depreciation and impairment of non-current assets	1,398	3,653				(5,051)
Revaluation gains and (losses) on Property Plant and Equipment	(178)	1,224				(1,046)
Movements in the market value of Investment Properties	(458)	0				458
Amortisation of intangible assets	39	136				(175)
Depreciation of Heritage Assets						0
Capital grants and contributions applied	(1,849)					1,849
Transfer of depreciation to Major Repairs Account		(3,789)		3,789		0
Revenue expenditure funded from capital under statute	2,514					(2,514)
Principal Repaid on Self Financing Loans		(1,262)				1,262
Amount of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1)	2,323				(2,322)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	(1,225)					1,225
Capital expenditure charged against the General Fund and HRA balances	(2,446)					2,446
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	736				(736)	

Notes to core financial statement

2024/25 - continued	Usable Reserves General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserves £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
Adjustments primarily involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(21)	(2,134)	2,155			
Use of the Capital Receipts Reserve to finance new capital expenditure			(737)			737
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals						
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool						
Transfer from Deferred Capital Receipts Reserve upon receipt of cash						
Adjustments primarily involving the Deferred Capital Receipts Reserve:						
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement						
Adjustment involving the Major Repairs Reserve:						
Use of the Major Repairs Reserve to finance new capital expenditure				(6,850)		6,850
Adjustments involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from the finance costs chargeable in the year in accordance with statutory requirements	(27)					27
Adjustments involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	1,628	678				(2,306)
Employer's pensions contributions and direct payments to pensioners payable in the year	(3,724)	(1,058)				4,782

Notes to core financial statement

2024/25 - continued	Usable Reserves General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserves £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
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	5,913					(5,913)
Adjustments involving the Accumulated Absences Account:						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(226)	(68)				294
Adjustments involving the Collection Fund Adjustment Account:						
Total Adjustments	**2,073**	**(298)**	**1,418**	**(3,061)**	**(736)**	**603**

Notes to core financial statement

4 Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans into the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2025/26.

	Balance at 31/3/2024 £'000	Transfers Out 2024/25 £'000	Transfers In 2024/25 £'000	Balance at 31/3/2025 £'000	Transfers Out 2025/26 £'000	Transfers In 2025/26 £'000	Balance at 31/3/2026 £'000
		Restated		*Restated*			
General Fund:							
General reserves	5,457	(2,847)	16,550	**19,160**	(2,439)	8,318	**25,039**
Ivanhoe Sinking Fund	0	0	0	**0**	0	0	**0**
Hermitage Recreation Ground - 3G Pitch	0	0	0	**0**	0	0	**0**
Hermitage Recreation Ground Maintenance Fund	0	0	0	**0**	0	0	**0**
Asset Protection Fund	(0)	0	0	**(0)**	0	0	**(0)**
Total	**5,457**	**(2,847)**	**16,550**	**19,160**	**(2,439)**	**8,318**	**25,039**
HRA:							
General Earmarked Reserves	115	0	0	**115**	0	0	**115**
Total	**115**	**0**	**0**	**115**	**0**	**0**	**115**

Notes to core financial statement

5 Other Operating Expenditure

2024/25 £'000		2025/26 £'000
3,046	Parish Council Precepts	3,218
0	Payments to the Government Housing Capital Receipts Pool	0
165	(Gains)/losses on the disposal of non-current assets	(23)
3,211	**Total**	**3,195**

6

2024/25 £'000		2025/26 £'000
1,970	Interest payable and similar charges	1,939
(659)	Pensions interest cost and expected return on pensions assets	(2,280)
(1,912)	Interest receivable and similar income	(1,791)
43	Income and expenditure in relation to investment properties	1,131
(559)	**Total**	**(1,001)**

7

2024/25 £'000		2025/26 £'000
(9,633)	Council tax income	(10,163)
(18,116)	Non domestic rates	(13,537)
(3,229)	Non-ring fenced government grants	(4,617)
(3,672)	Capital grants and contributions	(4,726)
(34,650)	**Total**	**(33,043)**

Notes to core financial statement

8 Movements on Assets

Costs	Council Dwelling £'000	Other Land and Buildings £'000	Vehicle, Plant, Furniture and Equipment £'000	Community Assets £'000	Assets Under Construction £'000	Total Property Plant and Equipment £'000	Surplus Assets £'000
Cost or Valuation							
At 1 April 2025	317,681	45,722	13,320	172	230	377,125	1,228
Additions	12,074	387	266	0	280	13,007	273
Accumulated impairment & depreciation written-off to Gross book Value	0	(609)	0	0	0	(609)	0
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(5,032)	1,608	0	0	0	(3,424)	105
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(3,779)	1,904	0	0	0	(1,875)	896
Derecognition - Disposals	(5,792)	0	0	0	0	(5,792)	0
Derecognition - Other	0	0	0	0	0	0	(621)
Assets reclassified	0	(56)	0	0	0	(56)	0
At 31 March 2026	315,152	48,956	13,586	172	510	378,376	1,881

Accumulated Depreciation and Impairment	Council Dwelling £'000	Other Land and Buildings £'000	Vehicle, Plant, Furniture and Equipment £'000	Community Assets £'000	Assets Under Construction £'000	Total Property Plant and Equipment £'000	Surplus Assets £'000
At 1 April 2025	(0)	(24)	(8,887)	0	0	(8,911)	0
Depreciation charge	(3,705)	(598)	(700)	0	0	(5,003)	0
Accumulated depreciation written-off to Gross book value	0	610	0	0	0	610	0
Depreciation written out to the Revaluation Reserve	1,976	6	0	0	0	1,982	0
Depreciation written out to the Surplus/ Deficit on the Provision of Services	1,662	3	0	0	0	1,665	0
Impairment losses/(reversals) recognised in the Revaluation Reserve	0	0	0	0	0	0	0
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0
Derecognition - Disposals	67	0	0	0	0	67	0
Derecognition - Other	0	0	0	0	0	0	0
At 31 March 2026	(0)	(3)	(9,587)	0	0	(9,590)	0
Net Book Value							
At 31 March 2026	**315,152**	**48,953**	**3,999**	**172**	**510**	**368,786**	**1,881**
At 31 March 2025	**317,681**	**45,698**	**4,433**	**172**	**229**	**368,214**	**1,228**

Notes to core financial statement

Comparative Movements

Costs	Council Dwelling £'000	Other Land and Buildings £'000	Vehicle, Plant, Furniture and Equipment £'000	Community Assets £'000	Assets Under Construction £'000	Total Property Plant and Equipment £'000	Surplus Assets £'000
Cost or Valuation							
At 1 April 2024	311,989	45,694	12,393	172	388	370,635	1,086
Additions	7,454	393	927	0	28	8,802	0
Accumulated impairment & depreciation written-off to Gross book Value	0	(461)	0	0	0	(461)	(23)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	1,739	(8)	0	0	0	1,731	142
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(1,452)	102	0	0	0	(1,351)	23
Derecognition - Disposals	(2,003)	0	0	0	0	(2,003)	0
Derecognition - Other	0	(342)	0	0	0	(342)	0
Assets reclassified	(45)	346	0	0	(186)	114	0
At 31 March 2025	317,681	45,722	13,320	172	229	377,126	1,228

Notes to core financial statement

Comparative Movements

Accumulated Depreciation and Impairment	Council Dwelling £'000	Other Land and Buildings £'000	Vehicle, Plant, Furniture and Equipment £'000	Community Assets £'000	Assets Under Construction £'000	Total Property Plant and Equipment £'000	Surplus Assets £'000
At 1 April 2024	0	(5)	(8,039)	0	0	(8,044)	0
Depreciation charge	(3,640)	(490)	(849)	0	0	(4,979)	0
Accumulated depreciation written-off to Gross book value	0	463	0	0	0	463	0
Depreciation written out to the Revaluation Reserve	3,405	2.504	0	0	0	3,407	0
Depreciation written out to the Surplus/ Deficit on the Provision of Services	212	0	0	0	0	212	0
Impairment losses/(reversals) recognised in the Revaluation Reserve	0	0	0	0	0	0	0
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	0	7	0	0	0	7	0
Derecognition - Disposals	23	0	0	0	0	23	0
Derecognition - Other	0	0	0	0	0	0	0
At 31 March 2025	**(0)**	**(24)**	**(8,887)**	**0**	**0**	**(8,912)**	**0**

Notes to core financial statement

8 Intangible Assets

2024/25 £'000		2025/26 £'000
2,995	Gross Carrying Amount (GCA) B/fwd 01/04	3,350
355	Additions	289
3,350	**Gross Carrying Amount B/Fwd**	**3,639**
(2,123)	Accumulated Amortisation & Impairment B/fwd	(2,299)
(175)	Amortisation in year	(173)
(2,298)	**Accumulated Amortisation & Impairment C/fwd**	**(2,472)**
1,052	**Net Carrying Amount Cfw**	**1,167**

8 Heritage Assets

2024/25 £'000		2025/26 £'000
814	Gross Carrying Amount (GCA) B/fwd 01/04	813
300	Additions	746
(16)	Accumulated Depreciation write/off to GCV	(12)
0	Revaluation Recognised in Revaluation Reserve	0
(285)	Revaluation Recognised in Surplus/Deficit	(663)
813	**Gross Carrying Amount (GCA) C/fwd**	**884**
(6)	Accumulated Depreciation & Impairment B/Fwd @ 0	(7)
(17)	Depreciation Charge in year	(17)
16	Accumulated Depreciation WO to GCV	12
(7)	**Depreciation C/fwd**	**(12)**
806	**Net Book Value at 31 March**	**872**

Notes to core financial statement

84

Fixed Assets Valuation

The fixed assets shown in the Balance Sheet are valued on the basis recommended by CIPFA and in accordance with the Statements of Asset Valuation Principles and Guidance Notes issued by the Royal Institute of Chartered Surveyors (RICS). Fixed assets are classified into the groupings required by the Code of Practice. The different types of assets have been valued on the following basis:

(i) Operational assets are included in the balance sheet at open market value in existing use or depreciated replacement cost where the asset is of a specialist nature, i.e. there is no market for such an asset.

(ii) Non-operational assets, including investment properties and assets that are surplus to requirements, are included in the balance sheet at open market value.

(iii) Infrastructure and community assets are included in the balance sheet at historic cost, net of any depreciation.

(iv) Council dwellings have been valued using the beacon principal, where a typical property is valued as being representative of a particular house type and location. The valuation for each of the beacon properties selected was on the basis of existing use value – Social Housing.

Category	Date of Last Valuation	Basis of Valuation	Details of Valuers
Council Dwellings	31.03.26	The valuations have been made in accordance with the RICS Appraisal and Valuation manual as published by the Royal Institute of Chartered Surveyors. In the case of housing stock this is based upon Existing Use Value for Social Housing.	Mr G Harbord (MA,MRICS,IRRV) Wilks Head and Eve
Other Land & Building	31.03.26	The valuations have been made in accordance with the RICS Appraisal and Valuation manual as published by the Royal Institute of Chartered Surveyors.	Mr G Harbord (MA,MRICS,IRRV) Wilks Head and Eve

Major fixed assets held at 31 March 2024, are:-

2024/25 No		2025/26 No
	Leisure Centres	
2	Leisure Centres with Pools	2
2	Markets	2
4	Cemeteries	4
	Council dwellings	
2,345	Houses	2,282
915	Flats and Maisonettes	915
820	Bungalows	820
	Land	
108	Parks and Open Spaces (acres)	108
	Other	
1	Office Properties	1
3	Depots	3
18	Off Street Car Parks	18
4	Public Conveniences	4
12	Industrial Estates/Business Units	12

Notes to core financial statement

9 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.

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

2024/25 £'000		2025/26 £'000
727	Rental income from investment property	697
(1,219)	Direct operating expenses arising from investment property	(1,262)
(493)	**Net gain/(loss)**	**(565)**

The following table summarises the movement in the fair value of investment properties over the year.

2024/25 £'000		2025/26 £'000
9,608	Balance at the start of the year	10,362
	Additions:	
0	Purchases	0
296	Construction	27
0	Subsequent expenditure	0
0	Disposals	0
458	Net gains/(losses) from fair value adjustments	(541)
	Transfers:	
0	To/from Inventories	0
0	To/from Property, Plant and Equipment	56
0	Other changes	0
10,362	**Balance at the end of the year**	**9,904**

Notes to core financial statement

10 Short-Term Debtors

31 March 2025 £'000		31 March 2026 £'000
5,468	Central Government bodies	7,642
5,208	Other local authorities	8,336
384	Public Corporations and trading funds	526
5,090	Other entities and individuals	4,152
16,150	**Total Short-Term Debtors**	**20,656**

11 Cash and Cash Equivalents

31 March 2025 £'000		31 March 2026 £'000
0	Cash held by the Council	0
966	Bank current accounts	2,105
19,500	Short-term deposits and Money Market Funds	17,000
20,466	**Total Cash and Cash Equivalents**	**19,105**

12 Short-Term Creditors

31 March 2025 £'000		31 March 2026 £'000
969	Central Government bodies	3,267
10,588	Other local authorities	9,579
1,582	Public Corporations and trading funds	5,842
6,976	Other entities and individuals	5,595
20,115	**Total Short-Term Creditors**	**24,283**

Notes to core financial statement

13 Usable Reserves

The Council's usable reserves are detailed in the Movement in Reserves Statement.

14 Unusable Reserves

31 March 2025 £'000		31 March 2026 £'000
145,100	Revaluation Reserve	139,702
150,817	Capital Adjustment Account	155,479
(927)	Financial Instruments Adjustment Account	(900)
(35,116)	Pensions Reserve	(15,628)
(4,800)	Collection Fund Adjustment Account	(7,245)
(234)	Accumulated Absences Account	(271)
254,839	**Total Unusable Reserves**	**271,137**

<u>Revaluation Reserve</u>

2024/25 £'000		2025/26 £'000
142,019	**Balance at 1 April**	**145,100**
6,124	Upward revaluation of assets	7,782
(692)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(9,118)
5,432	**Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services**	**(1,336)**
(1,604)	Difference between fair value depreciation and historical cost depreciation	(1,699)
(747)	Accumulated gains on assets sold or scrapped	(2,363)
(2,351)	Amount written off to the Capital Adjustment Account	**(4,062)**
145,100	**Balance at 31 March**	**139,702**

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

- Revalued downwards or impaired and the gains are lost;
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

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

<u>Capital Adjustment Account</u>

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling posting from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 3 provides details of the source of all transactions posted to the Account, apart from those involving the Revaluation Reserve.

2024/25 £'000		2025/26 £'000	2025/26 £'000
144,749	**Balance at 1 April**		**150,817**
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
(5,051)	Charges for depreciation and impairment of non-current assets	(5,069)	
(1,046)	Revaluation (losses)/gain on Property, Plant and Equipment	22	
(175)	Amortisation of Intangible assets	(173)	
(2,514)	Revenue expenditure funded from capital under statute	(1,178)	
(2,323)	Amounts of non-current assets written off on disposal or sale as part of the gains/loss on disposal to the Comprehensive Income and Expenditure Statement	(6,346)	
747	Write-out of gains relating to revalued disposed assets	2,363	
1,604	Write-out of depreciation on revalued assets (HCA)	1,699	
(8,759)			(8,682)
	Capital financing applied in the year:		
737	Use of Capital Receipts Reserve to finance new capital expenditure	518	
6,850	Use of the Major Repairs Reserve to finance new capital expenditure	4,980	
1,154	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	4,270	
1,262	Repayment of Debt	2,511	
696	Application of grants to capital financing from the Capital Grants Unapplied Account	24	
1,225	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	0	
2,446	Capital expenditure charged against the General Fund and HRA balances	1,582	
14,369			13,885
458	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		(541)
0	Movement in the Donated Assets Account credited to the Comprehensive Income and Expenditure Statement		0
150,817	**Balance at 31 March**		**155,479**

Notes to core financial statement

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employee 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.

A debit balance on the Pensions Reserve shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2024/25 £'000		2025/26 £'000
(11,974)	**Balance at 1 April**	**(35,116)**
22,792	Actuarial gains or losses on pensions assets and liabilities	(2,760)
(2,306)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	58
4,782	Employer's pensions contributions and direct payments to pensioners payable in the year	4,970
(48,410)	Effect of asset ceiling	17,220
(35,116)	**Balance at 31 March**	**(15,628)**

Financial Instruments Adjustment Account

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

Notes to core financial statement

2024/25 £'000		2025/26 £'000
(954)	**Balance at 1 April**	**(927)**
	Premiums incurred in the year and charged to the Comprehensive Income and Expenditure Statement	
27	Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	27
0	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
(927)	**Balance at 31 March**	**(900)**

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax/Rates income in the Comprehensive Income and Expenditure Statement as it falls due from Council Tax/Rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

Council Tax

2024/25 £'000		2025/26 £'000
53	**Balance at 1 April**	**(10)**
(63)	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	0
(10)	**Balance at 31 March**	**(10)**

Non-Domestic Rates

2024/25 £'000		2024/25 £'000
1,060	**Balance at 1 April**	**(4,789)**
(5,850)	Amount by which Non-Domestic Rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(2,446)
(4,789)	**Balance at 31 March**	**(7,235)**

Notes to core financial statement

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2024/25 £'000		2025/26 £'000
(528)	**Balance at 1 April**	**(234)**
	Settlement or cancellation of accrual made at the end of the preceding year	
294	Amounts accrued at the end of the current year	(37)
0	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0
(234)	**Balance at 31 March**	**(271)**

91

Notes to core financial statement

15 Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2024/25 £'000		2025/26 £'000
1,912	Interest received	1,791
(1,970)	Interest paid	(1,939)
0	Dividends received	0
(57)		**(148)**

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

2024/25 £'000		2025/26 £'000
5,051	Depreciation	5,069
692	Impairment and downward valuations	(22)
175	Amortisation	173
3,413	Increase/(decrease) in creditors	(990)
(2,648)	(Increase)/decrease in debtors	(1,305)
(8)	(Increase)/decrease in inventories	5
(4,718)	Movement in pension liability	(516)
2,323	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	6,346
(622)	Other non-cash items charged to the net surplus or deficit on the provision of services	723
3,658		**9,483**

Notes to core financial statement

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

2024/25 £'000		2025/26 £'000
0	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	0
(2,156)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(6,369)
(736)	Any other items for which the cash effects are investing or financing cash flows	(4,270)
(2,892)		**(10,639)**

16 Cash Flow Statement - Investing Activities

2024/25 £'000		2025/26 £'000
0	Purchase of property, plant and equipment, investment property and intangible assets	(15,538)
(5,509)	Purchase of short-term and long-term investments	(4,000)
2,156	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	6,369
(2,838)	Other receipts from investing activities	0
(6,191)	**Net cash flows from investing activities**	**(13,169)**

17 Cash Flow Statement - Financing Activities

2024/25 £'000		2025/26 £'000
(1,269)	Repayments of short- and long-term borrowing	(1,326)
7,524	Other payments for financing activities	1,841
6,255	**Net cash flows from financing activities**	**515**

Notes to core financial statement

18 Expenditure and Income Analysed by Nature

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

2024/25 £'000	Expenditure/Income	2025/26 £'000
	Expenditure	
24,369	Employee expenses	25,607
35,388	Other services expenses	34,491
6,451	Depreciation, amortisation, impairment	6,270
(659)	Net pension interest	(2,280)
1,970	Interest payments	1,939
3,046	Precepts and levies	3,218
0	Payments to Housing Capital Receipts Pool	0
165	(Gain) / Loss on the disposal of assets	(23)
70,730	**Total Expenditure**	**69,222**
	Income	
(32,758)	Fees, charges and other service income	(34,050)
(1,912)	Interest and investment income	(1,791)
(27,749)	Income from Council Tax and Non-Domestic Rates	(23,700)
(20,198)	Government Grants and Contributions	(17,404)
(1,955)	Capital Grants and Contributions	(4,726)
(84,573)	**Total Income**	**(81,671)**
(13,843)	**(Surplus) or deficit on the Provision of Services**	**(12,449)**

Notes to core financial statement

External income received by service

2024/25 £'000		2025/26 £'000
0	Chief Executive	0
(42)	Human Resources & Organisational Development	(75)
(656)	Legal & Support Services	(308)
1	Strategic Director of Place	0
(40)	Property & Economic Regeneration	(437)
(2,144)	Planning	(1,750)
(165)	Joint Strategic Planning	(186)
0	Strategic Director of Communities incl. Customer Services	(3,947)
(3,763)	Community Services	(248)
(227)	Housing (General Fund)	0
0	Strategic Director of Resources	(219)
(60)	Finance	(25)
(1,100)	Revenues & Benefits	(1,123)
(12)	ICT	(9)
(12)	Customer Services	(2)
(23,852)	Housing Revenue Account	(25,023)
(32,073)	**Total external income in Cost of Services**	**(33,352)**
(2,640)	Other income and Expenditure	(5,424)
(34,714)	**Total external income**	**(38,776)**

Notes to core financial statement

19 Members' Allowances

The total value of Members Allowances paid during 2025/26 was £354,812 (2024/25: £345,966).

20 Officers' Remuneration

The table below shows the number of employees whose remuneration (including redundancy payments but excluding pension contribution) was £50,000 or above.

2024/25 No of employees	Remuneration Band	2025/26 No of employees
15	£50,000 - £54,999	17
8	£55,000 - £59,999	9
2	£60,000 - £64,999	3
1	£65,000 - £69,999	1
4	£70,000 - £74,999	4
2	£75,000 - £79,999	3
1	£80,000 - £84,999	2
0	£85,000 - £89,999	0
0	£90,000 - £94,999	0
1	£95,000 - £99,999	0
2	£100,000 - £104,999	3
0	£105,000 - £109,999	0
0	£110,000 - £114,999	0
0	£115,000 - £119,999	0
0	£120,000 - £124,999	0
0	£125,000 - £129,999	0
0	£130,000 - £134,999	0
0	£135,000 - £139,999	0
0	£140,000 - £144,999	0
0	£145,000 - £149,999	0
0	£150,000 - £154,999	1

Notes to core financial statement

2025/26 Senior Officers emoluments - salary is between £50,000 and £150,000 per year

Post information (Post title)	Note	Salary £	Bonus £	Compensation (loss of emp) £	Other £	Total exc Pension £	Employers Pension £	Total inc Pension £
Chief Executive		148,314	0	0	3,598	151,912	42,638	194,550
Director of Place		100,973	0	0	3,174	104,147	29,028	133,175
Director of Housing		100,973	0	0	3,505	104,478	29,028	133,506
Director of Resources		96,578	0	0	4,310	100,888	27,765	128,653
Head of Community Services		76,910	0	0	3,375	80,285	22,111	102,396
Head of Economic Development		74,241	0	0	3,174	77,415	21,343	98,758
Head of Finance		68,908	0	0	4,836	73,744	19,810	93,554
Head of Housing	1	38,703	0	0	8	38,711	11,113	49,824
Head of Housing	2	23,418	0	0	23	23,441	6,718	30,159
Head of HR & Organisation Development		67,111	0	0	4,881	71,992	19,294	91,286
Head of Joint Strategic Planning		70,240	0	0	3,595	73,835	20,193	94,028
Head of Legal & Support Services		74,759	0	0	4,992	79,751	21,492	101,243
Head of Planning & Infrastructure		75,574	0	0	9,394	84,968	21,727	106,695
Total		**1,016,702**	**0**	**0**	**48,864**	**1,065,565**	**292,261**	**1,357,826**

Note 1: The Head of Housing left employment on 31/05/2025 - Annual FTE Salary would have been £76,909.80
Note 2: The Head of Housing started employment on 27/10/2025 - Annual FTE Salary was £70,239.98

2024/25 Senior Officers emoluments - salary is between £50,000 and £150,000 per year

Post information (Post title)	Note	Salary £	Bonus £	Compensation (loss of emp) £	Other £	Total exc Pension £	Employers Pension £	Total inc Pension £
Chief Executive		140,529			3,637	144,166	40,388	184,554
Strategic Director of Place		97,842			3,174	101,016	28,137	129,153
Strategic Director of Housing & Customer Services		97,842			3,483	101,325	28,137	129,462
Strategic Director of Resources		91,526			4,820	96,346	26,321	122,667
Head of Community Services		74,525			3,338	77,863	21,432	99,295
Head of Economic Development		70,647			3,174	73,821	20,316	94,137
Head of Finance		65,478			4,820	70,298	18,830	89,128
Head of Housing		74,525			4,817	79,342	21,432	100,774
Head of HR & Organisation Development		70,726			3,387	74,113	20,416	94,529
Head of Joint Strategic Planning		66,771			3,597	70,368	19,202	89,570
Head of Legal & Support Services	1	51,681			2,478	54,159	14,954	69,113
Head of Legal & Support Services	2	25,984			2,103	28,087	19,591	47,678
Head of Planning & Infrastructure		71,939			9,081	81,020	20,688	101,708
Total		**1,000,015**	**0**	**0**	**51,909**	**1,051,924**	**299,844**	**1,351,768**

Note 1: The Head of Legal & Support Services left on 22/11/2024. The annual salary was £74,524.70
Note 2: The Head of Legal & Support Services started on 22/11/2024. The annual salary was £66,770.55

Notes to core financial statement

21 External Audit Costs

2024/25 £'000		2025/26 £'000
	Fees payable with regard to external audit services:-	
0	Mazars LLP - Audit 22/23 Scale Fee	(4)
164	Azets Audit Services Ltd Audit - Scale fee	167
	Fees payable for the certification of grant claims and returns:-	
28	Azets Audit Services Ltd - HBAP (Housing Benefit Assurance Process)	0
	Fees payable for other assurance work completed in respect of Pooling of Housing capital receipts return:	40
10	Azets - Pooling of Housing Capital Receipts	
	Other fees:-	0
0	Mazars LLP - Additional fees for 2021/22	10
3	Cabinet Office - National Fraud Initiative	0
205	**Total**	**213**

22 Contingent Assets

There are no contingent assets for the year ended 31 March 2026.

23 Contingent Liabilities

When considering whether the Council has any contingent liabilities to disclose, particular attention has been given to pension liabilities resulting from the outsourcing of our leisure service. In May 2019, the Council entered into a 25 year contract with leisure operator Everyone Active. Everyone Active became liable for pension contributions and additional charges in respect of staff who were TUPE transferred from the Council for the duration of the 25 year contract. The pension admission arrangements meant that those staff who are members of the pension scheme remain pooled with the Council’s pension scheme. A bond is in place for the payment of pension liabilities arising up to the sum of £135,000 should Everyone Active have any unpaid liabilities during the term, and the Council has provided a guarantee to the pension fund administrator to cover unpaid liabilities that are in excess of this bond value. The Council is also responsible for any surplus/deficit arising on the plan at the end of the contract.

There is no expectation that there will be a call on the bond or guarantee but it remains a possibility. As such, the Council has not recognised a provision in respect of any possible unpaid liabilities.

Since staff at Everyone Active are pooled with the Council’s pension scheme, any projected deficit (or surplus) arising at the end of the contract is already reflected within the pension liability on the Balance Sheet.

Part of the outsourced leisure contract allows for utility benchmarking claims to be made by the leisure operator Everyone Active to mitigate the possible increase in energy costs. Following the building of the new Coalville and Whitwick leisure centre (C&WLC) which opened in February 2022, under the contract the Council's position is no utility benchmarking claims can be made until at least 2 years after WCLC opened. This is currently being disputed by Everyone Active and therefore until this is resolved a contingent liability of £424,857 is required to cover these costs.

Notes to core financial statement

24 Grant Income

2024/25 £'000		2025/26 £'000
	Credited to Taxation and Non Specific Grant Income	
9,633	Council Tax Income	10,163
18,096	Non Domestic Rates	13,538
20	Levy Account Surplus	0
1,707	Funding Guarantee	1,315
17	Services Grant	0
918	New Homes Bonus	679
96	Revenue Support Grant	131
491	Other grants	2,492
3,672	Capital Grants and Contributions	4,726
34,650	**Total**	**33,043**
	Credited to Services	
10,436	Housing Benefit Subsidy	8,741
176	Housing Benefit Admin Grant	172
168	Cost of Collection	171
242	Homelessness	365
632	Rough Sleeping	581
196	Asylum Seekers Dispersal Grant (Home Office)	133
304	UK Shared Prosperity Fund	644
220	Nutrient Neutrality	0
231	Food Waste Collection	0
262	Ofgem	234
169	Aareon UK Ltd	0
248	Neighbourhood Plan	0
538	Other Grants under £100k each	875
1,326	Section 106	622
0	Cyber Security	150
100	Other Contributions under £100k each	99
15,249	**Total**	**12,786**

Notes to core financial statement

31 March 2025 £'000		31 March 2026 £'000
	Capital Grant Receipts in Advance	
1,316	Affordable Housing - S106	1,391
592	Recreation/Playground - S106	514
185	Healthcare - S106	384
5	CCTV - S106	5
0	Police - S106	0
300	Highways - S106	300
17	Network Rail - S106	17
0	Parish Councils - S106	0
0	National Forest - S106	27
1,064	Food Waste - DEFRA	1,064
749	UK Shared Prosperity	0
2,416	DFG	2,791
2,560	Nutrient Neutrality - MHCLG	2560
42	National Forest	0
6	Air Quality - DEFRA	6
9,252	**Total**	**9,059**

101

Notes to core financial statement

25 Related Parties

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

Central Government 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 re-distribution of non-domestic rates, and prescribes the terms of many of the transactions that the Council has with other parties (e.g. housing benefits). Details of transactions with the government are shown below.

It is the nature of local government that the majority of Council Members are heavily involved in the local community through various organisations such as voluntary bodies, societies, groups and so on, often as an appointed Council representative. Members' interests are formally disclosed in a register of interests, the details of which are available on request.

During the year transactions with related parties arose as follows:

2024/25 (Receipts)/ Payments £'000		2025/26 (Receipts)/ Payments £'000
38,481	Central Government Revenue Grants (Benefits/RSG/other grants)	38,701
69,152	Leicestershire County Council (Precept paid less grant income)	72,929
4,131	Leicestershire Fire and Rescue (Precept paid)	4,357
10,525	Leicestershire Police (Precept paid less grant income)	11,163
	Other Related Parties:	
76	Two Members serve as directors and one Member is an employee of 2 private companies with which the council transacted during the year.	348
122,366		**127,498**

Notes to core financial statement

26 Capital Expenditure and Capital Financing

103

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), 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 is analysed in the second part of this note.

2024/25 £'000		2025/26 £'000
87,549	**Opening Capital Financing Requirement**	**89,553**
	Capital Investment	
8,949	Property, plant and equipment	14,044
296	Investment properties	27
123	Intangible assets	289
2,514	Revenue Expenditure Funded from Capital Under Statute	1,178
6,950	Other investments	0
	Sources of finance	
(737)	Capital receipts	(518)
(1,849)	Government grants and other contributions	(9,274)
	Sums set aside from revenue	
(11,783)	Direct revenue contributions	(1,582)
(2,459)	(MRP/ the statutory repayment of loans fund advances)	(2,511)
89,553	**Closing capital financing requirement**	**91,206**
	Explanation of movements in year	
0	Increase / (decrease) in underlying need to borrowing (supported by government financial assistance)	0
2,004	Increase / (decrease) in underlying need to borrowing (unsupported by government financial assistance)	1,653
0	Assets acquired under finance leases	0
0	Assets acquired under PFI contracts	0
2,004	**Increase/ (decrease) in capital financing requirement**	**1,653**

Notes to core financial statement

27 Right of Use Assets - leased liability

From 1 April 2024, NWLDC implemented IFRS 16, bringing almost all leases onto the Balance Sheet. This requires recognition of a right-of-use (ROU) asset and a corresponding lease liability measured at the present value of future lease payments. ROU assets are depreciated in line with other PPE, and lease payments are split between reducing the liability and a finance cost.
Lease liabilities are updated for changes in indices or rates, with matching adjustments to ROU assets. Low-value items (under £10k when new) and leases with less than 12 months remaining continue to be expensed directly.
Variable lease payments not fixed at commencement are excluded from initial measurement and are charged to expenditure when incurred. No material contingent rents were identified. The table shows movements in ROU asset values during the year.

The council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identifiable asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. Leases are recognised as right of use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). This includes arrangements with nil consideration, or nominal payments.

2024/25 £'000 OLB	Right of Use Assets	2025/26 £'000 OLB
472	Present Value of ROU as at 1 Apr	422
0	Addition	17
0	Lease re-measurement	4
(49)	Accumulated Depreciation	(49)
422	**Total**	**394**

2024/25 £'000	Lease Liabilities	2025/26 £'000
	Land and buildings:	
7	Not later than one year	29
170	Later than one year and not later t	100
245	Later than 5 years	290
422	**Total**	**419**

Notes to core financial statement

28 Termination Benefits

	No. of compulsory redundancies		No. of other agreed departures		Total no. of exit packages by band		Total cost of exit packages by band	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
£0 - £20,000	0	0	0	0	0	0	0	0
£20,001 - £40,000	2	0	0	0	2	0	51,100	0
£40,001 - £60,000	0	0	0	0	0	0	0	0
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
Total	**2**	**0**	**0**	**0**	**2**	**0**	**51,100**	**0**

105

29 Pension Schemes Accounted for as Defined Contribution Schemes

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme (LGPS) for employees, which is administered by Leicestershire County Council. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

The cost of retirement benefits is recognised in the Net 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 retirement benefits is reversed out of the Income & Expenditure Account (I & E) after net operating expenditure. The following transactions have been made in the Income and Expenditure Account during the year.

The Annual Report of the Leicestershire County Council Superannuation Fund is available from Leicestershire County Council, County Hall, Glenfield, Leicestershire. Income and Expenditure Account contains details of the Council's participation in the Local Government Pension Scheme (LGPS), administered by Leicestershire County Council.
****

The following information was supplied by Hymans Robertson LLP on 23rd May 2026.

2024/25 £'000		2025/26 £'000
	Net Cost of Services	
2,965	Current service cost	2,222
0	Past service costs	0
0	Curtailments	0
2,965		2,222
	Net Operating Expenditure	
5,845	Interest cost	6,069
(6,504)	Expected return on assets in the scheme	(8,349)
(659)		(2,280)
2,306	***Amount charged to Income and Expenditure Account***	(58)
	Amounts to be met from Government Grants and Local Taxation	
(64)	Movement on pension reserve	(58)
	Actual amount charged against General Fund & HRA for pensions in the year	
4,718	Employers' contributions payable to the scheme	4,912
64	Unfunded discretionary benefit payments	58

Notes to core financial statement

On 1 May 2019, 210 individual members of council staff transferred to Everyone Active after the Council has awarded a contract to them to run its leisure centres and associated services. The pension admission arrangements that were agreed means that those staff who are members of the pension scheme remain pooled with the Council's pension scheme. As a result, our future pension liability will continue to reflect staff members who have transferred to Everyone Active for the past service, however, Everyone Active are responsible for the payment of contributions and charges in respect of those staff for the term of the agreement.

The Council is responsible for past payments and payments of employees post the end of the 25 year agreement. The Council acts as guarantor in respect of Everyone Active and their contributions to the pension scheme over the life of the 25 year leisure contract. As part of the contract, Everyone Active secured a bond with Barclays bank to cover the payment of contributions up to the sum of £135,000 should Everyone Active have any unpaid liabilities during the term. Above this level, the Council is responsible for the liabilities are in excess of the bond value.

Employers Membership Statistics

	Average Age 31-Mar-25
Actives	54
Deferred Pensioners	52
Pensioners	70

Payroll

	2024/25 £'000	2025/26 £'000
Assumed total pensionable payroll based on contribution information provided	16,381	17,090

Investment Returns

The return on the fund in market value terms for the year to 31 March 2026 is estimated based on actual Fund returns as provided by the Administering Authority. Details are given below.

Actual Return for Period 1 April 2025 to 31 December 2025	10.8%
Total Return for Period from 1 April 2025 to 31 March 2026	10.1%

Notes to core financial statement

Unfunded Benefits

A summary of the membership data in respect of unfunded benefits is shown below.

LGPS Unfunded Pensions	Number at 31 March 2026	Annual Unfunded Pensions (£'000)
Male	12	46
Female	1	2
Dependants	11	11
Total	24	59

Projected Pension Expense For Year 31/03/2027

Analysis of Projected Amount to be charged to operating profit for the year to 31 March 2026.

Period Ended	31 March 2027	
	£'000	% of pay
Projected Current service cost	2,316	13.6%
Interest on Obligation	6,993	40.9%
Expected Return on Plan Assets	(9,539)	(55.8%)
Losses /(Gains) on Curtailment and Settlements	0	0.0%
Total	**(230)**	**(1.3%)**

The pension fund has moved from a liability of £11.062m at 31/3/25 to a liability of £15.628m at 31/3/26. This is mainly due to a remeasurement by the actuary and the affect of the asset ceiling.

Basis for estimating assets and liabilities

The accounts have been prepared on the basis of the actuary's valuation report dated 10 June 2025 and takes into account their assessment of the potential impact of Guaranteed Minimum Pension (GMP) equalisation and the outcome of the McCloud judgement relating to the 2014 reforms of LGPS benefit structure. These numbers are approximate estimates based on employer data as at 31 March 2025.

Notes to core financial statement

The main assumptions used in their calculations have been:

2024/25	Assumptions	2025/26
2.75%	Inflation/Pension Increase Rate	3.00%
3.25%	Salary Increase Rate	3.50%
5.80%	Discount Rate	6.20%

Assets in the County Council Pension Fund are valued at bid price as required under IAS 19.

	2024/25		2025/26	
Assets Category	Value £'000	Asset Distribution %	Value £'000	Asset Distribution %
Equity Securities	932.3	0.65%	1,144.2	0.74%
Debt Securities	5,990.7	4.18%	7,196.2	4.68%
Private Equity	8,308.3	5.80%	8,107.9	5.27%
Real Estate	9,801.6	6.84%	9,159.4	5.95%
Investment Funds	104,839.6	73.21%	115,710.0	75.19%
Derivatives	(714.8)	-0.50%	79.2	0.05%
Cash and Cash Equivalents	14,047.3	9.81%	12,490.1	8.12%
Total	**143,205.0**	**100.00%**	**153,887.0**	**100.00%**

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	21.4	24.4
Future pensioners *	22.2	26

* Figures assume members aged 45 as at the last formal valuation date.

Notes to core financial statement

Reconciliation of Present Value of the Scheme Liabilities

2024/25 £'000		2025/26 £'000
120,596	**Opening Defined Benefit Obligation**	**105,242**
2,965	Current Service cost	2,222
5,845	Interest cost	6,069
1,068	Contributions by Members	1,117
(21,203)	Actuarial losses/(Gains)	3,578
0	Past service costs/(Gains)	0
0	Losses/(Gains) on Curtailments	0
(64)	Estimated Unfunded Benefits Paid	(58)
(3,965)	Estimated Benefits Paid	(4,514)
105,242	**Closing Defined Benefit Obligation**	**113,656**

Reconciliation of fair value of employer assets

2024/25 £'000		2025/26 £'000
133,291	**Opening Fair Value of Employer Assets**	**143,205**
6,504	Expected Return on Assets	8,349
1,068	Contributions by Members	1,117
4,718	Contributions by the Employer	4,912
64	Contributions in respect of Unfunded Benefits	58
1,589	Actuarial gains/(losses)	818
(64)	Estimated Unfunded Benefits Paid	(58)
(3,965)	Estimated Benefits Paid	(4,514)
143,205	**Closing Fair Value of Employer Asset**	**153,887**

Notes to core financial statement

Scheme History

Amounts for the current and previous accounting periods

The return on the fund in market value terms for the year to 31 March 2026 is estimated based on actual fund returns as provided by the Administering Authority and index returns where necessary. Details are given below.	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Fair Value of Employer Assets	121,285	120,067	133,291	143,205	153,887
Present Value of Defined Benefit Obligation	(169,461)	(119,024)	(120,596)	(105,242)	(113,656)
Surplus/(Deficit)	(48,176)	1,043	12,695	37,963	40,231
Experience Gains/(Losses) on Assets	6,870	(4,764)	5,947	1,589	818
Experience Gains/(Losses) on Liabilities	(502)	(9,332)	(3,764)	(1,094)	8,608
Actuarial Gains/ (Losses) on Employer Assets	6,870	(4,764)	5,947	1,589	818
Actuarial Gains/ (Losses) on Obligations	14,428	59,598	4,402	21,203	(3,578)
Actuarial Gains/ (Losses) recognised in SRIE	21,298	54,834	10,349	22,792	(2,760)

111 **Notes to the Statement of Recognised Income and Expense (SRIE)**

2024/25 £'000		2025/26 £'000
1,589	Actuarial Gains/(Losses) on Plan Assets	818
21,203	Actuarial Gains/ (Losses) on Obligations	(3,578)
22,792	**Actuarial Gain/(Loss) Recognised in SRIE**	**(2,760)**
74,886	**Cumulative Actuarial Gains and Losses**	**72,126**

Notes to core financial statement - continued

Balance Sheet

2024/25 £'000		2025/26 £'000
143,205	Fair Value of Employer Assets	153,887
(104,627)	Present Value of Funded Obligations	(113,122)
(615)	Present Value of Unfunded Obligations	(534)
37,963	Net (Under)/ Overfunding in Funded Plans	**40,231**
37,963	**Net Asset/(Liability) unadjusted**	**40,231**
(48,410)	Effect of asset ceiling - current year	(55,859)
(24,669)	Effect of asset ceiling - prior year	0
(35,116)	**Net Asset/(Liability) adjusted**	**(15,628)**
	Amount in the Balance Sheet	
(35,116)	Liabilities	(15,628)
0	Assets	0

30 Financial Instruments

A financial Instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
Non-exchange transactions, such as those relating to taxes, benefits and government grants do not give rise to financial instruments

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

The council's financial liabilities held during the year are measured at amortised cost and comprised
- long-term loans from the Public Works Loans board and commercial lenders
- overdraft facility with Lloyds Bank
- trade payables for goods and services received

Financial Asset - a right to future economic benefits controlled by the council that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the council.

The council's financial assets held during the year are accounted for under the following classifications:
Amortised Cost - cash flows are solely payments of principal and interest and the business model is to collect the cash flows only:
- Cash in hand
- bank current and deposit accounts
- Fixed term deposits
- loans to other local authorities
- trade receivables for goods and services provided

Fair value through Profit and Loss:
- Money Market Funds
- loans where the cash flows are not solely payments of principal and interest

Notes to core financial statement

Financial Instruments Balances

Financial Liabilities	Long term 31 March 2025 £'000	Long term 31 March 2026 £'000	Short term 31 March 2025 £'000	Short term 31 March 2026 £'000
Loans at amortised cost:				
PWLB	(49,851)	(48,532)	(1,290)	(1,320)
LOBO/Other Loans	(4,168)	(4,164)	0	0
Long-term Borrowing	**(54,019)**	**(52,696)**	**(1,290)**	**(1,320)**
Other Long Term Liabilities	(46)	(39)	(7)	(7)
Total Borrowing	**(54,065)**	**(52,735)**	**(1,297)**	**(1,327)**
Liabilities at amortised cost:				
Trade payables-Included in creditors	0	0	(6,294)	(5,842)
Total Financial Liabilities	**(54,065)**	**(52,735)**	**(7,591)**	**(7,169)**

Financial Assets	Long term 31 March 2025 £'000	Long term 31 March 2026 £'000	Short term 31 March 2025 £'000	Short term 31 March 2026 £'000
At amortised cost:				
Principal	0	0	10,000	14,000
Loss allowance *	0	0	0	0
Total Investments	**0**	**0**	**10,000**	**14,000**
At amortised cost:				
Principal	0	0	0	0
Loss allowance	0	0	0	0
At Fair Value through Profit and Loss:				
Money Market Funds	0	0	20,466	17,000
Total Cash and Cash Equivalents	**0**	**0**	**20,466**	**17,000**
At amortised cost:				
Trade Receivables-Included in Debtors	0	0	5,072	4,801
Accrued Interest	0	0	0	0
Loss allowance	0	0	(1,266)	(1,123)
Total Trade Receivables	**0**	**0**	**3,806**	**3,678**
Total Financial Assets	**0**	**0**	**34,272**	**34,678**

* Loss allowances are not required for UK Central or Local Government investments and the remaining Expected Credit Losses are immaterial.

Notes to core financial statement

Financial Instrument - Fair Values

Financial Instruments classified at amortised cost are carried in the balance sheet at amortised cost. Their fair value has been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2026. All other financial instruments are carried in the balance sheet at Fair Value.

Fair Values are shown in the table below split by their level in the Fair Value hierarchy:
Level 1 - FV derived from quoted prices in active markets for identical assets or liabilities e.g. bond prices
Level 2 - FV calculated from inputs other than quoted prices that are observable for the instrument e.g. interest rates or yields for similar instruments
Level 3 - FV determined using unobservable inputs e.g. non-market data such as cash-flow forecasts or estimated creditworthiness

	Fair Value level	Balance Sheet 2024/25 £'000	Fair Value 2024/25 £'000	Balance Sheet 2025/26 £'000	Fair Value 2025/26 £'000
Financial Liabilities held at amortised cost:					
Long Term Loans From PWLB	2	(49,851)	(44,262)	(49,851)	(39,046)
Long Term LOBO/Other Loans	2	(4,168)	(3,844)	(3,940)	(3,268)
Other Long Term Liabilities		(53)	(53)	(46)	(46)
Sub-Total		(54,072)	(48,159)	(53,837)	(42,360)
Liabilities for which Fair Value is not disclosed:					
Trade payables-Creditors		(6,294)	(6,294)	(5,842)	(5,842)
Total Financial Liabilities		**(60,366)**	**(54,453)**	**(59,679)**	**(48,202)**

115

The Fair Value of liabilities is higher than the balance sheet value as the council has a portfolio of loans where the interest rate payable is higher than the current rates available for similar loans.

The Fair Values for Financial Assets are calculated as follows:

	Fair Value level	Balance Sheet 2024/25 £'000	Fair Value 2024/25 £'000	Balance Sheet 2025/26 £'000	Fair Value 2025/26 £'000
Financial Assets held at amortised cost:					
Investments with Local Authorities	2	10,000	10,108	10,000	10,231
Investments with Banks	2	0	0	0	0
Investments with Central Government	2	0	0	4,000	4,002
Financial Assets held at Fair value:					
Money Market Funds	1	20,466	20,466	17,000	17,000
Total		**30,466**	**30,574**	**31,000**	**31,233**
Assets for which Fair Value is not disclosed:					
Cash and Cash equivalents		969	969	2,105	2,105
Trade Receivables-Debtors		3,806	3,806	3,678	3,678
Total Financial Assets		**35,242**	**35,350**	**36,783**	**37,016**

The Fair Value of assets is higher than the balance sheet value as the interest rate on similar investments is now lower than that obtained when the investment was originally made.

Notes to core financial statement

Financial Instruments Gains/Losses

There are no gains or losses recognised in the Income and Expenditure Account or the Statement of Total Recognised Gains and losses in relation to Financial Instruments.

Financial Instruments - Nature and Extent of Risk

Credit Risk

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

Prior to the beginning of each financial year, the Council agrees and publishes an Investment Strategy as part of the Treasury Management Strategy Statement. The Investment Strategy sets out the minimum credit rating criteria for counterparties who are banks and other financial institutions. The Council relies to some extent on credit ratings and utilises the services of a Treasury Consultant to monitor and advise of changes to these ratings.

The minimum credit rating criteria, set out in the Investment Strategy, are kept under constant review. As a result of liquidity problems (the credit crunch) experienced by banks and financial institutions since Autumn 2007, the minimum criteria were increased to provide additional security to the Council's investments. This is reviewed annually to ensure that security is maintained in line with current economic conditions.

As a result of the Council's prudent approach to investment, which places security and liquidity above yield, the Council has never experienced any losses on investments. Nevertheless, theoretical considerations suggest that an investment with any institution carries some risk, albeit very small. The events which could give rise to these risks are rare or unforeseen and it is therefore very difficult to assess and quantify. Subject to these rare or unforeseen risks, the assessment that the maximum exposure is nil is considered to be a practical and pragmatic assessment.

Loss allowances on treasury investments have been calculated by reference to historic default data published by credit rating agencies, adjusted for current and forecast economic conditions and with a delay in cash flow having been assumed. As shown in the financial instruments balances tables on the previous page. At 31 March 2025, no loss allowances related to treasury investments.

Notes to core financial statement

A summary of the credit quality of the of the council's investments at 31 March is shown below:

Rating	31 March 2025 Long Term £'000	31 March 2025 Short Term £'000	31 March 2026 Long Term £'000	31 March 2026 Short Term £'000
A+	0	0	0	0
A	0	0	0	0
BBB+	0	0	0	0
Unrated Local Authorities	0	10,000	0	14,000
Money Market Funds	0	19,500	0	17,000
UK Government	0	0	0	0
Total Investments	**0**	**29,500**	**0**	**31,000**

The Council has £26,567,847 of Debtors (31/3/25: £20,658,129), for which a provision for doubtful debts of £5,825,765 has been made (31/3/25: £4,508,272). Of this debtors figure, £10,230,374 relates to sundry debtors, £14,399,452 to Council Tax and Business Rates and £1,938,022 to Housing Tenant Rents. Debtors are analysed by type and the doubtful debt provision is based on the credit quality of debtors.

The council does not allow credit for customers therefore all unpaid balances are past due date for payment. The gross sundry debtor age analysis is shown in the table below:

Age	31 March 2025 £'000	31 March 2026 £'000
Less than three months	3,275	4,481
Three to six months	117	201
Six months to one year	236	694
More than one year	4,753	4,854
Total	**8,381**	**10,230**

The table below breaks this down to debtor type:

Type	31 March 2025 Gross Debt £'000	31 March 2025 Loss Allowance £'000	31 March 2026 Gross Debt £'000	31 March 2026 Loss Allowance £'000
Central Gov't Bodies	5,468	0	7,642	0
Other Local authorities	5,208	0	8,336	0
NHS Bodies	0	0	0	0
Public Corporations and trading funds	384	0	526	0
Other entities and Individuals	9,599	(4,508)	9,978	(5,826)
Total	**20,658**	**(4,508)**	**26,482**	**(5,826)**

Notes to core financial statement

Liquidity Risk
The Council has ready access to borrowing at favourable rates from the Public Works Loan Board and other local authorities, and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. Instead, the risk is that the Council will be bound to replace a significant proportion of its borrowings at a time of unfavourable interest rates. The Council's strategy is to ensure an even maturity debt profile to mitigate against this risk.

The maturity analysis of financial instruments is shown below:

Type	31 March 2025 Liabilities £'000	31 March 2025 Assets £'000	31 March 2025 Net £'000	31 March 2026 Liabilities £'000	31 March 2026 Assets £'000	31 March 2026 Net £'000
Maturity in 1 year*	1,290	(29,500)	**(28,210)**	1,319	(31,000)	**(29,681)**
Maturity in 1 - 2 years	1,319	0	**1,319**	569	0	**569**
Maturity in 2 - 5 years	1,752	0	**1,752**	1,797	0	**1,797**
Maturity in 5 - 10 years	1,244	0	**1,244**	630	0	**630**
Maturity in over 10 years	49,475	0	**49,475**	49,475	0	**49,475**
Total	**55,080**	**(29,500)**	**25,580**	**53,790**	**(31,000)**	**22,790**

Market Risk

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

- borrowings at variable rates - the interest expense will rise
- borrowings at fixed rates - the fair values of the liabilities will fall
- investments at variable rates - the investment income will rise
- investments at fixed rates - the fair value of assets will fall

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the provision of services. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the provision of services as appropriate.

Price Risk
The Council does not invest in equities and is therefore not exposed to this risk.

Notes to core financial statement

31 Provisions

This provision for Business Rates appeals was created as a result of the adoption in 2013/14 of the Business Rates Retention scheme which means that the Council now bears part of the risk for future appeals. Under the former business rates scheme, appeals were borne by the Government. The Council's estimate of the value of outstanding appeals up to 31 March 2026 is £5.5m (31/3/25: £7.2m), the value of appeals used in completing the Collection Fund position as at 31 March 2026. The Council has made a provision for 40% of this figure totalling £2.2m (31/3/25: £2.9m) within the 2025/26 accounts. This is split into short term provisions: £899k and long term provisions: £1.31m.

32 Jointly Controlled Partnerships

The Council has entered into a partnership with Hinckley and Bosworth Borough Council and Harborough District Council to provide shared administration of Revenues and Benefits and will continue for the foreseeable future. The Partnership is currently hosted by Hinckley and Bosworth Borough Council on behalf of the other partners.

All partners contribute towards the operation of the partnership which is classified as a Jointly Controlled Operation. On this basis, each partner accounts for their share of contributions within their Statement of Accounts. The funding provided by North West Leicestershire District Council in 2025/26 was £1.569 million (2024/25: £1.444m).

Notes to core financial statement

33 Expenditure and Funding Analysis

This analysis statement 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/services/departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2025/26

	Net Expenditure chargeable to the General Fund and Housing Revenue a/c £'000	Recharges £'000	Contributions to/from Reserves £'000	Investment Properties & other £'000	Revised Net Expenditure chargeable to the General Fund and Housing Revenue a/c £'000	Adjustments between funding basis and accounting basis £'000	Net expenditure in the Comprehensive Income and Expenditure Statement £'000
Chief Executive	207	(230)	19	0	(4)	0	(4)
Human Resources & Organisational Development	746	(758)	57	0	45	0	45
Legal and Support Services	1,799	(1,262)	64	0	601	0	601
Strategic Director of Place	128	(143)	0	0	(15)	0	(15)
Property & Economic Regeneration	1,971	(633)	239	(315)	1,262	702	1,964
Planning	970	836	294	0	2,100	0	2,100
Joint Strategic Planning	(52)	29	0	0	(23)	0	(23)
Community Services	8,189	2,076	283	(250)	10,298	(752)	9,546
Housing - General Fund	355	435	0	0	790	0	790
Strategic Director of Resources	274	(296)	0	0	(22)	0	(22)
Finance	1,784	(2,100)	769	0	453	0	453
Revenues & Benefits	834	957	45	0	1,836	0	1,836
ICT	1,276	(1,289)	2	0	(11)	109	98
Customer Services	908	(1,015)	7	0	(100)	0	(100)
Internal Audit	90	(126)	0	0	(36)	0	(36)
Business Change	(11)	2	136	0	127	0	127
Corporate and Democratic Core	90	1,322	18	0	1,430	0	1,430
Non-Distributed Costs	164	4	0	0	168	(881)	(713)
Housing Revenue Account	(4,506)	(486)	0	0	(4,992)	5,315	323
Recharges	(2,677)	2,677	0	0	0	0	0
Net Cost of Services	**12,539**	**0**	**1,933**	**(565)**	**13,907**	**4,493**	**18,400**
Other Income and Expenditure	(17,044)	0	(8,177)	565	(24,656)	(6,193)	(30,849)
(Surplus)/Deficit on Provision of Services	**(4,505)**	**0**	**(6,244)**	**0**	**(10,749)**	**(1,700)**	**(12,449)**

Notes to core financial statement

Expenditure and Funding Analysis continued

2024/25

	Net Expenditure chargeable to the General Fund and Housing Revenue a/c £'000	Recharges £'000	Contributions to/from Reserves £'000	Investment Properties & other £'000	Revised Net Expenditure chargeable to the General Fund and Housing Revenue a/c £'000	Adjustments between funding basis and accounting basis £'000	Net expenditure in the Comprehensive Income and Expenditure Statement £'000
Chief Executive	193	(212)	0	0	(19)	0	(19)
Human Resources & Organisational Development	779	(731)	0	0	48	8	56
Legal and Support Services	1,725	(1,237)	46	0	534	0	534
Strategic Director of Place	132	(146)	0	0	(14)	0	(14)
Property & Economic Regeneration	3,285	(88)	259	(173)	3,284	281	3,565
Planning	1,413	680	1,324	0	3,417	0	3,417
Joint Strategic Planning	(46)	17	6	0	(23)	0	(23)
Community Services	7,192	1,783	292	(252)	9,016	727	9,743
Housing - General Fund	388	403	0	0	791	79	870
Strategic Director of Resources	264	(274)	0	0	(10)	0	(10)
Finance	1,131	(1,509)	566	0	188	0	188
Revenues & Benefits	964	874	0	0	1,838	0	1,838
ICT	1,290	(1,316)	27	0	0	88	88
Customer Services	926	(1,006)	19	0	(61)	0	(61)
Internal Audit	120	(143)	0	0	(23)	0	(23)
Business Change	(6)	1	57	0	52	0	52
Corporate and Democratic Core	179	1,347	0	0	1,526	0	1,526
Non-Distributed Costs	113	12	0	0	125	19	144
Housing Revenue Account	(7,815)	(465)	0	0	(8,280)	4,565	(3,715)
Recharges	(2,012)	2,012	0	0	0	0	0
Net Cost of Services	**10,216**	**0**	**2,597**	**(424)**	**12,389**	**5,767**	**18,155**
Other Income and Expenditure	(18,030)	0	(15,494)	424	(33,100)	1,102	(31,999)
(Surplus)/Deficit on Provision of Services	**(7,815)**	**0**	**(12,897)**	**0**	**(20,712)**	**6,869**	**(13,843)**

Notes to core financial statement - continued

Expenditure and Funding Analysis continued

Analysis of adjustments between funding basis and accounting basis

2025/26	Adjustment for capital purposes £'000	Net change for the pensions adjustment £'000	Other Differences £'000	Total Adjustments £'000
Chief Executive and Other Services	0	0	0	0
Human Resources & Organisational Dev	0	0	0	0
Legal and Commercial Services	0	0	0	0
Strategic Director of Place	0	0	0	0
Property & Economic Development	702	0	0	702
Planning & Infrastructure	0	0	0	0
Joint Strategic Planning	0	0	0	0
Community Services	(752)	0	0	(752)
Housing - General Fund	0	0	0	0
Strategic Director of Resources	0		0	0
Finance	0	0	0	0
Revenues & Benefits	0	0	0	0
ICT	109	0	0	109
Customer Services	0	0	0	0
Internal Audit	0	0	0	0
Business Change	0	0	0	0
Corporate and Democratic Core	0	0	0	0
Non-Distributed Costs	(881)	0	0	(881)
Housing Revenue Account	5,967	(682)	30	5,315
Recharges	0	0	0	0
Net Cost of Services	**5,145**	**(682)**	**30**	**4,493**
Other Income and Expenditure	(3,574)	(4,346)	1,727	(6,193)
Surplus/Deficit on Provision of Services	**1,571**	**(5,028)**	**1,757**	**(1,700)**

Notes to core financial statement - continued

Expenditure and Funding Analysis continued

2024/25	Adjustment for capital purposes £'000	Net change for the pensions adjustment £'000	Other Differences £'000	Total Adjustments £'000
Chief Executive and Other Services	0	0	0	0
Human Resources & Organisational Dev	8	0	0	8
Legal and Commercial Services	0	0	0	0
Strategic Director of Place	0	0	0	0
Property & Economic Development	281	0	0	281
Planning & Infrastructure	0	0	0	0
Joint Strategic Planning	0	0	0	0
Community Services	727	0	0	727
Housing - General Fund	79	0	0	79
Strategic Director of Resources	0		0	0
Finance	0	0	0	0
Revenues & Benefits	0	0	0	0
ICT	88	0	0	88
Customer Services	0	0	0	0
Internal Audit	0	0	0	0
Business Change	0	0	0	0
Corporate and Democratic Core	0	0	0	0
Non-Distributed Costs	19	0	0	19
Housing Revenue Account	5,013	(380)	(68)	4,565
Recharges	0	0	0	0
Net Cost of Services	**6,215**	**(380)**	**(68)**	**5,767**
Other Income and Expenditure	(1,489)	(2,096)	4,687	1,102
Surplus/Deficit on Provision of Services	**4,726**	**(2,476)**	**4,618**	**6,869**

Section 4 Housing Revenue Account (HRA)

Housing Revenue Account (HRA)

Housing income and expenditure account

2024/25 £'000	2024/25 £'000	Income	NOTES	2025/26 £'000	2025/26 £'000
	(20,440)	Rents - Dwellings	H4		(20,599)
(35)		Rents - Garages / Sites		(36)	
(15)		Rents - Shops		(17)	
(2)		Rents - Other		(8)	
	(52)				**(61)**
	(735)	Charges for Services and Facilities			(723)
	(492)	Other Income			(276)
	0	RTB Discounts repaid			0
	(21,719)	**Total income**			**(21,659)**
		Expenditure			
	9,311	Repairs and Maintenance			11,586
		Supervision and Management			
2,755		- General		2,678	
1,659		- Special		1,680	
	4,414				**4,358**
		Capital Charges			
	3,789	- Depreciation of Fixed Assets	H8		3,851
	1,224	- Impairment of Fixed Assets	H9		2,116
	0	- Initial Gain on Donated Assets			0
	(743)	Increase / (decrease) in provision for Bad or Doubtful Debts			65
	8	Debt Management Expenses			6
	18,004	**Total expenditure**			**21,982**
	(3,715)	**Net cost of HRA services included in income and expenditure account**			**323**
	465	Housing Share of Corporate and Democratic Costs			486
	0	Housing Share of other amounts included in the whole authority cost of services but not allocated to specific services			0
	(3,250)	**Net cost of HRA services**			**809**

2024/25 £'000	£'000	Income	NOTES	2025/26 £'000	£'000
	187	(Gain) or Loss on Sale of HRA Fixed Assets			(644)
	1,753	Interest Payable and Similar Items			1,724
	(973)	Interest on Balances			(697)
	0	Amortisation of Premiums and Discounts			0
	0	Capital Grants and Contributions			(2,710)
	(2,283)	**(Surplus) / deficit on HRA services**			**(1,518)**

Housing Revenue Account (HRA)

2024/25 £'000	Statement of movement on the HRA balance	2025/26 £'000
(2,283)	(Surplus) / Deficit on Housing Income and Expenditure Account	(1,518)
297	Amounts Required by Statute to be Taken into Account (detailed below)	3,208
(1,986)	Total	**1,690**
(1,277)	HRA Balance Brought Forward	(3,263)
(3,263)	**HRA Balance Carried Forward**	**(1,573)**

2024/25 £'000	Analysis of the movement in the HRA balance	2025/26 £'000
	Amounts required to be taken into account	
	Items included in the HRA Income and Expenditure Account but excluded from the movement on HRA balance for the year	
(189)	Gain or (Loss) on Sale of HRA Fixed Assets	645
0	Amortisation of Premiums and Discounts	0
0	RTB Discounts repaid	0
68	Employee Benefits adjustment	(30)
(678)	Net charges for retirement benefits in accordance with IAS 19	(565)
(5,013)	Impairment/Revaluation of Fixed Assets	(5,968)
0	Initial Gain on Donated Assets	0
(5,812)		**(5,918)**
	Items not included in the HRA Income and Expenditure Account but included in the movement on HRA balance for the year	
3,789	Transfer To/(From) Major Repairs Reserve	3,851
0	Right to Buy Admin Contribution	0
1,058	Employer's contributions payable to Leicestershire County Council Pension Fund	1,247
1,262	Principal Repaid on Self Financing Loans	1,318
0	Capital Expenditure funded by the HRA	0
0	Transfer To/(From) Reserves	2,710
6,109	Total	**9,126**
297	**Net additional amount required by statute to be debited or (credited) to the HRA balance for the year**	**3,208**

Notes to the housing revenue account (HRA)

H1 Movement in dwelling stock

The Council was responsible for managing an average of 4,017 lettable dwellings during 2025/26. The movement in the stock was as follows:-

2024/25		2025/26
4,102	Stock at 1st April	4,080
(23)	Less: Right to buy Sales	(66)
0	Less: Other Sales	0
0	Less: Demolitions	0
0	Less: Transfers out of stock	0
1	Add: Other Adjustments	3
0	Add: New Build and Gifted units	0
0	Add: Transfers back into stock	0
4,080		**4,017**

H2 Property types in dwelling stock

The properties owned by the Council at 31st March 2026 comprise the following:-

	Flats/Maisonettes	Bungalows	Houses	Total
In stock				
Bed sits	53	4	0	57
1 Bedroom	532	330	9	871
2 Bedroom	320	478	406	1,204
3 Bedroom	8	9	1,722	1,739
4 Bedroom	1	0	140	141
5 Bedroom	0	0	5	5
	914	**821**	**2,282**	**4,017**
Transferred out of stock				
Bed sits	0	0	0	0
1 Bedroom	0	0	0	0
2 Bedroom	0	0	0	0
3 Bedroom	0	0	0	0
4 Bedroom	0	0	0	0
5 Bedroom	0	0	0	0
	0	**0**	**0**	**0**
Total owned	**914**	**821**	**2,282**	**4,017**

The dwellings transferred out of stock are mainly long-term empty properties. However, they are still owned by the Council and are included in the value shown in note H3.

H3 Balance sheet value of council's housing revenue account stock

2024/25 Balance £'000		2025/26 Balance £'000
317,681	Dwellings	315,152
1,646	Other Land and Buildings	1,721
319,327	**Operational assets**	**316,873**
0	Surplus Assets	0
0	OLB (Land and Assets under construction)	0
0	**Non-operational assets**	**75**
319,327	**Total assets**	**316,948**

The vacant possession value of dwellings within the Council's HRA as at 31st March 2026 was £750,565k (2025: £756,339k). The vacant possession value of the dwellings within the HRA show the economic cost to Government of providing Council Housing at less than open market rents.

Notes to the housing revenue account (HRA)

H4 Rent income

Rent income can be analysed as follows:-

This is the total rent income due for the year after an allowance is made for empty properties/voids etc. The Average weekly rent was £97.85 per week in 2025/26 (2024/25: £89.93), representing an average increase of 8.8% (2024/25: 1.12% decrease). During 2025/26, 3.14% of lettable properties were void (2024/25: 2.45% void).

2024/25 £'000		2025/26 £'000
15,631	Collectable from Tenants	16,876
4,809	Rent Rebates	3,723
20,440	Sub-Total Dwelling Rents	20,599
52	Non - Dwelling Rents	61
20,491	Total Rent	**20,660**

H5 Rent arrears

The rent arrears (net of accounts in credit) as a proportion of gross rent income were 3.68% (2024/25: 3.31%). The arrears figures are shown below.

Amounts written off during the year were £408,083 (2024/25: £156,283). At 31 March 2026, the Provision for doubtful debts was £887,388 (2024/25: £1,089,066).

2024/25 £'000		2025/26 £'000
1,463	Total Current and Former Tenant Arrears	1,323
(752)	Less: Accounts in credit	(760)
711	Net Arrears	563

H6 Major repairs reserve

2024/25 £'000		2025/26 £'000
(4,235)	Balance at 1st April	(1,174)
(3,789)	Amounts transferred to Reserve during year	(3,851)
	Amounts transferred from Reserve to finance Capital Expenditure:	
6,850	Dwellings	4,980
(1,174)	**Balance at 31 March**	**(45)**

Notes to the housing revenue account (HRA)

H7 Capital expenditure and receipts

Total Capital Expenditure within the Council's HRA during the financial year was £12,371k (2024/25: £7,587k). The sources of funding are shown below:

2024/25 £'000		2025/26 £'000
6,850	Major Repairs Reserve	4,980
0	Grants	2,710
0	Revenue Contribution	0
737	Capital Receipts	518
0	Borrowing	4,163
7,587		**12,371**

Total Capital Receipts from disposals of Council Dwellings within the Council's HRA stock in 2025/26 were £6.369m (2024/25 £2.085m).

H8 Depreciation of HRA fixed assets

2024/25 £'000		2024/25 £'000
3,428	Dwellings (excl. garages)	3,705
225	Other Land and Buildings	146
136	Surplus Assets	0
3,789	**Operational assets**	**3,851**

H9 Revaluation/impairment (reversal) of HRA fixed assets

2024/25 £'000		2025/26 £'000
1,217	Dwellings (excl. garages)	3,771
7	Other Land and Buildings	9
0	Surplus Assets	0
1,224	**Operational assets**	**3,780**

Section 5 Collection Fund

Collection Fund

2024/25 £'000	Collection fund income and expenditure account	2025/26 £'000	£'000
Restated position	**Income**		
(83,455)	Council Tax (Net of benefits, discounts for prompt payment and transitional relief)		(89,214)
	Transfers from General Fund:-		
1	- Council Tax Benefit		0
(22)	- CTLS Discretionary		(25)
(12)	Section 13a		(2)
(109,825)	Business Ratepayers		(104,824)
(193,313)	**Total Income**		**(194,065)**
	Expenditure		
	Council Tax Precepts and Demands:-		
59,385	Leicestershire County Council	63,110	
10,613	Leicestershire Police	11,268	
3,028	Leicestershire Fire and Rescue	3,252	
9,685	N.W.L.D.C. (including Parish and Special Expenses)	10,123	
97	Contribution towards previous year's deficit	342	
1,224	Provision for bad/doubtful debts	1,140	
84,031			89,235
	Non-Domestic Rates (NDR):		
55,193	Share of NDR - Government	55,214	
9,935	Payment to Leicestershire County Council	9,938	
1,104	Payment to Leicestershire Fire and Rescue Service	1,104	
44,154	Share of NDR - N.W.L.D.C.	44,171	
2,708	Contribution towards previous year's surplus/deficit	(6,569)	
1,032	Provision for bad/doubtful debts	3,123	
1,075	Provision for appeals	(1,665)	
168	Costs of Collection	171	
2,888	Disregarded amounts	2,951	
118,256			108,438
202,287	**Total Expenditure**		**197,673**
543	Movement on fund - (Surplus)/Deficit for the year - Council Tax		(6)
8,431	Movement on fund - (Surplus)/Deficit for the year - NDR		3,614
(450)	Collection Fund Balance at 1st April 2024 - Council Tax		92
1,114	Collection Fund Balance at 1st April 2024 - NDR		9,545
92	**Collection Fund Balance at 31st March 2026 - Council Tax**		**86**
9,545	**Collection Fund Balance at 31st March 2026 - NDR**		**13,159**

Notes to the Collection Fund

C1 General

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

C2 Council tax

The Council's tax base i.e. the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts apply) converted to an equivalent of band D dwellings, was calculated as follows:-

Band	Estimated number of taxable properties after effect of discount	Ratio	Band 'D' Equivalent dwellings
A	7,439	6/9	4,960
B	11,933	7/9	9,284
C	7,277	8/9	6,472
D	6,773	9/9	6,776
E	5,274	11/9	6,446
F	2,010	13/9	2,903
G	931	15/9	1,558
H	48	18/9	97
	41,683		38,496

Less: 2% Allowance for Valuation Appeals and irrecoverables	964
Council tax base for 2025/26	**37,532**

C3 Income from business rates

The Council collects Non-Domestic Rates for its area which are based on local rateable values multiplied by a uniform rate. The total amount, less certain reliefs and other deductions, is paid to a central pool (the NNDR pool) managed by Central Government, which in turn redistributes the pool back to local authorities general fund.
The total Non-Domestic Rateable Value at the 31st March 2026 was £236,296,115 (2024/25: £234,291,790).

The National Non-Domestic multiplier for the year was 55.5p (2024/25 54.6p).

The Small Business Rate Multiplier was 49.9p (2024/25: 49.9p).

C4 Provisions

The provision for the Council's share of potential cost of settling outstanding business rates appeals, was created as a result of the introduction of the Business Rates Retention scheme. As part of this scheme, billing authorities acting as agents on behalf of major preceptors (10%), Central Government (50%) and themselves are required to make a provision for refunding ratepayers who have appealed against the rateable value of their properties. Although under the scheme, the Council is able to retain a larger share of the business rates locally, it also now bears the risks and uncertainties linked to the level of rateable value appeals. The Council has made a provision of £2.21m in its accounts (2024/25: £2.88m).

Section 6
Glossary

Glossary of main financial terms

Amortisation
A reduction in the value of an intangible asset over time, due to wear and tear.

Budget
A statement defining the council's policies over a specified period in terms of finance. Budgets usually include statements about the use of other resources (e.g. numbers of staff) and provide some information on performance measures.

Budget requirement
The estimated revenue expenditure on general fund services that needs to be financed from the council tax after deducting income from fees and charges, certain specific grants and any funding from reserves. It is used to decide the criteria for capping local authority revenue expenditure.

Capital expenditure
(or capital spending) - Section 40 of the Local Government and Housing Act 1989 defines 'expenditure for capital purposes'. This includes spending on the acquisition of assets either directly by the local authority or indirectly in the form of grants to other persons or bodies. Expenditure that does not fall within this definition must be charged to a revenue account.

Capital receipts
The proceeds from the disposal of land or other assets. Capital receipts can be used to finance new capital expenditure within rules set down by the Government, but they cannot be used to finance revenue expenditure.

Collection fund
A statutory fund maintained by a billing authority, which is used to record local taxes and non-domestic rates collected by the authority, along with payments to precepting authorities, the national pool of non-domestic rates and its own general fund.

Contingency
Money set aside in the budget to meet the cost of unforeseen items of expenditure, or shortfalls in income, and to provide for inflation where this is not included in individual budgets.

Contingent liability
Money that may be owed, but the exact amount is unclear.

Council tax
The main source of local taxation to local authorities. Council tax is levied on households within its area by the billing authority and the proceeds are paid into its Collection Fund for distribution to precepting authorities and for use by its own General Fund.

Council tax benefit
Assistance provided by billing authorities to adults on low incomes to help them pay their council tax bill. The cost to authorities of council tax benefit is largely met by government grant.

Current expenditure
Running costs, including employee costs, premises costs and supplies and services, but not including debt charges.

Deferred charge
Spending on an asset that has a lasting value but is not owned e.g. improvement grants.

Depreciation
A measure of the wearing out, consumption, or other reduction in the useful life of a fixed asset.

Earmarked reserve
Money set aside for a specific purpose.

Estimates
The amounts expected to be spent, or received as income, during an accounting period. The term is also used to describe detailed budgets, which are either being prepared for the following year, or have been approved for the current year.

Original estimate
The estimates for a financial year approved by the council before the start of the financial year.

Revised estimate
An updated revision of the estimates for a financial year.

Supplementary estimate
An amount, which has been approved by the authority, to allow spending to be increased above the level of provision in the original or revised estimates.

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

Fees and charges
Income raised by charging users of services for the facilities. For example, local authorities usually make charges for the use of leisure facilities, the collection of trade refuse, etc.

Finance lease

Under IFRS 16, most leases are recognised on the balance sheet as a right-of-use asset with a corresponding liability.

Financial regulations
A written code of procedures approved by the authority, intended to provide a framework for proper financial management. Financial regulations usually set out rules on accounting, audit, administrative procedures and budgeting systems.

General fund
The main revenue fund of a billing authority. Day-to-day spending on services is met from the fund. Spending on the provision of housing, however, must be charged to a separate Housing Revenue Account.

Housing benefit
An allowance to persons on low income (or none) to meet, in whole or part, their rent. Benefit is allowed or paid by local authorities but central government refunds part of the cost of the benefits and of the running costs of the service to local authorities. Benefit paid to the authority's own tenants is known as rent rebate and that paid to private sector tenants as rent allowance. See also Council Tax Benefit.

Housing revenue account (HRA)
Local authorities are required to maintain a separate account - the HRA - which sets out the expenditure and income arising from the provision of housing. Other services are charged to the General Fund.

HRA Self-financing

Local authorities retain rental income and are responsible for managing their own housing finances.

IAS 19

The accounting standard covering employee benefits, including pension costs.

IFRS
International Financial Reporting Standards

Impairment
A reduction in the value of an asset, arising (for example) from a significant reduction in Market Value.

LOBO
A commercial loan method of borrowing, which gives options for both parties – ("Lenders options; borrowers options").

Minimum revenue provision (MRP)
The minimum amount which must be charged to an authority's revenue account each year and set aside as provision for credit liabilities, as required by the Local Government and Housing Act 1989.

Indexation
The process of updating asset values using an appropriate index between formal valuations, in accordance with the 2025/26 Code.

National non-domestic rate (NNDR)
A levy on businesses, based on a national rate in the pound set by the Government multiplied by the 'rateable value' of the premises they occupy. NNDR is collected by billing authorities on behalf of central government and then redistributed among all local authorities and police authorities on the basis of population. Also known as 'business rates', the 'uniform business rate' and the 'non-domestic rate'.

Net expenditure
Gross expenditure less specific service income, but before deduction of Revenue Support Grant.

Non-recurring
Items that are in a budget for one year only.

Right-of-use asset
An asset recognised under IFRS 16 representing the authority's right to use a leased asset for the lease term.

Lease liability
The obligation to make lease payments recognised under IFRS 16.

Outturn
Actual income and expenditure in a financial year.

Pension fund
An employees' pension fund maintained by an authority, or group of authorities, in order to make pension payments on retirement of participants. It is financed from contributions from the employing authority, the employee and investment income.

Precept
The levy made by precepting authorities on billing authorities, requiring the latter to collect income from council tax payers on their behalf.

Precepting authorities
Those authorities which are not billing authorities, i.e. do not collect the council tax and non-domestic rate. County councils, police authorities and joint authorities are 'major precepting authorities' and parish, community and town councils are 'local precepting authorities'.

Provisions and reserves
Amounts set aside in one year to cover expenditure in the future. Provisions are for liabilities or losses which are likely or certain to be incurred, but the amounts or the dates on which they will arise are uncertain. Reserves are amounts set aside which do not fall within the definition of provisions and include general reserves (or 'balances'), which every authority must maintain as a matter of prudence.

Public works loan board (PWLB)
A central government agency which provides long- and medium-term loans to local authorities at interest rates only slightly higher than those at which the Government itself can borrow. Local authorities are able to borrow a proportion of their requirements to finance capital spending from this source.

Revenue support grant (RSG)
A grant paid by central government to aid local authority services in general, as opposed to specific grants, which may only be used for a specific purpose. The grant makes up the difference between expenditure at SSA and the amount which would be collected in council tax for that level of expenditure (CTSS) and the amount of non-domestic rate redistributed.

Section 137 expenditure
Under Section 137 of the Local Government and Housing Act 1972, local authorities are allowed to spend a limited amount to do things they are not otherwise empowered to do, but which they consider to be in the interests of residents.

Specific grants
The term used to describe all government grants - including supplementary and special grants - to local authorities other than RSG, capital grants and HRA subsidy. Not to be confused with specified capital grants.

Specified capital grant (SCG)
Certain government grants towards capital spending, for example house renovation grants. Local authorities must apply a special accounting treatment to these grants, i.e. reduce their credit approvals by the amount of the grant received. SCGs all relate to housing.

Ultra vires
Local authorities are empowered to do only those things authorised by statute. If they do anything not authorised by statute, that action is said to be ultra vires (i.e. beyond their powers).

Value for money (VFM)
A much-used term that describes a service or product that demonstrates a good balance between its cost, quality and usefulness to the customer. A VFM audit takes into account the economy, efficiency and effectiveness (known as the ‘three Es’) of a local authority service, function or activity.

Virement
The permission to spend more on one budget head when this is matched by a corresponding reduction on some other budget head, i.e. a switch of resources between budget heads. Virement must be properly authorised by the appropriate committee or by officers under delegated powers.

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 5 AUGUST 2026

Title of Report	**TREASURY MANAGEMENT UPDATE REPORT (Q1)**	
Presented by	Anna Crouch Head of Finance & Deputy S151	
Background Papers	**Council - 19 February 2026** Capital Strategy, Treasury Management Strategy and Prudential Indicators 2026/27 **Cabinet - 28 July 2026** 2025/26 General Fund Provisional Outturn	**Public Report:** Yes
Financial Implications	There are no financial implications as a direct result of this report.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	There are no legal implications as a direct result of this report.	
	Signed off by the Deputy Monitoring Officer: yes	
Staffing and Corporate Implications	There are no staffing or corporate implications as a direct result of this report.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To inform the Committee of the Council's Treasury Management Activity for the period April to June 2026 (Quarter 1).	
Recommendations	**THAT THE COMMITTEE NOTES THE TREASURY MANAGEMENT 2026-27 QUARTER 1 ACTIVITY REPORT (APPENDIX A).**	

1.0 BACKGROUND

1.1 Treasury Management activity is underpinned by the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code), which requires local authorities to produce Prudential Indicators and a Treasury Management Strategy Statement annually on the likely financing and investment activity. The Treasury Management Strategy was approved by Council on 19 February 2026.

1.2 As a minimum, the Code requires that the Council approves reports on the performance of the Treasury Management function at least twice per year (mid-year and at year end). The Council goes beyond this requirement by issuing quarterly reports to the Audit and Governance Committee which provide additional updates and includes the new requirement in the 2021 Code, mandatory from 1 April 2023, of quarterly reporting of the treasury management prudential indicators.

1.3 Appendix A is the quarter one report for the financial year 2026/27 designed to inform the Committee of the Council's treasury activity and enable scrutiny of activity and performance.

2.0 SUMMARY

2.1 In compliance with the requirements of the CIPFA Code, Appendix A provides the Committee with a summary report of the Treasury Management activity for the period April 2026 to June 2026. A prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

Policies and other considerations, as appropriate	
Council Priorities:	The Treasury Strategies and Prudential Indicators help the Council achieve all its priorities: - Planning and Regeneration - Communities and Housing - Clean, Green and Zero Carbon - A Well-Run Council.
Policy Considerations:	Not applicable
Safeguarding:	Not applicable
Equalities/Diversity:	Not applicable
Customer Impact:	Not applicable
Economic and Social Impact:	Not applicable
Environment, Climate Change and Zero Carbon	The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing. Where practical, when making investment decisions ESG will be considered and counterparties with integrated ESG policies and commitments to carbon reduction.
Consultation/Community/Tenant Engagement:	Not applicable
Risks:	Borrowing and investment both carry an element of risk. This risk is mitigated through the adoption of the Treasury and Investment Strategies, compliance with the CIPFA Code of Treasury Management and the retention of Treasury Management advisors (Arlingclose) to proffer expert advice. In addition, effective treasury management is critical to ensuring the Council maintains adequate liquidity and access to funding to support the continued delivery of Council services. Failure to maintain robust treasury management arrangements could adversely impact service provision and financial resilience.
Officer Contact	Anna Crouch Head of Finance & Deputy S151 anna.crouch@nwleicestershire.gov.uk

Appendix A

Treasury Management Activity Quarter 1 Report 2026/27

1. Introduction

1.1 The Council has adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Council to approve treasury management semi-annual and annual outturn reports.

1.2 The Council goes beyond this requirement by issuing quarterly reports which provide additional updates and includes the new requirement in the 2021 Code, mandatory from 1 April 2023, of quarterly reporting of the treasury management prudential indicators.

1.3 This report is for the first quarter of the financial year 2026/27.

1.4 The Council's treasury management strategy for 2026/27 was approved at the Council meeting on 19 February 2026. The Council has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. Successful identification, monitoring and control of risk remain central to the Council's treasury management strategy.

2. External Context (provided by Arlingclose)

2.1 Economic background: The main story for the quarter was the continuation of the Middle East conflict, started on 28th February with strikes by Israel and the US on Iran. The conflict led to the closure of the Hormuz Strait, a waterway through which around 20% of the world's oil and liquified natural gas flows, resulting in sharp rises in energy and other commodity prices. Towards the end of the quarter, the US and Iran came to an agreement to negotiate a peace settlement, which prompted a reduction in energy commodity prices, albeit remaining higher than pre-war.

2.2 Coming close on the heels of the last energy price shock in 2022 following Russia's invasion of Ukraine, central bank policymakers and financial markets reacted quickly to reflect the new reality for monetary policy. In the UK, the headline consumer price inflation (CPI) rate was widely expected to fall back to 2% in April, with changes to government energy policy announced in the budget reducing energy bills and therefore headline inflation rates. Instead, the sharp rise in petrol prices occurring from the war maintained the CPI rate well above target at 2.8%.

2.3 Having been expected to cut Bank Rate from 3.75%, the Bank of England's Monetary Policy Committee (MPC) instead held Bank Rate steady throughout the quarter. Despite sending hawkish signals with each monetary policy decision, and the voting split changing from a 9-0 hold in March to a 7-2 hold in June, the majority of committee members appear to believe the UK economy and labour market were soft enough to absorb the price shock without producing the persistent inflationary conditions seen in 2022, which led to Bank Rate rising to 5.25%. This is backed up by business surveys towards the end of the quarter suggesting that business pricing pressures, while elevated, are abating.

2.4 Against expectations, UK headline CPI decreased over the quarter, from an annual rate of 3.3% in March to 2.8% in May, but still well above the Bank of England's 2% target. The core measure of CPI inflation also decreased, from 3.1% to 2.6% over the same period. Upside pressure in inflation generally reflected fuel prices, but many other categories experienced disinflation, providing some evidence that higher energy prices were not immediately feeding into a wider subset of products.

2.5 Inflation will rise from July, however, as the retail energy price cap is increased by 13%. Expectations range from inflation rising to 3.5% to 4.0% and the MPC's resolve to maintain Bank Rate at 3.75% will likely be tested at this point.

2.6 Data released during the period showed UK economy expanded by 0.6% in the first quarter of the calendar year, following three previous quarters of weaker growth. However, monthly GDP data showed a contraction of 0.1% in April as weaker confidence affected spending and investment decisions. Purchasing managers' index (PMI) data indicated that softer growth was also likely in May and June, with the services PMI denoting a small contraction in activity from both months.

2.7 Labour market data showed a continued softening in employment conditions, as weaker private sector earnings growth was reported for the period February to April 2026. The unemployment rate for April was 4.9%, PAYE employment was down over the year, and the number of vacancies continued to fall. The looser labour market is supporting the MPC's decision not to tighten monetary policy, with the likelihood of wage growth rising in line with inflation appearing remote.

2.8 Arlingclose, the Council's treasury adviser, maintained its central view that Bank Rate remain at 3.75%, and that the Bank of England would focus on the spare capacity in the economy, notably the labour market, rather than the upside risk of persistent inflation. The balance of risks over the near term, however, is deemed to be the upside as signs of second round inflationary effects will prompt policymakers to raise interest rates. Over the medium term, the balance of risk for Bank Rate shifts to the downside, with tighter monetary policy, higher prices and weaker growth presenting downside risks for inflation.

2.9 The US Federal Reserve also held interest rates steady over the period, maintaining the Fed Funds Rate at 3.5%-3.75%. The decision in June was the sixth consecutive month where no changes were made to the main interest rate. US CPI jumped to 4.2% in May on the back of higher gasoline prices, raising the possibility that policy under new Fed Chair Kevin Warsh may lead to higher rather than lower rates.

2.10 The European Central Bank (ECB) hiked rates in June, the first rise since September 2023. The ECB noted heightened uncertainty in the near-term from the effects of the war, including higher inflation and potentially weaker growth. The June hike to 2.4% represented an insurance move to maintain inflation around the 2% target.

2.11 **Financial markets**:

2.12 After the sharp deterioration early in the quarter, sentiment in financial markets showed signs of improvement during the period as hopes for an end to the US/Israel war with Iran increased. However, bond and equity markets remained volatile. Early in the period bond yields rose sharply due to tighter monetary policy expectations but yields steadily declined as it became apparent central banks, including the Bank of England, were not going to immediately hike policy rates. Equity markets sold off sharply in March but gained back some of the previous declines, particularly in US markets, where AI-related sentiment remained strong.

2.13 Political uncertainty in the UK due to poor local election results for the Labour party placed upward pressure on medium and longer-term gilt yields. The eventual resignation of Keir Starmer and likely ascension of Andy Burnham reduced some uncertainty and prompted a decline in yields.

2.14 Over the quarter, the 10-year UK benchmark gilt yield started at 4.86% and ended at 4.77% having hit 5.20% in late April. The 20-year gilt yield was slightly more stable, starting at 5.45% and finished at 5.42%, after peaking at 5.79% in May. The Sterling Overnight Rate (SONIA) averaged 3.73% over the quarter to 30th June.

2.15 **Credit review**: Arlingclose maintained its recommended maximum unsecured duration limit on the majority of banks on its counterparty list at sixmonths. Other banks remain on 100 days.

2.16 During the quarter, Fitch upgraded numerous banks due to a rating methodology change, which placed greater emphasis on resolution regimes, loss-absorbing debt buffers and depositor protection. It also changed the reference obligations used for Issuer Default Ratings and introduced more differentiated notching between deposits, senior preferred, senior unsecured and senior non-preferred debt ratings.

2.17 Moody's also made changes to the ratings of European banks following the passing of EU legislation introducing full depositor preference across the bloc which places deposits ahead of senior unsecured debt in the creditor hierarchy. This resulted in upgrades to the ratings to several counterparties on Arlingclose's recommended list.

2.18 Credit default swap (CDS) prices on UK banks spiked through late March/early April following escalation in the Iran war but eased back over the rest of the quarter to end at broadly pre-conflict levels.

2.19 European banks' CDS prices followed a similar pattern, albeit some German banks were modestly higher compared to the previous quarter. Trade tensions between Canada and the US caused Canadian bank CDS prices to rise over the quarter and remain elevated compared to earlier Q1 2026 while Australian and Singaporean leaders were broadly unchanged.

2.20 Overall, at the end of the period CDS prices for all banks on Arlingclose's counterparty list remained within limits deemed satisfactory for maintaining credit advice at current durations.

2.21 Financial market volatility is expected to remain a feature, at least in the near term, and credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Council's counterparty list recommended by Arlingclose remain under constant review.

3. Local Context

3.1 On 31 March 2026, the Council had net borrowing of £22.8m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.03.26 Actual £m	31.03.27 Estimated £m
General Fund CFR	33.62	32.46
HRA CFR	49.60	57.85
Total CFR	**83.22**	**90.31**
External borrowing	53.79	52.47
Internal borrowing	29.43	37.84
Total Borrowing	**83.22**	**90.31**

3.2 The treasury management position at 31 March 2026 and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.03.25 Balance £m	Movement £m	31.03.26 Balance £m	31.03.26 Rate %
Long-term borrowing	52.50	-0.00	52.50	3.52%
Short-term borrowing	1.30	-0.00	1.30	2.24%
Total borrowing	**53.80**	**-0.00**	**53.80**	**3.49%**
Long-term investments	0.00	0.00	0.00	0.00%
Short-term investments	14.00	1.00	15.00	4.17%
Cash and cash equivalents	17.00	5.50	22.50	3.82%
Total investments	**31.00**	**6.50**	**37.50**	**3.96%**
Net borrowing	**22.80**	**-6.50**	**16.31**	

4. Borrowing

4.1 CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the Council.

4.2 PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield and the Council intends to avoid this activity to retain its access to PWLB loans.

4.3 The Council currently holds £9.9m in commercial investments that were purchased prior to the change in the CIPFA Prudential Code. These commercial investments are primarily for local regeneration and growth with a secondary objective of financial return. Before undertaking further additional borrowing the Council will review the options for exiting these investments.

4.4 As shown in table 1 the Council has internally borrowed £37.84m. This internal borrowing foregoes a potential interest income rate of 3.96%. Current one-year external borrowing rates with the PWLB (Certainty Rate) are 4.76% as at 30 June 2026. An additional rate for HRA specific borrowing has been implemented from June 2023 which is 0.4% lower than standard

PWLB rates.

4.5 Due to the borrowing rate exceeding the Council's interest income rate, it is appropriate to remain internally borrowed at this point.

5 Borrowing Strategy and Activity

5.1 As outlined in the treasury strategy, the Council's chief objective when borrowing has been to strike an appropriate risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

5.2 Gilt yields have moved about during the period but overall have decreased slightly. Oil prices have reduced and inflationary figures in the UK have not risen by as much as markets initially expected. Concerns about the tepid UK economy have also lessened expectations of future rate rises which has lowered gilt yields.

5.3 The PWLB certainty rate for 5-year maturity loans was 5.16% at the beginning of the period and 5.07% at the end. The lowest available 5-year maturity/certainty rate was 5.04% and the highest was 5.49%. In contrast rates for 20-year maturity loans ranged from 6.02% to 6.50% during the period, and 50-year maturity loans from 5.89% to 6.35%. After coming down from a characteristic spike seen around financial year end, the cost of short-term borrowing from other local authorities has remained a little above Base Rate, at between 4.0% and 4.5%, throughout the period.

5.4 CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Council. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes. The Council has no new plans to borrow to invest primarily for financial return.

5.5 On 30 June 2026 the Council held £53.8m of loans, with no repayments of principal so far this year. A breakdown of outstanding loans is shown below in table 3.

Table 3: Borrowing Position

	31.03.26 Balance £m	Net Movement £m	30.06.26 Balance £m	30.06.26 Weighted Average Rate %	30.06.26 Weighted Average Maturity (years)
Public Works Loan Board	49.8	0.0	49.8	3.43%	12.96
Banks (fixed-term)	3.9	0.0	3.9	0.35%	2.02
Local authorities (long-term)	0.1	0.0	0.1	3.14%	0.01
Local authorities (short-term)	0.0	0.0	0.0	0.00%	0.00

Total borrowing	**53.8**	**0.0**	**53.8**	**3.49%**	**14.99**

5.6 There remains a strong argument for diversifying funding sources, particularly if rates can be achieved on alternatives which are below gilt yields + 0.80%. The Council will evaluate and pursue these lower cost solutions and opportunities with its advisor Arlingclose.

6. Treasury Investment Activity

6.1 The CIPFA Treasury Management Code now defines treasury management investments as those which arise from the Council's cash flows or treasury risk management activity that ultimately represents balances which need to be invested until the cash is required for use in the course of business.

6.2 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Council's investment balances have ranged between £30.7m and £50.5m due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.03.26 Balance £m	Net Movement £m	30.06.26 Balance £m	30.06.26 Income Return %	30.06.26 Weighted Average Maturity days
Banks & building societies (unsecured)	0.0	0.0	0.0	0.00%	0.0
Government (incl. local authorities)	14.0	1.0	15.0	4.17%	98.5
Money Market Funds	17.0	5.5	22.5	3.82%	0.6
Total investments	**31.00**	**6.50**	**37.50**	**3.96%**	**99.11**

6.3 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

6.4 As demonstrated by the liability benchmark in this report, the Council expects to be a long-term investor and treasury investments therefore include both short-term low risk instruments to manage day-to-day cash flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services.

6.5 Bank Rate has remained at 3.75% since December 2025. Short term interest rates have largely followed these levels. The rates on DMADF deposits ranged between 3.70% and 3.73% and money market rates between 3.57% and 3.91%.

6.6 The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in Table 5 below.

Table 5: Investment Benchmarking – Treasury investments managed in-house

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
30/06/2026	4.65	A+	60%	21	3.96%
Similar Las	4.61	A+	65%	47	3.97%
All Las	4.59	A+	66%	11	3.95%

6.7 Most major asset classes delivered positive returns over quarter 1 of 2026/27, although markets remained volatile and sensitive to geopolitical developments, energy prices and changing expectations for interest rates. The quarter generally represented a recovery from the weakness seen towards the end of 2025/26, when markets were unsettled by the escalation of conflict between the US, Israel and Iran. As tensions in the Middle East began to ease and oil prices fell back, investor sentiment improved and most asset prices recovered.

6.8 Equity markets generally performed strongly over the quarter, supported by improving risk appetite, resilient corporate earnings and continued enthusiasm for technology and AI-related investment. Emerging markets performed most strongly, with UK equities also delivering positive returns, although lagging overseas markets. This partly reflected the more defensive composition of the UK market and its exposure to falling commodity prices (such as oil.)

6.9 Bond markets produced more modest but generally positive returns. Government bond markets were affected by competing influences. Higher energy prices and geopolitical uncertainty initially raised concerns about inflation, while later falls in oil prices and softer economic data helped support expectations that global central banks may still ultimately be able to reduce interest rates over time. UK gilts came under pressure (prices falling, yields increasing) with expectations of Bank Rate increases, plus domestic political uncertainty rising, but yields declined during June following the apparent ‘conclusion’ of the war, reduction in energy prices and decline in interest rate expectations, finishing the quarter at similar levels to the start.

6.10 The Council has budgeted £555,742 in interest income from investments after deductions in 2026/27. The actual income received by 30 June 2026 was £411,346. The forecasted income to 31 March 2027 is £1,159,089.

6.11 Interest rates can and have been extremely volatile over the financial year and are likely to be similarly volatile in the upcoming months. Therefore, for the purpose of budget setting these forecasts are reduced by 20% to ensure that there is not an overreliance placed on interest return for creating a balanced budget.

6.12 The updated forecast of £1.16m will be split between the General Fund (GF) and Housing Revenue Account (HRA). This split will be 55% to the GF and 45% to HRA. The percentage split is worked using the investment balances for both funds throughout the year as a percentage of the overall investment fund. This is subject to change based on statement of accounts completion.

6.13 Interest forecasts are notoriously difficult to predict and are subject to change particularly in an unstable interest rate environment and constantly changing economic environment.

7. Non-Treasury Investments

7.1 The definition of investments in the Treasury Management Code now covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and/or for commercial purposes (made primarily for financial return).

7.2 Investment Guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) also includes within the definition of investments all such assets held partially or wholly for financial return.

7.3 The Council held £9.9m of investments made for commercial purposes. This consisted entirely of directly owned property and land. A full list of the Council's non-treasury investments is available in the Investment Strategy 2026-27 document. These investments are forecast to generate £320,000 in investment income in 2026/27 for the Council after taking account of direct costs.

7.4 The main purpose of these investments is regeneration of the local area rather than investment income. All commercial investments are located within the district.

8. Treasury Performance

8.1 The Council measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship with benchmark interest rates.

8.2 As discussed in section 6.9, investment interest income during the reporting period was £1,159,089 after deductions. The Councils Investment interest return percentage on 30 June 2026 was 3.87%. For comparison purposes the Daily Sterling Overnight Index Average (SONIA) which is used for benchmarking purposes was 3.73%. For similar local authorities the most recent benchmarking data, which is from 30 June 2026 showed an investment return of 3.95%. This is shown in Appendix 1.

8.3 Since the beginning of the reporting period the Council, as per forecast, has paid £0.38m in interest on borrowing. The weighted average interest rate on borrowing is 3.49%. For comparison purposes the current PWLB Maturity Loan rate for new 10-year loans is 5.69%. The Council's average rate, therefore, represents a good rate of borrowing in the current environment.

8.4 During the 2026/27 financial year, the Council is forecasting to pay back £1.3m in principal on its PWLB loans. The £1.3m is for the annuity loans whereby regular payments are made throughout the lifetime of the loan. There is no intention to borrow to replace these loans as the Council currently has the resources to absorb this.

8.5 The Authority was forecast to undertake new borrowing of £9.7m for the HRA in the 2026/27 financial year, however, none has so far been undertaken. There has therefore been an equal increase in the internal borrowing.

8.6 On 10 April 2024 amended legislation and revised statutory guidance were published on Minimum Revenue Provision (MRP). Most of the changes take effect from the 2025/26 financial year, although there is a requirement that for capital loans given on or after 7 May 2024 sufficient MRP must be charged so that the outstanding CFR in respect of the loan is no higher than the principal outstanding, less the Expected Credit Loss (ECL) charge for that loan. No capital loans have been given since May 2024.

8.7 The regulations also require that local authorities cannot exclude any amount of their CFR from their MRP calculation unless by an exception set out in law. Capital receipts cannot be used to directly replace, in whole or part, the prudent charge to revenue for MRP (there are specific exceptions for capital loans and leased assets).

9. Compliance

9.1 The S151 Officer reports that all treasury management activities undertaken during the quarter complied fully with the CIPFA Code of Practice.

9.2 Compliance with the Authorised Limit and Operational Boundary for external debt is demonstrated in table 6 below.

Table 6: Debt and the Authorised Limit and Operational Boundary

	2026/27 Maximum Debt Q1	30.06.26 Actual £m	2026/27 Operational Boundary £m	2026/27 Authorised Limit £m	Complied?
Borrowing	53.8	53.8	92.3	102.3	**YES**

9.3 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure. However, there were no days in the reporting period in which the operational boundary was breached.

Table 7: Investment Limits

	Q1 Maximum During Period £m	30.06.26 Actual £m	2026/27 Limit £m	Complied?
The UK Government	18.0	5.0	Unlimited	**YES**
Local authorities & other government entities	10.0	10.0	60.0	**YES**
Secured investments	0.0	0.0	60.0	**YES**
Banks (unsecured)	0.0	0.0	60.0	**YES**
Building societies (unsecured)	0.0	0.0	5.0	**YES**

Registered providers (unsecured)	0.0	0.0	12.5	**YES**
Money market funds	25.0	22.5	60.0	**YES**
Strategic pooled funds	0.0	0.0	25.0	**YES**
Real estate investment trusts	0.0	0.0	12.5	**YES**
Other investments	0.0	0.0	2.5	**YES**
Total		**37.5**		

10. Treasury Management Prudential Indicators

10.1 The Council measures and manages its exposures to treasury management risks using the following indicators.

10.2 **Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Table 8: Security

	31.03.26 Actual	30.06.26 Actual	2026/27 Target	Complied?
Portfolio average credit rating	A+	A+	A-	**YES**

10.3 **Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

Table 9: Liquidity

	Days	30.06.26 Actual £m	2026/27 Target £m	Complied?
Total cash available within 3 months	90	27.5	2.5	**YES**

10.4 **Interest Rate Exposures**: This indicator is set to control the Council’s exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interests is shown in table 10 below.

Table 10: Interest Rate Exposures

Interest rate risk indicator	30.06.26 Actual	2026/27 Limit	Complied?

Upper limit on one-year revenue impact of a 1% rise in interest rates	339,820	550,000	**YES**
Upper limit on one-year revenue impact of a 1% fall in interest rates	-339,820	-550,000	**YES**

10.5 The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at current rates. Due to all the Council's investments maturing in year and the majority of its borrowing maturing in later years this means that the Council would benefit from an increase in interest rates (as investments are replaced with higher rates but not borrowing) but are negatively impacted by a decrease in interest rates for the same reason.

10.6 This is demonstrated in the above figures which show a positive return from an increase and a negative return from a decrease in interest rates. Both impacts are within reasonable limits for the revenue budget. The Council also takes further precautions by reducing its interest forecast by a risk-adjusted amount of 20% as discussed in paragraph 6.9.

10.7 For context, the changes in interest rates during the year were:

Table 11: Interest Rate Changes

Context - Interest Rate changes	**01/04/2026**	**30/06/2026**
Bank Rate	3.75%	3.75%
1-year PWLB certainty rate, maturity loans	5.01%	4.76%
5-year PWLB certainty rate, maturity loans	5.25%	5.06%
10-year PWLB certainty rate, maturity loans	5.69%	5.54%
20-year PWLB certainty rate, maturity loans	6.19%	6.09%
50-year PWLB certainty rate, maturity loans	6.03%	5.97%

10.5 **Maturity Structure of Borrowing:** This indicator is set to control the Council's exposure to refinancing risk. [This indicator covers the risk of replacement loans being unavailable, not interest rate risk.] The upper and lower limits on the maturity structure of all borrowing were:

Table 12: Maturity Structure of Debt

	31.03.27 Actual £m	**31.03.27 Actual %**	**Lower Limit**	**Upper Limit**	**Complied?**
Under 12 months	0.6	1%	0%	70%	YES
12 months and within 24 months	0.6	1%	0%	30%	YES
24 months and within 5 years	1.9	4%	0%	30%	YES
5 years and within 10 years	10.0	19%	0%	30%	YES
10 years and within 20 years	33.8	64%	0%	90%	YES
20 years and above	5.7	11%	0%	30%	YES
Totals	**52.5**	**100%**			

10.6 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

10.7 **Principal Sums Invested for Periods Longer than a year:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

Table 13: Long Term Investments

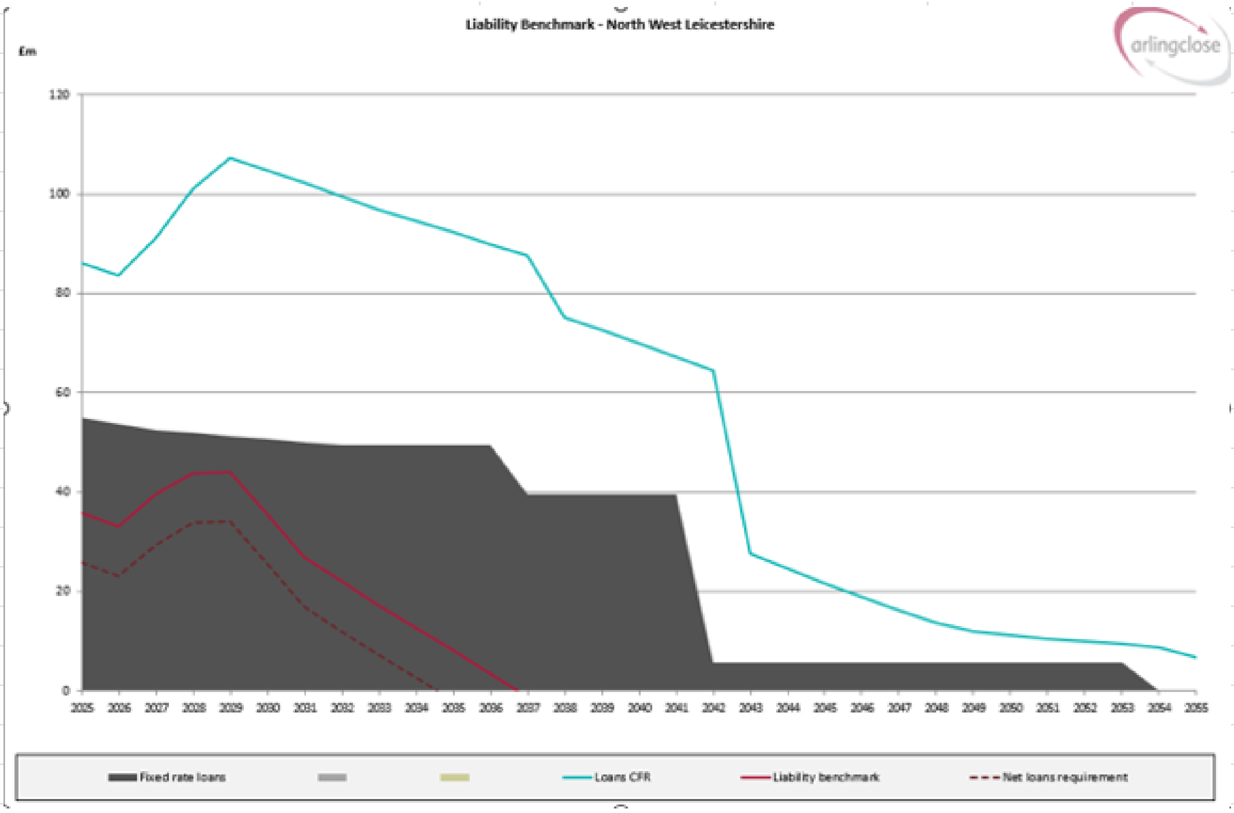
	2026/27	2027/28	2028/29	No Fixed Date
Actual principal invested beyond year end	£0m	£0m	£0m	£0m
Limit on principal invested beyond year end	£60m	£10m	£10m	£10m
Complied?	**YES**	**YES**	**YES**	**YES**

10.8 **Liability Benchmark**: This indicator compares the Council's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £10m required to manage day-to-day cash flow.

10.9 **Table 14: Liability Benchmark**

	31.3.26 Estimate	31.3.27 Forecast	31.3.28 Forecast	31.3.29 Forecast
Loans CFR	83.7	90.9	101.1	107.3
Less: Balance sheet resources	-60.7	-61.6	-67.4	-73.3
Net loans requirement	**23.0**	**29.3**	**33.7**	**34.0**
Plus: Liquidity allowance	10.0	10.0	10.0	10.0
Liability benchmark	**33.0**	**39.3**	**43.7**	**44.0**
Existing external borrowing	**-53.8**	**-52.7**	**-52.1**	**-51.6**

10.10 Following on from the medium-term forecast above, the long-term liability benchmark assumes no capital expenditure funded by borrowing before 2026/27, minimum revenue provision on new capital expenditure based on a variable asset life depending on asset type (This can vary from 5 – 50 years) and income, expenditure and reserves all increasing by inflation of 2.5% p.a. This is shown in the chart below together with the maturity profile of the Council's existing borrowing.

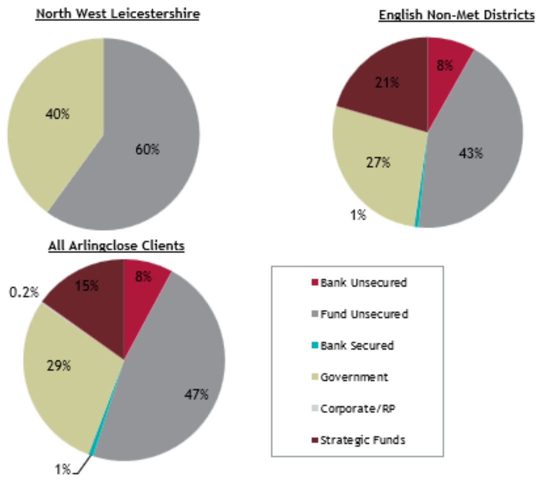


10.11 The Liability Benchmark shows the underlying need to borrow (Loans CFR) in the blue line at the top of the graph, the grey shaded area as existing loans and the strong red line as the requirement for external borrowing. This graph demonstrates that by using internal resources the Council is likely to not have an external borrowing requirement in 2026/27. However, there is little room for adjustment and the Liability Benchmark graph is an estimate and subject to significant change. This situation may evolve and create a borrowing requirement in the next couple of years.

Appendix 1

Investment Benchmarking
30 June 2026

	North West Leicestershire	50 English Non-Met Districts Averag	135 LAs Average
Internal Investments	£37.5m	£30.9m	£56.7m
Cash Plus & Short Bond Funds	£0.0m	£1.1m	£0.7m
Strategic Pooled Funds	£0.0m	£9.5m	£9.6m
TOTAL INVESTMENTS	**£37.5m**	**£41.6m**	**£67.0m**
Security			
Average Credit Score	4.65	4.61	4.59
Average Credit Rating	A+	A+	A+
Average Credit Score (time-weighted)	4.63	4.43	4.45
Average Credit Rating (time-weighted)	A+	AA-	AA-
Number of Counterparties / Funds	8	11	11
Proportion Exposed to Bail-in	60%	65%	66%
Liquidity			
Proportion Available within 7 days	73%	52%	57%
Proportion Available within 100 days	100%	69%	73%
Average Days to Maturity	21	47	11
Market Risks			
Average Days to Next Rate Reset	53	75	63
Strategic Fund Volatility	-	1.9%	4.0%
Yield			
Internal Investment Return	3.96%	3.94%	3.89%
Cash Plus Funds - Income Return	-	3.41%	3.41%
Strategic Funds - Income Return	-	4.11%	4.11%
Total Investments - Income Return	**3.96%**	**3.97%**	**3.95%**
Cash Plus Funds - Capital Gain/Loss	-	0.65%	0.65%
Strategic Funds - Capital Gain/Loss	-	1.29%	1.02%
Total Investments - Total Return	**3.96%**	**4.37%**	**4.21%**



Notes

- Unless otherwise stated, all measures relate to internally managed investments only, i.e. excluding external pooled funds.
- Averages within a portfolio are weighted by size of investment, but averages across authorities are not weighted.
- Pooled fund returns are 1-year to the end of the quarter.
- Credit scores are calculated as AAA = 1, AA+ = 2, etc.
- Volatility is the standard deviation of weekly total returns, annualised.

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 5 AUGUST 2026

Title of Report	**LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN ANNUAL REVIEW LETTER**	
Presented by	Emma Lant Legal Team Leader - Governance	
Background Papers	NWL Statistics	**Public Report:** Yes
Financial Implications	There are no financial implications to be considered.	
	Signed off by the Acting Section 151 Officer: yes	
Legal Implications	There are no direct legal implications to be considered arising from this report. The Council has a duty to consider any findings of the Local Government and Social Care Ombudsman with the Monitoring Officer under a duty to report any maladministration pursuant to Sections 5 and 5A of the Local Government and Housing Act 1989.	
	Signed off by the Deputy Monitoring Officer: yes	
Staffing and Corporate Implications	There are no staffing or corporate implications to be considered.	
	Signed off by the Head of Paid Service: yes	
Purpose of Report	To make members aware of the Local Government and Social Care Ombudsman's (LGSCO) review letter for 2025/26 in accordance with the LGSCO Guidance on Effective Handling of Complaints.	
Recommendations	**THAT THE COMMITTEE NOTES THE LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN'S REVIEW LETTER FOR 2025/26.**	

1.0 BACKGROUND

1.1 The purpose of this report is to ask the Committee to consider the Local Government and Social Care Ombudsman (LGSCO) Annual Review Letter. The Council received that letter on 20 May 2026, and a copy is attached as Appendix 1. The letter provides the Council with an annual summary of the complaint statistics from the LGSCO, relating to the year ending 31 March 2026. The LGSCO letter provides a link to the LGSCO website, with the statistics for North West Leicestershire District Council.

1.2 At its meeting in June 2026, the Corporate Scrutiny Committee separately considered a report on customer service, feedback and complaints.

2.0 LGSCO OUTCOMES/STATISTICS

2.1 The letter confirms that from April 2025 to March 2026, in respect of the Council, 16 complaints were dealt with by the LGSCO. Seven were deemed not to be for the LGSCO, six were assessed and closed, and three were investigated. Two of the three were upheld. The statistics are focused on the following three key areas:

Complaints upheld – Complaints are upheld when some form of fault is found in the authority's actions, including where the authority has accepted fault before an investigation is commenced. The LGSCO investigated three complaints and upheld two in 2025/26. One of the upheld complaints related to the handling of the complainant's council tax account, which caused distress and inconvenience to the complainant. The Council was found to be at fault due to how its debt recovery process was handled and how it communicated with the complainant. The Council agreed to apologise and pay a financial remedy, and within three months was to review why the council tax query was passed to the wrong team, and decide what changes are needed to processes.

The other upheld complaint related to the Council's handling of planning enforcement and other concerns for a development of houses. The LGSCO did not find fault in the process the Council followed but found fault in the delayed handling of complaints. The Council agreed to apologise to acknowledge this.

Compliance with recommendations – The Ombudsman recommends ways for authorities to put things right when faults have caused injustice. The recommendations try to put people back in the position they were, before the fault, and the Ombudsman monitors authorities to ensure they comply with the recommendations. Two matters required compliance with recommendations, and the LGSCO was satisfied with the actions taken in both cases, with compliance being on time.

Satisfactory remedies provided by the Authority – Cases are recognised where an authority has taken steps to put things right before the complaint is made to the LGSCO. The LGSCO found in neither of the two upheld cases had the Council provided a satisfactory remedy before the complaint reached them.

The LGSCO compares the three key annual statistics for the Council with similar types of authorities to work out an average level of performance. This is carried out for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs. In a previous annual letter, the LGSCO explained that changes were made to the way that cases were processed and investigated, with a priority being given to complaints where it is in the public interest to investigate and that the LGSCO is now less likely to investigate "borderline" issues and this could lead to a higher finding of fault overall. For this reason, the LGSCO advises that it is more helpful to authorities to compare the "uphold rates" with those of similar organisations rather than the previous years of uphold rates for North West Leicestershire District Council.

The legislation, as well as LGSCO Guidance, requires that if a finding of maladministration is made by the Ombudsman, the council has a duty to report that finding to elected officials.

The Monitoring Officer is required to consider the implications of any Ombudsman finding and whether any action is required under the provisions of the Local Government and Housing Act 1989. Not all Ombudsman findings will require the preparation of a formal Monitoring Officer report.

Policies and other considerations, as appropriate	
Council Priorities:	A Well-Run Council.
Policy Considerations:	The Council deals with feedback in line with the corporate feedback policy.
Safeguarding:	None.
Equalities/Diversity:	None.
Customer Impact:	Customers are advised of the route to make a complaint to the LGSCO at the conclusion of Stage 2 of the Corporate Feedback Policy.
Economic and Social Impact:	None.
Environment, Climate Change and Zero Carbon	None.
Consultation/Community/Tenant Engagement:	None.
Risks:	None.
Officer Contact	Tom Pickwell Head of Legal and Support Services tom.pickwell@nwleicestershire.gov.uk

This page is intentionally left blank

Local Government & Social Care OMBUDSMAN

20 May 2026

By email

Ms Thomas
Chief Executive
North West Leicestershire District Council

Dear Ms Thomas

Annual Review letter 2025-26

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2026.

We recognise that local authorities continue to face significant pressures in delivering services to their communities. We hope the data and insight we share with you each year remains a useful tool for reflection and continuous improvement. Please consider it as part of your corporate governance processes.

Your annual statistics are available here.

In addition, you can find the detail of the decisions we have made about your Council, read reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

We will write to organisations in July where there is exceptional practice or where we have concerns about complaint handling. Not all organisations will get a letter. If you do receive a letter it will be sent in advance of its publication on our website on 15 July 2026.

Supporting complaint and service improvement

We remain committed to supporting the sector to embed effective systems of redress. Where authorities are navigating reorganisation and devolution, we are ready to help ensure that robust complaint handling is built into new arrangements from the outset. Please do get in touch if your organisation would benefit from our advice and guidance.

Our Complaint Handling Code, in force since April 2025, is now applied in our casework and offers structure and support to your local complaint system. Our training programme provides a flexible, expert-led route to building complaints capability across your teams, with courses open for individual delegates to book. Contact training@lgo.org.uk for more information.

Our Annual Review of Local Government Complaints will be published in July 2026, setting out the national picture of complaints, trends across service areas, and emerging systemic issues. We encourage you to read it alongside your own organisation's data.

Yours sincerely,

A. K. Clarke

Amerdeep Clarke
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

This page is intentionally left blank

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 5 AUGUST 2026

Title of Report	**STANDARDS AND ETHICS QUARTERLY REPORT (Q1)**	
Presented by	Emma Lant Legal Team Leader - Governance	
Background Papers	None	**Public Report:** Yes
Financial Implications	There are no financial implications to be considered.	
	Signed off by the Section 151 Officer: yes	
Legal Implications	The report details the Council's compliance with ethical indicators. It also provides an update to the Audit and Governance Committee on standards complaints for which the Committee has overall responsibility for.	
	Signed off by the Monitoring Officer: yes	
Staffing and Corporate Implications	There are no staffing and corporate implications to be considered.	
	Signed off by the Head of Paid Service: yes	
Purpose of Report	To receive and consider the figures for the Local Determination of Complaints and Ethical Indicators for Quarter 1 of 2026/27.	
Recommendations	**THAT THE COMMITTEE NOTES THE REPORT.**	

1.0 BACKGROUND

1.1 The Audit and Governance Committee assists the Council in fulfilling its duty under the Localism Act 2011 to promote and maintain high standards of conduct by Councillors and co-opted Councillors of District and Parish Councils.

1.2 This is a quarterly report to the Committee. This report appended provides information in two categories: Local Determination of Complaints; and Ethical Indicators. Each category is split for ease of reference.

1.3 This report will enable the Audit and Governance Committee to keep track of how many complaints are received by the Monitoring Officer each quarter and how these are dealt with. Where the Councillor Code of Conduct has been breached, this will also be recorded to enable the Committee to determine whether there needs to be further targeted training.

1.4 The report also allows the Committee to have oversight on the quarterly data for Ethical Indicators. This includes reporting on instances of concern raised regarding Modern Slavery, reporting of whistleblowing incidents, whether the Council has used its RIPA powers, and several other indicators.

2.0 STANDARDS COMPLAINTS - MAIN CONSIDERATIONS

2.1 This part of the report details the figures for complaints made against elected members under the code of conduct (standards complaints). These figures are presented on a quarterly basis.

Current Complaints

2.2 The Council received one new complaint in Q1 of 2026/2027. This complaint was from a member of the public regarding a parish councillor and is currently ongoing.

2.3 There are also some complaints ongoing from previous quarters:

- 2.3.1 One complaint received in Quarter 1 of 2025/26 is still ongoing.
- 2.3.2 One complaint received in Quarter 2 of 2025/26 is still ongoing.
- 2.3.3 One complaint received in Quarter 3 of 2025/26 is still ongoing.
- 2.3.4 Four complaints received in Quarter 4 of 2025/26 are still ongoing

Complaints Determined

2.4 No complaints were resolved informally in Q1.

2.5 There have been two Assessment Sub-committee meetings in Q1. One Assessment Sub-committee related to a complaint received in Quarter 1 of 2025/26. The Sub-committee resolved to take other action in relation to this matter. The other Assessment Sub-committee related to a complaint received in Quarter 3 of 2025/26. The Sub-committee decided to take no further action in relation to this complaint.

2.6 The Interim Monitoring Officer also determined (under delegated authority to depart from the usual procedure of the arrangements) that a complaint received in Quarter 3 of 2024/25 would not proceed, given the investigation findings.

3.0 ETHICAL INDICATORS

The table below shows the ethical indicators for Q1 in comparison to other quarters for the last three years. Members will note that there have been no matters reported for Q1:

PERFORMANCE INDICATOR	Q1			Q2			Q3			Q4		
	24/25	25/26	26/27	23/24	24/25	25/26	23/24	24/25	25/26	23/24	24/25	25/26
Instances of concerns raised re Modern Slavery	1	0	0	0	0	0	1	0	0	0	0	0
Instances of concerns raised re Modern Slavery referred to national agencies	0	0	0	0	0	0	0	0	0	0	0	0
Number of whistle blowing incidents reported	0	0	0	0	0	0	0	0	0	0	0	0
Number of Challenges to procurements	0	0	0	0	0	0	0	0	0	0	0	0
Public interest Reports	0	0	0	0	0	0	0	0	0	0	0	0
Objections to the Council's Accounts	0	0	0	0	0	0	0	0	0	0	0	0
Disciplinary action relating to breaches of the Member/Officer Protocol	0	0	0	0	0	0	0	0	0	0	0	0
Follow up action relating to breaches of the Member/Officer Protocol	0	0	0	0	0	0	0	0	1	0	0	0
Use of RIPA powers	0	0	0	0	0	0	0	0	0	0	0	0

Policies and other considerations, as appropriate	
Council Priorities:	A Well-Run Council
Policy Considerations:	N/A
Safeguarding:	Customers and the community are safeguarded in relation to modern slavery by having the ability to raise instances of concern, which must be looked into and referred to the national agencies where appropriate.
Equalities/Diversity:	N/A
Customer Impact:	None arising directly from the report. Details regarding the process for making an FOI request or making a complaint about a councillor are on the Council's website.
Economic and Social Impact:	N/A
Environment, Climate Change and Zero Carbon	N/A
Consultation/Community/Tenant Engagement:	N/A
Risks:	Receiving regular reports on the statistics of Ethical Indicators and councillor complaints enables the Committee to exercise oversight of their function under the Localism Act 2011 and manage risks.
Officer Contact	Emma Lant Legal Team Leader – Governance emma.lant@nwleicestershire.gov.uk

This page is intentionally left blank

Appendix 1

Standards and Ethics

Quarter 1 Report

2026-2027

North West Leicestershire District Council

Introduction

This is the quarterly report to the Audit and Governance Committee detailing both the figures for the Ethical Indicators and the figures for the Local Determination of Complaints process for 2026/27.

For clarification purposes the months covered by the quarters are as follows:

Quarter 1 – 1 April to 30 June

Quarter 2 – 1 July to 30 September

Quarter 3 – 1 October to 31 December

Quarter 4 – 1 January to 31 March

The report covers local determination of complaints and ethical indicators.

The quarterly reports will enable the Audit and Governance Committee to build up a picture over time of how many complaints are received and any trends where similar incidents are occurring. The parts of the Code of Conduct which have been breached will also be recorded, to enable training to be targeted effectively.

North West Leicestershire District Council

Local Determination of Complaints

The Monitoring Officer received one complaint in Quarter 1 of 2026/27 (1 April to 30 June 2026).

One complaint received in Quarter 1 of 2025/26 is still ongoing.
One complaint received in Quarter 2 of 2025/26 is still ongoing.
One complaint received in Quarter 3 of 2025/26 is still ongoing.
Four complaints received in Quarter 4 of 2025/26 are still ongoing.

The Monitoring Officer determined that a complaint received in Quarter 3 of 2024/25 would not proceed, given the investigation findings. A departure from the Council's arrangements was considered necessary in this case and the Monitoring Officer exercised her delegation to conclude this complaint.

2.1 Assessment Sub-committee Decisions

The Monitoring Officer pursues an informal dispute resolution process prior to initiating formal proceedings via the Sub-committee route. No complaints have been resolved informally in Quarter 1. There have been two Assessment Sub-committee meetings in this quarter. One Assessment Sub-committee related to a complaint received in Quarter 1 of 2025/26. The Sub-committee resolved to take other action in relation to this matter. One Assessment Sub-committee related to a complaint received in Quarter 3 of 2025/26. The Sub-committee decided to take no further action in relation to this complaint.

2.2 Determination Sub-Committee Decisions

None to report – see above.

North West Leicestershire District Council

Complaints made to the Monitoring Officer under the Code of Conduct during Q1 2026/27

Qtr 1 26/27	Complaint from	About District/ Parish councillor	Regarding	Status
	Member of the Public	Parish Cllr	Inappropriate behaviour relating to a planning application, breaching Data Protection and Freedom of Information regulations and failing to declare relevant interests	Ongoing

This table helps to show where there are patterns forming as to behaviour complained about, to enable the Audit and Governance Committee to determine where there needs to be further training for councillors. Some matters may not have been found to be a breach of the Code, but it is still important to know what issues are being raised so that future complaints can be prevented. So far this year, the following areas of the Code have been complained about:

1. Respect
2. Bullying, harassment and discrimination
3. Impartiality of officers of the Council
4. Confidentiality and Access to Information
5. Disrepute
6. Use of position

Nolan Principles

Selflessness, integrity, objectivity, accountability, openness, honesty, leadership

North West Leicestershire District Council

Ethical Indicators

PERFORMANCE INDICATOR	Q1			Q2			Q3			Q4		
	24/25	25/26	26/27	23/24	24/25	25/26	23/24	24/25	25/26	23/24	24/25	25/26
Instances of concerns raised re Modern Slavery	1	0	0	0	0	0	1	0	0	0	0	0
Instances of concerns raised re Modern Slavery referred to national agencies	0	0	0	0	0	0	0	0	0	0	0	0
Number of whistle blowing incidents reported	0	0	0	0	0	0	0	0	0	0	0	0
Number of Challenges to procurements	0	0	0	0	0	0	0	0	0	0	0	0
Public interest Reports	0	0	0	0	0	0	0	0	0	0	0	0
Objections to the Council's Accounts	0	0	0	0	0	0	0	0	0	0	0	0
Disciplinary action relating to breaches of the Member/Officer Protocol	0	0	0	0	0	0	0	0	0	0	0	0
Follow up action relating to breaches of the Member/Officer Protocol	0	0	0	0	0	0	0	0	1	0	0	0
Use of RIPA powers	0	0	0	0	0	0	0	0	0	0	0	0

North West Leicestershire District Council

This page is intentionally left blank

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 5 AUGUST 2026

Title of Report	**AMENDMENTS TO THE CONSTITUTION TO REFLECT THE TOWN AND COUNTRY PLANNING (DISCHARGE OF LOCAL PLANNING AUTHORITY FUNCTIONS) (ENGLAND) REGULATIONS 2026**	
Presented by	Emma Lant Legal Team Leader - Governance	
Background Papers	Current Constitution Working Group Minutes 20 July 2026 The Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026 Statutory Guidance	**Public Report:** Yes
Financial Implications	There are not any financial implications to be considered	
	Signed off by the Section 151 Officer: yes	
Legal Implications	It is a legal requirement to have an up to date Constitution, and to comply with the Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026.	
	Signed off by the Deputy Monitoring Officer: yes	
Staffing and Corporate Implications	There are not any staffing and corporate implications to be considered	
	Signed off by the Head of Paid Service: yes	
Purpose of Report	To present the changes which will be required to the Council's Constitution as a result of the coming into force of the Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026 proposed on 31 October 2026.	

Recommendations	THAT AUDIT AND GOVERNANCE COMMITTEE: 1. NOTES THE WORK OF THE CROSS-PARTY WORKING GROUP; 2. CONSIDERS THE PROPOSED GENERAL REQUIRED CHANGES TO THE CONSTITUTION, SUMMARISED IN THE REPORT; 3. DELEGATES AUTHORITY TO THE CONSTITUTION WORKING GROUP IN CONSULTATION WITH THE MONITORING OFFICER AND OFFICERS TO FINALISE THE CHANGES TO THE CONSTITUTION TO BE RECOMMENDED TO COUNCIL AT ITS MEETING ON 15 SEPTEMBER 2026 FOR ADOPTION WITH EFFECT FROM 31 OCTOBER 2026.

1.0 BACKGROUND

1.1 As the committee will be aware, the Council's Constitution is reviewed annually to ensure it continues to be fit for purpose and legally compliant. The review of the Constitution will take place as usual this year under the usual timeframe, to be reported to the Audit and Governance Committee, and Full Council, to be adopted next year.

1.2 Due to the proposed introduction of the Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026, amendments will be required to the Constitution in anticipation of their coming into force on 31 October 2026.

1.3 The Regulations are intended to increase the number of planning applications determined by officers and reduce the number referred to Planning Committees. The Regulations set out that some applications (listed under Schedule 1 of the Regulations) must be determined by officers and so they will no longer be able to be referred to Planning Committee. The guidance on the Regulations states that in determining whether a referral of a Schedule 2 application is made to committee, the presumption should be that decisions are delegated to officers and only exceptionally be referred to committee.

1.4 The Regulations also refer to own interest applications which are those submitted by the Council, a member or an officer, or in the view of a nominated member and nominated officer, where any of the Council's members or officers otherwise has an interest in the application. The Regulations state that a nominated member and a nominated officer may agree to refer an own interest application to Planning Committee, and in considering whether to make such a referral they must have regard to any relevant guidance issued by the Secretary of State. A series of slides to provide further information about the changes is attached at Appendix A.

2.0 PROPOSED AMENDMENTS

2.1 The Constitution currently sets out the rules concerning the Planning Committee at Section D3. The required changes as set out in the legislation are as follows:

Call-In Arrangements

Current position: Ward Members may request that an application is determined by Planning Committee through the Council's call-in process.

Draft Regulations: Applications listed under Schedule 1 must be determined by officers. Schedule 2 applications would only be referred to committee where a nominated member and a nominated officer jointly agree that the application raises significant economic, social, environmental or planning issues. There is no provision for call-in requests to be made by Ward Members and so this will be removed from the Constitution.

Committee Referral Criteria

Current position: Applications may go to committee because they are controversial, attract significant public interest, conflict with policy, or are referred by officers.

Draft Regulations: Applications listed under Schedule 1 must be determined by officers. For Schedule 2 applications, referral criteria are narrower and focus on significant economic, social, environmental or planning impacts.

Council, Member and Officer Applications

Current position: These applications are generally determined by Planning Committee.

Draft Regulations: These applications would be determined by officers unless a nominated member and nominated officer agree to refer an own interest application to Planning Committee.

Officer Delegation

Current position: A wide range of planning matters are already delegated to officers.

Draft Regulations: Certain categories of application (Schedule 1) must be determined by officers. Some Schedule 2 applications and some own interest applications will also be determined by officers.

Impact
The Council is well placed, and a detailed review against the statutory schedules of the Regulations is being undertaken by officers

Committee Size

Current position: Planning Committee comprises 11 Councillors.

Draft Regulations: Committees determining planning applications may have no more than 13 members.

2.2 The main issue requiring review is the existing Member call-in process, which differs from the referral mechanism proposed in the draft Regulations.

2.3 As the Regulations were only laid before parliament in June 2026, but the changes need to be brought in for 31 October 2026, this does not leave much time for the amendments to be considered, and there are still areas for which further guidance or templates may be provided. Therefore, the exact wording cannot be brought to the committee at this stage, and the committee is therefore asked to provide a delegation to the Monitoring Officer, in consultation with the Planning Portfolio Holder, to make the necessary amendments which will be necessary between this meeting and 31 October 2026; for example if model wording is introduced or if any clarifications are made by the Government.

Policies and other considerations, as appropriate	
Council Priorities:	- Planning and Regeneration - A Well-Run Council
Policy Considerations:	None.
Safeguarding:	None.
Equalities/Diversity:	None.
Customer Impact:	It will impact those making planning applications as their applications will need to be dealt with under a different process.
Economic and Social Impact:	None.
Environment, Climate Change and Zero Carbon	None.
Consultation/Community/Tenant Engagement:	None.
Risks:	The Council must ensure it has an up to date and legally compliant constitution. If changes are not made then the Council will be at risk of being in breach of planning regulations, and any decisions made on planning applications by Planning Committee which must be delegated to officers once the Regulations come into force may be subject to judicial review.
Officer Contact	Emma Lant Legal Team Leader – Governance emma.lant@nwleicestershire.gov.uk

North West Leicestershire District Council

Government Planning Committee Reforms

Introduction and context

Overview of Planning Reforms
The reforms arise from measures in the Planning and Infrastructure Act 2025

Consultation
Public consultation launched in May 2025
Public consultation on draft Regulations and government guidance from 26 March 2026 to 23 April 2026

Draft Regulations
The draft Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026 laid before Parliament on 1 June 2026

Guidance
Government guidance has been published; further guidance may be published

Timetable
If the draft Regulations are approved by Parliament, they will come into force on 31 October 2026

Implementation Context
Local authorities must update constitutions and delegation schemes to align with the draft Regulations and be effective from 31 October 2026.

The reform package at a glance

National Scheme of Delegation
Establishes a uniform framework across England for deciding which planning applications are decided by officers under delegated powers and which applications are decided by planning committee.

Committee Size and Composition
Gives the Secretary of State powers to regulate planning committee size - maximum number of members on a planning committee must be no more than 13

National scheme of delegation: Schedule 1 and Schedule 2 applications

Schedule 1 applications
Have to be decided by officers under delegated powers

Can’t be taken to Planning Committee

Schedule 2 applications
Could be taken to Planning Committee - there is a presumption that decisions are delegated to officers unless a nominated officer and nominated member agree the application should be referred to a planning committee for determination and that it meets at least one of the criteria in the statutory Gateway test

Triage process - government guidance advises triage to ensure that the nominated officer and nominated member are not overwhelmed by undertaking the Gateway test for all Schedule 2 applications and to avoid any unnecessary delays in planning decision making

Gateway test – considered by a nominated member (the Chair of Planning Committee) and a nominated officer against two statutory criteria and if meets one of these criteria and member and officer agree, then taken to planning committee

National scheme of delegation: own-interest applications

Own-interest applications
An application is made (including jointly with someone else) by:

- the Council
- a member of the Council
- an officer of the Council, or
- in the view of the nominated member and the nominated officer, the authority or any of its members or officers otherwise has an interest in the application

If the nominated officer and nominated member agree that an own-interest application can be referred to committee in the interests of transparency and public accountability

Not subject to the Schedule 2 gateway test

Schedule 1 applications - 1

- Certificates of appropriate alternative development
- Certificate of lawfulness of proposed works to a listed building
- A householder application
- A minor commercial application
- A minor residential application – one to nine dwellings, on a site less than 0.5ha in size
- An application for permission in principle
- An application to vary or remove conditions when the original planning permission was a Schedule 1 planning permission
- Non-material changes to planning permission or permission in principle
- A request or application to modify or discharge a Section 106 agreement connected with a Schedule 1 approval

Schedule 1 applications - 2

- Certificate of lawfulness of existing use or development

- Certificate of lawfulness of proposed use or development

- Submission of a biodiversity gain plan

- A reserved matters approval application in respect of an outline planning permission other than a large outline permission which involves either or both of:
  (a) the provision of 500 or more dwellings;
  (b) the provision of a building or buildings where the floorspace to be created by the development is 50,000 square metres or more

- An application to discharge conditions

- An application pursuant to provision in Schedule 2 to the Town and Country Planning (General Permitted Development) (England) Order 2015 for—
  (a) prior approval, or
  (b) a determination as to whether prior approval is required.

Schedule 2 applications - 1

- An application for listed building consent

- An application for variation or discharge of conditions of listed building consent

- An application for planning permission that the authority concerned considers is connected with an application of a kind specified in the two bullet points above

- An application for planning permission that is not—
    - (a) a householder application,
    - (b) a minor commercial application, or
    - (c) a minor residential application.

- An application made to vary or remove conditions in respect of which the original planning permission was a Schedule 2 planning permission

- An application for development already carried out

Schedule 2 applications - 2

- A request or application to modify or discharge a Section 106 agreement that is connected with a Schedule 2 approval

- A reserved matters approval application in respect of a large outline permission which involves either or both of:

  (a) the provision of 500 or more dwellings;

  (b) the provision of a building or buildings where the floorspace to be created by the development is 50,000 square metres or more

- An application for express consent to display advertisement

- An application for works to TPO trees

Schedule 2 applications – the Gateway test

The guidance states that in determining whether a referral of a Schedule 2 application is made to committee, the presumption should be that decisions are delegated to officers and only exceptionally be referred to committee.

At a minimum, at least one of the following statutory criteria must be met for a referral to committee to be considered to meet that threshold:

A. where the application raises an economic, social or environmental issue of significance to the local area
B. where the application raises a significant planning matter having regard to the development plan and any other material considerations

What this means for the NWL committee process?

Constitution will need to be amended

Member call-in process will cease

Applications listed under Schedule 1 of the Regulations must be determined by officers and cannot be taken to planning committee

Applications listed under Schedule 2 of the Regulations would be triaged and only be referred to committee where a nominated member and a nominated officer jointly agree that the application raises significant economic, social, environmental or planning issues

Applications submitted by the Council, a ward member, an officer or where the authority or any of its members or officers otherwise has an interest in the application, may be taken to planning committee

Some parts of the constitution relating to planning committee, e.g. considering objections or other representations to the making of TPOs, will still remain

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 5 AUGUST 2026

Title of Report	**INTERNAL AUDIT PROGRESS REPORT 2026/27 (Q1)**	
Presented by	Kerry Beavis Audit Manager	
Background Papers	Global Internal Audit Standards Application Note: Global Internal Audit Standards in the UK Public Sector Internal Audit Plan 2026/27	**Public Report:** Yes
Financial Implications	None **Signed off by the Section 151 Officer**: yes	
Legal Implications	None **Signed off by the Deputy Monitoring Officer**: yes	
Staffing and Corporate Implications	None **Signed off by the Head of Paid Service**: yes	
Purpose of Report	To inform the Audit and Governance Committee of progress against the Internal Audit plan for 2026/27 and to highlight any incidences of significant control failings or weaknesses that have been identified.	
Recommendations	**THAT THE AUDIT AND GOVERNANCE COMMITTEE NOTES THE INTERNAL AUDIT PROGRESS REPORT FOR 2026/27 QUARTER 1.**	

1.0 BACKGROUND

1.1 The Global Internal Audit Standards in the Public Sector require that the Council's Audit and Governance Committee approve the audit plan and monitor progress against it. The Standards require that the Audit and Governance Committee receive periodic reports on the work of internal audit.

1.2 The Audit and Governance Committee approved the 2026/27 Audit Plan on 29 April 2026. Quarterly progress reports are received by the Audit and Governance Committee.

2.0 PROGRESS REPORT

2.1 The Internal Audit Progress Report for the period 1 April 2026 to 30 June 2026 (Q1) is attached at appendix 1.

Policies and other considerations, as appropriate	
Council Priorities:	An effective audit service supports all council priorities.
Policy Considerations:	None
Safeguarding:	There are no specific safeguarding risks associated with this report.
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	None
Environment, Climate Change and Zero Carbon	None
Consultation/Community/Tenant Engagement:	The report was reviewed by the Corporate Leadership Team on 24 June 2026.
Risks:	There are no specific risks associated with this report, however, if the Audit and Governance Committee did not receive periodic reports from Internal Audit there would be a risk of not conforming with the Global Internal Audit Standards in the UK Public Sector.
Officer Contact	Kerry Beavis Audit Manager Kerry.beavis@nwleicestershire.gov.uk

APPENDIX 1

INTERNAL AUDIT SHARED SERVICE

North West Leicestershire District Council

Internal Audit Progress Report 2026/27 30 June 2026 (Quarter 1)

1. Introduction

1.1. Internal Audit is provided through a shared service arrangement led by North West Leicestershire District Council and delivered to Blaby District Council and Charnwood Borough Council. The assurances received through the Internal Audit programme are a key element of the assurance framework required to inform the Annual Governance Statement. The purpose of this report is to highlight progress against the 2026/27 Internal Audit Plan from 1 April to 30 June 2026.

2. Internal Audit Plan Update

2.1 The 2026/27 audit plan is included at Appendix A for information and details the audits in progress, including the outstanding audits from 2025/26. There have been seven final audit report issued since the last quarterly update, extracts of these are included at Appendix B.

3. Internal Audit Performance Indicators

3.1. Progress against the agreed Internal Audit performance targets is documented in Appendix D.

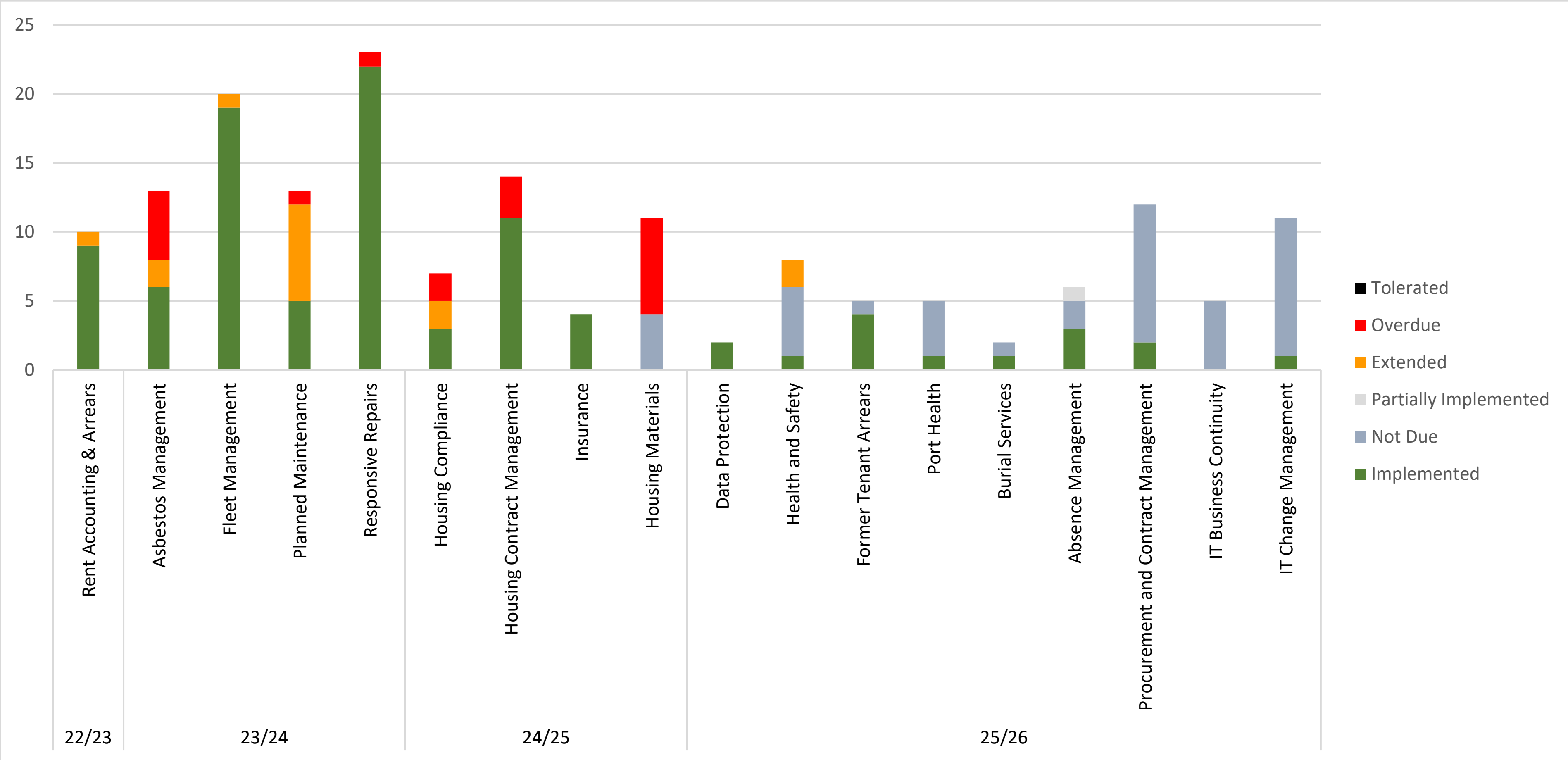
4. Internal Audit Recommendations

4.1. Internal Audit monitors and follows up critical, high and medium priority recommendations. Further details of overdue and extended recommendations are detailed in Appendix C for information;

Current Outstanding Recommendations

Year	Not Due		Extended		Overdue	
	High	Medium	High	Medium	High	Medium
22/23	-	-	1	-	-	-
23/24	-	-	8	2	6	1
24/25	3	3	2	-	8	2
25/26	23	17	-	2	-	-

Implementation of actions by Audit



Appendix A

2026/27 AUDIT PLAN AS AT 30 JUNE 2026

Audit Area	Type	Planned Days	Actual Days	Status	Assurance Level	Recommendations				Comments
						C	H	M	L	
Housing Complaints	Audit	15		Engagement Planning						
Housing Regulator	Audit	15		Q1,2,3,4						
Mutual Exchanges	Audit	10		Q4						
Gas	Audit	15		Q3						
Fire Safety and Management	Audit	10		Q2						
Responsive Repairs - response times	Audit	10		Engagement Planning						
Tenant Satisfaction	Audit	15		Q3						
Tenant Association Accounts	Advisory/ support	4	3	In progress						
CCTV	Audit	10		Q4						
Climate Change	Audit	8		Q2						
Food Waste Project Board	Advisory	2	0.5	In progress						
Fleet and Driver Compliance Project Boards	Advisory	2	0.25	In progress						
Licensing Enforcement	Audit	10		Q2						
Key financial systems	Audit	55		Q2,3,4						
Unit 4	Audit	15		Q2						
Committee Admin and Reporting	Audit	12		Q2						
S106	Advisory	2		Q3						
Planning Governance and Decision-making	Audit	12		Q2						
Regeneration Projects	Advisory	3		In progress						
Commercial lettings	Audit	15		Q4						
UKSPF	Audit	4		Q1/2						
Car Parking	Advisory	2		Q1,2,3,4						

Expenses	Audit	10		Engagement Planning						
Business Planning and Performance	Audit	12		Q2						
Business Continuity	Audit	15		Q3						
iTrent - new system	Advisory	3	1	In progress						
IT Governance	In-house	15		Q3						
IT Cloud Service and Third Party Supplier Management	IT Audit Contractor			TBA						
LGR	Advisory	5	0.5	In progress						
Fraud and error	Audit	15		As required						
Value for Money	Audit	15		Q2						
Legacy Fund	Advisory	3	0.25	In progress						
2025/26 Audits Carried Forward										
Creditors	Audit	5	1	In progress						
Debtors	Audit	5	1	In progress						
Main Accounting	Audit	5	1	In progress						
Payroll	Audit	5	1	In progress						
Treasury Management	Audit	5	0.5	In progress						
Right to Buy	Audit	10	19	Management Response						
Damp and Mould	Audit	15	8.5	In progress						
Port Health	Audit	15	28	Complete	Reasonable	-	3	2	-	
Burial Services	Audit	10	17	Complete	Reasonable	-	1	1	3	
Planning Development	Audit	15	6.5	In progress						
Regeneration Projects	Audit	40	13	Management Response						
Absence Management	Audit	15	16.5	Complete	Reasonable	-	2	3	-	
Procurement and Contract Management	Audit	20	18	Complete	Limited	-	10	2	3	
IT Business Continuity	Audit	10	10	Complete	Limited	-	3	2	-	
IT Change Management	Audit	10	10	Complete	Limited	-	6	5	1	
Housing Allocations	Audit	8	9.5	Complete	Substantial	-	-	-	-	

Appendix B

SUMMARY OF FINAL AUDIT REPORTS ISSUED DURING 2026/27 Q1

PORT HEALTH

REASONABLE ASSURANCE

A generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Key Findings

Areas of positive assurance identified during the audit:

- There are up to date documented procedures
- Fees and Charges are calculated and processed in line with policy
- Income is collected and recorded accurately

The main areas identified for improvement are:

- Updating the Food law Enforcement Policy
- Updating the Food Service Delivery Plan for 2025-26
- Ensuring Food Competency Frameworks are completed for all staff
- Contract Management

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. The Food Law Enforcement Policy must be reviewed and updated to ensure it is compliant with legislation and guidance.	Medium (SP)	The policy has been added to the scheduled programme of policy and process reviews to ensure continued compliance and relevance.	Public Protection Team Manager	October 2026
2. Management ensure that a Food Service Delivery Plan is completed and approved annually.	High (SP)	The EH service has been under pressures around recruitment, and sickness over the last year. It's recognised that the plan although drafted did not go through the required approval process. The plan for 2026/27 is being progressed. The work has been added to the Community Services workplans, the document is drafted and final end of year stats are awaited before being submitted to the relevant committee for approval.	Public Protection Team Manager	September 2026
3. All officers must ensure that the new competency standard is completed as required.	High (SP)	All relevant officers will be required to review the new competency standard and detail and evidence their compliance with this. Going forward this will be included within their PDR reviews and any training needs will be identified and documented to ensure full compliance with the standard.	Environmental Health Team Leader – Safety Team	December 2026
4. Updated contract documentation should be obtained promptly, and confirmation secured that the contractor holds valid insurance and the necessary certifications.	High (SP)	Following the audit the contractor was contacted by the Environmental Health Team Manager and the latest in date documents received.	N/A	Implemented
5. Meetings with the contactor should be on a more regular basis to ensure issues are reviewed and addressed in a timely manner.	Medium (SP)	Formal documented contract meetings will, going forward, be arranged on a quarterly basis. In addition to this, weekly contact with the OVS contractor is maintained which provides continuous oversight of emerging issues or risks.	Public Protection Team Manager	September 2026

HOUSING ALLOCATIONS

SUBSTANTIAL ASSURANCE	
	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Key Findings

Areas of positive assurance identified during the audit:

- An up-to-date Housing Allocation Policy and a suite of procedure guides are in place.
- The Housing Register is relevantly monitored and reported.
- Applications are appropriately assessed and reassessed, in accordance with legislation, policy and procedures.
- Advertised properties are shortlisted/ allocated in accordance with the Housing Allocations Policy.
- Declarations of interest forms are completed, monitored and updated.
- Access to the Jigsaw system is regularly reviewed and updated.

IT BUSINESS CONTINUITY

LIMITED ASSURANCE	
	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

Key Findings

Areas of positive assurance identified during the audit:

- There is a requirement for Service Managers to include their BCP arrangements as part of their work to develop Service Plans annually.
- A BCP Template document was provided previously for Service Managers. A comment in relation to this is made below.
- An ICT BCP is available.

The main areas identified for improvement relating to ICT Business Continuity are:

- The template available needs to be enhanced to consider Service area ICT considerations. The ICT Team Manager will need to lead on the core components required along with other stakeholders as required.
- Testing identified that some Service area plans lack actions / activity for ICT continuity issues. The ICT Team Manager should ensure all plans are reviewed and signed off formally, where there is an ICT element, and will need to escalate where activity is not considered sufficient to address the risk.
- There is a lack of corporate guidance for those drafting BCP’s. Our discussions with the ICT Team Manager have also confirmed no specific ICT related guidance has been issued to Service Managers.
- Testing of ICT specifics, which are included in BCP’s, needs to be formalised and evidenced accordingly.
- Any plan containing security sensitive information must be formally tested, evidenced and signed off by all key stakeholders.
- ICT should ensure records relating to invoking any element of a service BCP is recorded on the HOTH service desk system. Such records will assist with any lessons learnt exercises.
- The ICT Team Manager should ensure activity related to the provision of hosted ICT services disaster recovery arrangements are evidenced and that assurances / results feed into any corporate governance / monitoring process.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. The ICT Team Manager should evidence input into any review and retain this.	Medium (CP)	Review signoff of future service BCP plans. Have a signoff section in each service BCP to say ICT Team Manager has reviewed it.	ICT Team Manager	April 2027
2. Any BCP containing security sensitive information must be formally tested, evidenced and signed off by all key stakeholders. The ICT Team Manager should lead on this.	High (CP)	BCP’s should not contain security sensitive information. Security sensitive Information should be stored in password vault in IT. IT will discuss with Customer Services and review their BCP to remove the confidential information. Future testing will be signed off	ICT Team Manager	July 2026
3. The IT Manger must ensure that records are kept when BCP’s are involved on the HOTH service desk system.	High (CP)	ICT will use the HOTH system to record future BCP actions.	ICT Team Manager	August 2026
4. The ICT Team Manager should ensure evidence to support testing is retained.	Medium (SP)	The previous year’s BCP plans were missing. Going forward these will be retained on SharePoint, the HR Systems and Data Manager has been advised to retain them in an Archive folder. Testing evidence would also be included as part of the BCP plan document.	ICT Team Manager	August 2026
5. The IT Manger should ensure activity related to the provision of hosted ICT services disaster recovery arrangements i.e. results of annual tests are evidenced and that assurances / results feed into any corporate governance / monitoring process.	High (CP)	Copies of disaster recovery testing as part of the annual testing will be kept on record and evidenced and fed into monitoring processes.	ICT Team Manager	January 2027

IT CHANGE MANAGEMENT

LIMITED ASSURANCE

Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

Key Findings

Areas of positive assurance identified during the audit:

- ICT has established a Change Advisory Steering Group which meets weekly.
- ICT has a documented set of procedures relating to changes where they are involved.

The main areas identified for improvement are:

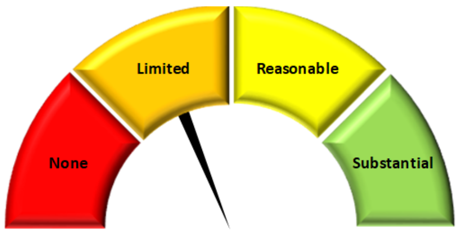
- There is no corporate Change Management Policy available outlying the approach to be adopted for both routine and emergency changes. It is noted that ICT has procedures in place, however, a policy should be approved at a higher level outlining the agreed approach for all areas.
- Full corporate guidance has not been issued regarding expected Change Management processes to be followed in Service Areas for IT Applications operated / used. It is important that the corporate body outlines the approach to be adopted and provides managers and key users with controls to be adopted plus any good practice. As a result of this Change Management processes being applied are inconsistent or not being undertaken.
- There is a lack of appropriate / formal testing in service areas. This area should be addressed in the IT Change Management policy to be drafted. In particular the use of “live” data in “test” environments needs to be fully considered to take into account Data Protection requirements.
- The controls surrounding the scope of emergency changes should be revisited and this should ensure that all such changes are recorded in the House on the Hill (HOTH) system.
- Documentation, both technical (configuration) and user documentation needs to be improved to ensure changes made are to support the use and operation of the application(s) in use.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. A Corporate IT Change Management Policy/ procedure should be fully documented, appropriately approved and communicated to all relevant staff / stakeholders following agreement.	High (SP)	An IT change management procedure exists and is in place, this can be converted to an aligned IT change management policy.	ICT Team Manager	Sept 2026
2. ICT should enhance the “User Access Review and System Admin Responsibility Procedure” to include guidance relating to IT Change Management.	High (CP)	“User Access Review and System Admin Responsibility Procedure” will be updated to include guidance relating to IT Change Management. A link to the IT change management document will also be added to the “User Access Review and System Admin” document.	ICT Security Officer	July 2026
3. The IT Manager should ensure Super Users are reminded annually of their responsibilities.	Medium (SP)	“User Access Review and System Admin Responsibility Procedure” to be circulated to all super users before the start of the annual systems access reviews, which will include guidance relating to IT Change Management. The email which is sent out to all superusers will explain the need to read the documents so that they understand their own responsibilities and ownership when it comes it comes to system changes. Super users will be asked to confirm they have read the email and understand the contents. The responses will be tracked on the spreadsheet.	ICT Security Officer	July 2026
4. ICT should include a distribution list of stakeholders who should receive the document.	Low (SP)	“ICT Internal Change Control Procedures” document to be updated to include distribution list	ICT Team Manager	June 2026
5. A Terms of Reference for the IT Change Advisory Steering Group should be documented and approved.	Medium (SP)	Terms of reference (TOR) to be produced and shared with the IT CASG team and super users.	ICT Security Officer	July 2026

6. The IT Manager should ensure the minutes / notes include key information such as attendees and record in them agreement of the previous meeting record.	Medium (SP)	IT CASG meeting notes have now been updated to include attendees and agreement of previous meeting record.	ICT Team Manager	Implemented
7. ICT should clearly document the roles and responsibilities of service areas in relation to IT Change Management, including testing requirements, expected controls, and associated good practice.	High (CP)	This will be reflected in the updated version of the IT Change management process procedure and shared with all super users as part of the yearly access review. Super users will be asked to confirm they have read the email and understand the contents. The responses will be tracked on the spreadsheet	ICT Team Manager	August 2026
8. The IT Manager should ensure that HOTH configuration in relation to IT Change Management is documented.	Medium (SP)	The Council uses the standard, out-of-the-box version of HOTH for change management; as this is the default configuration, no additional guidance is necessary.		NA
9. Significant changes to Application in operation / use should always be recorded on HOTH. It is suggested once release notes are received by ICT, or Super Users, these are added to HOTH to ensure the activity is managed according as an "open" call / incident.	High (CP)	By August 2026, circulate the updated IT change management procedure to all super users, requiring them to confirm via email that they have read and understood the guidance regarding change control. Track all responses in the designated spreadsheet to ensure acknowledgement and compliance, thereby enhancing awareness of change management responsibilities and improving the recording of significant system upgrades.	ICT Security Officer	August 2026
10. ICT should enhance the "ICT Internal Change Control Procedures" document regarding emergency changes. Suggested areas to add are a definition of an emergency change, testing (if applicable), back-out plan and notification requirements.	Medium (SP)	The "ICT Internal Change Control Procedures" document will be updated to clearly define protocols for handling emergency changes, including specific approval steps and measurable criteria for response times.	ICT Team Manager	August 2026
11. An application specific Testing Strategy / Policy should be agreed and documented. This should make clear the roles and responsibilities of Super Users and ICT Services.	High (CP)	By August 2026, incorporate the IT change management procedure and ensure all super users have confirmed via email that they have read and understood the IT change management document. Track these confirmations in a dedicated spreadsheet, with 100% compliance from super users verified by the ICT Team Manager.	ICT Team Manager	August 2026

12. Application technical / operations documentation should be drafted by those with responsibilities for services and applications in operation / use. Such documentation should be kept up to date with any changes made and version controlled.	High (CP)	By August 2026, incorporate the IT change management procedure and ensure all super users have confirmed via email that they have read and understood the IT change management document. Track these confirmations in a dedicated spreadsheet, with 100% compliance from super users verified by the ICT Team Manager.	ICT Team Manager	August 2026
13. Super Users for applications in operation / use should be reminded of the importance of maintaining “local” documentation to support the use and operation of the application(s) in use. All documentation should include management / version control information.	Medium (CP)	By August 2026, incorporate the IT change management procedure and ensure all super users have confirmed via email that they have read and understood the IT change management document. Track these confirmations in a dedicated spreadsheet, with 100% compliance from super users verified by the ICT Team Manager.	ICT Team Manager	August 2026

PROCUREMENT AND CONTRACT MANAGEMENT

LIMITED ASSURANCE	
	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

Key Findings

Areas of positive assurance identified during the audit:

- The Council has a full time Procurement Officer, with additional support provided by external Procurement Consultants.
- The Procurement Officer meets regularly with Directors to review the procurement pipeline and support procurement planning.

The main areas identified for improvement are:

- Having a full set of easily accessible procedures in place that cover the whole procurement and contract management process and requirements.
- There being a contracts' register which is complete and accurate, with information of contracts between £5k and £50k being available in accordance with the Local Government Transparency Code 2015.
- Regular reviews of supplier spend to identify where contracts should be in place, and providing updates to management of suppliers identified and action taken.
- Information retained in respect of contract exemptions.
- Effective monitoring of contracts which are expiring.
- Ensuring that officers involved in Contract Management and Procurement have attended training provided by the Council.
- Providing clarity on the requirements for contract modifications e.g. contract extensions and the required documentation e.g. contract change notices. The Council's Contract Procedure Rules should also include these requirements.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1.A full review of the information available to staff regarding procurement and contract management should be conducted. Procedures are put in place which enable staff to understand and follow the procurement process and manage contracts. The procedures should include timelines for procurement of contracts, these will vary depending on the value, and the extension of contracts. Additionally, the procedures must include where all procurement documentation should be retained for ease of reference e.g. all legal documentation held in a central location with read only copies available to relevant staff. This will ensure the safe and secure retention of legal documents and remove the risk of the loss of contract documents. It must be ensured that any procedure complies with the requirements of the Council's Contract and Financial Procedure Rules, the Procurement Act 2023 and the Local Government Transparency Code 2015.	High (CP)	Update the Teams Procurement site to ensure all guidance, links, and resources are current, accessible, and compliant with relevant Council policies, enabling staff to efficiently access up-to-date procurement and contract management information.	Procurement Officer	August 2026
2.The business continuity arrangements to cover for the Procurement Officer in his absence should be reviewed.	Low (SP)	A review will identify officers who should have access to the Procurement email. The Head of Finance and the Finance Team Manager already monitor the inbox when Procurement Officers are away, and two additional backup officers will be selected.	Procurement Officer	Implemented
3.A final version of the Procurement Strategy should be published and links to this should be available through the intranet procurement pages. Out of date and unapproved Procurement Strategy documents	Low (CP)	The final version of the Procurement Strategy, as agreed by Cabinet in February 2025, will be published on the Council's	Procurement Officer	Implemented

should be removed from both the Council website and SharePoint site.		website and links to it from the intranet site, with any old versions of the Procurement Strategy removed from the internet and intranet site.		
4. For all levels of procurement appropriate evidence is retained to confirm that equalities have been considered during the procurement process. The methods used to demonstrate this should be documented and referred to within relevant procedures.	Medium (CP)	A Procurement Plan report will be required for all contracts, not just those over £25K. Procedures will be updated to reflect this requirement.	Procurement Officer	August 2026
5.There should be a complete, accurate and up to date contracts register which complies with the Local Government Transparency Code 2015.	High (CP)	The Council will ensure the Contracts Register complies with the Transparency Code and will publish contracts with a value of £5k or more. This will be effective as soon as possible with a system implemented to ensure services provide details to the Procurement Officer and this will be published quarterly alongside the contracts register.	Procurement Officer	December 2026
6.The Proactis Contracts Register facility should be explored as this would realise efficiencies. (EFFICIENCY)	Low	The Council's focus in the last 12 months has been on ensuring that the information on its published contracts register is up to date and accurate. The Council's Procurement Officer is meeting with Directors and the Chief Executive on a quarterly basis to ensure the information is updated accordingly and pipeline procurements are considered. This process needs to be embedded	Procurement Officer	March 2027

		before a move to Proactis software. The focus over the next 12 months will be to ensure compliance with the Transparency Code in ensuring the Council publishes a contracts register. Consideration can then be given to moving to the Proactis software.		
7.Conduct regular reviews of supplier spend to identify instances where expenditure exceeds thresholds requiring a contract. A standard supplier spend report should be generated from the UNIT4 (Finance system) and made available to the Procurement Team. The frequency of this review should be agreed.	High (CP)	Procurement Officers and the Directors/Chief Executive meet regularly to review current contracts and planned procurement. Supplier spend analysis is already provided by the Transactional Finance Team Manager to the Procurement Officer and this forms the basis of discussions with Directors and the Chief Executive in respect of off-contract spend.	Procurement Officer	Implemented.
8.Regular updates on the supplier spend analysis, carried out by V4, should be provided to the Corporate Leadership Team to ensure visibility of progress and actions taken.	High (CP)	Supplier spend analysis will be provided to the Corporate Leadership Team (CLT) every quarter, commencing July 2026, as part of the corporate indicator reporting. The report will be prepared by the Procurement Officer and delivered within 10 working days of the end of each quarter. The analysis will include a summary of supplier expenditures, highlight off-contract spend, and	Procurement Officer	July 2026

		track progress on agreed procurement actions, ensuring full visibility and enabling informed decision-making by CLT.		
9. A record of all exemptions granted must be maintained by the Procurement Officer in accordance with CPR. This should include retaining an approved copy of the exemption.	High (CP)	This is already stored in Caseviewer, and the Procurement Officer has access to the list of all exemptions.	Procurement Officer	Implemented
10.The Procurement Officer should monitor any contract extensions and engage with services in sufficient time to take the required action. Details of the process to follow should be contained in procedure documents referred to in Recommendation 1.	Medium (CP)	Ensure that the Procurement Officer actively monitors all contract extensions and provides timely advice and guidance to relevant officers, engaging in regular discussions regarding pipeline work. Progress will be measured by the establishment and maintenance of a documented process for tracking contract extensions and officer engagement, as outlined in procedure documents.	Procurement Officer	September 2026
11.It should be confirmed in what circumstances a Contract Change Notice is required. Details should be included in any guidance and, if necessary, CPR should be updated to reflect this.	High (CP)	This information will be incorporated into the guidance notes and made accessible via the Teams site.	Procurement Officer	August 2026
12.The requirement to maintain a separate Procurement Pipeline should be reviewed. This same information would be available if there was an up to date and accurate contracts register in place. As referred to in recommendation 6 the use of Proactis to monitor expiring contracts should be explored. (EFFICIENCY)	High (CP)	Make the procurement pipeline register accessible to all relevant officers via the Teams page and implement a process to ensure officers are able to regularly update the register, thereby improving the	Procurement Officer	September 2026

		accuracy and completeness of contract monitoring. The pipeline document will contain details of new and emerging contracts, the contracts register will detail those contracts which are in place.		
13.The Procurement Officer should agree the contract measures with the contract lead as required by CPR 13.3. Details of the measures agreed should be recorded.	High (CP)	The Procurement Officer will formally record contract management measures for all new contracts and share these records with the relevant service officers, ensuring compliance with CPR 13.3 and providing evidence of agreed measures.	Procurement Officer	July 2026
14. All officers involved with procurement and contract management, across the Council, must complete the relevant training modules within a defined timeframe, with refresher training scheduled periodically.	High (CP)	The Procurement Officer will collaborate with HR colleagues to review and implement changes to the Skillsgate training module, ensuring it becomes a mandatory requirement for all officers who regularly engage in procurement and contract management activities. Progress will be monitored and documented to confirm that affected officers are enrolled and complete the module within the specified timeframe.	Procurement Officer	September 2026
15. A standard approach to contract management, including templates and guidance, should be agreed upon and made readily available to officers.	High (CP)	Develop and make available to all officers a comprehensive suite of contract management templates and guidance, produced in	Procurement Officer	July 2026

		collaboration with V4 and legal colleagues, ensuring these resources are accessible for reference and use in day-to-day operations.		

ABSENCE MANAGEMENT

REASONABLE ASSURANCE	
	A generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Key Findings

Areas of positive assurance identified during the audit:

- The following policies are in place and were approved during 2025:
    - Attendance Management Policy
    - Parental Bereavement Leave Policy
    - Neo-natal Care Leave Policy.
- Sickness absence rates are reported quarterly to the Corporate Leadership Team.

The main areas identified for improvement are:

- Review the Leave Policy to ensure it is up to date and adequately covers all types of absence (it is acknowledged that this policy is scheduled for review during 2026/27).
- Ensuring absence types available for selection in the HR and payroll system align to procedures.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. The Leave Policy should be comprehensively reviewed and updated to ensure it aligns with corporate standards, reflects current practice, and provides clear guidance to staff.	Medium (CP)	The leave policy is due to be reviewed in 2026/27 to make sure it aligns to the updated HR system and having reviewed what neighbouring authorities are doing in preparation for Local Government Reorganisation (LGR). This will include • Correct format • Types of leave • When leave should be taken	Head of HR and Organisational Development	March 2027
2. Leave types within the HR and Payroll system should be aligned with those defined in the Leave Policy to ensure accurate and consistent recording of absences by managers. EFFICIENCY With the introduction of the new Payroll and HR system (People First) the possibility of including pop ups when selecting leave categories with guidance notes relating to when the leave type is to be used should be explored.	High (CP)	The introduction of the new payroll and HR system will ensure that the system and procedures are aligned in terms of leave types. Medical leave may have been appropriately recorded as it will be used on a case-by-case basis. Clearer definitions in the policy /procedure and on the system will help remove these potential recording errors.	Head of HR and Organisational Development.	December 2026
3. The Corporate Leadership Team (CLT) should ensure that their managers comply with policies and procedures relating to the completion of RTW forms, verification of FIT notes,	Medium (CP)	CLT to ensure that as part of regular 1:1s they are ensuring that managers are complying with absence management. Where checks and reminders can be built into the system these will be utilised.	CLT Head of HR and Organisational Development	Implemented December 2026

and proactive monitoring of sickness absence against trigger points. EFFICIENCY With the introduction of the new Payroll / HR system (People First) the possibility of having workflows / alerts to assist managers with absence management should be explored.				
4. CLT should ensure that all their staff required to attend the Attendance and effective RTW training have done so.	High (CP)	HR will ensure that they continue to have regular meetings with managers to review cases and provide support.	CLT	Implemented
5. To ensure managers maintain their skills in managing absence the requirement to have refresher training or a suitable alternative should be explored.	Medium (CP)	HR will continue to provide regular updates and refreshers on practical implication of absence management via the bitesize briefings, coaching, and updates.	Head of HR and Organisational Development	Implemented

BURIAL SERVICES

REASONABLE ASSURANCE

A generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Key Findings

Areas of positive assurance identified during the audit:

- Burial services comply with statutory regulations, supported by up-to-date internal policies and procedures that are accessible to all relevant staff and stakeholders.
- Charges are correctly formulated, approved, reviewed, and published as required.
- All burials and purchases (of graves/ plots) are processed and managed in accordance with legislation.
- Inspection and maintenance takes place on a two-weekly cycle for all sites
- Health and safety risks are properly assessed and managed.
- Burial figures are regularly monitored.
- The Charnwood Burial Services contract is relevantly managed, and the service provided complies with relevant legislation.

The main areas identified for improvement are:

- Establishing system administration responsibilities for the BACAS system (Burials software).

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. The payment process for the particular funeral director should be documented.	Low (SP)	We will carry out a review of our payment process and ensure that the process for pre-payments is included.	Commercial Facilities Officer	June 2026
2. A sample check of plots to the cemetery maps should be carried out on a regular basis to ensure the accuracy of the records held.	Low (SP)	We understand the new Cloud based BACAS system will remove the need for separate office copy and cemetery copy maps removing the potential for discrepancies around which burial plots have been used / are available. Should the new BACAS system not provide this function by 30/9/2026 then a manual process of accuracy verification will be put in place and actioned every six months.	Commercial Facilities Officer	October 2026
3. Training records should be updated to include the requirement for refresher training for Memorial Testing.	Low (SP)	The training record will be updated to reflect the frequency of refresher training for Memorial Testing.	Open Space and Parks Team Leader/ Leisure Services Team Manager	April 2026
4.The service must engage with ICT Services to discuss the implementation of the cloud-based system. This should include clearly assigning responsibility for System Administration including management of users and access rights and also confirming responsibility for system security and upgrades.	High (CP)	The Burials Team will communicate to the ICT Service the need to replace the current BACAS software with the latest Cloud based system and give the ICT Service a deadline of 17/4/2026 to put in place a contract for system migration.	Commercial Facilities Officer / ICT Manager	May 2026
5. To reduce the risk of error and ensure business continuity, a service specific procedure guide for raising invoices for the Charnwood Burial Services Contract should be created, this should include the codes required for the UNIT 4 system.	Medium (SP)	A Procedure guide will be drafted.	Commercial Facilities Officer / Administration Support Officer	June 2026

Appendix C

OVERDUE RECOMMENDATIONS AS AT 30 JUNE 2026

Audit Year	Audit	Recommendation	Priority	Response/ Agreed Action	Responsible Officer	Implementation Due Date	1st Follow up comments	Extension Date	Second Follow up comments	Extension Date	Further Management update	Further extension date
2023/24	Planned maintenance	13. Performance data is obtained and reviewed to ensure managers can monitor contractors' performance against targets and contract terms and conditions. Where targets are not being met the contractor should submit proposals for improving performance. Additionally, officers should be aware of any financial implications of contractors not meeting their contractual agreements, to ensure that these can be enforced if required.	High	The planned structure for the service includes provision to enable this process. New contracts also support this approach. The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach.	Asset Manager	Q4 2024/25	**Mar-25** Due to resourcing issues this has still not been implemented. When resources are in place contract supervisors will be assigned to each relevant contract.	Mar-26	**May-26** Evidence required and requested but no response received by the deadline. An update will be provided in quarter 2.			
2023/24	Responsive Repairs	19. Performance monitoring data is obtained from the contactors for review to ensure contract conditions are being met.	Medium	The planned structure for the service includes provision to enable this process. New contracts also support this approach. The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach.	Responsive Repairs, Voids and Minor Works Team Manager.	Q4 2024/25	**Feb-25** - Extension requested due to staff absences and team changes.	May-25	**Mar-25** - Due to current staff vacancies, it has not been possible to implement this recommendation. Following the appointment of relevant staff this will be fully implemented. The extension reflects the time taken to have officers in post and implement the new processes.	Mar-26	**Mar-26** A workshop was arranged for audit to support the development of a process to be documented. This did not go ahead but has been rearranged for mid-July.	
2023/24	Asbestos Management	3.The Council should conduct an assessment to identify all areas of non-compliance of statutory duties in relation to Asbestos Management. Following this an action plan should be put in place to ensure that the non-compliance is addressed. Assessments should then be scheduled at regular intervals to ensure ongoing compliance.	High	The Asset Management team holds reports to cover compliance of over 95% of the domestic stock and 100% of communal to comply with CAR2012. The Asset Management team has assessed where non-compliance is occurring and, in the majority, falls down to lack of resources that are managed or influenced by the following – • Two managers absent on long term sick leave. • Failing to recruit to three team crucial posts. • One post being carried out by an unqualified member of staff. Due to the lack of resources, the data received day to day, operational admin and data	Asset Manager	Nov-24	**Nov-24** No response		**Dec- 24** No response		**Jan-25** - Due to multiple unsuccessful recruitment attempts this will need to be extended. **Mar-25** - All asbestos recommendations have been reviewed and it has been agreed that the asbestos contractor will carry out all new surveys to provide a baseline of information and the use of their portal will provide the Council with	~~Apr-25~~ Mar-26

				management is not being completed to a sufficient standard. Minimal admin is undertaken, and other staff resources are being utilised to pick up the short fall. Quality assurance is at risk due to insufficient administration of the asbestos data and as a consequence puts operatives, contractors, staff and other end users at risk. Failure to manage properly exposes NWLDC to prosecution from the Regulator, HSE and leading to unlimited fines. The service is continually trying to actively recruit, however, to reduce/ remove the risks associated with the control issues identified, the Housing Asset Management team is currently reviewing options available to them which include outsourcing the control and quality assurance of the asbestos data that is relied on.							an asbestos register. In addition to this a new asbestos management plan will be written, circulated and appropriately approved. **June-26** A plan has been written and is being finalised.	
2023/24	Asbestos Management	5.Asbestos surveys should be uploaded to QL / MRI within a reasonable period of time following receipt of the survey.	High	This is a known issue that can only be resolved by adequate resourcing and addressing the issues detailed in the response to recommendation 3 above. The Tersus portal will be used initially to reduce the risks.	Compliance Team Leader – when appointed	Nov-24	**Nov-24** No response		**Dec- 24** No response		**Jan-25** - Resources and staffing have prevented full implementation. Mar-25 Following the completion of new surveys these will be uploaded to the appropriate software and, linked to QL. see above. **June-26** A plan has been written and is being finalised.	~~Apr-25~~ ~~Mar-26~~ May-26
2023/24	Asbestos Management	6.There should be a central record containing details of asbestos surveys, the results of the surveys and any action to be taken. The record should be used to enable effective monitoring of actions required. Responsibility for ensuring the record is maintained and actions completed should be assigned.	High	Whilst there are various locations for data held, Asset Management have been working on reducing data depositories to MRI, QL or the contractor portal. A central record is being developed to streamline how these are maintained so there is adequate visibility to all users of the data held. It is to be noted again that this is only feasible with the resourcing issues identified in the response section in	Compliance Team Leader – when appointed	Mar-25	**Mar-25** Following the completion of new surveys these will be uploaded to the appropriate software and, linked to QL.	Mar-26	**June-26** A plan has been written that does not include dates, just a timeframe of 72 weeks.			

				recommendation 3. being addressed.								
2023/24	Asbestos Management	8. All contracts should have a named contract manager and formal contract management arrangements should be put in place.	High	This is a known process within Asset Management. Actioning this process and formally following through with normal contract administration is not possible with the current lack of resources to manage individual contracts. The planned structure for the service includes provision to enable this process. New contracts also support this approach. The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach.	Asset Manager	Q4 2024/25	**Mar-25** Due to resource issues it has not been possible to complete this recommendation. An extension is required to provide the time to recruit to the positions and then embed all new processes.	Mar-26	**June-26** A workshop was arranged for audit to support the development of a process to be documented. This did not go ahead and has been rearranged. Additionally, audit was advised all contracts had a named contract manager and meetings were being recorded, no evidence was provided to support this.			
2023/24	Asbestos Management	9.Key performance indicators (KPI's) and the frequency to which they should be reported to management should be agreed with asbestos contractors. Service Plan KPI's should be a standard agenda item in any contract management meetings.	High	This is a known process within Asset Management and when administrating contracts. The delays in executing and mobilising the contract have set back formalising these arrangements. Adequate resourcing is also essential in capturing this data set. The new suite of KPI's will be discussed at contract management meetings now the new contract is nearly in place.	Asset Manager	Q4 2024/25	**Mar-25** The current contract is due to expire in June 2025. The new contract will have relevant KPI's in place and these will be monitored appropriately.	Dec-25	**Dec-25** Due to staff absence a further extension has been requested.	Mar-26	**May-26** as per recommendation 8, no evidence has been provided to support this. It will be provided once the procurement has completed.	May-26
2024/25	Housing Compliance	4. Evidence to support completion of actions should be retained centrally to ensure that it can be easily located if required.	High	A review will be undertaken to minimise the locations that completion data is held. This will be developed in conjunction with recommendation 3 above.	Assets and Compliance Team Manager	Dec-25	**Dec-25** - Extension due to staff absence	Mar-26	**June-26** Requested evidence to test, no evidence received.			
2024/25	Housing Compliance	7. Contract management arrangements, for those contractors procured to carry out Compliance Inspections, should be reviewed to ensure that contracts are being managed in line with the contract. All contract meetings should be minuted and clearly detail any discussions / actions/ performance/ issues.	High	Agreed – to be implemented as set out in response to the Housing Contract Management audit. Policy documentation (recommendation 1) will set out the frequency of collection.	Assets and Compliance Team Manager	Dec-25 Mar-26	**Dec-25** - Extension due to staff absence	Mar-26	**June-26** A workshop was arranged for audit to support the development of a process to be documented. This did not go ahead but has been rearranged for mid-July.			
2024/25	Housing Contract Management	6. Processes are put in place to ensure effective day to day management and monitoring can be undertaken on the completion of works and financial accuracy	High	A full review of the process will be carried out, with the team, the process will then be documented and monitored going forward.	Responsive repairs, Voids and Minor Works Team Manager and	Dec-25	**Mar-26** A workshop was arranged for audit to support the development of a process to be documented. This did					

		of all work issued to the contractor.		Regular tracking of live jobs is undertaken already.	Asset and Compliance Team Manager		not go ahead but has been rearranged for mid-July.					
2024/25	Housing Contract Management	7. Processes are put in place to ensure all invoices are checked for accuracy and work completion prior to payment, payments are made in accordance with contract terms and documentation is retained to provide an audit trail.	High	This will be implemented in conjunction with recommendation 6.	Responsive Repairs, Voids and Minor Works Team Manager.	Dec-25	**Mar-26** A workshop was arranged for audit to support the development of a process to be documented. This did not go ahead but has been rearranged for mid-July.					
2024/25	Housing Contract Management	11. Processes are introduced to document and approve variations, retain all documentation, and accurately record the information within QL orders to ensure that payment applications are correct and can be verified.	High	All variations over £500 are approved in writing. A process will be put in place to document the authorisation of variations and records kept.	Responsive Repairs, Voids and Minor Works Team Manager.	Dec-25	**Mar-26** A workshop was arranged for audit to support the development of a process to be documented. This did not go ahead but has been rearranged for mid-July.					
2024/25	Housing Materials Management	3. A goods received process is put in place to ensure equipment orders are completed on the housing management system, upon receipt of the goods.	Medium	The lack of closure of QL orders and absence of receipt confirmation has led to inefficiencies and potential financial risk. A new process will be developed and implemented to ensure that all equipment orders are verified upon delivery and appropriately closed down in the QL system.	Responsive Repairs, Voids and Minor Works Team Manager.	Mar-26	**Mar-26** A workshop was arranged for audit to support the development of a process to be documented. This did not go ahead but has been rearranged for mid-July.					
2024/25	Housing Materials Management	5. Items of plant identified as missing, or plant that does not have an asset number or location are investigated and appropriate action taken	Medium	A full review of the plant register will be undertaken to investigate missing items and ensure all equipment is assigned an asset number, location, and responsible officer.	Responsive Repairs, Voids and Minor Works Team Manager.	Mar-26	**Mar-26** A workshop was arranged for audit to support the development of a process to be documented. This did not go ahead but has been rearranged for mid-July.					
2024/25	Housing Materials Management	6. A formally documented PAT testing programme is introduced in line with HSE guidance.	High	A formal PAT testing programme will be developed in line with HSE guidance to ensure compliance is documented and monitored.	Responsive Repairs, Voids and Minor Works Team Manager.	Mar-26	**Mar-26** A workshop was arranged for audit to support the development of a process to be documented. This did not go ahead but has been rearranged for mid-July.					
2024/25	Housing Materials Management	8. Processes for recording, managing and monitoring van stock are reviewed, to ensure that they meet the requirements of Financial Procedure Rules, in particular: • All material assets stored on vans are recorded, reducing the risks of stock becoming obsolete or misappropriated. • Regular stock checks are	High	Monthly materials checks will also be extended to include HIP and Empty Homes to ensure consistency across all workstreams.	Responsive Repairs, Voids and Minor Works Team Manager.	Mar-26	**Mar-26** A workshop was arranged for audit to support the development of a process to be documented. This did not go ahead but has been rearranged for mid-July.					

		undertaken to confirm stock held in both vans and at the unit on Market Street. With full stock takes being carried out annually. • The housing management system (QL) van stock records are maintained up to date.										
2024/25	Housing Materials Management	11. An annual review on documentation and contract terms is completed, including the review and approval of price increases.	High	An annual review will be undertaken by end of April yearly (which aligns with the contract start date of 1st April 2023) with the output from this recorded in line with the 'Annual Contract Review' service level procedures and stored in the I Drive An agenda will be set to ensure contract terms and conditions, specifications and associated documentation are reviewed and any changes to the schedule of rates agreed.	Responsive Repairs, Voids and Minor Works Team Manager.	Mar-26	**Mar-26** A workshop was arranged for audit to support the development of a process to be documented. This did not go ahead but has been rearranged for mid-July.					

EXTENDED RECOMMENDATIONS

Audit Year	Audit	Recommendation	Priority	Response/ Agreed Action	Responsible Officer	Due Date	1st Follow up comments	Extension Date	Second Follow up comments	Extension Date	Further Management update	Further extension date
2023/24	Asbestos Management	13.The Council should ensure that all relevant staff have received / undertaken the level of training in Asbestos Management as required by either their job role or their assigned role within the Asbestos Management Policy.	Medium	Whilst all operational staff have the minimum Asbestos Awareness training others at team leader, supervisor and management have received Duty to Manage training. Whilst this is recognised as a minimum requirement, it has been identified that team managers should receive P405 training to mitigate risk at a higher level and to cover duty holder requirements in the absence of other Responsible Persons. HR, in conjunction with managers/ Heads of Service, will be requested to carry out a review of which officers require which level of training across the authority. Following this, training will be arranged.	Health and Safety Officer	Sept 2024 Training dates will be advised following the review.	**Oct 24** – Head of OD & HR to discuss with H&S Manager and to arrange relevant corporate training. Extended to Mar-25 in CLT.	Mar-25	**Mar-25 -** All relevant officers have been identified with the levels of training required for each officer. A training plan is now being developed, and all training will have been completed by March 2026. The action was previously assigned to the Asset Manager and Strategic Director of Communities but as the training is being managed by the Health and Safety Officer responsibility has now been moved.	Mar-26	**Mar-26** Some training has been completed. Further specific training is in the process of being arranged.	Aug-26
2025/26	Health & Safety	1. All overdue risk assessments are reviewed and updated as necessary by managers and compliance monitored by the Health and Safety Officer.	Medium	All risk assessments identified as requiring review in the spreadsheet issued in January 2025 will be completed.	Health and Safety Officer	Mar-26	Extension agreed by HR & Chief Exec	Jun-26				
2025/26	Health & Safety	2. The date of the next review is recorded on SHE Assure following the update of the assessments.	Medium	Following on from recommendation 1 above, the SHE Assure system will be updated to detail the next review date.	Health and Safety Officer	Apr-26	Extension agreed by HR & Chief Exec via email on 26/03/2026	Jun-26				
2023/24	Planned maintenance	2. Management considers the use of a single source to manage, record and monitor progress against the annual programme to remove duplication in work and avoid error.	Medium	Agreed in principle, this will be reviewed once a full complement of Senior Management Team is in place.	Asset Manager	Sep-25	**Oct-25** Extended due to staff absence. Additionally, the service is currently reviewing the CAFM system as a single source of documentation.	Mar-26	**April-26** Procedure to be written following the changes in the planned maintenance service and further training to be given to relevant officers. **June-26** A workshop was arranged for audit to support the development of a process to be documented. This did not go ahead but has been rearranged for mid-July.	Aug-26		

2022/23	Rent Accounting and Arrears	10. With the introduction of Unit 4 (new Finance System) the rent debit should be uploaded automatically from the Housing System to the General Ledger each week. This should enable weekly reconciliations between the two systems to be carried out.	High	Agreed	Housing Strategy and Systems Team Manager/ Head of Finance	Aug-23	**Aug 23** – No response	Sep-23	**Sept 23 -** Issues regarding UNIT4 - meeting with Finance planned for w/c 11.9.23. Will require an extension to the implementation date.	~~Oct-23~~ Mar-24	**Nov-23** Further extension requested. **Aug-24**: Due to the issues with Unit 4 it has not yet been possible to implement this recommendation. **Apr-25**: Due to issues with Unit 4 and the change in staff it has not yet been possible to implement this recommendation. An extension has therefore been requested to September 2025. **Sept-25**: There has been no further progress due to the issues with Unit4, and therefore a further extension is required. **Dec-25**: The process has been built in the test system and is currently being tested. Awaiting feedback from Finance. Extension required for full implementation.	~~Sept-24~~ ~~Mar-25~~ ~~Sept-25~~ ~~Dec-25~~ ~~Mar-26~~ Jun -26
2023/24	Planned maintenance	4. The procedures and system parameters are reviewed to ensure orders and variations are appropriately costed and authorised.	High	An action plan will be put in place to address issues, but these actions will not be able to be addressed until a full complement of Senior Management Team is in place.	Asset Manager	Apr-25	**Mar 25 -** Due to there not being a full complement of managers in post this will be extended to March 2026. This will provide the team the opportunity to review and embed new and updated processes.	Mar-26	**April-26** Procedure to be written following the changes in the planned maintenance service and further training to be given to relevant officers. **June-26** A workshop was arranged for audit to support the development of a process to be documented. This did not go ahead but has been rearranged for mid-July.	Aug-26		
2023/24	Planned maintenance	6. Procedures and processes are put in place to ensure relevant inspections are completed, documentation is retained, and completion is evidenced on the housing management system (QL).	High	Post inspections are now being carried out by the asset team. Asbestos information is currently being addressed with the contractor to enable relevant users to access the information. This will be reviewed once a full complement of Senior Management Team is in place.	Asset Manager	Apr-25	**Mar 25 -** Due to there not being a full complement of managers in post this will be extended to March 2026. This will provide the team the opportunity to review and embed new and updated processes. Sept-25 A review of digital sign off forms has begun.	Mar-26	**April-26** Procedure to be written following the changes in the planned maintenance service and further training to be given to relevant officers. **June-26** A workshop was arranged for audit to support the development of a process to be documented. This did not go ahead but has	Aug-26		

									been rearranged for mid-July.			
2023/24	Planned maintenance	7. Processes are put in place to ensure certificates are obtained upon completion and are filed appropriately for future reference.	High	The reconciliation will, going forward, be carried out by the financial Asset Management Support Officer (AMSO). The process has been confirmed as – the in-house team complete compliance via a tablet. Contractors send through compliance certificates which are uploaded to the MRI software system with relevant reference number. Audit to review in three months to ensure process is now working.	Support Services Manager	Oct-24	**Oct-24** No response on evidence requested.		**Dec-24** - Audit testing highlighted controls are not in place for all types of certifications; this has been due to resource issue. To ensure that the process is followed for all certificates an extension is required.	Mar-25	**Mar-25** Due to current manual intervention required this still isn't being fully completed. A review of the CAFM system will be done to confirm if this is an appropriate compliance system for housing and consideration will be given to using this in the future. The extension date reflects the time needed to review the system, go live if agreed, and upload all relevant documentation. Oct-25 File structure has been built to store records and a direct upload to the MRI software from file transfer sites is completed by contractors. **Apr - 26** - Extended in line with recommendations 2,4,6 to allow time for process mapping to be conducted. **June-26** A workshop was arranged for audit to support the development of a process to be documented. This did not go ahead but has been rearranged for mid-July.	~~Mar 26~~ Aug 26

2023/24	Planned maintenance	8. Processes are put in place to ensure snagging works are identified, recorded and monitored to ensure remedial works are completed.	High	Agreed in principle, this will be reviewed once a full complement of Senior Management Team is in place.	Asset Manager	Apr-25	**Mar-25** Due to current manual intervention required this still isn't being fully completed. A review of the CAFM system will be done to confirm if this is an appropriate compliance system for housing and consideration will be given to using this in the future. The extension date reflects the time needed to review the system, go live if agreed, and upload all relevant documentation.	Mar-26			**Apr -26** - Extended in line with recommendations 2,4,4,6,7 to allow time for process mapping to be conducted. **June-26** A workshop was arranged for audit to support the development of a process to be documented. This did not go ahead but has been rearranged for mid-July.	Aug-26
2023/24	Planned maintenance	9. A review of the process is undertaken and documented to ensure that there is a clear and transparent audit trail in place and the process is relatively managed and monitored, and all officers are aware of the responsibilities in relation to authorisation and payment processes.	High	Agreed in principle, this will be reviewed once a full complement of Senior Management Team is in place and the financial architecture is in place to support this.	Asset Manager	Apr-25	**Mar-25** Due to current manual intervention required this still isn't being fully completed. A review of the CAFM system will be done to confirm if this is an appropriate compliance system for housing and consideration will be given to using this in the future. The extension date reflects the time needed to review the system, go live if agreed, and upload all relevant documentation.	Mar-26	**Apr -26** - Extended in line with recommendations 2,4,4,6,7 to allow time for process mapping to be conducted. **June-26** A workshop was arranged for audit to support the development of a process to be documented. This did not go ahead but has been rearranged for mid-July.	Aug-26		
2023/24	Planned maintenance	10. The complexity of the spreadsheets being used are reviewed and the process is documented to for business continuity purposes Additionally, any duplication of work should be removed.	High	Agreed in principle, this will be reviewed once a full complement of Senior Management Team is in place.	Asset Manager	Apr-25	**Mar-25** Due to current manual intervention required this still isn't being fully completed. A review of the CAFM system will be done to confirm if this is an appropriate compliance system for housing and consideration will be given to using this in the future. The extension date reflects the time needed to review the system, go live if agreed, and upload all relevant documentation.	Mar-26	**Apr -26** - Extended in line with recommendations 2,4,4,6,7 to allow time for process mapping to be conducted. **June-26** A workshop was arranged for audit to support the development of a process to be documented. This did not go ahead but has been rearranged for mid-July.	Aug-26		

2023/24	Asbestos Management	12.For each of the asbestos contracts financial information should be produced and presented to management for both monitoring and discussion at contract management meetings.	High	This is a known process within Asset Management and when administrating contracts. The delays in executing and mobilising the contract have set back formalising these arrangements. Adequate resourcing is also essential in capturing this data set. Agree in principal but, until Unit 4 is fully operational this will not be possible to implement.	Asset Manager	Mar-25	**Mar-25** This is currently reliant on Unit 4 information which is not readily available.	Sept-25	**Sep-25** The recommendation needs to be extended to allow the contract management processes to be embedded with the new contracts.	Mar-26	**Jan-26** - Request to further extend to July 26 as it is dependent on the information being available within the finance system.	Jul-26
2023/24	Fleet Management	13.A review of the systems in place to record daily vehicle checks should be undertaken. The benefits of using one system corporately should be considered.	High	A wider review of the defect reporting system will be completed with the support of Housing, Parks, IT, HR to move to one electronic system.	Transport Manager	Apr-26	**May-26** - Extension to December 2026 as this will form part of the Project Compliance Managers role.	Dec-26				
2024/25	Housing Compliance	1. A review of all policies and procedures relating to Housing Services gas servicing, electrical testing, fire safety management, lift safety and legionella and water systems. Where policies and procedures are not in place measures should be taken to produce and approve the documents. The policies and procedures should reflect current practices, include roles and responsibilities of staff, contractors and other partners, and should be subject to regular review. Policies and procedures should be sufficient to satisfy the requirements of the Regulator of Social Housing 'FLAGEL' policies (fire safety, legionella, asbestos, gas safety, electrical safety, lift safety).	High	Policies and procedures exist, although not stored in a central location they are accessible to key staff involved in the process. All are compliant with RSH policies. Policies have now been placed on the corporate policy tracker to assist with management of review timelines and will be reviewed in line with recommendation.	Assets and Compliance Team Manager	December 2025 • Lift Safety • Legionella and water March 2026 • Gas Servicing • Electrical Testing • Fire Safety Management systems	**Dec-25** - Extension due to staff absence	Mar-26	**April-26** Asset Management Strategy will be presented to Scrutiny in Sept 26 with the draft policies to be approved and referenced in the strategy.	Oct-26		

2024/25	Housing Compliance	5. A review of the processes for the completion of remedial actions identified during compliance inspections is carried out and documented to ensure that the process is streamlined, efficient and all relevant officers receive information to confirm actions have been taken as needed and in a timely manner.	High	A review of the process will be carried out and will put in place an action plan to ensure that completion of jobs raised have been completed within the given timescales and recorded in the appropriate locations for officers.	Building Safety and Tenant Involvement Team Manager	Dec-25	**Dec-25** - Extension due to staff absence	Mar-26	**Jan-26** Further extension requested.	Jul-26		

Appendix D

2025/26 INTERNAL AUDIT PERFORMANCE

Performance Measure	Position as at 30/06/2026	Comments
Quarterly Progress Reports to Management Team and Audit and Governance Committee	On track	
Follow up testing completed in month agreed in final report	On track	
To ensure audit coverage is sufficient to enable the Audit Manager to provide a year-end opinion on the governance, risk and control environment - Annual Opinion Report	Completed	Annual opinion report for 2024/25 reported at Audit and Governance Committee in August 2025 Annual opinion to be reported to Audit and Governance Committee in August 2026.
95% Customer Satisfaction with the Internal Audit Service	100%	2025/26 – 8 responses received.
To provide an efficient and compliant audit service -		
• *Fieldwork is completed within two months of the start date.	50%	This has been due to delays in receiving information for service areas and staff absences within the internal audit service.
• Management Debriefs are scheduled within 2 weeks of field work being completed and signed off.	92%	
• *Management Responses are received within 2 weeks of the debrief meeting.	83%	
• *Draft audit reports are issued within 1 week of receipt of full management responses.	80%	
• *Final audit reports are issued within 1 week of draft audit reports.	18%	This is due to further clarification being requested at draft stage.
• *, **75% of agreed actions are subsequently signed off as implemented within the agreed time scale. This will increase to 85% in 2026/27 and 100% in 2027/28.	2025/26 to date 85%	

**This measure is not exclusively a reflection on the Internal Audit Service's performance.*

***Whilst Internal Audit will track the implementation of agreed actions, management is responsible for completing the actions and ensuring that desired outcomes are achieved.*

This page is intentionally left blank

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 5 AUGUST 2026

Title of Report	**CORPORATE RISK UPDATE**	
Presented by	Kerry Beavis Audit Manager	
Background Papers	Corporate Risk Update - Audit and Governance Committee 29 April 2026	**Public Report:** Yes
Financial Implications	None	
	Signed off by the Section 151 Officer: yes	
Legal Implications	None	
	Signed off by the Deputy Monitoring Officer: yes	
Staffing and Corporate Implications	None	
	Signed off by the Head of Paid Service: yes	
Purpose of Report	To provide Committee members with an update in respect of the Council's corporate risk register in accordance with the Committee's Terms of Reference which is to monitor progress in addressing risk related issues reported to the Committee.	
Recommendations	**THAT THE AUDIT AND GOVERNANCE COMMITTEE NOTES THE LATEST CORPORATE RISK REGISTER AND PROVIDES COMMENTS TO INFORM THE WORK OF THE COUNCIL'S CORPORATE RISK GROUP.**	

1.0 BACKGROUND

1.1 As part of the agreed Risk Management approach this report presents the latest version of the Corporate Risk Register which was reviewed by officers of the Corporate Risk Group in June 2026. In line with the Risk Management Policy, members of this Committee are to receive periodic updates on risks monitored through the Corporate Risk Register

2.0 RISK REGISTER

2.1 The updated Risk Register can be found at Appendix 1. Of note are updates in respect of:

- CR20 –an update on the planned mitigation actions in relation to the risk associated with the Local Plan.

2.2 Out of the 17 active risks, one is red, seven are amber and nine are green. There have been no changes other than CR20.

2.3 The Director of Resources acts as the lead for corporate risk, but during the period between the previous Director retiring and the new Director starting this is currently being managed by the Audit Manager. The Audit Manager is satisfied that the main risks posed to the organisation have been captured within the risk register and that control measures to mitigate these risks are appropriate. The report is based on an update in June 2026, any further update on significant changes in risk will be provided at the meeting. The new Director of Resources intends to undertake a review of the risk management approach and report the findings to a future Audit and Governance Committee.

2.4 The Audit and Governance Committee is asked to review and note this risk update and provide any feedback they wish to be considered by the Corporate Risk Group at its next meeting.

Policies and other considerations, as appropriate	
Council Priorities:	A Well-Run Council
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	None
Environment, Climate Change and Zero Carbon	None
Consultation/Community/Tenant Engagement:	None
Risks:	The Council manages its risks within existing budgets. Effective risk management protects the Council from insurance and/or compensation claims, fraud, and a range of other financial and non-financial risks.
Officer Contact	Kerry Beavis Audit Manager Kerry.beavis@nwleicestershire.gov.uk

Official

CORPORATE RISK REGISTER

JUNE 2026

Appendix 1

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk Score			Likelihood	Impact	Risk Score
CR1	**Safeguarding** **Risk** Death/serious harm to a vulnerable person receiving a Council service and safeguarding compliance is not followed. **Consequence** A serious case review arising from death/serious harm to a customers and staff. Reputational damage to Council. Loss of confidence in ability of Council to deliver services. Ensuring compliance with Safeguarding legislation and practise.	4	3	12	**Treat**	Head of Community Services, Housing and Head of HR & Organisational Development.	3	2	6
Existing Controls	• An identified Corporate Leads: Head of Community Services and Head of HR and Org Development • An identified team responsible for Safeguarding (Community Safety) with responsibility embedded into Team Leader role and Community Safety Officer- Safeguarding Lead officer • An agreed Safeguarding Policy refreshed as required. Updated in 2024, refreshed in 2025 • An identified group of Designated Safeguarding Officers (DSO's) and Safeguarding Service advisors • A mandatory training programme for DSOs and service advisors every three years and quarterly team meetings, updates and training • A mandatory online training programme is in place for all staff with refresher training carried out every three years. • Safer Recruitment training is carried out for managers and safer recruitment is included within the Recruitment Guidelines. • The DBS and Barring Policy is in place and up to date. • A quarterly senior management review by the Head of Community Services of all cases to check progress/close cases. • Annual report to CLT and Corporate Scrutiny as required by exception. • A case management review meeting by Leisure and Communities Team Manager and Community Safety Team Leader to ensure all cases progressed with the Safeguarding lead officer. • Commitment to raise awareness of the scale and extent of modern slavery in the UK and ensure our contracts and supplies don't contribute to modern day slavery and exploitation. • A computerised system of reporting and managing reports introduced in 2019, ensures constant reminders of new cases, sending alerts at all points in the procedure. • There is now a requirement for suppliers to provide details of their safeguarding policies or agreed to adopt the Council's safeguarding policies as part of the Council's tender process. • Health and Safety Policy								

CORPORATE RISK REGISTER

JUNE 2026

	• Managers within the relevant services have a legal requirement to conduct regular risk assessments. • Staff induction training. • Annual reminders to complete/update health and safety risk assessments • Review of the referral process for safeguarding referrals has been implemented in 2024/2025 • Review of the performance indicators for the safeguarding referral service has been implemented • Training provided for new DSO's and refresher training for existing DSO's in July and August 2025. Safeguarding lead officer continues with meeting all DSO's and provides relevant updates and information sharing, best practice etc. Further training available for new DSO recruitment and refresh		
Planned mitigating actions		**Delivery timescales**	Ongoing
		Reason for delay in delivery	
Comments and progress on actions	**Stable** **Annual CLT Safeguarding update report in May 2026**		

232

CORPORATE RISK REGISTER

JUNE 2026

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR2	**Management of Council finances** **Risk** Reduced funding from Government. Increased demand for services, coupled with high inflation and pay awards has led to a funding gap over the medium term. Government plans reduction in business rates share to the Council. Changes to the local authority financial settlement. Economic downturn / recession. Commercial opportunities not progressed. Changing rent policies. The new Food Waste collections to be introduced in 2025/26 has a risk of insufficient revenue funding from Government being provided. The Council's consultations in respect of Business Rates Retention and the Fair Funding Review issued in 2025, suggest that the Council may face significant losses in terms of business rates growth. The Council's finance system, Unit4, requires enhancements following implementation in April 2023 to ensure that financial information is timely and accurate to support decision making. **Consequence** Possible cessation of services or reduction of services provided. Central government intervention and special measures if Council issues a S114 notice. Inability to deliver Council Delivery Plan as resources are restrained. Potential staff redundancies.	4	3	12	**Treat**	Head of Finance	2	2	4

North West Leicestershire District Council

CORPORATE RISK REGISTER

JUNE 2026

	Funding of external groups is withdrawn. Potential breach of statutory duties/ability to deliver objectives compromised.								

Existing Controls	• Regular financial reporting to CLT and quarterly to Cabinet. Improved narrative on reports to Cabinet as well as additional reporting which tracks progress against savings targets. • Audit and Governance Committee have received regular reports regarding the Council's progress in respect of completing the Statement of Accounts for 2023/24 and 2024/25, the last report being considered by the Audit and Governance Committee on 12 November 2025. • Financial Regulations form part of the Council's Constitution. Contract Procedure Rules were updated and approved by full Council in February 2025 to reflect the Procurement Act 2023 which was introduced on 24 February 2025. • Financial planning processes are documented and reviewed regularly. • No risky investments. • Capital is funded from the Council's business rates growth. • Enhanced governance around capital strategy spending, monitored/scrutinised by Capital Strategy Group. • Monthly Statutory Officer meeting. • Robust level of general fund and earmarked reserves. • External support for technical finance/accounting i.e. Arlingclose (Treasury Management) and PSTax (VAT). • Medium Term Financial Plan in place and is updated as part of the budget setting process. • A clear financial strategy was established as part of the budget setting for 2023/24. • Head of Finance monitoring of Local Government funding reviews - business rates review not expected until 2026/27 and fair funding review delayed again. • Funding advisor engaged. • Participation in Business Rates Pooling. • Accessing external funding where appropriate. • Income collection procedures in Revenues and Benefits Service and Housing sound. Leicestershire Revenues and Benefits Partnership has two trained officers working solely on Council Tax Reduction Scheme Fraud and act as Single Point of Contact for Department of Work and Pensions (DWP) referrals. • Capital Strategy to use business rates reserve to fund the capital programme • Transformation Programme in train to support the closing of the funding gap. • Contingency budget was created in 2025/26 budget to manage the risk of insufficient ongoing revenue funding for food waste • The Statement of Accounts 2021/22 and 2022/23 were signed off by Audit Committee on 9 December 2024. • The Statement of Accounts 2023/24 and 2024/25 were signed off by Audit Committee on 26 February 2026. • The Council is liaising actively with officials from Government to negate a 'cliff edge' funding loss over the medium term. • The Council responded to the Fair Funding Review 2.0 Consultation, details of which were reported to Cabinet in September 2025. • Work is ongoing with S151 Officers across the county to consider the financial implications of moving to Local Government Reorganisation. The group meets on a regular basis. • In response to recent delayed payment of invoices to some suppliers, the Council has implemented temporary resource. The implementation of an automated invoice payment system in September 2025 will speed up the payment of invoices. Where appropriate, the Council is working with suppliers to ensure prompt payment. • The Council has an internal Steering Group in place to oversee enhancements to the Unit4 system.

North West Leicestershire District Council

CORPORATE RISK REGISTER

JUNE 2026

	• Priorities have been identified for Unit4 enhancements and work has been ongoing with the implementation partner to implement necessary changes. • A dedicated temporary Project Manager has been employed to oversee system enhancements • The support contract for the Unit4 system has been renewed with a new supplier. • Statement of Accounts 2024/25 published on 15 January 2026 • Provisional Finance Settlement 2026/27 provides a three-year finance settlement. The Council can set a balanced budget for each of the next three financial years whilst also building reserves to support one-off investment.		
Planned mitigating actions	• Address internal control weaknesses identified in a range of finance audits • Action Plan developed to address financial management weaknesses which is monitored by the Finance Leadership Team • Unit 4 to be developed to provide timely and accurate budget monitoring for all key stakeholders. Project manager with Unit 4 experience employed to address outstanding issues with priorities identified.	**Delivery timescales**	April 2027
		Reason for delay in delivery	
Comments and progress on actions	**Stable** A project board oversees the financial systems work.		

CORPORATE RISK REGISTER

JUNE 2026

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR3	**People (employment) Related risks** **Risk and consequences** • **Trade Union Disputes & Industrial Action-** Risk of industrial unrest due to employee relations issues. Could disrupt services if not well-managed. • **Equal Pay and Pay Equity-** Potential breaches of the Equality Act leading to financial liabilities, tribunal claims, and reputational damage. • **Work-Related Stress** High risk of mental health-related absence, legal claims, decreased productivity, and reputational impact. • **Sickness Absence Not Being Managed** Leads to operational disruption, higher costs, potential discrimination risks, and missed early-intervention opportunities. • **Performance Not Being Managed** Increases legal risks, reduces productivity, harms team morale, and results in missed development opportunities. • **Misconduct Not Being Proactively Managed** Risk that poor behaviour escalates, causing operational disruption, reputational damage, legal claims, and cultural decline. • **Recruitment Challenges**- risk if posts not filled, reduced service delivery capacity, increased reliance on agency staff, higher employment costs, and challenges in maintaining statutory and strategic commitments • **Turnover-** Increased turnover due to LGR	2	4	8	**Treat**	Head of HR and OD	2	2	4

North West Leicestershire District Council

CORPORATE RISK REGISTER

JUNE 2026

Existing Controls 237	• Early engagement and consultation with recognised trade unions to build trust and transparency. • Dispute resolution mechanisms, including use of ACAS or internal mediation, to resolve issues before escalation. • Contingency planning to maintain essential services during industrial action (e.g., reallocation of duties, temporary staffing within legal limits). • Clear communication with staff and union representatives about the implications and legal boundaries of industrial action • Equal pay audits, transparent pay structures, communication of pay policies, action plans for pay equity • Develop action plans to address gender or ethnicity pay gaps • Regularly updating HR policies and procedures in line with new laws. • Training managers and leaders on legislative changes • Ongoing monitoring of legislative developments. • Conducting stress risk assessments. • Referrals to Occupational Health and use of Employee Assistance Programmes. • Reviewing workloads and early-intervention mechanisms. • Clear sickness absence policy and procedures. • Training managers in early-intervention and return-to-work processes. • Monitoring absence trends to identify underlying issues. • Ensuring compliance with policy, discrimination law, and reasonable adjustments. • Consistent application of performance management frameworks. • Regular one-to-one meetings and feedback cycles. • Clear documentation of concerns, support plans and outcomes. • Manager training to ensure fair, unbiased processes. • Clear disciplinary policy and procedures followed consistently. • Early intervention to prevent escalation. • Thorough and timely investigations. • Manager training on conduct expectations and legal risks. • Streamlined end-to-end recruitment processes to reduce time-to-hire, • New agency request process to reduce reliance on agency workers and ensure permanent recruitment takes place. • Strengthened employer branding and targeted attraction campaigns. • Fair and transparent selection processes with proper documentation. • Workforce planning and skills forecasting to anticipate demand. Utilising specialist agencies for hard to fill roles • Managers bite size briefing sessions – weekly on a range of topics • Regular HR clinics between HR and managers to discuss concerns • Refreshed team leaders and staff forums • Monthly policy working group with trade unions. • Working with pathways to planning for hard to fill roles, including graduate schemes and support with hard to fill roles.

CORPORATE RISK REGISTER

JUNE 2026

Planned mitigating actions	• Updating our recruitment policy and creating guidelines for managers • Additional wellbeing support introduced, including an improved employee assistance programme, Counselling and Physio support • Refreshed NWL leaders' programme. • Updating capability procedure.	**Delivery timescales**	April 2026
		Reason for delay in delivery	
Comments and progress on actions	**Stable**		

CORPORATE RISK REGISTER

JUNE 2026

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR4	**Personal data breach** **Risk** Loss or unlawful use of personal data constituting a breach of data protection legislation. Systems not in place to protect sensitive data. Staff are not properly trained in managing information and do not follow internal procedures. **Consequences** Monetary penalties from Information Commissioners Office (ICO), adverse publicity, private litigation and personal criminal liability of officers.	4	3	12	Treat	Head of Legal and Support Services	2	2	4

Existing Controls	• Policies and procedures are in place and rolled out to all staff • The Information Governance polices have been reviewed and brought together under an Information Governance Framework which was approved by Cabinet in September 2024 Corporate Governance training is undertaken annually and includes information governance as appropriate to reflect changes in legislation. eLearning module updated and rolled out as mandatory annual training for all staff. Information Governance training delivered to leaders in November 2023. • The Council has a dedicated Senior Information Risk Officer (SIRO) and Data Protection Officer (DPO). • Quarterly meetings with Information Governance team and SIRO • Annual SIRO report considered by Audit and Governance Committee in April 2025 – provided overview of the Council's compliance in relation to regulatory requirements, management of information risk across the Council and work done over the year. • Training on information governance and data protection was delivered to the Corporate Leadership Team and Extended Leadership Team in November 2024 as part of the Corporate Governance training programme.

Planned mitigating actions	• Information Governance Team to cooperate with the supervisory authority and monitor compliance with Data Protection laws. • Quarterly meetings with Information Governance team and SIRO to continue • Annual SIRO report 2025/26 to be taken to Audit and Governance Committee in April 2026 • Information Governance Framework will be reviewed in 2025/26 alongside other corporate governance policies.	**Delivery timescales**	Ongoing
		Reason for delay in delivery	

CORPORATE RISK REGISTER

JUNE 2026

	• Corporate Governance training programme in November 2025 included an update on information governance and data protection.		
Comments and progress on actions	**Stable**		

North West Leicestershire District Council

CORPORATE RISK REGISTER

JUNE 2026

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR5	**Procurement and management of contracts** **Risk** Contracts have not been adequately secured and administered. This can lead to a range of issues, including suboptimal terms, potential legal disputes, and financial losses. Legal and procurement teams are not consulted when contractors are engaged. Procurement procedures are not followed. The Council contributes to modern slavery via its contracts and supplies. Insufficient resources to monitor and implement contractual arrangements. The Council fails to the meet the requirements of the Procurement Act 2023. **Consequences** Council liable to incur additional costs, contract overrun, litigation and potential health & safety issues as well as service disruptions. Failure to meet the requirements of the Procurement Act 2023 may lead to fines, sanctions or other legal actions, as well as reputational damage to the Council.	3	3	9	Treat	Strategic Director of Resources	2	3	6
Existing Controls	• Oversight board structure in place to oversee major project work and compliance group now in place to oversee these elements of contracted work. • Corporate procurement support and legal team to support where necessary on contract management. • Review of procurement compliance undertaken leading to enhanced contract register and updated strategy. • Processes have been reviewed and procurement templates revised. • V4 have been employed as the Council's Procurement partner to provide day-to-day advice and support. • A refreshed Procurement Strategy was approved by Cabinet on 25 March 2025. • Contract Procedure Rules updated and approved by Council in February 2025 to reflect the Procurement Act 2023. • Procurement Officer and V4 meet quarterly with Directors to discuss pipeline projects. • A suite of procurement training has taken place throughout 2025 to ensure officers are aware of the changes to processes as a result of the introduction of the Procurement Act 2023.								

CORPORATE RISK REGISTER

JUNE 2026

Planned mitigating actions	• Procurement toolkit to be produced to cover majority of lower value procurements with high value and complex procurements to be supported by specialised function. • Implement wider procurement response outside of financial to determine the competency of a contractor to undertake work – Health and Safety (H&S) competency, training, quality, environmental etc. • Review of the Contract Procedure Rules as part of the constitution review to address any changes required since they have been operating in practice. • Contract management training for relevant officers to be delivered. • HRA Procurement Officer to be recruited to support the service in the development of housing contracts.	**Delivery timescales**	December 2025
		Reason for delay in delivery	
Comments and progress on actions	**Stable but delayed**		

North West Leicestershire District Council

CORPORATE RISK REGISTER

JUNE 2026

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR6	**Emergency response** **Risk** Failure to respond to an emergency event in an appropriate manner. Lack of planning, training and exercising of Emergency plans. **Consequences** General public at risk of harm or unable to access relevant services (e.g. emergency accommodation or rest centre).	3	3	9	Treat	Head of Human Resources and Organisation Development	2	2	4

Existing Controls	
	• Business continuity plans have been reviewed and updated at Head of Service level as part of the 2026/27 business plans process. LRF and Council emergency plans and arrangements are being constantly updated and have been used during recent storm flooding events that have affected the district in late 2023 and early 2024. Exercises also take place at regional and national level for a variety of emergency planning scenarios. • The LRF partnership arrangement with all Leicestershire and Rutland authorities provides resilience during civil emergency situations. • Business Continuity exercises show the readiness of the Council to deal with emergencies. System of ICO / FLM duty rotas is in place and continued reassessment for ongoing incidents. • LRF delivered training to the Corporate Leadership Team and Extended Leadership Team in 2025/26 • Senior managers attend LRF situational based training. • ICO's and FLM's issued with guidance documentation to support their roles. • Continual development training and updates provided by Local Resilience Forum

Planned mitigating actions			
		Delivery timescales	Ongoing
		Reason for delay in delivery	

CORPORATE RISK REGISTER

JUNE 2026

Comments and progress on actions	**Stable**

244

CORPORATE RISK REGISTER

JUNE 2026

Ref	Risk description	Inherent Risk: Likelihood	Inherent Risk: Impact	Inherent Risk: Risk score	Risk Response	Risk Owner	Residual Risk: Likelihood	Residual Risk: Impact	Residual Risk: Risk score
CR7	**Cyber-attack** **Risk** Systems not in place or kept current to deflect any foreseeable cyber-attack, including those attackers using generative AI, which is increasing in the industry. Limited staff awareness of possible threats. Lapse in security awareness and basic processes from a technical AI and human perspective **Consequences** Business as usual" would not be possible. Cost of repelling cyber threat and enhancing security features.	4	4	16	Treat	Head of ICT	2	2	4
Existing Controls	• The Council receives security and cyber-attack feeds daily from various sources including LGA (local government association), NCSC (National Cyber Security Centre), EWARPG (East Midlands Warning, Advise and Reporting Group), ACD (Active Cyber Défense) early warning system, this helps us remain on the front foot when it comes to being alerted to potential vulnerabilities and cyber-attacks. • Fully resilient network environment in place with no single points of failure for core systems. Systems which are running on premise have a daily off-site backup regime. In the case of on-premises systems which become unavailable for any reason, services would need to revert to their service BCP's to resume service. • Yearly IT security health check and PEN (penetration) testing is carried out, by an Identity Attack Surface Management (IASME) security accredited supplier, with remediation action plan in place to mitigate any risks found. In 2025 the Council had 0 critical, 5 high, 6 medium and 31 Low issues. These have been remediated with only 3 medium risks remaining. The Council has also passed our Public Services Network (PSN) accreditation for 24/25 and working on 25/26 renewal, due in April 26. • Phishing campaigns run four times a year to test staff security awareness and feedback results to CLT, with improvement plans in place for those who have not passed the test. Campaigns will now include members as they were excluded previously. The quarterly results from these phishing campaigns shows that we are moving in the direction when it comes to user security awareness and education. • Quarterly Cyber security awareness training held for staff and new starters, to protect staff at home and in the office. • Yearly mandatory information security training conducted for all staff on the Skills gate training system. • New business systems are run in remote fully resilient data centres and existing systems are being progressively migrated to cloud computing centres • Diversity of environments used to avoid single point of failure risk, with backups now in the cloud, for Office 365 and storage data. • Improved business recovery arrangements have been implemented to minimise recovery time. • Accreditation to Cyber Essentials and the Public Services Network. • Latest audit / assessments all confirm secure environment with reasonable assurance. Some formalisations of processes required and review of backups restoration window.								

CORPORATE RISK REGISTER

JUNE 2026

	• Purchase of external vulnerability scanner now in place. This allows the Council to scan and monitor its external perimeter daily and proactively mitigate issues. Cloud Centre of Excellence (CCOE) latest scan showed 36 medium and 92 Low Vulnerabilities, which the Council is working to mitigate using the tool which it has been purchased. • An annual external IT audit assessed the organisation's IT arrangements in a range of areas against best practice. The outcome of the audit in 2024 was, limited assurance, with two critical recommendations and twelve mediums, The two high recommendations have been resolved, as well as the nine mediums. One remediation is due for completion in December. • The Council has signed up to the Cyber Assessment framework (CAF), which is another cyber assessment carried by Cabinet Office. This has now been completed successfully, and we are starting the 2nd phase of the CAF framework assurance. • Backups are now stored in the cloud as "offline backups", this is for all Council data and Office 365 tenancy • Active Directory (AD) password complexity has increased from eight characters to 12 characters. This makes it harder for password to be cracked • Replacement of firewalls now in place providing NEXGEN protection • Password protection now implemented so that when staff change AD passwords, they are checked against a Microsoft database of known weak passwords. This will prevent the use of insecure and weak password in the Council. • Internal audit recommendations one remaining to be completed by Dec • IT risk register has been updated to capture specific cyber risks and mitigations.		
Planned mitigating actions	• Need a list of business-critical systems in order of restoration priority, in conjunction with CLT • Introduction of Microsoft Co-Pilot AI, AI governance controls, and guard rails required before implementation of AI • Review AI threat landscape and attack vector	**Delivery timescales**	Ongoing
		Reason for delay in delivery	
Comments and progress on actions	**Stable** Development of Cyber Security Strategy document as per external audit recommendation completed Good progress on keeping staff and the business secure.		

North West Leicestershire District Council

CORPORATE RISK REGISTER
JUNE 2026

Ref	Risk description	Inherent Risk: Likelihood	Inherent Risk: Impact	Inherent Risk: Risk score	Risk Response	Risk Owner	Residual Risk: Likelihood	Residual Risk: Impact	Residual Risk: Risk score
CR8	**Project Management Processes** **Risk** Projects are poorly managed. Failure of proposed projects could result in failure to achieve overall objectives. Inefficient use / waste of resources. **Consequences** Failure to implement project management techniques. Poor corporate oversight of projects. Inadequate controls on expenditure and poor budget monitoring. Inadequate monitoring of external contracts. Failure to engage project management expertise when required	2	3	6	Treat	Director of Resources	2	2	4

Existing Controls

- Greater use of professional project managers for key projects.
- Work ongoing to address project methodologies deployed across the Council.
- Greater use of external / non-subject board members.
- Board structure covering all major projects in place.
- Properly convened project teams with PID and project plan in place, including project risk registers. Progress on corporate projects scrutinised by CLT. Implementation of contract management framework for outsourced services.
- Scrutiny of quarterly monitoring reports on capital expenditure.
- Deploying Internal Audit to audit individual projects and assess project management effectiveness.
- Scrutiny of risk registers or project management framework of individual projects by Corporate Risk Group.
- Project management guidance has been developed and published, as well as a suite of templates.
- Guidance has been developed to ensure that projects report to the appropriate boards or steering groups.
- Project Management Training was delivered to key officers in September 2024.

	• A schedule of all projects across the Council has been developed and is monitored by the Transformation Steering Group.	**Delivery timescales**	April 2026

North West Leicestershire District Council

CORPORATE RISK REGISTER

JUNE 2026

Planned mitigating actions	• E-learning module is being developed. • Key communication to all staff on the decision-making process across the organisation. • A range of internal steering groups are in place for major projects/initiatives. • Review of contractor selection and management to ensure competency.	**Reason for delay in delivery**	
Comments and progress on actions	**Stable**		

CORPORATE RISK REGISTER

JUNE 2026

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR9 249	**Ultra vires decisions/Local authority failure** **Risk** Council makes ultra vires (beyond the Council's powers and functions) decisions or those which it does not have the correct permissions to undertake. Staff / Members proceeding without established governance arrangements. Failure to consult with Legal / Monitoring Officer. There is greater focus from Government and regulators on the local government sector. There is a risk of an impact of an adverse external assessment on the Council. If this risk materialised it could impact on service delivery, performance levels, governance, reputation and decision-making arrangements. Greater focus on the local government sector from Government and regulators following high profile council 'failures'. **Consequences** Potential challenge to decision/litigation against the Council, resulting in increased costs / compensation. Financial, reputational, legal and political damage to the Council.	4	3	12	Treat	Head of Legal and Support Services	1	4	4
Existing Controls	• Constitution reviewed annually last reviewed 2025/26 and approved at Council in Feb 26. • Legal advice provided to officers and legal implications considered in reports to members as appropriate. • Statutory Officer checks take place on reports to Council, Cabinet, Scrutiny, Licensing, Planning and Audit and Governance Committees. • Advice provided to members by the MO/Dep MO as needed on matters being considered by Council/Committees. • Policies and procedures in place, governance processes are documented and in operation, ongoing assessments and reviews are performed. • Completion of the Annual Governance Statement. • Corporate governance training on decision making provided in 2025 to CLT/ELT, as part of the mandatory training programme. • The Council has in place a range of controls including financial procedures, governance framework, performance management framework, project management methodology, strategies, controls underpinning its operations, clear communication with staff, Statutory officer meetings and internal audit plan. • "Golden triangle" of Statutory Officers is in place with monthly meetings of Statutory Officers taking place. • Recognised in case study by the LGA for having good governance in place. • LGA Peer Review completed June 2024. • Finance Leadership Team meet regularly to track recommendations.								

	• Where specific regulatory regimens are in place additional oversight and control implemented – e.g. Housing Improvement Board. • The Council has completed the Office for Local Government Best Value Self-Assessment and is performing well against the measures. • “in session” video in respect of Governance/decision-making recorded and shared with staff in January 2025. • Governance toolkit for officers updated with guidance on decision-making and internal governance processes. • A training programme has been delivered to members, including in relation to specific roles.		
Planned mitigating actions	• Legal advice provided to officers and legal implications considered in reports to members as appropriate. • Statutory Officer checks to take place on reports to Council, Cabinet, Scrutiny, Licensing, Planning and A and G Committees • Guidance and training to be provided to report authors • Report authors guide to be refreshed and rolled out for officers •	**Delivery timescales**	Ongoing
		Reason for delay in delivery	
Comments and progress on actions	**Stable**		

250

North West Leicestershire District Council

CORPORATE RISK REGISTER

JUNE 2026

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR10	**Fraud** **Risk** Council is subject to serious fraud, corruption or theft. Lack of checks and balances within financial regulations. Poor budget / contract management. Poor monitoring of / adherence to financial systems. Changes in working practises causing unintended risk/exposure. **Consequences** Financial, reputational and political damage to Council.	4	3	12	Treat	Strategic Director of Resources, Heads of Service and all Team Managers.	2	3	6
Existing Controls	• A policy framework that includes Anti-Fraud and Corruption Policy, Confidential Reporting (Whistleblowing) Policy and Anti-Money Laundering Policy. Policies refreshed annually. Approved by Cabinet in September 2025. • The Internal Audit annual planning process takes into account high risk areas, which considers fraud risks. Fraud risks are considered as part of specific audits and, if detected, additional work will be directed towards the identification of consequent fraud or other irregularities. The Council is also subject to External Audit. Internal control and governance arrangements such as segregation of duties, schemes of delegation, bank reconciliations of fund movements, and verification processes. • Participation and strengthening of involvement in National Fraud Initiative (mandatory) • Information on how to report fraud is on the website including relevant links. • A Fraud module is available on Skillgate and is refreshed every two years.								
Planned mitigating actions	• Fraud discussions and promotion of Fraud policies to be included by internal audit when attending team meetings.				**Delivery timescales**	Ongoing			
					Reason for delay in delivery				
		Inherent Risk					Residual Risk		

North West Leicestershire District Council

CORPORATE RISK REGISTER

JUNE 2026

<table>
<tr><th>Ref</th><th>Risk description</th><th>Likelihood</th><th>Impact</th><th>Risk score</th><th>Risk Response</th><th>Risk Owner</th><th>Likelihood</th><th>Impact</th><th>Risk score</th></tr>
<tr><td>CR13</td><td>Political Administration

Risk

No overall control of the Council following the May 2023 elections could lead to instability in the decision-making process which could impact adversely on service delivery. The election in May 2023 changed the political make-up of the Council. The Council is subject to LGR in 2028.

Consequences

Financial, reputational and political damage to the Council. Slower decision making.</td><td>3</td><td>3</td><td>9</td><td>Treat</td><td>Chief Executive</td><td>2</td><td>3</td><td>6</td></tr>
<tr><td>Existing Controls</td><td colspan="9">• There has been extensive work by officers to work with all Groups to minimise the impact. This work has been supplemented by external engagement with the Local Government Association. The work undertaken to date includes regular briefings with all Groups, a member induction programme, a continuing training programme for councillors, clarity on the roles of councillors on each committee and engaging with staff to raise their awareness in dealing with/responding to/working with councillors.
• The Strategy Group meets fortnightly to review and steer strategic initiatives. Core membership includes the Leader, Deputy Leader, and Chief Executive, with other alliance members invited as needed. The Chief Executive also holds regular meetings with opposition members to ensure broader engagement.
• The Council has in place a range of controls including financial procedures, governance framework, performance management framework, project management methodology, strategies, controls underpinning its operations, clear communication with staff, Statutory officer meetings and internal audit plan. Monthly Statutory Officer meetings
• Scrutiny protocol developed and being trialled to improve relationship between Cabinet and Scrutiny now that the Scrutiny Committees are chaired by opposition members</td></tr>
<tr><td rowspan="2">Planned mitigating actions</td><td colspan="4" rowspan="2">• Council allocated £2m in 2026/7 budget to resource LGR work/ programmes
• Continued engagement with all groups/members.
• Advice provided to members on Constitution to enable members to undertake their roles.</td><td>Delivery timescales</td><td colspan="4">ongoing</td></tr>
<tr><td>Reason for delay in delivery</td><td colspan="4"></td></tr>
<tr><td>Comments and progress on actions</td><td colspan="9">Stable</td></tr>
</table>

CORPORATE RISK REGISTER

JUNE 2026

Ref	Risk description	Inherent Risk: Likelihood	Inherent Risk: Impact	Inherent Risk: Risk score	Risk Response	Risk Owner	Residual Risk: Likelihood	Residual Risk: Impact	Residual Risk: Risk score
CR15 253	**Climate Change/Zero Carbon Delivery** **Risk** Inability to deliver programme due to resource / financial / operational / procedural process. Inability to gain action by partners **Consequences** The failure of the Council to achieve carbon neutrality for its operations by 2030 and carbon neutrality for the District by 2050. This may have long term impacts on both the financial picture of the council and the ability of key service provision in the long term.	3	4	12	Treat	Head of Community Services	2	2	4
Existing Controls	• Achievement of the carbon reduction ambitions are mainly vested in our Zero Carbon Policy and Roadmap. The Action Plan contains planned and programmed actions and will be reviewed annually. It will quantify the estimated net financial costs and net carbon savings associated with the contents of the Plan. Attaining the targets in the Plan is one of the Council Delivery Plan Key Performance Indicators. Whilst the action plan has been agreed it does contain several actions where funding has not been committed. The Strategy and Plan have identified the main carbon emissions sources. The Council will be alive to the many and various windfall opportunities for interventions in between the annual Plan revisions where these are considered likely to make significant impacts on reducing emissions. Emerging statute and government policy will exert significant influence over the Council's operations and indirect influence in relation to climate change.								
Planned mitigating actions	• Work is ongoing to understand the costs of zero carbon delivery which in turn will help to understand the risks.				**Delivery timescales**	April 2026			
					Reason for delay in delivery				
Comments and progress on actions	**Stable**								

CORPORATE RISK REGISTER

JUNE 2026

Ref	Risk description	Inherent Risk: Likelihood	Inherent Risk: Impact	Inherent Risk: Risk score	Risk Response	Risk Owner	Residual Risk: Likelihood	Residual Risk: Impact	Residual Risk: Risk score
CR16	**Changes in national priorities and legislative/regulatory change** **Risk** Changes in national priorities given the new Government elected in July 2024. This could include changes in delivery of statutory services. Changes in Legislation (e.g., Employment Rights Bill 2024). The Council is subject to LGR in 2028. **Consequences** Council may not have the necessary resources to deliver on key projects. Projects may adversely affect local residents. Introduction of new statutory duties may change the strategic direction of the Council, entail additional workload for officers, change the way existing services are delivered and increase financial pressures.	3	3	9	Treat	Chief Executive	2	2	4
Existing Controls	• Briefings to officers on relevant changes • Working alongside other stakeholders and partner organisations to keep informed of developments such as the Local Government Association, District Councils Network and Leicestershire Chief Executives Group • A range of officers are actively involved in the business case development for Local Government Reorganisation (LGR) in Leicestershire. Significant communication and engagement has taken place with key stakeholders • Members are briefed and debate has taken place at the full Council meeting in respect of LGR • Staff have been provided with regular updates, and a staff hub has been established to share information as LGR proposals are developed. • The Council promoted public consultation via the North, City, South website, where residents could review the proposals and provide feedback. The consultation period ran form 9 June to 20 July 2025. • The Council working with the other districts and borough councils and Rutland County Council submitted its North, City, South proposal by the Government's deadline of 28 November. • The Government consultation on three proposals for Leicestershire, Leicester and Rutland concluded on 26 March. Final decisions are due in July 2026. • Performance Team to provide regular updates on progress in respect of the Local Government Outcome Framework (LGOF) as these progress and are finalised and to facilitate benchmarking/self-assessment against the agreed metrics.								

	• HR team undertake regular CPD to identify the impact of changes to legislation on policy and Practice.		
Planned mitigating actions	• Circulation of relevant briefings to key officers on proposed/new legislation • Effective business continuity planning • Regular updates to Members on developments and potential changes in legislation • Coordination and sharing of information with other local authorities through various networks and forums • Continued staff, member and stakeholder engagement on LGR as proposals develop. • Shadow Project Management arrangements have been put in place by the 10 Leicestershire and Rutland Councils to prepare for LGR. These will be reviewed from July when a decision on the LGR geography is known. A list of “no regret” activities is being worked through at the request of government. • £2m has been set aside in the 2026/7 budget to prepare for LGR. • LGR decision announced 16 July. Implementation team being formally stood up with immediate effect.	**Delivery timescales**	Ongoing
		Reason for delay in delivery	
Comments and progress on actions	**Stable**		

255

North West Leicestershire District Council

CORPORATE RISK REGISTER

JUNE 2026

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR17	**Housing Landlord Function** **Risk** That the Council fails to deliver services in compliance with the new regulatory standards and the longer-term arrangements for the service. **Consequences** Loss of control of service provision, loss of function, unlimited fines, reputational and political risk.	3	4	12	Treat	Head of Housing	2	3	6

Existing Controls

- Control over the major areas of compliance exist in general sense – achieved through system control, process and evidenced through auditing processes and self-assessment
- Greater burdens to provide assurance that performance management is robust, and intervention taken when performance drops. Assurance the data is correct, timely and is being seen and understood by the appropriate governing body
- High level of external oversight and reporting to regulatory bodies – including engagement with the same on regular basis
- Adherence to policy and improvement of policy in line with new guidance and process from regulator
- Comprehensive Audit Plan for service in place
- Increased member oversight via Housing Improvement Board
- Regulator of Social Housing Inspection concluded a C2 grading, the outcome being an Improvement Strategy scheduled to be adopted by Cabinet in May 2026.
- Monthly progress meetings with the Regulator of Social Housing

Planned mitigating actions

- Housing Improvement Plan in place and regularly reviewed with oversight from Cabinet, Scrutiny and Housing Improvement Board – this sets out a phased improvement plan to address regulatory change and service change as a whole
- Engagement of external bodies to assist with third party view and development of detailed plans in areas of focus featured in the Improvement Plan.
- Monthly oversight of the Housing Improvement Plan by the Regulator of Social Housing

Delivery timescales	April 2028 – completion of improvement strategy
Reason for delay in delivery	

Comments and progress on actions

Stable

North West Leicestershire District Council

CORPORATE RISK REGISTER
JUNE 2026

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR18	**Health and Safety** **Risk:** The Council fails to comply with health and safety legislation and does not adequately manage associated risks in the delivery of its services, including risks to employees, service users, contractors, and the public. This includes failure to identify, assess, and mitigate hazards such as unsafe working environments, inadequate training, poor incident reporting, lack of emergency preparedness, and insufficient monitoring of compliance across departments." **Consequences** Legal Action: Risk of fines, prosecution, and imprisonment for serious breaches. Financial Loss: Increased insurance costs, compensation claims, and service disruption. Reputational Damage: Loss of public trust and negative media attention. Human Impact: Potential injury, illness, or death affecting staff, contractors, and the public. Operational Risk: Enforcement notices, reduced productivity, and possible service shutdowns. Leadership Accountability: Senior staff may face disqualification or personal liability or custodial sentence	3	4	12	Treat	Head of HR and Organisational Development	2	3	6
Existing Controls	• Corporate Health and safety policy in place and reviewed annually. • Supporting policies, Fire, Legionella, Asbestos, Lone Working, Managing Violent persons (PVP) in place. • Teams undertake risk assessments and record on the SHE Assure system to identify and implement controls to reduce risk. • Health and safety training programme implemented with further development progressing. • Health and safety discussion forms part of regular meetings with CLT, Management Teams, JTUCC and Union safety reps.								

257

<table>
<tr><td></td><td colspan="3">CLT members have received Health and safety Leadership training
Health Surveillance (Noise and hand arm vibration)</td></tr>
<tr><td rowspan="2">Planned mitigating actions</td><td rowspan="2">Further development of a H&S management system in line with ISO 45001
Introduction of H&S guidance notes and introduction of H&S page as a single point to access H&S information.
Social media campaign planned to highlight that the Council will not tolerate threatening behaviour
Consideration of body cams for front line staff where appropriate
Consideration of call recording on all telephony platforms
Structural alteration to the Customer Centre where areas of risk have been identified
Overarching corporate review of policies relating to these areas.
The Council achieved the Royal Society for the Prevention of Accidents (RoSPA) Gold accreditation for its health and safety work in April 2026.</td><td>Delivery timescales</td><td>April 2026</td></tr>
<tr><td>Reason for delay in delivery</td><td></td></tr>
<tr><td>Comments and progress on actions</td><td colspan="3">Stable</td></tr>
</table>

258

Official

CORPORATE RISK REGISTER

JUNE 2026

Ref	Risk description	Inherent Risk: Likelihood	Inherent Risk: Impact	Inherent Risk: Risk score	Risk Response	Risk Owner	Residual Risk: Likelihood	Residual Risk: Impact	Residual Risk: Risk score
CR20	**Local Plan** **Risk** The preparation and implementation of the Local Plan may face significant delays and challenges due to a combination of factors including loss of staff, insufficient capacity, insufficient budget, lack of political ownership, non-compliance with legal requirements, potential legal challenges, environmental issues, changes in housing requirements, administrative shifts, delays in critical studies, slow responses from statutory consultees, infrastructure policy constraints, lack of support for specific provisions, changes in national approaches, and incomplete transport modelling. **Consequences** These issues collectively threaten the deliverability, viability, and timely completion of the Local Plan, potentially leading to unmet needs, increased costs, and compromised development strategies.	3	4	12		Head of Planning and Infrastructure	2	3	6

Existing Controls	• Local Plan Project Board oversees preparation of Local Plan and meets quarterly. • Risk register reviewed at Project Board meetings. • Portfolio Holder and Shadow Portfolio Holder briefed on a monthly basis. • Key pieces of evidence commissioned and in process of being finalised..

Planned mitigating actions	• Additional capacity has been secured utilising the grant provided by government in 2024/25. • Local Plan Implementation Funding 2026 – This further government funding, £36,585, has been provided to support Local Planning Authorities that are progressing a local plan in the legacy plan-making system and who intend to submit their plan for examination by 31 December 2026. • In the absence of a Planning Policy Team Manager, the Council has engaged planning consultancy Hyas to provide additional support and capacity to the Planning Policy team to enable submission of the Local Plan by December 2026 and this is working well. • The draft Local Plan (Regulation 19) for consultation was agreed atLocal Plan Committee on 4th June 2026, and Cabinet andCouncil on 11th June 2026.	**Delivery timescales**	April – December 2026
		Reason for delay in delivery	

	• Consultation on the Regulation 19 Plan from is anticipated to start on 16th July 2026 for a period of eight weeks. Responses will be reported to Council in November with a view to submit the plan for examination by the end of December 2026.		
Comments and progress on actions	**New**		

260

North West Leicestershire District Council

CORPORATE RISK REGISTER

JUNE 2026

Ref	Risk description	Inherent Risk: Likelihood	Inherent Risk: Impact	Inherent Risk: Risk score	Risk Response	Risk Owner	Residual Risk: Likelihood	Residual Risk: Impact	Residual Risk: Risk score
CR21	**Driver and fleet compliance** **Risk** Non-compliance with DVSA, Health and Safety at Work Act, and corporate manslaughter legislation. Failure to meet conditions of the O-Licence including vehicle safety, driver hours, and record-keeping. **Consequences** Fines, licence revocations, criminal charges, and director liability.	4	4	16	Treat	Chief Executive/Director of Communities	4	4	16

Existing Controls	• New starter checks to include DVLA check from Oct 2025 • Maintenance and servicing of vehicles • Health and wellbeing (including eyesight) is monitored in waste • Transport manager in post		
Planned mitigating actions	• Monitoring of driver behaviour • Organisation wide monitoring of health and wellbeing • Driver training • New driver policy under development and following approval process • Driver handbook under development and following approval process • Additional resource secured for Project manager capacity to review systems, processes and procedures.	**Delivery timescales**	Ongoing
		Reason for delay in delivery	
Comments and progress on actions	**Stable** **Reviewed 2/3/26 at Fleet Management and Driver Compliance Project Team – no change to ratings**		

CORPORATE RISK REGISTER
JUNE 2026

Assessing the likelihood of exposure

1. Low	Likely to occur once in every ten years or more
2. Medium	Likely to occur once in every two to three years
3. High	Likely to occur once a year
4. Very High	Likely to occur at least twice in a year

Assessing the impact of exposure

262

1. Minor	Loss of a service for up to one day. Objectives of individuals are not met. No injuries. Financial loss over £1,000 and up to £10,000. No media attention. No breaches in Council working practices. No complaints / litigation.
2. Medium	Loss of a service for up to one week with limited impact on the general public. Service objectives of a service unit are not met. Injury to an employee or member of the public requiring medical treatment. Financial loss over £10,000 and up to £100,000. Adverse regional or local media attention - televised or newspaper report. Potential for a complaint litigation possible. Breaches of regulations / standards.

CORPORATE RISK REGISTER

JUNE 2026

3. Serious	Loss of a critical service for one week or more with significant impact on the general public and partner organisations. Service objectives of the directorate of a critical nature are not met. Non-statutory duties are not achieved. Permanent injury to an employee or member of the public Financial loss over £100,000. Adverse national or regional media attention - national newspaper report. Litigation to be expected. Breaches of law punishable by fine.
4. Major	An incident so severe in its effects that a service or project will be unavailable permanently with a major impact on the general public and partner organisations. Strategic priorities of a critical nature are not met. Statutory duties are not achieved. Death of an employee or member of the public. Financial loss over £1m. Adverse national media attention - national televised news report. Litigation almost certain and difficult to defend. Breaches of law punishable by imprisonment.

Risk matrix

		Likelihood			
		1	**2**	**3**	**4**
Impact	**4**	4	8	12	16
	3	3	6	9	12
	2	2	4	6	8
	1	1	2	3	4

Traditionally in risk management there are four ways to mitigate the risks to the organisation, these being typically referred to as **Treat, Tolerate, Transfer and Terminate** and are known collectively as the “Four Ts”.

CORPORATE RISK REGISTER

JUNE 2026

- **Tolerate** means the risk is known and accepted by the organisation. In such instances the senior management team should formally sign off that this course of action has been taken.
- **Transfer** means the risk mitigation is transferred i.e. it is passed to a third party such as an insurer or an outsourced provider, although it should be noted that responsibility for the risk cannot be transferred or eliminated.
- **Terminate** means we stop the process, activity, etc or stop using the premises, IT system, etc which is at risk and hence the risk is no longer relevant.
- **Treat** means we aim to reduce the likelihood of the threat materialising or else reduce the resultant impact through introducing relevant controls and continuity strategies.