Appendix 2

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – THURSDAY, 26 FEBRUARY 2026

Title of Report	**STATEMENT OF ACCOUNTS 2024/25**	
Presented by	Paul Stone 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 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	For the Committee to consider and approve the Statement of Accounts 2024/25.	
Recommendations	**THAT THE COMMITTEE:** **1. APPROVES THE ANNUAL STATEMENT OF ACCOUNTS 2024/25.** **2. AUTHORISES THE CHAIR OF THE COMMITTEE TO SIGN THE STATEMENT OF ACCOUNTS 2024/25.** **3. DELEGATES AUTHORITY TO THE COMMITTEE CHAIR AND THE SECTION 151 OFFICER TO APPROVE ANY MINOR NON-MATERIAL AMENDMENTS, AS AGREED WITH THE EXTERNAL AUDITORS, TO THE STATEMENT OF ACCOUNTS 2024/25 ON BEHALF OF THE COMMITTEE.**	

1.0 BACKGROUND

1.1 The publication of the draft 2024/25 Statement of Accounts was delayed, and the statutory deadline was missed. A notice was placed on the Council's website to this effect.

1.2 The draft 2024/25 Statement of Accounts was published on the Council's website on 15 January 2026, and the statutory public consultation was undertaken from 16 January 2026 and will end on 26 February 2026. At the time of writing this report, no objections were received. An update will be provided at the meeting.

2.0 STATEMENT OF ACCOUNTS 2024/25

2.1 The Statement of Accounts should provide electors, those subject to locally levied taxes and charges, members of the authority, employees, other stakeholders and interested parties with clear and comparable information about the Council's finances.

2.2 The accounts of Local Authorities in the United Kingdom are required to be developed in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice - Local Authority Accounting in the United Kingdom ("the Code"). The Code must be followed to meet the requirements of the Accounts and Audit Regulations to 'present a true and fair view' of the financial position of the Council.

2.3 The Code is based on Internal Financing Reporting Standards (IFRS), amended as necessary in respect of legislation governing local authorities.

2.4 The Council has prepared the 2024/25 Statement of Accounts in line with the Code and therefore IFRS and its local accounting policies that were agreed by this committee at its meeting on 12 November 2025.

2.5 The format of the accounts is effectively prescribed in the Code and is set out as follows:

Section of Statements	Purpose
Narrative	To provide the reader with an understanding of North West Leicestershire as a place, the Council and its priorities, the wider economic background and the non-financial and financial performance of the council in 2024/25.
Statement of Responsibilities	Shows the responsibilities of the Council and Chief Financial Officer for these accounts.
Comprehensive Income and Expenditure Statement (CIES)	Presents the cost of each function and how they were financed. This is a core statement.
Movement in Reserves Statement	Presents the movement in reserves during the year between usable and unusable reserves, and the actual change to the reserves after all adjustments. This is a core statement.
Balance Sheet	Presents all of the Council's assets and liabilities at the year end, both long and short term. This is a core statement.
Cash Flow Statement	Sets out the flow of cash into and out of the Council. This is a core statement.
Notes to the Financial Statements	These explain in more detail the makeup of the various amounts included in the core statements

Accounting Policies	Technical explanation of main policies and assumptions used in preparing the accounts.
HRA (Housing Revenue Account) Income and Expenditure Account	This statement shows income and expenditure regarding Council dwellings.
Collection Fund	Sets out the transactions relating to the collection and distribution of Council Tax and National Non-Domestic Rates (NNDR), or Business Rates as they are more commonly known.

2.6 The Statements must comply with the Code so that comparisons can be made across different authorities and for this reason it is essential that authorities define individual costs in line with the Service Reporting Code of Practice (SERCOP). There should also be good notes and explanations to the accounts to aid understanding and, although by nature a technical document, the notes should be concise and understandable.

3.0 AMENDMENTS TO THE DRAFT STATEMENTS

3.1 Since the publication of the draft statements on the Council's website on 15 January 2026, changes have been made to the accounts to ensure that they reflect a 'true and fair' view. There have been three material changes to the accounts since publication on the website.

1. £2m adjustment in relation to S106 workings to ensure the transactions were presented in the correct financial year.
2. £1.2m adjustment in relation to an incomplete journal for UK Shared Prosperity Fund (UKSPF). The transactions had not been recognised in the Comprehensive Income and Expenditure Statement (CIES).
3. £1.1m journal to recognise the Department of Environment, Food and Rural Affairs (DEFRA) grant for food waste for the purchase of vehicles and containers.

3.2 The final version of the Statement of Accounts 2024/25 is documented in Appendix A 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 Consultation took place between 16 January 2026 and 26 February 2026.
Risks:	Complying with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice - Local Authority Accounting in the United Kingdom ("the Code") minimises the risk that the accounts do not 'present a true and fair view' of the financial position of the Council.
Officer Contact	Anna Crouch Head of Finance anna.crouch@nwleicestershire.gov.uk

Appendix A

NORTH WEST LEICESTERSHIRE DISTRIST COUNCIL

STATEMENT OF ACCOUNTS 2024/25

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Section 1 Narrative Report

1. North West Leicestershire as a place

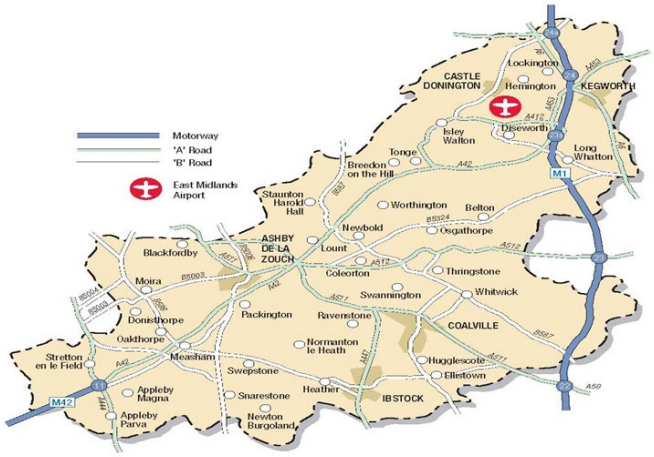
North West Leicestershire is a semi-rural district with a population of approximately 108,000. Most people live in the district's two main towns of Coalville and Ashby de la Zouch. Around the district are a handful of large villages (Castle Donington, Kegworth, Ibstock and Measham) and numerous smaller 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.



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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 2024/25

The Council's political structure as at the 31 March 2025 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 2023. 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 to include clearer principles within 3 layers: policies, standards and procedures and guidance. The 4 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 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 is changing dramatically. Government has set in motion via its Levelling Up Bill the creation of Combined Authorities, with 10 areas with mayoral devolution in England, being extended to three new areas in 2024, and new non-mayoral devolution deals were live in 2025. The East Midlands has seen the establishment of a Combined Authority for Nottinghamshire and Derbyshire areas along with a Devolution Deal which threatens future investment in Leicestershire. Whilst all District Councils in Leicestershire bid to be part of a Combined Authority and Devolution Deal for the East Midlands, this was not supported by the Upper Tier Authorities in Leicestershire. Districts have also formed alliances within Leicestershire to promote shared services and secure efficiencies. The devolution agenda, along with a raft of new locally announced economic programmes, means councils must be adaptable and have the ability to embrace change, whilst ensuring financial stability.

These are the interim plans that have been submitted in proposals to Government:

- one by Leicestershire County Council
- a north/south (Rutland) approach – with North West Leicestershire, Charnwood and Melton in the north, Hinckley, and Bosworth, Blaby, Oadby and Wigston, Harborough and Rutland in the south, and
- a third by Leicester City Council.

The table below gives the expected timeline:

LGR full plan submission deadline	Friday 28 November 2025
Elections to shadow authorities	April/May 2027
Vesting day for new authorities	April 2028

This would mean that North West Leicestershire District Council would cease to be a council on the 31 March 2028, and would be merged into the new unitary council as from the 1 April 2028, referred to as the “vesting day”. Until then, North West Leicestershire District Council will continue to delivery services as normal.

Who works for the council?

The council employs 583 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 462 and 10 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

Our People Plan sets an ambition to develop a sustainable, ambitious, effective and efficient workforce that reflects the local communities we serve. The plan was developed in 2018 and is regularly updated to support the recently updated Council Delivery Plan. The People Plan is based on five themes:

- Being an employer of Choice.
- Developing and Supporting Staff.
- Leadership
- Happy and Healthy workforce.
- Communicate and listen.

We have made good progress against the plan including maintaining our Investors in People Silver accreditation through to 2025.

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 demonstrated exceptional performance surpassing national targets with processing planning applications.
- Significant progress has been made on the Coalville Regeneration Framework with active development in all four council-led projects and ongoing collaboration with landowners and lead partners for the remaining five schemes.
- The Marlborough Square project was completed; the statue of the Mother and Child statue was unveiled in its new location in the Belvoir Centre.

Housing and Communities

- **Private rentals**: the team's proactive approach was rewarded by 100% compliance rate with the Minimum Energy Efficiency Standards (MEES) policy. This has resulted in a substantial reduction in non-compliant properties.
- **Food safety standards** have improved with 82% of food businesses attaining a hygiene rating of 5 (very good) at Q1.

Clean and Green

- The **waste service** is under review, with a presentation to Scrutiny Committee and Cabinet planned once it is completed, later in the year.
- **Carbon neutral target**: cost models are being developed; further status reports will follow.
- The first draft of the **Tree Management Strategy** has been produced and is currently out for consultation with key stakeholders.

A Well-run Council

- **Complaints**: 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.
- **Statements of Accounts:** All statements of accounts have now been published for the year end 2021/22, 2022/23, 2023/24 and now 2024/25.

4. The council's financial performance

Financial Outturn for 2024/25

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.

We budgeted to utilise £751,000 from our reserve balances in 2024/25. However, the year end position was a contribution to reserve balances of £966,000.

Directorate & Service Area	Annual Budget	Outturn	Outturn Variance
	£'000	£'000	£'000
Chief Executive	2,737	2,910	173
Place	2,579	2,229	-350
Community Services	7,432	7,610	178
Resources	5,498	5,068	-430
Corporate & Democratic Core (CDC) & Other Budgets	278	356	78
Net Recharges from General Fund	-1,859	-2,012	-153
Corporate Items & Financing	1,497	775	-722
Contribution to Reserves - Business Rates	0	15,346	15,346
Contribution from Reserves	-751	0	751
NET COST OF SERVICES after recharges	**17,411**	**32,282**	**14,871**
Financed By			
New Homes Bonus	918	918	0
Transfer from/(to) Collection Fund	11	11	0
Council Tax	6,042	6,042	0
Business Rates Income	8,620	23,966	15,346
Services Grant	17	17	0
Minimum Funding Guarantee	1,707	1,707	0
Revenue Support Grant	96	96	0
Other Grants	0	491	491
TOTAL FUNDING AVAILABLE	**17,411**	**33,248**	**15,837**
UNDERSPEND / (OVERSPEND) 2024/2025	**0**	**966**	**966**

The analysis shows the major variances in the General Fund revenue budget for 2024/25.

The majority of the adverse variances have resulted from an increase in salary, overtime, and agency costs. Favourable variances are largely attributed to underspends in budgets, additional planning fee income and grants received.

Major Variances	£'000
Adverse Variances	
Refuse & Recycling - increased salaries, ni, pension, agency, over	-290
Finance - increased salaries, ni, pension, agency	-257
Homeless Prevention - increased salaries, ni, pension, agency	-199
Cleansing - reduced income from HRA empty homes	-180
Refuse & Recycling - agency staff	-162
Fleet - reduced recharge to HRA	-154
Fleet - purchase of parts/maintenance recharges	-126
Commercial Properties - increased repairs	-120
Commercial Properties - reduced income	-108
Refuse & Recycling - hire of vehicles	-104
Homeless Prevention - payments net of grants rec'd	-89
Planning Development Management - increased salaries, ni, pens	-83
Other Adverse variances	-12
Total Adverse Variances	**-1,883**

Favourable Variances	**£'000**
Business Change/Transformation - reduced salaries, ni, pension	570
Non-Specific Grant Income	491
Net Financing costs - including leases	487
Development Management - planning application - charges incom	376
Leisure Contractor - reduced contract payments	243
Investment Income	235
Coalville Regeneration - consultancy	200
Asylum Seeker Grant	196
Refuse & Recycling and Cleansing- reduced fuel	181
Rough Sleeping Grants rec'd (net of payments)	169
Net Recharges	153
Cleansing Services - reduced salaries, ni, pension, overtime	119
Council Tax - summons income	93
Bed & Breakfast rebates	88
Contribution from reserves - no longer required	-751
Total Favourable Variances	**2,849**
Net Variances	**966**

Housing Revenue Account (HRA)

The Housing Revenue Account (HRA) summarises income and expenditure relating to the rented housing accommodation of the 4,080 homes provided by the Council.

The HRA is a ring-fenced account, meaning its funds are kept entirely separate from the Council's other financial resources. HRA monies can only be used to manage, maintain and invest in the Council's housing stock and to provide services for tenants. The HRA's main source of income is the £20.4 million collected in rent from properties let at social or affordable rental levels.

	Budget	Outturn	Variance
	£'000	£'000	£'000
Net Income from Operations	(1,386)	(2,283)	897
Appropriations	4,005	-	4,005
Net (Surplus)/Deficit	**2,619**	**(2,283)**	**4,902**

The overall outturn was more favourable than budgeted. This was driven by a reduced requirement for bad debt provision, higher interest income due to increased market interest rates, and a lower contribution to capital.

Major Variances	£'000
Depreciation & Impairment	(852)
Dwelling Rents	(565)
Corporate and democratic costs	(465)
Gain/(loss) on sale of assets	(187)
Supervision and management	(100)
Debt Management Expenses	(8)
Non-dwelling rents	13
Interest Payable	149
Other Income	209
Repairs & Maintenance	438
Interest Received	687
Charges for services and facilities	735
Decrease in bad debt provision	843
Revenue Contribution to capital	1,512
Transfer to/(from) reserves	2,492
Total	**4,902**

Capital

Capital expenditure in 2024/25 totalled £11.862m, comprising £4.275m on General Fund capital schemes and £7.587m on Housing Revenue Account (HRA) schemes. The majority of General Fund capital spending related to the Coalville Regeneration Projects, particularly the improvements at Marlborough Square. Within the HRA, the main area of capital investment was the Housing Home Improvement Programme, which ensures the council's housing stock is maintained to a decent standard.

General Fund Capital Programme	Revised Budget	Final Outturn	(Under) / over spend	(Slippage)
Schemes	**£ '000**	**£ '000**	**£ '000**	**£ '000**
Coalville Regeneration Projects	2,298	1,462	(836)	(836)
UK Shared Prosperity Investment Plan Programme (UKSPF) & REPF	1,722	963	(759)	(758)
Carbon Zero	617	236	(381)	(352)
Systems/ICT Schemes	227	57	(170)	(155)
Vehicle, Plant and Equipment	7,950	633	(7,317)	(7,317)
New Construction or Renovation	4,466	924	(3,542)	(3,542)
Special Expenses	34	-	(34)	(34)
Contingency	**170**	-	(170)	(170)
General Fund Total Capital Programme	**17,483**	**4,275**	**(13,208)**	**(13,165)**

HRA Capital Programme	Revised Budget	Actual Spend	Slippage	Overspend	Net Variance
	£'000	£'000	£'000	£'000	£'000
Home Improvement	**12,598**	**5,322**	**8,248**	**(972)**	**(7,276)**
Estate Improvements	**1,344**	**400**	**944**	**0**	**(944)**
Other HRA Capital Projects	**2,107**	**1,113**	**1,381**	**(387)**	**(994)**
New Supply	**3,387**	**751**	**2,636**	**0**	**(2,636)**
Total	**19,436**	**7,586**	**13,209**	**(1,359)**	**(11,850)**

Our Assets and Liabilities

Pension Liabilities

£35.1 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 £23.1 million from the previous year and is now a pension liability of £35.1m.

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 2024.

Cash flow
£20.5 million

The Council's cash flow shows an increase of £14.7 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 million

As at 31 March 2025 the Council has total external borrowing of £54 million (2024: £55m), a decrease of £1 million when compared with the previous year. The majority 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

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 2025 is £7.2 million (2024/25: £6.1 million), the value of appeals used in completing the Collection Fund position as at 31 March 2025. The Council receives 40% of business rates as part of the localised system and must therefore bear 40% of the appeals provision which is £2.9 million.

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 Journey to Self Sufficiency 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 2025 were £29 million, an increase of £13.6 million on the previous year.

The HRA has usable revenue reserves of £3.4 million, an increase of £2 million compared with the previous year. The reason for the increase is due to the surplus income for the year.

Funding Outlook

Like all authorities, North West Leicestershire has received significant reductions in funding in recent years and anticipates future reductions as well as pressures on services. The Council, unlike some other authorities, receives no Revenue Support Grant and its entire funding comes from Council Tax, Business Rates and New Homes Bonus. The outlook in respect of each of these income streams is considered below:

- **Council Tax** – the Collection Fund statement shows that we collected £83.5 million in Council Tax but retained only about 11.7% of this with the majority being passed on to the County Council, Police and Fire services and parish councils.

- **Business Rates** – the Council collected £110 million in business rates income in 2024/25 but retained £18 million with the remainder being returned to the Government to fund other local services. A significant proportion of the amount retained is due to accumulated growth of business rates in the area which the Council is able to keep as part of the Government's business rates localisation scheme. A planned reset of this scheme will significantly reduce the Council's income from business rates in the medium term.

- **New Homes Bonus** – the Council received £0.9 million in New Homes Bonus in 2024/25 an amount significantly above average reflecting the significant home growth in the district. However, the Government reduced the size of this reward this year and 2025/26 will be the final year of this funding.

5. Risk Management

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 Strategic Director of Resources.
- 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 2025.

Paul Stone Strategic Director of Resources	Date	Councillor Ray Sutton Chair of Audit and Governance Committee	Date

Section 2 Core Statements

Core Statements

1. Introduction

The following pages summarise the financial activities of North West Leicestershire District Council for 2024/25. The Council's Accounts have been produced in accordance with the *Code of Practice on Local Authority Accounting 2024/25* and the Service Reporting Code of Practice 2024/25, 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 2024/25 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 2025 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 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.

2023/24 Gross Expenditure £'000	2023/24 Gross Income £'000	2023/24 Net Expenditure £'000		Notes	2024/25 Gross Expenditure £'000	2024/25 Gross Income £'000	2024/25 Net Expenditure £'000
0	(10)	(10)	Chief Executive		0	(19)	(19)
166	(65)	101	Human Resources & Organisational Development		98	(42)	56
849	(165)	683	Legal and Support Services		1,035	(502)	534
7	0	7	Strategic Director of Place		0	(14)	(14)
3,750	(499)	3,251	Property & Economic Regeneration		3,909	(345)	3,565
5,337	(2,259)	3,077	Planning		7,374	(3,957)	3,417
127	(156)	(30)	Joint Strategic Planning		142	(165)	(23)
17,198	(3,632)	13,566	Community Services		14,066	(4,323)	9,743
2,289	(1,212)	1,077	Strategic Housing		2,217	(1,347)	870
2	0	2	Strategic Director of Resources		0	(10)	(10)
374	(57)	318	Finance		275	(87)	188
14,149	(12,431)	1,718	Revenues & Benefits		13,709	(11,871)	1,838
69	(12)	57	ICT		115	(27)	88
0	(23)	(23)	Customer Services		0	(61)	(61)
176	(181)	(5)	Internal Audit		152	(175)	(23)
34	0	34	Business Change		52	0	52
1,163	(21)	1,143	Corporate and Democratic Core		1,546	(21)	1,526
1,689	0	1,689	Non distributed Costs		144	0	144
21,340	(20,290)	1,049	Housing Services - HRA		18,004	(21,719)	(3,715)
68,718	**(41,014)**	**27,705**	**Cost of Services**		**62,840**	**(44,684)**	**18,156**
		2,832	Other Operating Expenditure	5			3,211
		3,499	Financing and Investment Income and Expenditure	6			(559)
		(30,623)	Taxation and Non-Specific Grant Income	7			(34,650)
		3,413	**(Surplus)/Deficit on Provision of Services**				**(13,843)**
		(1,505)	(Surplus)/Deficit on revaluation of non-current assets	14			(5,432)
		14,320	Actuarial (gains)/losses on pension assets/liabilities	29			25,618
		12,815	**Other Comprehensive Income and Expenditure**				**20,186**
		16,228	**Total Comprehensive Income and Expenditure**				**6,344**

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.

	Notes	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 2023		**13,866**	**7,376**	**10,394**	**2,910**	**2,290**	**36,835**	**289,133**	**325,968**
Total Comprehensive Income and Expenditure		(939)	(2,475)	0	0	0	(3,413)	(12,815)	(16,228)
Adjustments between accounting basis and funding basis under regulations		2,389	(3,509)	1,465	1,326	223	1,895	(1,895)	0
Increase/(Decrease) in Year		**1,451**	**(5,983)**	**1,465**	**1,326**	**223**	**(1,519)**	**(14,710)**	**(16,228)**
Balance as at 31 March 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	3	2,073	(298)	1,418	(3,061)	(736)	(603)	603	(0)
Increase/(Decrease) in Year		**13,633**	**1,986**	**1,418**	**(3,061)**	**(736)**	**13,239**	**(19,584)**	**(6,344)**
Balance at 31 March 2025 carried forward		**28,950**	**3,378**	**13,277**	**1,174**	**1,777**	**48,556**	**254,840**	**303,396**

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'.

The council has £3.5m LOBO (Lender Option, Borrower Option) loan where the lender has the option on set dates to propose an increase in the rate payable; The council will then have the option to accept the new rate or repay the loan without penalty. The lender therefore has the effective right to demand repayment and these loans are therefore shown in the Balance Sheet as Short Term Borrowing. The loan option date is every 6 months from loan inception.

31 March 2024 £'000		NOTES	31 March 2025 £'000	£'000
362,591	Property Plant and Equipment	8	368,214	
9,608	Investment Property	9	10,362	
872	Intangible Assets	8	1,052	
791	Heritage Assets	8	806	
1,086	Surplus Assets	8	1,228	
0	Right of Use Assets	27	422	
374,948	**Long Term Assets**			**382,084**
25,000	Short Term Investments	30	10,000	
142	Inventories		150	
13,502	Short Term Debtors	10	16,150	
5,794	Cash and Cash Equivalents	11	20,466	
44,438	**Current Assets**			**46,766**
(1,269)	Short Term Borrowing	30	(1,297)	
(30,534)	Short Term Creditors	12	(20,115)	
(592)	Provisions	31	(717)	
(32,395)	**Current Liabilities**			**(22,130)**
(55,314)	Long Term Borrowing	30	(54,020)	
(1,855)	Other Long Term Liabilities		(2,575)	
(11,974)	Pension Liability	29	(35,116)	
(1,700)	Revenue Grants Receipt In Advance		(2,315)	
(6,354)	Capital Grants Receipt In Advance	24	(9,252)	
(53)	Deferred Liabilities	30	(46)	
(77,251)	**Long Term Liabilities**			**(103,324)**
309,740	**Net Assets**			**303,396**
15,316	General Fund Balance		28,950	
1,392	Housing Revenue Account		3,378	
11,859	Capital Receipts Reserve		13,277	
4,235	Major Repairs Reserve		1,174	
2,513	Capital Grants Unapplied		1,777	
35,316	**Usable Reserves**	13		**48,556**

Balance Sheet

31 March 2024 £'000		NOTES	31 March 2025 £'000	£'000
142,019	Revaluation Reserve	14	145,100	
144,749	Capital Adjustment Account	14	150,817	
(954)	Financial Instruments Adjustment Account	14	(927)	
(11,974)	Pension Reserve	14	(35,116)	
1,113	Collection Fund Adjustment Account	14	(4,800)	
(528)	Accumulated Absences Account	14	(234)	
274,425	**Unusable Reserves**			**254,840**
309,740	**Total Reserves**			**303,396**

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.

2023/24 £'000	Direct Method	NOTES	2024/25 £'000
(3,413)	**Net surplus or (deficit) on the provision of services**		**13,843**
11,166	Adjustments to net surplus or deficit on the provision of services for non-cash movements	15	3,658
(2,514)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	15	(2,892)
5,239	**Net Cash flows from operating activities**		**14,608**
(16,100)	Net Cash flows from Investing Activities	16	(6,191)
12,159	Net Cash flows from Financing Activities	17	6,255
1,298	**Net increase or (decrease) in cash and cash equivalents**		**14,672**
4,495	Cash and cash equivalents at the beginning of the reporting period		5,794
5,794	**Cash and cash equivalents at the end of the reporting period**	11	**20,466**

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 2024/25 financial year and its position at the year-end of 31 March 2025.

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 Council Accounting in the United Kingdom 2024/25, 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 August 2023, CIPFA issued a consultation on the 2024/25 Code of Practice which will apply to the 2024/25 Statement of Accounts. Consultation on the 2024/25 Code of Practice on Local Authority Financial Reporting in the United Kingdom | CIPFA.

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 2024/25 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.

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

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.

Pension Asset Ceiling Adjustment

As at the reporting date, the actuarial valuation of the pension scheme resulted in a net pension asset. In accordance with IAS 19 and the CIPFA Code of Practice, the Council has assessed the recoverability of this asset. Under the provisions of IAS 19, the Council is restricted from recognising a pension asset that exceeds the economic benefits available to it, such as refunds or reductions in future contributions. This is referred to as the asset ceiling. Following this assessment, a journal entry has been posted to reduce the pension asset, ensuring compliance with the asset ceiling limitation. This adjustment has been recognised in the Other Comprehensive Income section of the CIES, with a corresponding entry to the Pensions Reserve in the MiRS.

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. Under the new 2025/26 Code of Practice, intangible assets are only valued at historic 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.

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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.

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).

Deprecation 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.

Depreciation is calculated on the following bases:

- HRA Dwellings – straight line allocation over the useful life for the property as estimated by a qualified valuer.

- Other Land and Buildings - depreciation is charged on a straight-line basis over their useful life as estimated by the valuer
- Vehicle, Plant, Furniture and Equipment - The basis for depreciation is a straight-line allocation over their useful life as determined by the valuer or appropriate officer
- Community Assets - In accordance with the Council's depreciation policy, assets without a determinable finite useful life are not depreciated. Community Assets generally fall into this category; therefore, no depreciation is charged on these assets.
- Right of Use Assets are amortised / depreciated over the length of their lease.
- Assets Under Construction – no depreciation is charged on these assets.

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 2024/25 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.

The following standards are likely to be effective for local authorities for the 2025/26 financial year:

IAS 21 The effects of changes in Foreign Exchange Rate IAS 21 prescribes how to include foreign currency transactions and foreign operations in the financial statements of an entity and how to translate financial statements into a presentation currency. The council does not have any foreign operations and is unaffected by these amendments.

IFRS 17 Insurance Contracts IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts. Its objective is to ensure an entity provides relevant information that faithfully represents those contracts to give users of financial statements a basis to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. The council does not issue insurance contracts and is unaffected by these amendments.

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 2024 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 2025. The carrying value of Property, Plant and Equipment at 31 March 2025 is £368m.	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 £36.8m.

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 2025 is £35.116m.	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%). All of the 2010 list appeals have been resolved. For the 2017 list, there was £3.9m outstanding with the Valuation Office Agency at this date. An appeals provision of £7.19 m is held in the Collection Fund currently to counter the potential impact of successful appeals in future years.	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 £290k.
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.	If collection rates were to deteriorate, a doubling of the amount of impairment of doubtful debts would require an additional £0.95m for Council Tax debts, and £0.5m 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.

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	0	0	0	(175)
Depreciation of Heritage Assets	0					(0)
Capital grants and contributions applied	(1,849)	0	0	0	0	1,849
Transfer of depreciation to Major Repairs Account		(3,789)		3,789		0
Revenue expenditure funded from capital under statute	2,514	0	0	0	0	(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	0	0	0	(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)	0	0	0	0	1,225
Capital expenditure charged against the General Fund and HRA balances	(2,446)	0				2,446
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	736	0			(736)	0

Notes to core financial statement

2024/25 - continued	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
	Usable Reserves					
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			0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	(737)	0	0	737
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals		0	0			0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	0	0	0	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash		0	0			0
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						0
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)	0				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)	0	0	0	4,782
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	0	0	0	0	(5,913)

Notes to core financial statement

2024/25 - continued	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
	Usable Reserves					
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)	0	0	0	294
Adjustments involving the Collection Fund Adjustment Account:						
Total Adjustments	**2,073**	**(298)**	**1,418**	**(3,061)**	**(736)**	**603**

Notes to core financial statement

2023/24	General Fund Balance £'000	Housing Revenue Account £'000	Usable Reserves 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	734	3,653				-4,387
Revaluation gains and (losses) on Property Plant and Equipment	4,949	1,882				-6,831
Movements in the market value of Investment Properties	3,848	0				-3,848
Amortisation of intangible assets	44	0	0	0	0	-44
Depreciation of Heritage Assets	17					-17
Capital grants and contributions applied	-1,550	0	0	0	0	1,550
Transfer of depreciation to Major Repairs Account		-3,653		3,653		0
Revenue expenditure funded from capital under statute	3,017	0	0	0	0	-3,017
Principal Repaid on Self Financing Loans		-2,548				2,548
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	0	1,550	0	0	0	-1,550
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	-1,108	0	0	0	0	1,108
Capital expenditure charged against the General Fund and HRA balances	-6,936	-2,565				9,501
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	-223	0			223	0

2023/24 - 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	-25	-1,540	1,565			0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	-100	0	0	100
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals		0	0			0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	0	0	0	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash		0	0			0
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	0					0
Adjustment involving the Major Repairs Reserve:						
Use of the Major Repairs Reserve to finance new capital expenditure				-2,327		2,327
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	-256	0				256

Notes to core financial statement

2023/24 - 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 Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	2,507	838				-3,345
Employer's pensions contributions and direct payments to pensioners payable in the year	-3,522	-1,126	0	0	0	4,648
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	893	0	0	0	0	-893
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	0	0	0	0	0	0
Adjustments involving the Collection Fund Adjustment Account:						
Total Adjustments	**2,389**	**-3,509**	**1,465**	**1,326**	**223**	**-1,895**

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 2024/25.

	Balance at 31/3/2023 £'000	Transfers Out 2023/24 £'000	Transfers In 2023/24 £'000	Balance at 31/3/2024 £'000	Transfers Out 2024/25 £'000	Transfers In 2024/25 £'000	Balance at 31/3/2025 £'000
General Fund:							
General reserves	5,896	(9,367)	8,928	**5,457**	(2,914)	16,550	**19,093**
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	**5,896**	**(9,367)**	**8,928**	**5,457**	**(2,914)**	**16,550**	**19,093**
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

2023/24 £'000		2024/25 £'000
2,847	Parish Council Precepts	3,046
0	Payments to the Government Housing Capital Receipts Pool	0
(15)	(Gains)/losses on the disposal of non-current assets	165
2,832	**Total**	**3,211**

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2023/24 £'000		2024/25 £'000
1,942	Interest payable and similar charges	1,970
(78)	Pensions interest cost and expected return on pensions assets	(659)
(2,595)	Interest receivable and similar income	(1,912)
4,231	Income and expenditure in relation to investment properties	43
3,499	**Total**	**(559)**

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2023/24 £'000		2024/25 £'000
(9,259)	Council tax income	(9,633)
(16,205)	Non domestic rates	(18,116)
(2,603)	Non-ring fenced government grants	(3,229)
(2,556)	Capital grants and contributions	(3,672)
(30,623)	**Total**	**(34,650)**

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 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

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	3	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
Net Book Value							
At 31 March 2025	**317,681**	**45,698**	**4,433**	**172**	**229**	**368,214**	**1,228**
At 31 March 2024	**311,988**	**45,688**	**4,354**	**172**	**388**	**362,591**	**1,086**

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 2023	312,274	51,276	9,343	0	3,773	376,667	198
Additions	4,881	1,124	2,331	172	1,882	10,390	0
Accumulated impairment & depreciation written-off to Gross book Value	0	(373)	0	0	0	(373)	0
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(1,867)	-285	0	0	0	-2,153	0
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(1,735)	(5,188)	0	0	0	(6,923)	0
Derecognition - Disposals	(1,336)	0	0	0	0	(1,336)	0
Derecognition - Other	0	(245)	0	0	0	(245)	0
Assets reclassified	(228)	(616)	718	0	(5,268)	(5,394)	888
At 31 March 2024	311,989	45,694	12,393	172	388	370,635	1,086

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 2023	0	(194)	(7,498)	0	0	(7,692)	0
Depreciation charge	(3,640)	(192)	(540)	0	0	(4,372)	0
Accumulated depreciation written-off to Gross book value	0	373	0	0	0	373	0
Depreciation written out to the Revaluation Reserve	3,625	5	0	0	0	3,630	0
Depreciation written out to the Surplus/ Deficit on the Provision of Services	0	3	0	0	0	3	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	15	0	0	0	0	15	0
Derecognition - Other	0	0	0	0	0	0	0
At 31 March 2024	**(0)**	**(5)**	**(8,039)**	**0**	**0**	**(8,044)**	**0**

Notes to core financial statement

8 Intangible Assets

2023/24 £'000		2024/25 £'000
2,949	Gross Carrying Amount (GCA) B/fwd 01/04	2,995
46	Additions	355
2,995	**Gross Carrying Amount B/Fwd**	**3,350**
(2,079)	Accumulated Amortisation & Impairment B/fwd	(2,123)
(44)	Amortisation in year	(175)
(2,123)	**Accumulated Amortisation & Impairment C/fwd**	**(2,298)**
872	**Net Carrying Amount Cfw**	**1,052**

8 Heritage Assets

2023/24 £'000		2024/25 £'000
728	Gross Carrying Amount (GCA) B/fwd 01/04	814
26	Additions	300
(28)	Accumulated Depreciation write/off to GCV	(16)
0	Revaluation Recognised in Revaluation Reserve	0
88	Revaluation Recognised in Surplus/Deficit	(285)
814	**Gross Carrying Amount (GCA) C/fwd**	**813**
(19)	Accumulated Depreciation & Impairment B/Fwd @ 0	(6)
(32)	Depreciation Charge in year	(17)
28	Accumulated Depreciation WO to GCV	16
(23)	**Depreciation C/fwd**	**(7)**
791	**Net Book Value at 31 March**	**806**

Notes to core financial statement

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	31.03.25	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	31.03.25	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:-

2023/24 No		2024/25 No
	Leisure Centres	
2	Leisure Centres with Pools	2
2	Markets	2
4	Cemeteries	4
	Council dwellings	
2,367	Houses	2,345
916	Flats and Maisonettes	915
819	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

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.

2023/24 £'000		2024/25 £'000
639	Rental income from investment property	727
(1,038)	Direct operating expenses arising from investment property	(1,219)
(400)	**Net gain/(loss)**	**(493)**

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

2023/24 £'000		2024/25 £'000
8,906	Balance at the start of the year	9,608
	Additions:	
0	Purchases	0
0	Construction	296
0	Subsequent expenditure	0
0	Disposals	0
(3,848)	Net gains/(losses) from fair value adjustments	458
	Transfers:	
4,549	To/from Inventories	0
0	To/from Property, Plant and Equipment	0
0	Other changes	0
9,608	**Balance at the end of the year**	**10,362**

Notes to core financial statement

10 Short-Term Debtors

31 March 2024 £'000		31 March 2025 £'000
2,927	Central Government bodies	5,468
5,684	Other local authorities	5,208
40	Public Corporations and trading funds	384
4,851	Other entities and individuals	5,090
13,502	**Total Short-Term Debtors**	**16,150**

11 Cash and Cash Equivalents

31 March 2024 £'000		31 March 2025 £'000
0	Cash held by the Council	0
794	Bank current accounts	966
5,000	Short-term deposits and Money Market Funds	19,500
5,794	**Total Cash and Cash Equivalents**	**20,466**

12 Short-Term Creditors

31 March 2024 £'000		31 March 2025 £'000
7,167	Central Government bodies	969
16,479	Other local authorities	10,588
890	Public Corporations and trading funds	1,582
5,300	Other entities and individuals	6,976
29,836	**Total Short-Term Creditors**	**20,115**

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 2024 £'000		31 March 2025 £'000
142,019	Revaluation Reserve	145,100
144,749	Capital Adjustment Account	150,817
(954)	Financial Instruments Adjustment Account	(927)
(11,974)	Pensions Reserve	(35,116)
1,113	Collection Fund Adjustment Account	(4,800)
(528)	Accumulated Absences Account	(234)
274,425	**Total Unusable Reserves**	**254,839**

Revaluation Reserve

2023/24 £'000		2024/25 £'000
142,813	**Balance at 1 April**	**142,019**
5,313	Upward revaluation of assets	6,124
(3,808)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(692)
1,505	**Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services**	**5,432**
(1,762)	Difference between fair value depreciation and historical cost depreciation	(1,604)
(537)	Accumulated gains on assets sold or scrapped	(747)
(2,299)	Amount written off to the Capital Adjustment Account	**(2,351)**
142,019	**Balance at 31 March**	**145,100**

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.

Notes to core financial statement

Capital Adjustment Account

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

The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with 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.

2023/24 £'000		2024/25 £'000	£'000
145,010	**Balance at 1 April**		**144,749**
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
(4,405)	Charges for depreciation and impairment of non-current assets	(5,051)	
(6,831)	Revaluation (losses)/gain on Property, Plant and Equipment	(1,046)	
(44)	Amortisation of Intangible assets	(175)	
(3,017)	Revenue expenditure funded from capital under statute	(2,514)	
(1,550)	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	(2,323)	
537	Write-out of gains relating to revalued disposed assets	747	
1,762	Write-out of depreciation on revalued assets (HCA)	1,604	
(13,547)			(8,759)
	Capital financing applied in the year:		
100	Use of Capital Receipts Reserve to finance new capital expenditure	737	
2,327	Use of the Major Repairs Reserve to finance new capital expenditure	6,850	
1,004	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	1,154	
2,548	Repayment of Debt	1,262	
546	Application of grants to capital financing from the Capital Grants Unapplied Account	696	
1,108	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	1,225	
9,501	Capital expenditure charged against the General Fund and HRA balances	2,446	
17,135			14,369
(3,848)	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		458
0	Movement in the Donated Assets Account credited to the Comprehensive Income and Expenditure Statement		0
144,749	**Balance at 31 March**		**150,817**

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.

2023/24 £'000		2024/25 £'000
1,043	**Balance at 1 April**	**(11,974)**
10,349	Actuarial gains or losses on pensions assets and liabilities	22,792
(3,345)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(2,306)
4,648	Employer's pensions contributions and direct payments to pensioners payable in the year	4,782
(24,669)	Effect of asset ceiling	(48,410)
(11,974)	**Balance at 31 March**	**(35,116)**

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.

2023/24 £'000	Financial Instruments Adjustment Account	2024/25 £'000
(1,210)	**Balance at 1 April**	**(954)**
	Premiums incurred in the year and charged to the Comprehensive Income and Expenditure Statement	
256	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
(954)	**Balance at 31 March**	**(927)**

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

2023/24 £'000		2024/25 £'000
23	**Balance at 1 April**	**53**
30	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	(63)
53	**Balance at 31 March**	**(10)**

Non-Domestic Rates

2023/24 £'000		2024/25 £'000
1,983	**Balance at 1 April**	**1,060**
(923)	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	(5,850)
1,060	**Balance at 31 March**	**(4,789)**

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.

2023/24 £'000		2024/25 £'000
(528)	**Balance at 1 April**	**(528)**
	Settlement or cancellation of accrual made at the end of the preceding year	
0	Amounts accrued at the end of the current year	294
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
(528)	**Balance at 31 March**	**(234)**

Notes to core financial statement

15 Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2023/24 £'000		2024/25 £'000
2,595	Interest received	1,912
(1,942)	Interest paid	(1,970)
0	Dividends received	0
654		**(57)**

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

2023/24 £'000		2024/25 £'000
4,435	Depreciation	5,051
3,808	Impairment and downward valuations	692
44	Amortisation	175
880	Increase/(decrease) in creditors	3,413
(3,525)	(Increase)/decrease in debtors	(2,648)
(4)	(Increase)/decrease in inventories	(8)
13,017	Movement in pension liability	(4,718)
1,550	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	2,323
(9,039)	Other non-cash items charged to the net surplus or deficit on the provision of services	(622)
11,166		**3,658**

Notes to core financial statement

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

2023/24 £'000		2024/25 £'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
(1,565)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(2,156)
(949)	Any other items for which the cash effects are investing or financing cash flows	(736)
(2,514)		**(2,892)**

16 Cash Flow Statement - Investing Activities

2023/24 £'000		2024/25 £'000
(19,296)	Purchase of property, plant and equipment, investment property and intangible assets	0
588	Purchase of short-term and long-term investments	(5,509)
1,565	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	2,156
1,043	Other receipts from investing activities	(2,838)
(16,100)	**Net cash flows from investing activities**	**(6,191)**

17 Cash Flow Statement - Financing Activities

2023/24 £'000		2024/25 £'000
470	Repayments of short- and long-term borrowing	(1,269)
11,689	Other payments for financing activities	7,524
12,159	**Net cash flows from financing activities**	**6,255**

Notes to core financial statement

18 Expenditure and Income Analysed by Nature

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

2023/24 £'000	Expenditure/Income	2024/25 £'000
	Expenditure	
23,770	Employee expenses	24,369
33,424	Other services expenses	35,388
15,811	Depreciation, amortisation, impairment	6,451
(78)	Net pension interest	(659)
1,942	Interest payments	1,970
2,847	Precepts and levies	3,046
0	Payments to Housing Capital Receipts Pool	0
(15)	(Gain) / Loss on the disposal of assets	165
77,701	**Total Expenditure**	**70,730**
	Income	
(26,982)	Fees, charges and other service income	(32,758)
(2,595)	Interest and investment income	(1,912)
(25,464)	Income from Council Tax and Non-Domestic Rates	(27,749)
(16,691)	Government Grants and Contributions	(20,198)
(2,556)	Capital Grants and Contributions	(1,955)
(74,287)	**Total Income**	**(84,573)**
3,413	**(Surplus) or deficit on the Provision of Services**	**(13,843)**

Notes to core financial statement

External income received by service

2023/24 £'000		2024/25 £'000
0	Chief Executive	0
(39)	Human Resources & Organisational Development	(42)
(307)	Legal & Support Services	(656)
0	Strategic Director of Place	1
(15)	Property & Economic Regeneration	(40)
(892)	Planning	(2,144)
(156)	Joint Strategic Planning	(165)
(31)	Strategic Director of Communities incl. Customer Services	0
(3,153)	Community Services	(3,763)
(189)	Housing (General Fund)	(227)
0	Strategic Director of Resources	0
(38)	Finance	(60)
(1,126)	Revenues & Benefits	(1,100)
(12)	ICT	(12)
0	Customer Services	(12)
(20,433)	Housing Revenue Account	(23,852)
(26,392)	**Total external income in Cost of Services**	**(32,073)**
(3,146)	Other income and Expenditure	(2,640)
(29,538)	**Total external income**	**(34,714)**

Notes to core financial statement

19 Members' Allowances

The total value of Members Allowances paid during 2024/25 was £345,966 (2023/24: £330,485).

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.

2023/24 No of employees	Remuneration Band	2024/25 No of employees
7	£50,000 - £54,999	15
9	£55,000 - £59,999	8
2	£60,000 - £64,999	2
2	£65,000 - £69,999	1
1	£70,000 - £74,999	4
5	£75,000 - £79,999	2
0	£80,000 - £84,999	1
0	£85,000 - £89,999	0
0	£90,000 - £94,999	0
2	£95,000 - £99,999	1
0	£100,000 - £104,999	2
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

Notes to core financial statement

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 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 Finance		65,478			4,820	70,298	18,830	89,128
Head of Community Services		74,525			3,338	77,863	21,432	99,295
Head of Housing		74,525			4,817	79,342	21,432	100,774
Head of Planning & Infrastructure		71,939			9,081	81,020	20,688	101,708
Head of Economic Development		70,647			3,174	73,821	20,316	94,137
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
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

2023/24 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		134,064			3,625	137,689	30,432	168,122
Strategic Director of Place		95,456			3,174	98,630	21,669	120,298
Strategic Director of Housing & Customer Services		95,456			3,381	98,837	21,669	120,505
Strategic Director of Resources	1	46,818			2,794	49,612	10,628	60,240
Head of Legal & Support Services		72,707			3,122	75,829	17,712	93,541
Head of Finance	2	61,722			3,964	65,686	14,162	79,847
Head of Community Services		72,707			3,337	76,044	16,504	92,549
Head of Housing		70,889			4,203	75,092	16,092	91,184
Head of Planning & Infrastructure		68,924			9,076	78,001	15,646	93,646
Head of Economic Development		67,664			3,174	70,838	15,360	86,198
Head of HR & Organisation Development		70,184			3,174	73,358	14,501	87,859
Head of Joint Strategic Planning		63,881			3,679	67,560	15,932	83,491
Total		**920,472**	**0**	**0**	**46,702**	**967,175**	**210,305**	**1,177,480**

Note 1: The Strategic Director of Resources started on 18/09/2023. The annual salary was £87,329
Note 2: The Head of Finance started on 09/05/2023. The annual salary was £63,881

Notes to core financial statement

21 External Audit Costs

2023/24 £'000		2024/25 £'000
	Fees payable with regard to external audit services:-	
149	Azets Audit Services Ltd Audit - Scale Fee	164
	Fees payable for the certification of grant claims and returns:-	
28	Azets Audit Services Ltd - HBAP (Housing Benefit Assurance Process)	28
	Fees payable for other assurance work completed in respect of Pooling of Housing capital receipts return:	
10	Azets - Pooling of Housing Capital Receipts	10
0	Cabinet Office - National Fraud Initiative	3
187	**Total**	**205**

22 Contingent Assets

There are no contingent assets for the year ended 31 March 2025.

Notes to core financial statement

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

2023/24 £'000		2024/25 £'000
	Credited to Taxation and Non Specific Grant Income	
9,259	Council Tax Income	9,633
16,205	Non Domestic Rates	18,096
20	Levy Account Surplus	20
1,168	Funding Guarantee	1,707
97	Services Grant	17
1,220	New Homes Bonus	918
90	Revenue Support Grant	96
8	Other grants	491
2,556	Capital Grants and Contributions	3,672
30,623	**Total**	**34,650**
	Credited to Services	
10,727	Housing Benefit Subsidy	10,436
183	Housing Benefit Admin Grant	176
135	Local Council Tax Support Grant	0
166	Cost of Collection	168
261	Homelessness	242
542	Rough Sleeping	632
198	Asylum Seekers Dispersal Grant (Home Office)	196
117	Rural England Prosperity	0
366	UK Shared Prosperity Fund	304
100	Nutrient Neutrality	220
0	Food Waste Collection	231
136	Homes for Ukraine	0
216	Ofgem	262

0	Aareon UK Ltd	169
0	Neighbourhood Plan	248
437	Other Grants under £100k each	538
275	Section 106	1,326
112	Sport & Physical Activity	0
115	Other Contributions under £100k each	100
14,087	**Total**	**15,249**

Notes to core financial statement

31 March 2024 £'000		31 March 2025 £'000
	Capital Grant Receipts in Advance	
1,327	Affordable Housing - S106	1,316
437	Recreation/Playground - S106	592
259	Healthcare - S106	185
5	CCTV - S106	5
0	Police - S106	0
1,837	Highways - S106	300
17	Network Rail - S106	17
0	Parish Councils - S106	0
65	National Forest - S106	0
0	Food Waste - DEFRA	1,064
165	UK Shared Prosperity	749
2,236	DFG	2,416
0	Nutrient Neutrality - MHCLG	2,560
0	National Forest	42
6	Air Quality - DEFRA	6
6,354	**Total**	**9,252**

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:

2023/24 (Receipts)/ Payments £'000		2024/25 (Receipts)/ Payments £'000
32,891	Central Government Revenue Grants (Benefits/RSG/other grants)	38,481
64,193	Leicestershire County Council (Precept paid less grant income)	69,152
3,868	Leicestershire Fire and Rescue (Precept paid)	4,131
9,893	Leicestershire Police (Precept paid less grant income)	10,525
	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.	76
110,920		122,366

Notes to core financial statement

26 Capital Expenditure and Capital Financing

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.

2023/24 £'000		2024/25 £'000
92,388	**Opening Capital Financing Requirement**	**87,549**
	Capital Investment	
10,416	Property, plant and equipment	8,949
0	Investment properties	296
46	Intangible assets	123
3,017	Revenue Expenditure Funded from Capital Under Statute	2,514
	Other investments	6,950
	Sources of finance	
(100)	Capital receipts	(737)
(1,550)	Government grants and other contributions	(1,849)
	Sums set aside from revenue	
(15,484)	Direct revenue contributions	(11,783)
(1,184)	(MRP/ the statutory repayment of loans fund advances)	(2,459)
87,549	**Closing capital financing requirement**	**89,553**
	Explanation of movements in year	
0	Increase / (decrease) in underlying need to borrowing (supported by government financial assistance)	0
(4,840)	Increase / (decrease) in underlying need to borrowing (unsupported by government financial assistance)	2,004
0	Assets acquired under finance leases	0
0	Assets acquired under PFI contracts	0
(4,840)	**Increase/ (decrease) in capital financing requirement**	**2,004**

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. A market rent review in 2026 is expected to significantly impact lease valuations for the 2025/26 accounts.
The table shows movements in ROU asset values during the year.

Leased Liability	2024/25 £'000 OLB
Present Value of ROU as at April 2024	472
Depreciation	(49)
Total	**422**

Notes to core financial statement

27 Right of Use Assets

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.

Right of Use Assets	2024/25 £'000
Land and buildings:	
Not later than one year	7
Later than one year and not later than 5 years	170
Later than 5 years	245
Total	**422**

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	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
£0 - £20,000	6	0	0	0	6	0	£14,224	£0
£20,001 - £40,000	0	2	0	0	0	2	£0	£51,100
£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	**6**	**2**	**0**	**0**	**6**	**2**	**£14,224**	**£51,100**

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 10th June 2025.

2023/24 £'000		2024/25 £'000
	Net Cost of Services	
3,423	Current service cost	2,965
0	Past service costs	0
0	Curtailments	0
3,423		2,965
	Net Operating Expenditure	
5,661	Interest cost	5,845
(5,739)	Expected return on assets in the scheme	(6,504)
(78)		(659)
3,345	***Amount charged to Income and Expenditure Account***	2,306
	Amounts to be met from Government Grants and Local Taxation	
(60)	Movement on pension reserve	(64)
	Actual amount charged against General Fund & HRA for pensions in the year	
4,588	Employers' contributions payable to the scheme	4,718
60	Unfunded discretionary benefit payments	64

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-22
Actives	51
Deferred Pensioners	50
Pensioners	69

Payroll

	2023/24 £'000	2024/25 £'000
Assumed total pensionable payroll based on contribution information provided	16,697	16,381

Investment Returns

The return on the fund in market value terms for the year to 31 March 2025 is estimated based on actual Fund returns as provided by the Administering Authority. Details are given below.

Actual Return for Period 1 April 2024 to 31 March 2025	6.0%
Total Return for Period from 1 April 2024 to 31 March 2025	6.0%

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 2025	Annual Unfunded Pensions (£'000)
Male	13	48
Female	1	2
Dependants	14	15
Total	28	65

Projected Pension Expense For Year 31/03/2026

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

Period Ended	31 March 2026	
	£'000	% of pay
Projected Current service cost	2,126	13.0%
Interest on Obligation	6,075	37.1%
Expected Return on Plan Assets	(8,353)	(51.1%)
Losses /(Gains) on Curtailment and Settlements	0	0.0%
Total	**(152)**	**(0.9%)**

The pension fund has moved from an asset of £12.695m at 31/3/24 to an asset of £37.963m at 31/3/25. This is mainly due to a remeasurement by the actuary.

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 2022.

Notes to core financial statement

The main assumptions used in their calculations have been:

2023/24	Assumptions	2024/25
2.75%	Inflation/Pension Increase Rate	2.75%
3.25%	Salary Increase Rate	3.25%
4.85%	Discount Rate	5.80%

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

Assets Category	2023/24 Value £'000	2023/24 Asset Distribution %	2024/25 Value £'000	2024/25 Asset Distribution %
Equity Securities	432.7	0.32%	932.3	0.65%
Debt Securities	6,409.7	4.81%	5,990.7	4.18%
Private Equity	8,154.6	6.12%	8,308.3	5.80%
Real Estate	8,643.4	6.48%	9,801.6	6.84%
Investment Funds	99,002.9	74.28%	104,839.6	73.21%
Derivatives	7.8	0.01%	(714.8)	-0.50%
Cash and Cash Equivalents	10,639.9	7.98%	14,047.3	9.81%
Total	**133,291.0**	**100.00%**	**143,205.0**	**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	20.8	23.7
Future pensioners *	21.5	25.5

* 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

2023/24 £'000		2024/25 £'000
119,024	**Opening Defined Benefit Obligation**	**120,596**
3,423	Current Service cost	2,965
5,661	Interest cost	5,845
1,033	Contributions by Members	1,068
(4,402)	Actuarial losses/(Gains)	(21,203)
0	Past service costs/(Gains)	0
0	Losses/(Gains) on Curtailments	0
(60)	Estimated Unfunded Benefits Paid	(64)
(4,083)	Estimated Benefits Paid	(3,965)
120,596	**Closing Defined Benefit Obligation**	**105,242**

Reconciliation of fair value of employer assets

2023/24 £'000		2024/25 £'000
120,067	**Opening Fair Value of Employer Assets**	**133,291**
5,739	Expected Return on Assets	6,504
1,033	Contributions by Members	1,068
4,588	Contributions by the Employer	4,718
60	Contributions in respect of Unfunded Benefits	64
5,947	Actuarial gains/(losses)	1,589
(60)	Estimated Unfunded Benefits Paid	(64)
(4,083)	Estimated Benefits Paid	(3,965)
133,291	**Closing Fair Value of Employer Assets**	**143,205**

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 2025 is estimated based on actual fund returns as provided by the Administering Authority and index returns where necessary. Details are given below.	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Fair Value of Employer Assets	112,007	121,285	120,067	133,291	143,205
Present Value of Defined Benefit Obligation	(175,301)	(169,461)	(119,024)	(120,596)	(105,242)
Surplus/(Deficit)	(63,294)	(48,176)	1,043	12,695	37,963
Experience Gains/(Losses) on Assets	20,006	6,870	(4,764)	5,947	1,589
Experience Gains/(Losses) on Liabilities	1,427	(502)	(9,332)	(3,764)	(1,094)
Actuarial Gains/ (Losses) on Employer Assets	20,006	6,870	(4,764)	5,947	1,589
Actuarial Gains/ (Losses) on Obligations	(38,641)	14,428	59,598	4,402	21,203
Actuarial Gains/ (Losses) recognised in SRIE	(18,635)	21,298	54,834	10,349	22,792

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

2023/24 £'000		2024/25 £'000
5,947	Actuarial Gains/(Losses) on Plan Assets	1,589
4,402	Actuarial Gains/ (Losses) on Obligations	21,203
10,349	**Actuarial Gain/(Loss) Recognised in SRIE**	**22,792**
52,094	**Cumulative Actuarial Gains and Losses**	**74,886**

Notes to core financial statement - continued

Balance Sheet

2023/24 £'000		2024/25 £'000
133,291	Fair Value of Employer Assets	143,205
(119,912)	Present Value of Funded Obligations	(104,627)
(684)	Present Value of Unfunded Obligations	(615)
12,695	Net (Under)/ Overfunding in Funded Plans	**37,963**
12,695	**Net Asset/(Liability) unadjusted**	**37,963**
(24,669)	Effect of asset ceiling - current year	(48,410)
	Effect of asset ceiling - prior year	(24,669)
(11,974)	**Net Asset/(Liability) adjusted**	**(35,116)**
	Amount in the Balance Sheet	
(11,974)	Liabilities	(35,116)
0	Assets	0

Notes to core financial statement

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 2024 £'000	Long term 31 March 2025 £'000	Short term 31 March 2024 £'000	Short term 31 March 2025 £'000
Loans at amortised cost:				
PWLB	(51,141)	(49,851)	(1,262)	(1,290)
LOBO/Other Loans	(4,173)	(4,168)	0	0
Long-term Borrowing	**(55,314)**	**(54,020)**	**(1,262)**	**(1,290)**
Other Long Term Liabilities - deferred	(53)	(46)	(7)	(7)
Total Borrowing	**(55,367)**	**(54,065)**	**(1,269)**	**(1,297)**
Liabilities at amortised cost:				
Trade payables-Included in creditors	0	0	(5,914)	(6,294)
Total Financial Liabilities	**(55,367)**	**(54,065)**	**(7,183)**	**(7,591)**

Financial Assets	Long term 31 March 2024 £'000	Long term 31 March 2025 £'000	Short term 31 March 2024 £'000	Short term 31 March 2025 £'000
At amortised cost:				
Principal	0	0	25,000	10,000
Loss allowance *	0	0	0	0
Total Investments	**0**	**0**	**25,000**	**10,000**
At amortised cost:				
Principal	0	0	5,000	0
Loss allowance	0	0	0	0
At Fair Value through Profit and Loss:				
Money Market Funds	0	0	794	20,466
Total Cash and Cash Equivalents	**0**	**0**	**5,794**	**20,466**
At amortised cost:				
Trade Receivables-Included in Debtors	0	0	7,109	5,072
Accrued Interest	0	0	0	0
Loss allowance	0	0	(1,428)	(1,266)
Total Trade Receivables	**0**	**0**	**5,681**	**3,806**
Total Financial Assets	**0**	**0**	**36,475**	**34,272**

* 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 2025. 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 2023/24 £'000	Fair Value 2023/24 £'000	Balance Sheet 2024/25 £'000	Fair Value 2024/25 £'000
Financial Liabilities held at amortised cost:					
Long Term Loans From PWLB	2	(51,374)	(44,263)	(49,851)	(44,262)
Long Term LOBO/Other Loans	2	(3,940)	(3,844)	(4,168)	(3,844)
Other Long Term Liabilities		(61)	(61)	(53)	(53)
Sub-Total		(55,375)	(48,168)	(54,072)	(48,159)
Liabilities for which Fair Value is not disclosed:					
Trade payables-Creditors		(5,914)	(5,914)	(6,294)	(6,294)
Total Financial Liabilities		**(61,289)**	**(54,082)**	**(60,366)**	**(54,453)**

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 2023/24 £'000	Fair Value 2023/24 £'000	Balance Sheet 2024/25 £'000	Fair Value 2024/25 £'000
Financial Assets held at amortised cost:					
Investments with Local Authorities	2	30,000	30,451	10,000	10,108
Investments with Banks	2	0	0	0	0
Investments with Central Government	2	0	0	0	0
Financial Assets held at Fair value:					
Money Market Funds	1	0	0	20,466	20,466
Total		**30,000**	**30,451**	**30,466**	**30,574**
Assets for which Fair Value is not disclosed:					
Cash and Cash equivalents		1,099	1,099	969	969
Trade Receivables-Debtors		5,681	5,681	3,806	3,806
Total Financial Assets		**36,780**	**37,231**	**35,242**	**35,350**

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 2024 Long Term £'000	31 March 2024 Short Term £'000	31 March 2025 Long Term £'000	31 March 2025 Short Term £'000
A+	0	0	0	0
A	0	0	0	0
BBB+	0	0	0	0
Unrated Local Authorities	0	30,000	0	10,000
Money Market Funds	0	0	0	19,500
UK Government	0	0	0	0
Total Investments	**0**	**30,000**	**0**	**29,500**

The Council has £20,658,129 of Debtors (31/3/24: £17,766,678), for which a provision for doubtful debts of £4,508,272 has been made (31/3/24: £4,253,795). Of this debtors figure, £8,380,481 relates to sundry debtors, £10,099,978 to Council Tax and Business Rates and £2,177,669 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 2024 £'000	31 March 2025 £'000
Less than three months	6,287	3,275
Three to six months	34	117
Six months to one year	446	236
More than one year	4,483	4,753
Total	**11,250**	**8,381**

The table below breaks this down to debtor type:

Type	30 March 2024 Gross Debt £'000	30 March 2024 Loss Allowance £'000	31 March 2025 Gross Debt £'000	31 March 2025 Loss Allowance £'000
Central Gov't Bodies	2,927	0	5,468	0
Other Local authorities	5,684	0	5,208	0
NHS Bodies	0	0	0	0
Public Corporations and trading funds	40	0	384	0
Other entities and Individuals	9,104	(4,254)	9,599	(4,508)
Total	**17,755**	**(4,254)**	**20,658**	**(4,508)**

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 2024			31 March 2025		
	Liabilities £'000	Assets £'000	Net £'000	Liabilities £'000	Assets £'000	Net £'000
Maturity in 1 year*	1,270	(30,000)	**(28,730)**	1,290	(29,500)	**(28,210)**
Maturity in 1 - 2 years	1,300	0	**1,300**	1,319	0	**1,319**
Maturity in 2 - 5 years	2,490	0	**2,490**	1,752	0	**1,752**
Maturity in 5 - 10 years	1,870	0	**1,870**	1,244	0	**1,244**
Maturity in over 10 years	49,480	0	**49,480**	49,475	0	**49,475**
Total	**56,410**	**(30,000)**	**26,410**	**55,080**	**(29,500)**	**25,580**

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.

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 2025 is £7.2m (31/3/24: £6.1m), the value of appeals used in completing the Collection Fund position as at 31 March 2025. The Council has made a provision for 40% of this figure totalling £2.9m (31/3/24: £2.4m) within the 2024/25 accounts. This is split into short term provisions: £717k and long term provisions: £2.16m.

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 2024/25 was £1.444 million (2023/24: £1.382m).

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.

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

Expenditure and Funding Analysis continued

2023/24

	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	(203)	0	0	(10)	0	(10)
Human Resources & Organisational Development	670	(569)	0	0	101	0	101
Legal and Support Services	1,659	(1,100)	125	0	683	0	683
Strategic Director of Place	165	(158)	0	0	7	0	7
Property & Economic Regeneration	3,725	(336)	45	(137)	3,296	(46)	3,251
Planning	2,139	656	283	0	3,077	0	3,077
Joint Strategic Planning	(52)	22	0	0	(30)	0	(30)
Community Services	8,144	1,625	256	(246)	9,780	3,786	13,566
Housing - General Fund	208	362	10	0	581	497	1,077
Strategic Director of Resources	240	(281)	43	0	2	0	2
Finance	1,244	(1,110)	184	0	318	0	318
Revenues & Benefits	896	799	23	0	1,718	0	1,718
ICT	1,234	(1,256)	0	0	(22)	79	57
Customer Services	977	(1,025)	25	0	(23)	0	(23)
Internal Audit	84	(97)	8	0	(5)	0	(5)
Business Change	(2)	0	36	0	34	0	34
Corporate and Democratic Core	46	1,097	0	0	1,143	0	1,143
Non-Distributed Costs	255	6	0	0	260	1,429	1,689
Housing Revenue Account	(5,222)	(384)	0	0	(5,606)	6,656	1,049
Recharges	(1,954)	1,954	0	0	0	0	0
Net Cost of Services	**14,650**	**0**	**1,038**	**(384)**	**15,304**	**12,400**	**27,705**
Other Income and Expenditure	(19,175)	0	(2,654)	384	(21,445)	(2,847)	(24,292)
(Surplus)/Deficit on Provision of Services	**(4,524)**	**0**	**(1,616)**	**0**	**(6,140)**	**9,553**	**3,413**

Notes to core financial statement - continued

Expenditure and Funding Analysis continued

Analysis of adjustments between funding basis and accounting basis

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**

Notes to core financial statement - continued

Expenditure and Funding Analysis continued

2023/24	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	(46)	0	0	(46)
Planning & Infrastructure	0	0	0	0
Joint Strategic Planning	0	0	0	0
Community Services	3,786	0	0	3,786
Housing - General Fund	497	0	0	497
Strategic Director of Resources	0		0	0
Finance	0	0	0	0
Revenues & Benefits	0	0	0	0
ICT	79	0	0	79
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	1,429	0	0	1,429
Housing Revenue Account	5,535	(288)	1,409	6,656
Recharges	0	0	0	0
Net Cost of Services	**11,280**	**(288)**	**1,409**	**12,400**
Other Income and Expenditure	(1,654)	(1,015)	(179)	(2,847)
Surplus/Deficit on Provision of Services	**9,626**	**(1,303)**	**1,230**	**9,553**

Section 4 Housing Revenue Account (HRA)

Housing Revenue Account (HRA)

Housing income and expenditure account

2023/24 £'000	2023/24 £'000	Income	NOTES	2023/24 £'000	2023/24 £'000
	(19,216)	Rents - Dwellings	H4		(20,440)
(36)		Rents - Garages / Sites		(35)	
(14)		Rents - Shops		(15)	
(9)		Rents - Other		(2)	
	(60)				**(52)**
	(683)	Charges for Services and Facilities			(735)
	(331)	Other Income			(492)
	0	RTB Discounts repaid			0
	(20,290)	**Total income**			**(21,719)**
		Expenditure			
	11,726	Repairs and Maintenance			9,311
		Supervision and Management			
502		- General		2,755	
3,075		- Special		1,659	
	3,578				**4,414**
		Capital Charges			
	3,653	- Depreciation of Fixed Assets	H8		3,789
	1,882	- Impairment of Fixed Assets	H9		1,224
	0	- Initial Gain on Donated Assets			0
	493	Increase / (decrease) in provision for Bad or Doubtful Debts			(743)
	8	Debt Management Expenses			8
	21,340	**Total expenditure**			**18,004**
	1,049	**Net cost of HRA services included in income and expenditure account**			**(3,715)**
	384	Housing Share of Corporate and Democratic Costs			465
	0	Housing Share of other amounts included in the whole authority cost of services but not allocated to specific services			0
	1,434	**Net cost of HRA services**			**(3,250)**
	10	(Gain) or Loss on Sale of HRA Fixed Assets			187
	1,847	Interest Payable and Similar Items			1,753

2023/24 £'000	2023/24 £'000	Income	NOTES	2023/24 £'000	2023/24 £'000
	(816)	Interest on Balances			(973)
	0	Amortisation of Premiums and Discounts			0
	0	Capital Grants and Contributions			0
	2,474	**(Surplus) / deficit on HRA services**			**(2,283)**

Housing Revenue Account (HRA)

2023/24 £'000	Statement of movement on the HRA balance	2024/25 £'000
2,474	(Surplus) / Deficit on Housing Income and Expenditure Account	(2,283)
3,509	Amounts Required by Statute to be Taken into Account (detailed below)	297
5,984	Total	**(1,986)**
(7,261)	HRA Balance Brought Forward	(1,277)
(1,277)	**HRA Balance Carried Forward**	**(3,263)**

2023/24 £'000	Analysis of the movement in the HRA balance	2024/25 £'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	
(10)	Gain or (Loss) on Sale of HRA Fixed Assets	(189)
0	Amortisation of Premiums and Discounts	0
0	RTB Discounts repaid	0
0	Employee Benefits adjustment	68
(838)	Net charges for retirement benefits in accordance with IAS 19	(678)
(5,535)	Impairment/Revaluation of Fixed Assets	(5,013)
0	Initial Gain on Donated Assets	0
(6,382)		**(5,812)**
	Items not included in the HRA Income and Expenditure Account but included in the movement on HRA balance for the year	
3,653	Transfer To/(From) Major Repairs Reserve	3,789
0	Right to Buy Admin Contribution	0
1,126	Employer's contributions payable to Leicestershire County Council Pension Fund	1,058
2,548	Principal Repaid on Self Financing Loans	1,262
2,565	Capital Expenditure funded by the HRA	0
0	Transfer To/(From) Reserves	0
9,892	Total	**6,109**
3,509	**Net additional amount required by statute to be debited or (credited) to the HRA balance for the year**	**297**

Notes to the housing revenue account (HRA)

H1 Movement in dwelling stock

The Council was responsible for managing an average of 4,080 lettable dwellings during 2024/25. The movement in the stock was as follows:-

2023/24		2024/25
4,121	Stock at 1st April	4,102
(16)	Less: Right to buy Sales	(23)
0	Less: Other Sales	0
0	Less: Demolitions	0
(3)	Less: Transfers out of stock	0
0	Add: Other Adjustments	1
0	Add: New Build and Gifted units	0
0	Add: Transfers back into stock	0
4,102		**4,080**

H2 Property types in dwelling stock

The properties owned by the Council at 31st March 2025 comprise the following:-

	Flats/Maisonettes	Bungalows	Houses	Total
In stock				
Bed sits	53	4	0	57
1 Bedroom	533	330	10	873
2 Bedroom	320	478	416	1,214
3 Bedroom	8	8	1,770	1,786
4 Bedroom	1	0	144	145
5 Bedroom	0	0	5	5
	915	**820**	**2,345**	**4,080**
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	**915**	**820**	**2,345**	**4,080**

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

2023/24 Balance £'000		2024/25 Balance £'000
311,757	Dwellings	317,681
1,961	Other Land and Buildings	1,646
313,718	**Operational assets**	**319,327**
0	Surplus Assets	0
186	OLB (Land and Assets under construction)	0
186	**Non-operational assets**	**0**
313,904	**Total assets**	**319,327**

The vacant possession value of dwellings within the Council's HRA as at 31st March 2025 was £1.74m (2024: £1.15m). 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 £89.93 per week in 2024/25 (2023/24: £90.95), representing an average decrease of 1.12% (2023/24: 7.64% increase). During 2024/25, 2.45% of lettable properties were void (2023/24: 1.19% void).

2023/24 £'000		2024/25 £'000
15,033	Collectable from Tenants	15,631
4,183	Rent Rebates	4,809
19,216	Sub-Total Dwelling Rents	20,440
60	Non - Dwelling Rents	52
19,276	Total Rent	**20,491**

H5 Rent arrears

The rent arrears (net of accounts in credit) as a proportion of gross rent income were 3.31% (2023/24: 4.91%). The arrears figures are as follows:-

Amounts written off during the year were £156,283 (2023/24: £ 44,572) representing a reduction in Doubtful Debt allowance. At 31 March 2025, the Provision for doubtful debts was £1,089,066 (2023/24: £1,210,036).

2023/24 £'000		2024/25 £'000
1,531	Total Current and Former Tenant Arrears	1,463
(650)	Less: Accounts in credit	(752)
881	Net Arrears	711

H6 Major repairs reserve

2023/24 £'000		2024/25 £'000
(2,910)	Balance at 1st April	(4,235)
(3,653)	Amounts transferred to Reserve during year	(3,789)
	Amounts transferred from Reserve to finance Capital Expenditure:	
2,327	Dwellings	6,850
(4,235)	**Balance at 31 March**	**(1,174)**

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 £7,587K. The sources of funding are shown below:

2023/24 £'000		2024/25 £'000
2,327	Major Repairs Reserve	6,850
0	Section 106 Receipts	0
2,565	Revenue Contribution	0
0	Other Contributions	0
9	Capital Receipts	737
4,901		**7,587**

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

H8 Depreciation of HRA fixed assets

2023/24 £'000		2024/25 £'000
3,640	Dwellings (excl. garages)	3,428
13	Other Land and Buildings	225
0	Surplus Assets	136
3,653	**Operational assets**	**3,789**

H9 Revaluation/impairment (reversal) of HRA fixed assets

2023/24 £'000		2024/25 £'000
1,882	Dwellings (excl. garages)	1,217
0	Other Land and Buildings	7
0	Surplus Assets	0
1,882	**Operational assets**	**1,224**

Section 5 Collection Fund

Collection Fund

2023/24 £'000	Collection fund income and expenditure account	2024/25 £'000	£'000
	Income		
(78,344)	Council Tax (Net of benefits, discounts for prompt payment and transitional relief)		(83,455)
	Transfers from General Fund:-		
0	- Council Tax Benefit		1
(113)	- CTLS Discretionary		(22)
(27)	Section 13a		(12)
(102,280)	Business Ratepayers		(109,825)
(180,764)	**Total Income**		**(193,313)**
	Expenditure		
	Council Tax Precepts and Demands:-		
55,518	Leicestershire County Council	59,385	
9,944	Leicestershire Police	10,613	
2,886	Leicestershire Fire and Rescue	3,028	
9,204	N.W.L.D.C. (including Parish and Special Expenses)	9,685	
234	Contribution towards previous year's deficit	97	
465	Provision for bad/doubtful debts	1,224	
78,251			84,031
	Non-Domestic Rates (NDR):		
49,093	Share of NDR - Government	55,193	
8,837	Payment to Leicestershire County Council	9,935	
982	Payment to Leicestershire Fire and Rescue Service	1,104	
39,274	Share of NDR - N.W.L.D.C.	44,154	
3,846	Contribution towards previous year's surplus/deficit	2,708	
1,742	Provision for bad/doubtful debts	1,032	
1,551	Provision for appeals	1,075	
156	Costs of Collection	168	
2,846	Disregarded amounts	2,888	
108,326			118,256
186,577	**Total Expenditure**		**202,287**
(233)	Movement on fund - (Surplus)/Deficit for the year - Council Tax		543
6,046	Movement on fund - (Surplus)/Deficit for the year - NDR		8,431
(217)	Collection Fund Balance at 1st April 2024 - Council Tax		(450)
(4,942)	Collection Fund Balance at 1st April 2024 - NDR		1,104
(450)	**Collection Fund Balance at 31st March 2025 - Council Tax**		93
1,104	**Collection Fund Balance at 31st March 2025 - NDR**		9,535

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	7,323	6/9	4,882
B	11,875	7/9	9,236
C	7,167	8/9	6,371
D	6,710	9/9	6,710
E	5,027	11/9	6,144
F	1,953	13/9	2,821
G	947	15/9	1,579
H	46	18/9	92
	41,049		37,835
Less: 2% Allowance for Valuation Appeals and irrecoverables			756
Council tax base for 2024/25			**37,079**

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 2025 was £234,291,790 (2023/24: £228,110,919).

The National Non-Domestic multiplier for the year was 54.6p (2023/24 51.2p).

The Small Business Rate Multiplier was 49.9p (2023/24: 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 £2.88m in its accounts (2023/24: £2.45m).

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
A lease, usually of land, or land and buildings, which is treated in the Government's capital control system as a credit arrangement as if it were similar to borrowing. Other types of lease are termed 'operating leases'.

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 subsidy
A government grant paid to some housing authorities towards the cost of providing, managing and maintaining dwellings and paying housing benefits to tenants.

IAS 19
A statement of recommended practice to account for the cost of pensions.

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.

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.

Operating lease
A type of lease, usually of computer equipment, office equipment, furniture, etc. which is similar to renting and which does not come within the Government's capital control system. Ownership of the asset must remain with the lessor for a lease to be classed as an operating lease.

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.