

# Public Document Pack

**Date of meeting** Monday, 29th September, 2025  
**Time** 7.00 pm  
**Venue** Astley Room - Castle  
**Contact** Geoff Durham



## Audit and Standards Committee

### AGENDA

#### OPEN AGENDA

- 1 APOLOGIES**
- 2 DECLARATIONS OF INTEREST**  
To receive Declarations of Interest from Members on items included in the agenda
- 3 MINUTES OF PREVIOUS MEETING** (Pages 3 - 6)  
To consider the minutes of the previous meeting(s).
- 4 HEALTH AND SAFETY ANNUAL REPORT 2024/25** (Pages 7 - 24)
- 5 Q1 INTERNAL AUDIT PROGRESS UPDATE 2025/26** (Pages 25 - 30)
- 6 Q1 CORPORATE RISK MANAGEMENT REPORT 2025/26** (Pages 31 - 62)
- 7 AUDITED STATEMENT OF ACCOUNTS 2024/25** (Pages 63 - 194)
- 8 WORK PROGRAMME** (Pages 195 - 198)
- 9 URGENT BUSINESS**  
To consider any business which is urgent within the meaning of Section 100B(4) of the Local Government Act 1972

**Members:** Councillors P Waring (Chair), Burnett-Faulkner (Vice-Chair), Holland, Whieldon, Stubbs, Lewis and Reece

**Members of the Council:** If you identify any personal training/development requirements from any of the items included in this agenda or through issues raised during the meeting, please bring them to the attention of the Democratic Services Officer at the close of the meeting.

**Meeting Quorums:** Where the total membership of a committee is 12 Members or less, the quorum will be 3 members... Where the total membership is more than 12 Members, the quorum will be one quarter of the total membership.

**SUBSTITUTE MEMBER SCHEME** (Section B5 – Rule 2 of Constitution)

The Constitution provides for the appointment of Substitute members to attend Committees. The named Substitutes for this meeting are listed below:-

Substitute Members:	Parker	Northcott
	Gorton	Turnock
	S Jones	Edgington-Plunkett
	Lawley	

***If you are unable to attend this meeting and wish to appoint a Substitute to attend on your place you need to identify a Substitute member from the list above who is able to attend on your behalf***

Officers will be in attendance prior to the meeting for informal discussions on agenda items.

**NOTE:** IF THE FIRE ALARM SOUNDS, PLEASE LEAVE THE BUILDING IMMEDIATELY THROUGH THE FIRE EXIT DOORS.

ON EXITING THE BUILDING, PLEASE ASSEMBLE AT THE FRONT OF THE BUILDING BY THE STATUE OF QUEEN VICTORIA. DO NOT RE-ENTER THE BUILDING UNTIL ADVISED TO DO SO.

## **AUDIT AND STANDARDS COMMITTEE**

Monday, 14th July, 2025  
Time of Commencement: 7.00 pm

[View the agenda here](#)

[Watch the meeting here](#)

<b>Present:</b>	Councillor Paul Waring (Chair)	
Councillors:	Holland Whieldon	Stubbs Lewis
Apologies:	Councillor(s) Burnett-Faulkner and Reece	
Substitutes:	Councillor Joel Edgington-Plunkett (In place of Councillor Philip Reece)	
Officers:	Sarah Wilkes	Service Director - Finance / S151 Officer
Also in attendance:	Alex Cannon Dave Fletcher Deborah Harris	Audit Manager The Counter Fraud Manager Chief Internal Auditor
	Councillor Stephen Sweeney	Deputy Leader of the Council and Portfolio Holder - Finance, Town Centres and Growth

### 1. **APOLOGIES**

Apologies were shared as listed above.

### 2. **DECLARATIONS OF INTEREST**

There were no declarations of interest stated.

### 3. **MINUTES OF PREVIOUS MEETING**

**Resolved:** That the minutes of the meeting held on 16<sup>th</sup> June 2025 be agreed as a true and accurate record.

### 4. **ANNUAL INTERNAL AUDIT OUTTURN REPORT 2024/25**

The Chief Internal Auditor presented the Internal Audit Outturn Report including core financial systems and assurance reviews as well as how opinions were formulated and the performance was assessed.

The Counter Fraud Manager subsequently went through the fraud and corruption systems in place as detailed in appendix 2.

## **Audit and Standards Committee - 14/07/25**

Cllr Stubbs expressed his appreciation of the work of officers and asked about the UK Shared Prosperity Fund as well as Civil Contingencies and Business Continuity items in paragraph 2.5 of the covering report.

The Chief Internal Auditor confirmed this would be presented at a future meeting of the Committee once formally agreed upon.

Cllr Whieldon wondered what happened when frauds and errors were identified as part of the internal audit process.

The Counter Fraud Manager advised that these referred to issues such as duplicate invoices, which were usually detected by the system, or incorrect numbering for which the Council would ask for its money back.

In the event of recurring errors such as duplicate expense claims every month an investigation would be initiated to detect fraud and handed over to the Police in coordination with the Service Director for Finance (S151 Officer) as a key witness. Weaknesses thereby identified would also be examined and lead to recommendations to reduce risks going forward.

**Resolved:** That the outturn report containing the annual internal audit opinion for 2024/25 be received.

[Watch the debate here](#)

### **5. TREASURY MANAGEMENT ANNUAL REPORT 2024/25**

The Service Director for Finance (S151 Officer) introduced the Treasury Management Annual Report to be presented to full Council at the end of September.

Cllr Stubbs commented on the technical wording of the report which made it difficult for members to understand and express an opinion on.

The Service Director for Finance (S151 Officer) responded that the Council's Treasury Management advisors, Arlingclose Limited, had been asked to simplify the document further to complaints expressed the previous year. Certain facts and details however had to appear in the report.

The Chair asked if officers would perhaps be able to provide an overview of the report and highlight figures specifically relevant to the Council.

The Service Director for Finance (S151 Officer) advised that the Council would be looking into borrowing later in the year and information in simplified terms would be shared with members then.

The Chair suggested a couple of paragraphs in plain English could come as part of the half year report.

The Service Director for Finance (S151 Officer) confirmed this could be included.

**Resolved:** That the Treasury Management Annual Report for 2024/25 be received ahead of it being reported to Full Council on 24<sup>th</sup> September 2025.

[Watch the debate here](#)

**6. QUARTER FOUR CORPORATE RISK MANAGEMENT REPORT 2024/25**

The Service Director for Legal and Governance (Monitoring Officer) introduced the Corporate Risk Management Report for 2024/25, highlighting that the information used in Appendix A had been updated and reported to Informal Cabinet since the document was drafted and would be reflected in the September report. These related to members development arrangements with bespoke training to be provided to members in partnership with the Centre for Governance and Scrutiny.

Cllr Stubbs said he was pleased to see the Kidsgrove Town Deal on the Risk Register and asked why certain risks had increased, e.g. the Bribery Act.

The Service Director for Legal and Governance (Monitoring Officer) advised that the reasons for the increase would need to be investigated but there were overall no alarm bell in relation to bribery risk mitigation as the Audit Fraud and corruption Outturn Report showed earlier in the discussion.

Cllr Stubbs asked if more information could be provided on the one new risk recorded in relation to the Bribery Act.

The Service Director for Legal and Governance (Monitoring Officer) confirmed the details would be shared with members.

The Chair asked if there were any individual risk profiles members would like to be scrutinised in more details at the next meeting.

Members did not feel that would be necessary.

The Chair wished to conclude by reminding members that whilst the likelihood of a risk materializing may be mitigated the likely impacts may not change.

- Resolved:**
1. That there were currently 1 risk that is more than 6 months overdue for a review up to end of Q4 2024/25, be noted.
  2. That there had been 1 risk level increases, be noted.
  3. That there had been 1 new risk added, be noted.
  4. That the Corporate Risk Register profile be noted.
  5. That officers be advised of any individual risk profiles that the Committee would like to scrutinise in more details at its next meeting.
  6. That whilst the likelihood of a risk materialising may be mitigated, the likely impacts may not change, be noted.

[Watch the debate here](#)

**7. WORK PROGRAMME**

**Resolved:** That the work programme be noted.

[Watch the debate here](#)

***Audit and Standards Committee - 14/07/25***

**8. URGENT BUSINESS**

There was no urgent business.

**Councillor Paul Waring  
Chair**

Meeting concluded at 7.37 pm

## NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

### Corporate Leadership Team's Audit and Standards Committee

**29 September 2025**

**Report Title:** Health and Safety Annual Report 2024-25

**Submitted by:** Chief Executive

**Portfolios:** All

**Ward(s) affected:** All

<b><u>Purpose of the Report</u></b>	<b><u>Key Decision</u></b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
To inform members of issues and trends regarding corporate Health and Safety matters.	
<b><u>Recommendation</u></b>  <b>That Committee:-</b>  <b>1. Note the content of the report</b>	
<b><u>Reasons</u></b>  Regular updates in relation to health and safety service delivery, information and trends ensures effective review of service delivery.	

## **1. Background**

- 1.1 Attached as an appendix, is the Corporate Health and Safety Report for the period 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025

## **2. Issues**

- 2.1 Policies and guidance have been reviewed in the period as follows:
- Corporate Health and Safety Policy
  - Corporate Employee Handbook
  - Driving for Work Policy
- 2.2 Improvements have been made to digital systems to support single sign in to Target 100 system
- 2.3 Training has been successfully delivered in the following areas:

- a. First Aid
  - b. Evac Chair
  - c. Manual Handling
  - d. Controlling Officer
  - e. Online mandatory training update
- 2.4 Accidents have increased in the period but this was primarily due to unpreventable slips and trips during the cold winter. Near miss reporting has improved increasing our capacity to learn and prevent.
- 2.5 Health and Safety inspections have taken place as scheduled with an updated quantitative and qualitative approach improving data and learning.
- 2.6 All site specific committees have been held as appropriate and feedback provided to corporate health and safety committee.
- 2.7 Fire drills and resultant advice and guidance have all been undertaken in accordance with the schedule.
- 2.8 Work continues to support major refurbishment at Knutton Lane Depot

### **3. Recommendation**

- 3.1 That Committee note the content of this report.

### **4. Reasons**

- 4.1 Regular updates in relation to health and safety service delivery information and trends ensures effective review of service delivery.

### **5. Options Considered**

- 5.1 n/a

### **6. Legal and Statutory Implications**

- 6.1 The authority is required to comply with all relevant Health and Safety legislation.
- 6.2 Failure to ensure suitable and sufficient arrangements for Health and Safety may lead to investigation and/or enforcement by the Health and Safety Executive as the enforcing authority for the Council's activities.

### **7. Equality Impact Assessment**

- 7.1 Health and Safety policies apply to all Officers.

### **8. Financial and Resource Implications**

- 8.1 The majority of Health and Safety service delivery is carried out in house from existing resources. ON occasion external providers are required to conduct specialist activities.



8.2 Good Health and Safety management supports the effective management of insurance claims and liability.

## 9. Major Risks & Mitigation

6.1 None as a result of this report.

## 10. UN Sustainable Development Goals (UNSDG)



## 11. One Council

Please confirm that consideration has been given to the following programmes of work:

**One Commercial Council** ☒

*We will make investment to diversify our income and think entrepreneurially.*

**One Digital Council** ☒

*We will develop and implement a digital approach which makes it easy for all residents and businesses to engage with the Council, with our customers at the heart of every interaction.*

**One Sustainable Council** ☒

*We will deliver on our commitments to a net zero future and make all decisions with sustainability as a driving principle*

## 12. Key Decision Information

12.1 n/a

## 13. Earlier Cabinet/Committee Resolutions

13.1 n/a

**14. List of Appendices**

14.1 Appendix 1 – Annual Health and Safety Report 2024-25

**15. Background Papers**

15.1 none

Newcastle-under-Lyme Borough Council

**ANNUAL HEALTH AND SAFETY REPORT APRIL 2024 – MARCH 2025**

**1. INTRODUCTION**

- 1.1 This report outlines the current state of health and safety matters during the twelve months from 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025.

**2. POLICIES AND GUIDANCE**

- 2.1 The Corporate Health and Safety Policy was reviewed to ensure the responsible person for fire was identified as the Chief Executive and further alterations to staff changes and management structure.
- 2.2 The Corporate Employee Handbook was reviewed with updates to the fire section, the addition of invacuation and access to work referral details, guidance regarding face fit testing requirements when utilising respiratory protective equipment and an updated definition of the school leaving age to reflect changes to legislation.
- 2.3 The Driving for Work Policy was updated and a briefing note also produced to assist in the operational matters when considering the requirements for grey fleet drivers. Grey fleet driver registration has now also been implemented in conjunction with TTC Continuum to ensure all those driving for work purposes in their own vehicles are adequately licensed with all applicable vehicle inspections and insurance in place.

**3. TARGET 100**

- 3.1 Digital services assisted with the introduction of a single sign on to reduce the large number of requests for assistance in re-setting passwords and usernames. This was introduced in 2025 and so far, has been successful after initial teething problems for a small number of staff.
- 3.2 The contract was renewed by Digital Services in 2024.

## 4. HEALTH AND SAFETY TRAINING

### 4.1 The following Health and Safety Training has been undertaken –

**First aid** – further to the complete refresh of all defibrillators across the Borough, links to training videos from the British Heart Foundation on cardio-pulmonary resuscitation and St John's Ambulance defibrillator usage were posted on Connexus with cascade to operational staff via their line managers. A list of all locations was also re-posted to remind staff of the availability of the units.

**Evac chair** – Jubilee 2 kindly assisted with training staff in the use of Evac chairs at the Depot where a shortfall had been identified following staff moves to Castle House. Further training will be arranged for other locations which are due such as the Museum. Castle House provision is within the three-year recommended refresher period and Jubilee2 have multiple staff trained in both the operation and train the trainer functions which are all within date. Ongoing training may need to be resourced externally due to the constraints of staff availability from Jubilee2.

**Manual handling** – a small number of staff who were either absent from work or recruited post early 2024 training sessions were also trained by our external provider, thus providing consistency in the information delivered.

**Controlling officer** – with tenancy alterations to both the Kidsgrove Customer Service Centre and Knutton Lane Depot new staff were identified from these groups to act as controlling officer in the absence of NULBC staff presence. Once completed the site changes to Knutton Lane Depot will result in further updates to the training package, this is currently awaiting the updated fire zone plans for progression.

**Online mandatory training** – the new online training package was finalised and all staff have been reminded to complete the mandatory sections such as health and safety, fire training and display screen equipment. Uptake is being monitored via Human Resources. The Cardinus risk assessment and lone working training has now ceased with effect from the insurance provider change. It is planned to replace both with suitable training from the Human Resources links for online training packages.

## 5. ACCIDENT REPORTS –

5.1 Please see table and graph below for a summary of employee accidents excluding verbal abuse cases.

The number of accidents also excludes road traffic accidents (including those on private property classed as “hit fixed”), near misses, ill health incidents and accidents involving contractors including agency staff.

Year	Number of Accidents (employee only)	Number of Reportable (employee only)
2015/16	36	5
2016/17	34	7
2017/18	56	2
2018/19	53	3
2019/20	78	6
2020/21	64	3
2021/22	54	4
2022/23	50	8
2023/24	55	7
2024/25	75	4

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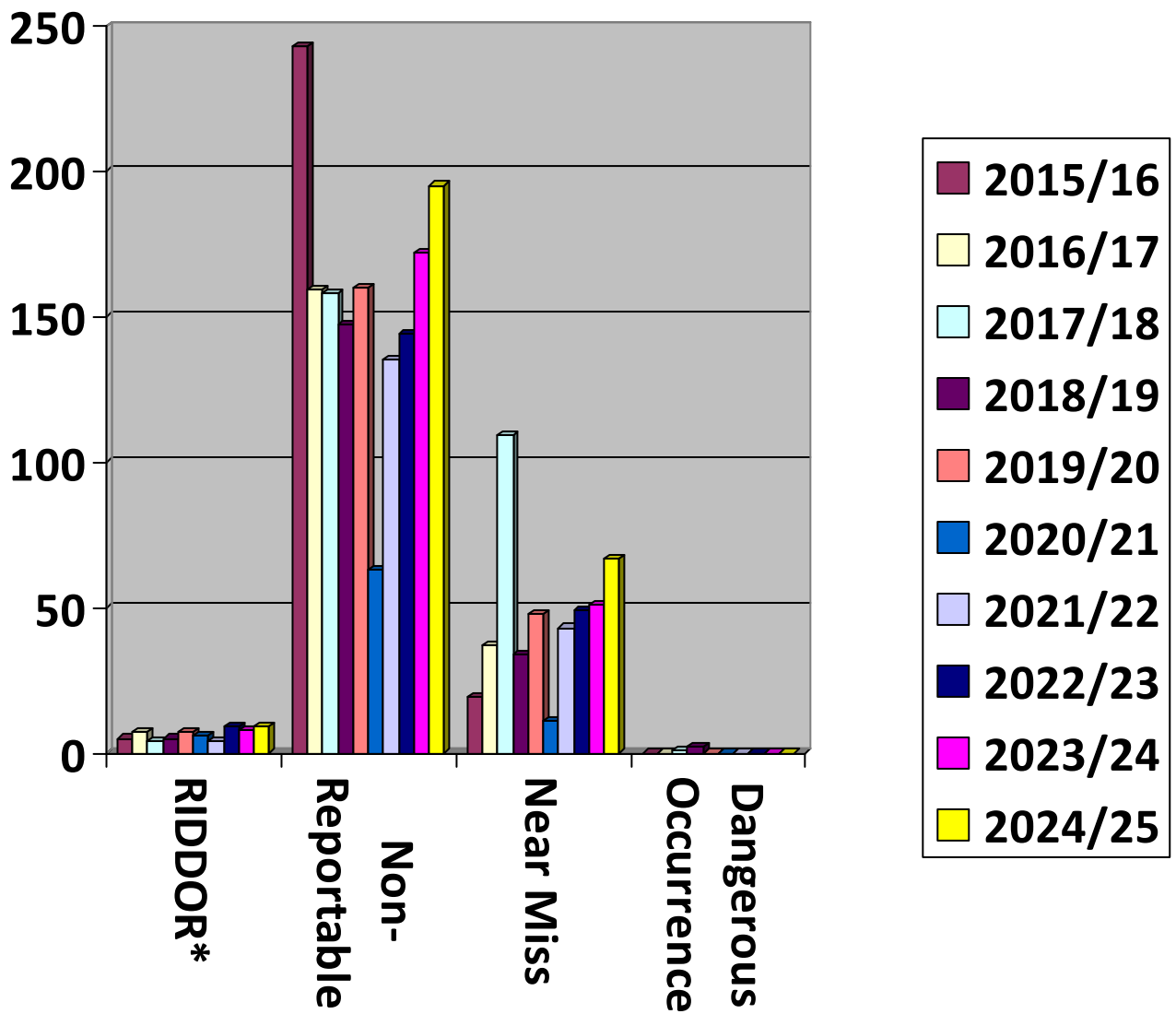
5.2 The table and graph below shows trends in all accidents (staff & members of public)

Year	RIDDOR*	Non-Reportable	Near Miss	Dangerous Occurrence
2015/16	5	243	19	0
2016/17	7	159	37	0
2017/18	4	158	109	1
2018/19	5	147	34	2
2019/20	7	160	48	0
2020/21	6	63	11	0
2021/22	4	135	43	0
2022/23	9	144	49	0
2023/24	8	172	51	0
2024/25	9	195	67	0

Despite the overall non-reportable incidents rising, the number was primarily due to an increase in slips on ice with minor injury, where typically these have historically not been reported the introduction of the vehicle monitoring cameras encourages all staff to report such incidents no matter how small.

There has also been an increase in near miss reporting. In particular near misses involving moving vehicles on the public highway which resulted in increased reports being forwarded to the Police for further intervention. The message is clear to the public, our staff need to be safe whilst undertaking duties and we will report any driving which places them at risk.

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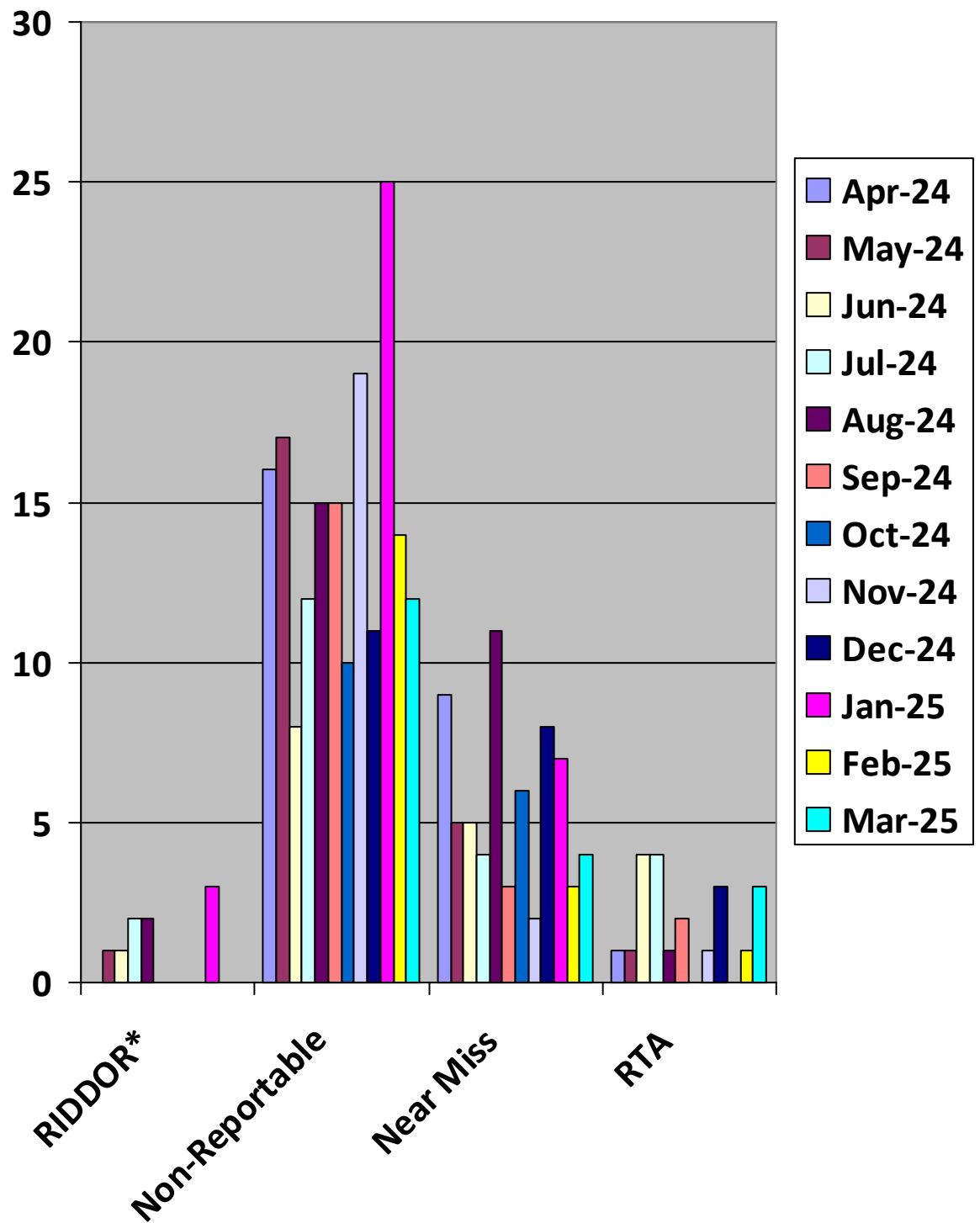
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5.3 The table and graph below shows a monthly breakdown of all accidents in 2024/25.

Month	RIDDOR	Non-Reportable	Near Miss	RTA	Dangerous Occurrence	Totals
April	0	16	9	1	0	26
May	1	17	5	1	0	24
June	1	8	5	4	0	18
July	2	12	4	4	0	22
August	2	15	11	1	0	29
September	0	15	3	2	0	20
October	0	10	6	0	0	16
November	0	19	2	1	0	22
December	0	11	8	3	0	22
January	3	25	7	0	0	35
February	0	14	3	1	0	18
March	0	12	4	3	0	19
<b>Totals</b>	<b>9</b>	<b>174</b>	<b>67</b>	<b>21</b>	<b>0</b>	<b>271</b>

\* RIDDOR - Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (Accidents which result in over a 7-day absence from work of an employee; a member of the public taken from the premises by ambulance and specified injuries (broken bones etc.) would all be reportable to the Health & Safety Executive by the Local Authority.





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5.4 RIDDOR Summary

<b>Month</b>	<b>Injured Person</b>	<b>Location</b>	<b>Incident Type</b>	<b>Remedial Action</b>
May 24	Member of public	Markets	Tripped on residual metal stump following stall removal	Stump was ground down to surface level immediately after the incident, further measures to be introduced to ensure contractor works are checked prior to final sign off
June 24	Member of public	Facilities management	Tripped on weed growth to kerb	Weed growth was identified to be within acceptable levels Inspection regime to be reviewed
July 24	Employee – over seven day injury	Markets	Crushed from falling object, poor housekeeping	Area storage reviewed and improved to prevent re-occurrence
July 24	Employee – over seven day injury	Streetscene	Manual handling	Employee reminded of content from training and the requirement to work to personal limits and request assistance when required
August 24	Member of public	Streetscene	Fall from height using play equipment	Surface ground cover refreshed to provide deeper, softer landing
August 24	Member of public	Streetscene	Crushed by bench toppling	Bench identified to be subject to vandalism Weekly inspection reports to be more vigorous with note keeping
January 25	Employee – over seven day injury	Waste and Recycling	Slipped on ice	None required – protective footwear was in use
January 25	Member of public	Bereavement Services	Slipped on ice	None required – the individual had been advised of the risk and proceeded at own risk
January 25	Employee – over seven day injury	Waste and Recycling	Slipped on ice	None required – protective footwear in use

All RIDDOR Accidents have been reported to the HSE and investigations have been completed with remedial actions undertaken where necessary as detailed above.

## **6. HEALTH AND SAFETY AUDITS & INSPECTIONS**

6.1 The Corporate Health and Safety Officer / Technical Assistant has completed inspections of the following properties –

- Jubilee 2
- Kidsgrove Customer Service Centre
- Keele Cemetery
- Bradwell Crematorium
- Waste Transfer Sections, Knutton Depot
- Streetscene Areas of the Knutton Depot
- Brampton Museum
- Knutton Lane Garage Workshop
- Markets Office
- Queen Elizabeth Park Pavilion
- Silverdale Pavilion
- Westlands Tennis Pavilion
- Wolstanton Tennis and Bowls Pavilion

6.2 The following community centres were also inspected –

- Audley Community Centre
- Butt Lane Community Centre
- Chesterton Community Centre
- Marsh Hall Community Centre
- Silverdale Community Centre
- Whitfield Community Centre
- Wye Road Community Centre

6.3 The inspection report was updated to include a quantitative as well as qualitative grading, this allows ongoing monitoring to track the standard achieved. Whilst the grade will always be subjective it does allow for a more consistent approach. It is anticipated to provide grading going forward once sufficient data has been achieved to provide a view of the performance across the sectors.

6.4 All recommendations as a result of the inspection were directed to relevant parties for action.

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### 7. KNOTTON DEPOT

7.1 The Knutton Lane Health and Safety Committee held meetings on:

- 11<sup>th</sup> April 2024
- 18<sup>th</sup> July 2024
- 10<sup>th</sup> October 2024
- 9<sup>th</sup> January 2025

7.2 Matters arising from the meetings included:-

- Depot accommodation review and resultant site alterations
- Site visits such as those undertaken by the Environment Agency
- Depot walk around findings
- Depot alterations – including department movements and proposed alterations to site infrastructure
- Accidents, incidents and near misses
- Target 100
- Training
- Site rules, inductions and parking requirements
- Buildings, utilities and infrastructure
- External yard, waste transfer station, salt yard
- Results of third party monitoring
- Aspire now attend the first section of the meeting as site tenants – mutual concerns are raised within this section

### 8. Leisure, Culture and Bereavement Services (SHE) Safety, Health and Environment Meetings –

8.1 The meetings have been established to oversee and monitor the implementation of British Standards for the management of Quality (ISO 9001), Environment (ISO 14001) and ISO 45001 (Health & Safety).

Meetings held on:

- 9<sup>th</sup> July 2024
- 7<sup>th</sup> January 2025
- 1<sup>st</sup> April 2025

8.2 During the Meetings the following points (regarding health and safety) are discussed:

- Hazards or incidents that have occurred in the organisation – pool blanket and roof repairs, sewer flies, tree damage in cemeteries following storms
- Inspections – internal and external - climbing wall inspected Mar 25, pool hoist condemned on inspection, emissions test at crematorium Aug 24, LOLER test for trollies
- New/revised legislation and guidelines.
- Risk Assessments/COSHH/Method Statements/Safe systems of work
- Financial provision for health and safety and staff welfare (including PPE)
- Fire evacuations
- Instructions and training for staff – Museum trialling invacuation procedure, crematorium technician continues to gain qualification
- Corporate Health and Safety Committee
- Any other business – solar panels fitted a the crematorium and cemetery

Minutes/Action logs from the meetings are provided for review at Corporate Health and Safety Committee meetings.

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### 9. CORPORATE HEALTH AND SAFETY COMMITTEE

9.1 The Corporate Health and Safety Committee held the following meetings during the period

- 25<sup>th</sup> April 2024
- 25<sup>th</sup> July 2024
- 24<sup>th</sup> October 2024
- 20<sup>th</sup> February 2025

9.2 The committee discussed the following items at the last meeting:

- Insurance reports
- Accidents, incidents and near misses
- Accident & insurance claims
- Target 100
- Castle House Tenants Liaison Meetings – invacuation, lift concerns, security and reception renovation
- Facilities Management updates – new facilities manager commenced, Bathpool Park dam survey, digital inductions
- Leisure and Cultural SHE / Leisure and Bereavement SHE – roof leaks, sewer flies, storm damage following storms to cemeteries, pool hoist condemned on inspection, museum trial site for invacuation procedure, emissions test for crematorium completed, solar panels installed in crematorium and cemetery.
- Knutton Lane Depot Committee – CCTV provision, fire risk strategy, hot desk provision, new arrangements following tenancy provision for Aspire
- Trade Unions – new members and discussions for trade union representation via Stoke
- Insurance renewal commencement
- Staff training
- Policies and procedures – Employee Handbook, Corporate Health and Safety Policy, Driving for Work Policy with Grey Fleet procedures and advice, Alcohol, Drugs and Substance Misuse Policy – all updated

### 10. FIRE

10.1 Fire evacuations have been completed across all sites, including community centres at various points throughout the year.

Overall compliance was obtained but some areas for development included:

- New fire zone plans required to update procedures
- Fire risk strategy for site required further to Aspire tenancy commencement
- Caste Car park electric car charging bay requires risk assessment, fire assessment completed but with outstanding issues to resolve
- Community Centres – some difficulties in the acceptance that if a drill is undertaken it will be unannounced and full evacuation should be achieved

10.2 Evac chair training has been difficult to achieve, namely due to difficulties with staff availability from Jubilee2 to deliver the training. Training was completed for the Depot in March 2025 but other sites are outstanding for refreshers. This remains an ongoing project.

## **11. EVENT SAFETY**

11.1 Environmental Health received and reviewed 37 events during the 2024-25 period. Events that have been held on Borough land by external organisations and therefore subject to review by health and safety include:

- Castle Artisan events (multiple)
- Goose Street Easter Fun Fair
- It's A Knock Out
- Bradwell lodge fun Day
- Space 24 ( multiple events)
- Park Run (multiple parks and events)
- Lantern Parade
- Christmas Lights Switch on
- Mayors charity Bonfire
- Kidsgrove Charity Bonfire
- Clayton 10K
- Keele Run
- Food and Drink Fest
- Castle Classic and retro car show
- Lyme light 24
- Christmas in Castle
- Jazz and Blues
- Junior Park Run (multiple)
- Madeley Half Marathon
- Whammy Community day

## **12. CASTLE HOUSE**

- 12.1 The invacuation alarm system remains an ongoing project. Facilities Management have been tasked with identifying suitable shrouds for the existing alarms and until these are in place and noise reduction is found suitable the process remains as the standard "Run, Hide, Tell" approach.
- 12.2 The segregation of food waste commences on the 31<sup>st</sup> March 2025 and works are ongoing with SCC for the implementation of suitable procedures.
- 12.3 The lifts have been problematic with both taken out of service simultaneously for a period of time. This has had a considerable impact on the accessibility of the building for tenants and the new manager will work with SCC to provide a consistent service.

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### **13. FIRST AID**

- 13.1 Further to an incident in Kidsgrove in relation to a defibrillator, it was established that all units within NULBC properties were outside of their ten year warranty period. Incorrect pads were also fitted, this was an issue identified with the manufacturer as the supplier stated on their website they were compatible, which was misleading.
- 13.2 All defibrillators were disposed of and new units bought to replace them.
- 13.3 Online training for both cardio-pulmonary resuscitation and the use of defibrillators was published on Connexus with local managers encouraged to share as a training package with those employees who are not online regularly.

### **14. AUDIT BY STAFFORDSHIRE COUNTY COUNCIL**

- 14.1 The audit by Staffordshire County Council of our health and safety operations was initially scheduled to commence in February 2025 however due to staff availability issues within SCC it was delayed and the initial meeting postponed until March 2025. It is anticipated this process will complete early in the next financial year with all findings delivered to the CHSC in due course.

### **15. LONE WORKING DEVICES**

- 15.1 The current lone working device contract is due to end in October 2025. The current devices are starting to fail regularly and issues with the management dashboard that supports the function are also prevalent since the system changed. It is anticipated that the contract will be terminated and procurement of a new provider will follow.

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## NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

### CORPORATE LEADERSHIP TEAM'S REPORT TO

Audit and Standards Committee  
29 September 2025

**Report Title:** 2025/26 Q1 Internal Audit Progress Update

**Submitted by:** Chief Internal Auditor

**Portfolios:** All

**Ward(s) affected:** All

<b><u>Purpose of the Report</u></b>	<b><u>Key Decision</u></b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
This report provides an update on Internal Audit progress in relation to the 2025/26 Internal Audit Plan for the period from 1 April 2025 to 30 June 2025.			
<b><u>Recommendation</u></b>			
<b>That Committee:</b>			
<b>1. Note progress against the 2025/26 Internal Audit Plan.</b>			
<b><u>Reasons</u></b>			
The role of Internal Audit is to ensure that the Council has assurance that controls are in place and operating effectively across all Council Services and Departments.			

## **1. Background**

- 1.1** This first progress report for 2025/26 is submitted to the Audit and Standards Committee as part of our ongoing commitment to providing robust and transparent oversight of internal control, risk management, and governance processes within the Council. The internal audit function plays a critical role in ensuring that the Council operates in compliance with relevant laws, regulations, and internal policies, while also seeking to enhance the efficiency and effectiveness of its operations.
- 1.2** This report provides an overview of the activities undertaken by Internal Audit from 1 April 2025 to 30 June 2025. The purpose of the progress report is to outline the progress made against the approved Internal Audit Plan for the year, highlight any significant findings and emerging risks identified during the audits conducted, and provide an update on the implementation of management actions in response to previous audit recommendations.

- 1.3** During this period, Internal Audit's primary focus has been to schedule and initiate as many audits as possible, with planning already underway for several. This process has included defining and agreeing upon the objectives and scope for the audits. It's important to note that our schedule typically allocates more financial focused audits from Q3. Therefore, this limited progress during Q1 is fully in line with our expectations. To provide further assurance, we can report that significant progress has been made on multiple audits during Q2, with some already having completed fieldwork and progressing to draft report. We will provide a more detailed update on our Q2 progress at the next committee meeting.
- 1.4** This report is intended to support the Audit and Standards Committee in fulfilling its oversight responsibilities by providing assurance that appropriate controls are in place, that risks are being managed effectively, and that the Council is continuously improving its governance practices. The report also seeks to identify areas where further attention or action may be required to address emerging issues or gaps in control.

## **2. Issues**

### Completed Audit Reviews

- 2.1** No audits have been completed during this period.

### Progress of the Internal Audit Plan

- 2.2** Delivery against the 2025/26 audit plan up to 30 June 2025 is summarised below.

Directorate	Audit	Status
<b>Commercial Delivery</b>	Regeneration Schemes	Scheduled Planning Commenced
<b>Finance</b>	Budgetary Control	Scheduled
	Main Accounting	Not Started
	Management of Capital Programme & Budgets	Scheduled
	Accounts Receivable including Debt Management	Not Started
	Treasury Management - Borrowing	Scheduled
	E-Payment	Not Started
<b>IT &amp; Digital</b>	Cyber - Incident Preparedness and Response Effectiveness	Scheduled Planning Commenced
	New Customer Relationship Management System	Scheduled Planning Commenced
	Azure	Not Started
	Cyber Assurance - Third Party Access	Not Started
<b>Legal and Governance</b>	Local Government Reorganisation and Devolution	Not Started
	Delivering Good Governance - Corporate Decision Making Arrangements	Not Started
	Compliance with the Code of Practice on Good Governance for LA Statutory Officers	Not Started
<b>Neighbourhood Delivery</b>	Supported Accommodation	Not Started

	Newcastle Partnership - Community Safety	Not Started
	Council Tax	Not Started
<b>Planning</b>	Planning Appeals	Scheduled
<b>Regulatory Services</b>	Taxi Licensing	Scheduled
	Homelessness and Rough Sleepers Grants	Scheduled
	Disabled Facilities Grant	Scheduled
<b>Strategy, People &amp; Performance</b>	Workforce Sustainability	
	Civil Contingencies	Scheduled
	Use of Agency Staff and Consultants	Not Started
	Payroll	Scheduled Planning Commenced
	Lone Working	Scheduled
<b>Sustainable Environment</b>	New Fleet Management System - Advisory	Not Started
	Sustainable Environment Strategy	Scheduled Planning Commenced

#### Counter Fraud

**2.3** The 2025/26 Audit Plan also includes 40 days allocated to counter fraud activities. This work is managed by Staffordshire County Council's Audit Manager – Fraud.

**2.4** The County Council has received a total of 8 referrals from members of the public reporting potential frauds. These predominately revolve around the fraudulent claiming of benefits. These reports are carefully triaged in line with our established fraud response processes and through liaising with the Council's Customer Hub Manager and other external agencies where relevant.

**2.5** There are currently no fraud concerns that require formal reporting to the Audit and Standards Committee. Internal Audit will continue to triage each report it receives and will continue to consider and evaluate fraud related risks in each audit review. Any significant developments will be promptly reported to the Audit and Standards Committee in future updates.

#### Cancelled Audits

**2.6** No audits have been cancelled during this period

#### Recommendations

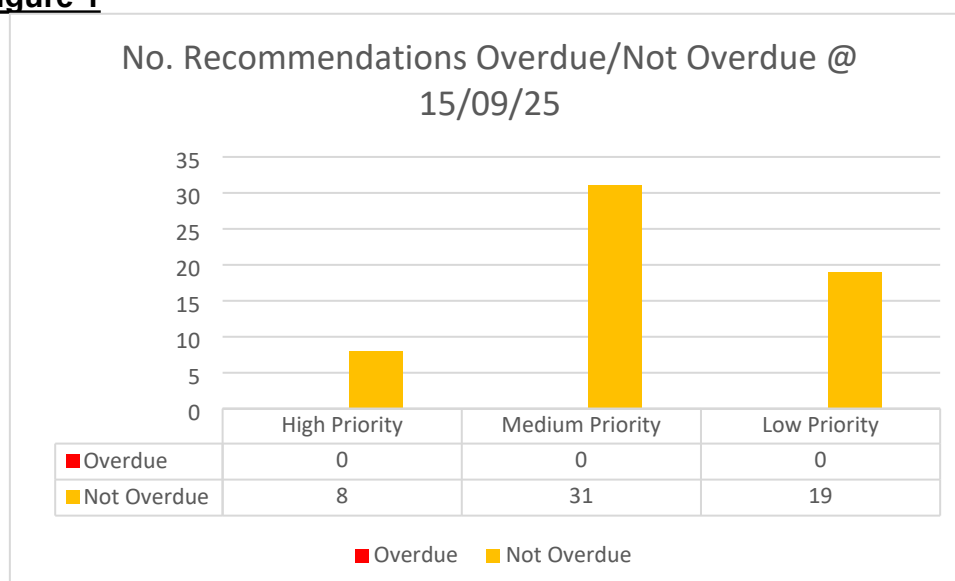
**2.7** As of 12 September 2025, there are 111 audit recommendations that are being tracked, the status of these are summaries below:

Area	Total	Implemented	Risk Accepted	Superseded	Not Yet Implemented	
					Not Overdue	Overdue*
Commercial Delivery	15	4	3	0	8	0
Neighbourhoods	12	7	1	0	4	0
Regulatory	12	8	0	0	4	0

Services						
IT & Digital	34	10	0	1	23	0
Strategy, People & Performance	18	2	0	1	15	0
Legal and Governance	10	10	0	0	0	0
Sustainable Environment	10	6	0	0	4	0
<b>Total</b>	<b>111</b>	<b>47</b>	<b>4</b>	<b>2</b>	<b>58</b>	<b>0</b>
	%	42	4	2	52	0

**2.8** Figure 1 below shows the number of high, medium and low priority recommendations which have not yet been implemented (outstanding), and their status as either overdue or not overdue.

**Figure 1**



**2.9** No recommendations are currently overdue.

### **3. Recommendation**

**3.1** The internal audit plan for 2025/26 remains under review to ensure best use of available resources.

### **4. Reasons**

**4.1** The audit plan is monitored on a regular basis to ensure that it is achievable and reflects the key risks affecting the council.

### **5. Options Considered**

**5.1** None.

### **6. Legal and Statutory Implications**

- 6.1 Whilst there are no direct implications arising from this report, the Accounts and Audit Regulations 2015 specifically require that a relevant body must “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices”.

## 7. Equality Impact Assessment

- 7.1 There are no direct implications arising from this report.

## 8. Financial and Resource Implications

- 8.1 The service is currently on target to be provided within budget. The financial implications resulting from the recommendations made within audit reports will be highlighted within individual reports wherever possible. It is the responsibility of managers receiving audit reports to take account of these financial implications, and to take the appropriate action.

## 9. Major Risks & Mitigation

- 9.1 Internal Audit objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. Where relevant, the results of individual reviews will link into the Annual Governance Statement, providing assurance on the operation of key controls. Internal Audit will continue to align its work with the Corporate Risk Register.
- 9.2 Continual review of the work contained within the audit plan ensures that where necessary adjustments are made to provide the most appropriate coverage.

## 10. UN Sustainable Development Goals (UNSDG)

- 10.1 The Internal Audit and Counter Fraud Arrangement via Staffordshire County Council and the Fraud Hub supports UNSG and Climate Change objectives in a number of ways. Principally, through partnership working and supporting sustainable cities and communities via the correct use of public monies. The following UNSGs are supported.



## 11. One Council

Please confirm that consideration has been given to the following programmes of work:

One Commercial Council ☒

*We will make investment to diversify our income and think entrepreneurially.*

One Digital Council ☒

*We will develop and implement a digital approach which makes it easy for all residents and businesses to engage with the Council, with our customers at the heart of every interaction.*

One Green Council ☒

*We will deliver on our commitments to a net zero future and make all decisions with sustainability as a driving principle.*

**12. Key Decision Information**

**12.1** Not Applicable.

**13. Earlier Cabinet/Committee Resolutions**

**13.1** Approval of the Internal Audit Plan for 2025/26 (Audit and Standards Committee April 2025).

**14. List of Appendices**

**14.1** None

**15. Background Papers**

**15.1** Internal Audit Plan 2025/26.

## NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

### CORPORATE LEADERSHIP TEAM'S REPORT TO THE AUDIT & STANDARDS COMMITTEE

29 September 2025

**Report Title:** Corporate Risk Management Report Quarter 1 2025/26

**Submitted by:** Corporate Leadership Team

**Portfolios:** Finance, Town Centres and Growth

**Ward(s) affected:** All

#### **Purpose of the Report**

**Key Decision** Yes ☐ No ☒

To update Members on the current position in respect of risk management controls and identified corporate risks.

#### **Recommendation**

**That the Audit & Standards Committee:**

1. Note that there are currently NO risks that are more than 6 months overdue for a review up to end of Q1 2025/26.
2. Note that there have been NO risk level increases.
3. Note there have been 2 new risks added.
4. Note the Corporate Risk Register profile.
5. Advise officers of any individual risk profiles that the Committee would like to scrutinise in more details at its next meeting.
6. Note that whilst the likelihood of a risk materialising may be mitigated, the likely impacts may not change.

#### **Reasons**

To comply with Audit and Risk Management Strategy requirements to report to committee: risk reviews that are more than 6 months overdue; the Corporate Risk Register; and any risks that have been increased in rating to a medium D or high E, or are new risks.

## **1. Background**

- 1.1** The Council's Risk Management Strategy (RMS) sets out how it identifies, records, manages and reports on risk. It uses the GRACE software (Governance Risk and Control Environment) to monitor and manage all of its risks by creating individual risk profiles which rank risk based on likely occurrence and impact, after applying relevant mitigation measures. The system allows for the creation and monitoring of mitigation action plans and the assignment of risk owners.
- 1.2** The system allows risks to be managed in this way at service and directorate level and, where warranted, corporately through the Corporate Leadership Team and this committee. The RMS describes how risks are escalated and reported through that hierarchy depending on the nature of the risk, and in light of any delays in reviewing risk profiles or applying mitigation measures.
- 1.3** The Council currently reviews its high (red) risks at least monthly and its medium (amber) risks at least quarterly. The RMS and good audit practice requires that amber and red risks are reported to this committee where escalation is required, along with any risk profiles that are overdue for review by 6 months or more. This set of measures was last reported to this Committee on 14 July 2025.
- 1.4** GRACE automatically prompts Risk Owners to review their risk profiles at the required intervals, and will escalate overdue reviews. The review process involves the Council's Risk Champion challenging Risk Owners in respect of the controls, further actions, ratings and emerging risks related to their risk profiles. They are also challenged on the reasons for inclusion or non-inclusion of risks and amendments made to profiles. The Risk Champion has a direct reporting line to the Monitoring Officer and into the Corporate Leadership Team.
- 1.5** Project specific risks are managed to a high level in project specific risk registers, and are reviewed in accordance with the RMS at least monthly. Any specific projects can, where required, also have their risks monitored, maintained and managed in the Project Board meetings, but remain subject to the escalation requirements in the RMS.

## **2. Issues**

- 2.1** There are currently NO overdue risk reviews of more than 6 months at the end of Q1 2025/26.
- 2.2** During the last quarter (Q1), NO risks rose in priority to a Medium D or High E.
- 2.3** In the same respect, there have been 2 new risks added, as shown below in Table 1. Further detail on these risks is set out in Appendix A to this report.



Profile	Risk	Final Rating	Risk Owner
Corporate Risks	Supported Accommodation	High E	Roger Tait
Corporate Risks	Town Centre Regeneration/Development Failure	Medium C	Simon McEneny

*Table 1: New Risks, Q1 2025/2026*

**2.4** The Corporate Risk Register has been reviewed, and there has been no change.

### **3. Recommendation**

- 3.1** That Members note that there are currently NO risks more than 6 months overdue for a review up to end of Q1 2025/26.
- 3.2** That Members note that there have been NO risk level increase to either a Medium D or a High E.
- 3.3** That Members note the 2 new risks. Appendix A shows the risk matrix and details.
- 3.4** That Members note the Corporate Risk register. Appendix B shows the status as at the last review on 18 July 2025.
- 3.5** That Members advise officers of any individual risk profiles that the Committee would like to scrutinise in more details at its next meeting.
- 3.6** Note that whilst the likelihood of a risk materialising may be mitigated, the likely impacts may not change.

### **4. Reasons**

- 4.1** To comply with Audit and Risk Management Strategy requirements to report to committee: risk reviews that are more than 6 months overdue; the Corporate Risk Register; and any risks that have been increased in rating to a medium D or high E, or are new risks.

### **5. Options Considered**

- 5.1** N/A. Reporting is undertaken in accordance with the RMS.

### **6. Legal and Statutory Implications**

- 6.1** It is considered that the RMS and the procedures it sets out, including the escalation of risks and reporting to this committee satisfies the requirements of the Accounts and Audit (England) Regulations 2015 which state that:

*“The relevant body **is** responsible for ensuring that it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective, and includes effective arrangements for the management of risk”.*

## **7. Equality Impact Assessment**

**7.1** There are no differential equality impact issues in relation to this report.

## **8. Financial and Resource Implications**

**8.1** There are no resource implications in respect of the management and reporting of risk, outside of usual establishment provision for the costs of delivering that service. Finance and resource implications arising from particular risks are identified and managed as part of the risk profile in question.

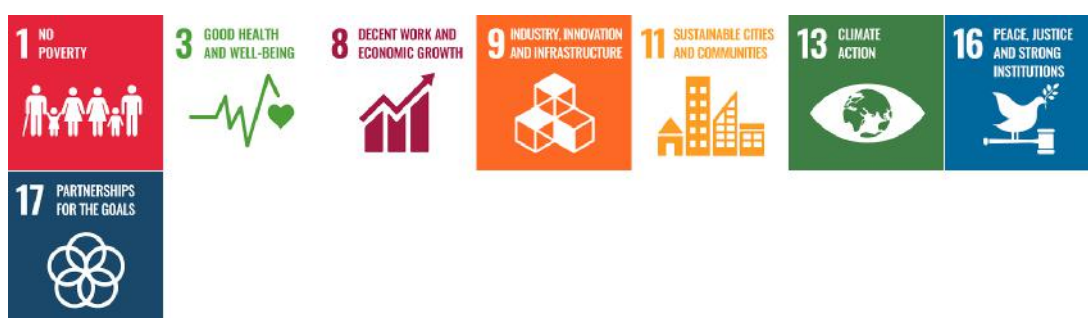
## **9. Major Risks & Mitigation**

**9.1** Limited resource to ensure timely compliance with the processes in the RMS leaves the council unable to appropriately identify and manage a potentially significant wide range of risks.

**9.2** That could lead to a wide range of organisational governance and service or project delivery failures. Impacts could be profound in financial and health and wellbeing terms for the organisation, its employees and partners and the people and organisations it delivers services to. It could mean the Council may be unable to comply with the legal requirements set out above in respect of the management of risk.

## **10. UN Sustainable Development Goals (UNSDG)**

**10.1** Good risk management is a key part of the overall delivery of the Council’s four corporate priorities of; Local Services that Work for Local People, Growing our People and Places, a Healthy, Active and Safe Borough, a Town Centre for all. Officers assess sustainability and climate change implications as part of their local services.



**11. One Council**

Please confirm that consideration has been given to the following programmes of work:

One Commercial Council ☒

One Digital Council ☒

One Green Council ☒

**12. Key Decision Information**

12.1 N/A

**13. Earlier Cabinet/Committee Resolutions**

13.1 Previous Minutes from Committee meeting held on 03 February 2025.

**14. List of Appendices**

14.1 Appendix A – New risks & matrices.

14.2 Appendix B – Corporate Risk Register.

**15. Background Papers**

15.1 None.

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Risk		Supported Accommodation					
Likelihood	H			R/G	Impact Measures		
	M			T	Risk Description		
	L				Potential Consequences		
		L	M	H	Implication		
		Impact			Risk Owners		
					Risk Rating (G)		Last Review
					Final Risk Rating (R)		Next Review
					Target Risk Level (T)		Treatment
					Path		

Objectives		Key Controls Identified	
1 - One Council delivering for Local People	Corporate	Compliance	
		Consultancy advice	
3 - Healthy, Active and Safe communities	Corporate	Gateway process	
		Single point of contact	
		Staff support	

Action Plans					
	Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Review list of providers	Prioritise Registered Providers in the current list of suppliers, as they are likely to be lower risk for any inflated claims	Planned	Rosie Bloor Gareth Humphreys	31/07/2025	
Staff resource	Explore opportunities for additional staff resource to progress the reviews of existing HB claims and new providers	Planned	Roger Tait	31/07/2025	Informal chat with different suppliers for staff availability and costings.



Risk		Air Quality					
Likelihood	H			G	<div><div>Impact Measures</div><div>Risk Description</div><div>Potential Consequences</div><div>Implication</div><div>Risk Owners</div><div>Risk Rating (G)</div><div>Final Risk Rating (R)</div><div>Target Risk Level (T)</div><div>Path</div></div>		
	M						
	L			R/T			
		L	M	H			
		Impact					
				Failure to comply with the Government Directive Timetable			
				* Failure to deliver within prescribed timescale, failure to safeguard health, failure to identify alternatives to CAZ, failure to deliver to standard required.			
				* Failure to comply with Directive Timetable and requirements may result in legal action by Government and Client Earth against the Council.			
				* Failure by UK Government to satisfy ECJ may lead to fines being passed down to failing LA's under Localism Act.			
				*Failure to deliver existing workload commitments and statutory duties.			
				Damage to health / potential legal challenge and further action by Government including intervention in LA Air Quality function. Significant financial implications. Lack of Public Confidence. Reputational damage. Fines if passed down are likely to adversely impact council services. Failure to deliver existing workload commitments and statutory duties			
				Nesta Barker; Gordon Mole			
		Risk Rating (G)		High Red E		Last Review	18/07/2025
		Final Risk Rating (R)		Medium Amber C		Next Review	16/10/2025
		Target Risk Level (T)		Medium Amber C		Treatment	Tolerate
		Path		Corporate Risks/Newcastle Under Lyme			

Objectives		Key Controls Identified	
1 - One Council delivering for Local People	Corporate	Air Quality project	
		Specific risks highlighted in EH profile	
3 - Healthy, Active and Safe communities	Corporate		

Action Plans					
Action Plan Description		Action Plan Type	Action Plan Owner	Due for Completion by	Comments

## Breach of health and safety

Likelihood	H			G
	M			
	L			R/T
		L	M	H
Impact				

### Impact Measures

**Risk Description** Failure to comply with relevant health and safety legislation.

**Potential Consequences** Death or harm to staff, contractors or members of the public. Third party intervention.

**Implication** Reputation. Financial. Legal.

**Risk Owners** Georgina Evans-Stadward

**Risk Rating (G)** High Red E

**Last Review** 04/09/2025

**Final Risk Rating (R)** Medium Amber C

**Next Review** 03/12/2025

**Target Risk Level (T)** Medium Amber C

**Treatment** Treat

**Path** Corporate Risks/Newcastle Under Lyme

## Objectives

1 - One Council delivering for Local People

Corporate

2 - A successful and sustainable growing Borough

Corporate

3 - Healthy, Active and Safe communities

Corporate

4 - Town Centres for all

Corporate

## Key Controls Identified

Home-working risk assessments

Health & Safety Policy and Employees Handbook

Target 100 corporate H&S system

Internal training policies, EDR, annual training audit, training resources secured, relevant training provided.

Health & Safety officer post on establishment.

Inspection programme of premises.

Incident Management Team

Liaison with external bodies.

Update seminars, professional membership, access to legislation and reference materials, support from legal services

Corporate Health & Safety Committee including senior representation.

Corporate Business Continuity Plan

Comprehensive refresher training programme completed

Health and Safety sub-committees established and operational

## Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Monitoring home-working risk assessments	Ask T100 to try to identify staff who have completed the home-working risk assessment and follow up with those who haven't	Ongoing	Georgina Evans-Stadward	01/04/2026	



Risk Community Cohesion

Likelihood	H				Impact Measures	
	M				Risk Description	
	L				Potential Consequences	
		L	M	H	Implication	
					Risk Owners	
					Risk Rating (G)	
					Final Risk Rating (R)	
					Target Risk Level (T)	
					Path	

Objectives

3 - Healthy, Active and Safe communities	Corporate
4 - Town Centres for all	Corporate

Key Controls Identified

Multi-Agency Response plan  
Partners and Partnership working

Action Plans

Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
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## Corporate Governance

H			
M			G
L			R/T
	L	M	H

Impact

### Impact Measures

**Risk Description** Failure of Corporate Governance exposes the Council to financial, legal or reputational risk.

**Potential Consequences** Loss of organisational capacity

**Implication**  
Financial implications  
Legal challenges  
Reputation damage  
Government intervention

**Risk Owners** Anthony Harold

**Risk Rating (G)** Medium Amber D

**Last Review** 18/07/2025

**Final Risk Rating (R)** Medium Amber C

**Next Review** 16/10/2025

**Target Risk Level (T)** Medium Amber C

**Treatment** Treat

**Path** Corporate Risks/Newcastle Under Lyme

## Objectives

1 - One Council delivering for Local People

Corporate

2 - A successful and sustainable growing Borough

Corporate

3 - Healthy, Active and Safe communities

Corporate

4 - Town Centres for all

Corporate

## Key Controls Identified

Audit & Standards Committee

Advice obtained from external bodies as and when required

Corporate Leadership Team

Internal Audit inspections

Monitoring Officer

Effective scrutiny arrangements

Scrutiny Protocol

## Action Plans

Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Review of the Scrutiny Protocol To complete the review of the protocol for the council,	Planned	Anthony Harold	30/09/2025	In discussion for external training for Members.

Risk Cyber risk

Likelihood	H			G	<b>Impact Measures</b> <b>Risk Description</b>  The Council's infrastructure could be compromised by the introduction of malicious software. This could include a traditional destructive virus or another type of incursion such as information gathering software, ransomware, credential harvesting, etc. The threat from Cyber terrorism continues to increase on a global scale and by July 2017, two high profile, highly effective ransomware attacks had already taken place, crippling organisations in both the public and private sector. Everything from non-criminal system failures to criminal activities (be they first or third party) can impact on our ability to operate. •With the new GDPR legislation the risks associated with breaches, made worse by non-compliance to security standards and general best practice, have increased the need to understand our risk landscapes and mitigate them as appropriate.  <b>Potential Consequences</b> •The impact of these events can have financial, operational, strategic, compliance, criminal, and reputation impacts.  <b>Implication</b>  This risk implies that the Council's network or infrastructure has been compromised and an unknown threat actor who has successfully introduced malicious software such as a virus or ransomware to our environment. It should also be considered that this introduction has or will disrupt services or otherwise compromise the Council's information systems over an undetermined period.  The malicious software could have been introduced in any number of ways, such as by a member of staff clicking on a link within an email, the opening of a malicious file or the failure of ICT or a service provider to sufficiently patch and update vulnerable systems. There is also the potential for an attack to make use of a zero-day exploit - something which takes advantage of a previously unknown vulnerability, for which there is no immediate fix or protection.
	M			R	
	L			T	
		L	M	H	
Impact					<b>Risk Owners</b> Sam Clark; Gordon Mole <b>Risk Rating (G)</b> High Red E <b>Last Review</b> 04/09/2025 <b>Final Risk Rating (R)</b> Medium Amber D <b>Next Review</b> 03/12/2025 <b>Target Risk Level (T)</b> Medium Amber C <b>Treatment</b> Treat <b>Path</b> Corporate Risks/Newcastle Under Lyme

Objectives

1 - One Council delivering for Local People	Corporate
2 - A successful and sustainable growing Borough	Corporate
3 - Healthy, Active and Safe communities	Corporate
4 - Town Centres for all	Corporate

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### Key Controls Identified

Staff awareness  
Internet and email policies  
Anti-Virus scanning at internet gateway  
Anti-Virus software  
Comprehensive Information Security policies  
Blocking of Removable Media  
Mandatory Information Security training for staff  
Information Security Group  
Penetration testing  
Receive Gov Cert UK Warnings from NCSC  
Use of Government CNS service  
Anti-Ransomware software  
Patch management  
Use of Virtualised Environments  
Attendance at West Midlands WARP (West Midlands Warning and Reports Procedures Group)  
Corporate Business Continuity Plan  
Location Sign-ins  
Security Operations Centre

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## Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Cyber Certifications	The council should consider the implementation of cyber security based frameworks and certifications, such as Cyber Essentials, NIST, ISO27001.	Ongoing	Sam Clark	01/10/2025	<p>11/23 - Currently working to identify some suitable frameworks. Each have their own associated costs and certification processes.</p> <p>04/24 - Work continuing on selection of relevant frameworks that will be incorporated in the migration to Azure to ensure alignment with security best practice.</p> <p>18/10 - migrations underway to move to a new device platform.</p> <p>May 2025 - Work continuing on moving devices over to Intune. As part of this, the Council will be able to achieve NIST and Cyber Essentials Plus.</p>
Procure Cyber Insurance	<p>The Council does not currently have a Cyber Insurance policy in place. This provides significant financial risk to the council in the event of a cyber incident.</p> <p>The key challenges faced by the council in procuring cyber insurance has been the financial cost of such policies, alongside the technical requirements of such policies. For example, most policies require the alignment to a cyber framework or for certain security controls to be in place.</p>	Planned	Annette Bailey Sam Clark	01/11/2025	<p>July 2025 - Work continuing on meeting the required IT security standards and certifications.</p> <p>16/08 - to be picked up as part of the cyber security briefing to IC.</p> <p>May 2025 - Work is ongoing to review this. Liaising with Jane from Insurance around requirements to procure. There is still a heavy reliance upon the Council holding cyber certifications so these will need to be in place before procurement.</p> <p>July 2025 - no change. Work on going to review requirements of insurance providers.</p>

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## Risk Data Breach

Likelihood	H			G
	M			R
	L			T
		L	M	H
Impact				

### Impact Measures

<b>Risk Description</b>	Non-compliance with the Data Protection Act and and General Data Protection Act		
<b>Potential Consequences</b>	Potential unlimited fines and damage to reputation. Death and safeguarding issues.		
<b>Implication</b>	Financial, Legal, Reputation, Criminal,		
<b>Risk Owners</b>	Sam Clark; Anthony Harold		
<b>Risk Rating (G)</b>	High Red E	<b>Last Review</b>	04/09/2025
<b>Final Risk Rating (R)</b>	Medium Amber D	<b>Next Review</b>	03/12/2025
<b>Target Risk Level (T)</b>	Medium Amber C	<b>Treatment</b>	Treat
<b>Path</b>	Corporate Risks/Newcastle Under Lyme		

## Objectives

1 - One Council delivering for Local People

Corporate

## Key Controls Identified

Action plan produced  
Corporate Business Continuity Plan  
Information Governance Group Formed  
Training available

## Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
GDPR Training	Continue a corporate push on GDPR training as a mandatory training package.	Ongoing	Sam Clark Georgina Evans-Stadward	01/10/2025	
Review of GDPR policies	A wider review of GDPR policies required, including information security, data retention and disposal, FOI, SAR etc.	Ongoing	Sam Clark Julie Hallam Jackie Johnston	30/09/2025	

Risk Failure of a Structure

Likelihood	H				Impact Measures		
	M				Risk Description		
	L				Potential Consequences		
		L	M	H	Implication		
					Risk Owners		
					Risk Rating (G)		Last Review
					Final Risk Rating (R)		Next Review
					Target Risk Level (T)		Treatment
					Path		

Objectives

3 - Healthy, Active and Safe communities

Corporate

Key Controls Identified

- Corporate Business Continuity Plan
- Regular joint agency review meetings
- Regular vegetation removal
- Regular water drainage from the Sluice 'tap'
- Survey Work on Structure

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Monitoring of Structures	Monitoring of structures through partnership working and agreed monitoring schedule	Ongoing	Simon McEneny	26/09/2025	

## Risk Failure to deliver the Environmental Sustainability Action Plan

Likelihood	H			
	M		G	
	L		R/T	
		L	M	H
Impact				

### Impact Measures

### Risk Description

Failure to achieve the most economic energy & fuel price tariffs for the council; Failure of the Council to audit and report on its Carbon Emmissions to Central Government;  
Failure of the council to achieve statutory reductions in carbon emissions; Inefficient use of energy at the council; Insufficient finance to implement the Carbon Reduction Programme

### Potential Consequences

Failure to achieve anticipated savings in energy and fuel consumption. Outcomes not realised and reputational damage to the council. Increased cost to the council.  
Failure to comply with the council's Environmental Sustainability Strategy. Failure to achieve Value for Money. Adverse impact on other budgets/service areas. Non compliance with statutory legislation. Inability to evaluate the level of success of the Carbon Management Programme.

### Implication

Financial. Reputation. Legal. Political. Governmental (watching brief with the change in July 2024 Government - may amend the targets, timelines and grant funding)

### Risk Owners

Andrew Bird

### Risk Rating (G)

Medium Amber C

### Last Review

18/07/2025

### Final Risk Rating (R)

Low Green B

### Next Review

14/01/2026

### Target Risk Level (T)

Low Green B

### Treatment

Tolerate

### Path

Corporate Risks/Newcastle Under Lyme

## Objectives

1 - One Council delivering for Local People

Corporate

2 - A successful and sustainable growing Borough

Corporate

3 - Healthy, Active and Safe communities

Corporate

4 - Town Centres for all

Corporate

## Key Controls Identified

Annual allocation of capital funding

Carbon Monitoring of 6 NULBC sites via Wi Beees

Energy data loggers in place at all the council buildings with a high energy use

Energy purchase contract in place

Energy reduction report re J2 completed with actions for completion

Environmental Sustainability Action Plan Working Group in place

Government Sep 2022 Business Energy Relief (cap) Scheme

Monitoring and Reporting

Ongoing introduction of low-energy products

PIR light control switches in use in main buildings

Pro-active energy management by FM team

Sustainable environment strategy meetings established

Utilisation of information to control energy usage



**Action Plans**

Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
-------------------------	------------------	-------------------	-----------------------	----------

## Financial Risk

Likelihood	H			G
	M			R
	L			T
	L	M	H	
	Impact			

### Impact Measures

**Risk Description** Council's financial position is unsustainable in the medium to long term.

**Potential Consequences** Council unable to provide anything other than statutory (core) services.

**Implication** Reputation damage.  
Government intervention.

**Risk Owners** Sarah Wilkes

**Risk Rating (G)** High Red E

**Final Risk Rating (R)** Medium Amber D

**Target Risk Level (T)** Medium Amber C

**Path** Corporate Risks/Newcastle Under Lyme

**Last Review** 04/09/2025

**Next Review** 03/12/2025

**Treatment** Tolerate

## Objectives

1 - One Council delivering for Local People	Corporate
2 - A successful and sustainable growing Borough	Corporate
3 - Healthy, Active and Safe communities	Corporate
4 - Town Centres for all	Corporate

## Key Controls Identified

Adequate level of reserves and balances  
Regular financial risk assessments  
Realistic medium term financial plan  
Corporate Leadership Team  
Corporate Business Continuity Plan

## Action Plans

Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
-------------------------	------------------	-------------------	-----------------------	----------

Risk Kidsgrove Sports Centre

Likelihood	H				Impact Measures	
	M				Risk Description	
	L				Potential Consequences	
		L	M	H	Implication	
					Risk Owners	
					Risk Rating (G)	
					Final Risk Rating (R)	
					Target Risk Level (T)	
					Path	

Objectives

1 - One Council delivering for Local People	Corporate
2 - A successful and sustainable growing Borough	Corporate
3 - Healthy, Active and Safe communities	Corporate
4 - Town Centres for all	Corporate

Key Controls Identified

Draw-down fund
Management Agreement

Action Plans

Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Ensure contract management takes place	Planned	Joanne Halliday Craig Turner	26/09/2025	Latest copy of accounts received, however checks need to be made by ksc, then procedure to be followed in accordance with the agreement.

## Loss of major contractor

Likelihood	H			
	M			R/G
	L			T
		L	M	H
Impact				

### Impact Measures

**Risk Description** Loss of major contractor or supplier to the Council.

**Potential Consequences** Disruption to service; Potential claims

**Implication** Reputation damage; Financial costs;

**Risk Owners** Gordon Mole

**Risk Rating (G)** Medium Amber D

**Last Review** 04/09/2025

**Final Risk Rating (R)** Medium Amber D

**Next Review** 03/12/2025

**Target Risk Level (T)** Medium Amber C

**Treatment** Treat

**Path** Corporate Risks/Newcastle Under Lyme

## Objectives

1 - One Council delivering for Local People

Corporate

2 - A successful and sustainable growing Borough

Corporate

3 - Healthy, Active and Safe communities

Corporate

4 - Town Centres for all

Corporate

## Key Controls Identified

Market intelligence

Continuous monitoring of contracts and annual credit check

Contracts register in place

Corporate Procurement Officer & Procurement Strategy

Corporate Business Continuity Plan

---

**Action Plans**

	Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Critical supplier lists monitor and review	Contract Register updated and circulated as appropriate. As an aside alerts are received on specified organisations if anything changes - e.g. credit ratings, risk ratings etc.	Ongoing	Simon Sowerby	30/09/2025	If there is concern in the annual credit rating and/or a change throughout the year, a recommendation would be an initial meeting with the supplier to try and understand the background to the changes and if this warrants secondary action i.e. obtaining market intelligence of possible slick and quick routes to market/direct awards, considerations on mitigating the risk by introducing alternate provision/providers to lessen the impact of a major contractor failing. This would however need the Service Director and/or Business Manager to review their specification of requirements and possibly monitor their existing supplier base more closely.

---

## No.1 London Road

Likelihood	H			G
	M			
	L			R/T
		L	M	H

Impact

### Impact Measures

### Risk Description

The displacement of residents of the property, and those in the surrounding areas, including businesses, due to a major fire incident. The Borough Council would be a Cat2 responder for the incident, but a Cat1 for the recovery.  
The likelihood of fire consuming the whole building.

### Potential Consequences

Cat 2 - Displacement of 93 households in the property - and unknown surrounding properties.  
Cat 1 - High demand for alternative accommodation, after the emergency evacuation procedures are followed.  
Unsafe building - Cat 1 - Fire Service, then Cat 2 - Council Building Control.  
Transportation issues - moving people around after incident - the resident's cars are parked under the building.  
Internal Housing Advice service may need to make eligibility decisions on displaced residents (long-term).  
Enforcement against the landlords/freehold tenants/leaseholders - can be made, but should it be, whilst they are undertaking the necessary steps to obtain funding, materials and workforce to correct the issue.

### Implication

Financial. Staffing. Reputation. Legal. Political.

### Risk Owners

Gillian Taylor

### Risk Rating (G)

High Red E

### Last Review

18/07/2025

### Final Risk Rating (R)

Medium Amber C

### Next Review

16/10/2025

### Target Risk Level (T)

Medium Amber C

### Treatment

Treat

### Path

Corporate Risks/Newcastle Under Lyme

## Objectives

3 - Healthy, Active and Safe communities

Corporate

## Key Controls Identified

Bellwin Scheme should meet 85% of cost  
Staffordshire Fire and Rescue Service  
Support from Civil Contingencies Unit  
Developed CCU emergency site specific plan  
Contractors appointed

---

**Action Plans**

	Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
To complete the required fire safety works	For the Management Committee to obtain monies from the Building Safety Fund, successfully tender for the works and move on to site. If sufficient process isn't made, the Local Authority has a duty to take action under the Housing Act 2004.	Planned	Gillian Taylor	31/05/2028	<p>The granting of the monies from the Building Safety Fund to the Management Committee is outside of the Council's responsibility.</p> <p>The fire safety works involve compartmentalising flats and floors from each other which should reduce the likelihood of a fire spreading, compared to the current situation.</p> <p>The Joint Inspection Unit are supporting the Council in the enforcement considerations as it is recognised that dealing with this type of building is not with the skill set of the Council's Environmental Health Officers.</p> <p>See comment in Risk Review of 22/11/2024 for latest position.</p>

---

## Safeguarding

Likelihood	H			
	M			R/T/G
	L			
		L	M	H
Impact				

### Impact Measures

### Risk Description

Failure of the Borough Council (both officers and Members) to recognise both a moral and legal obligation to ensure a duty of care for children and adults across its services.

### Potential Consequences

Harm and Death. Third Party intervention with investigations.

### Implication

Legal implications.  
Reputation damage.  
Financial implications.

### Risk Owners

Georgina Evans-Stadward

### Risk Rating (G)

Medium Amber D

### Last Review

18/07/2025

### Final Risk Rating (R)

Medium Amber D

### Next Review

16/10/2025

### Target Risk Level (T)

Medium Amber D

### Treatment

Treat

### Path

Corporate Risks/Newcastle Under Lyme

## Objectives

3 - Healthy, Active and Safe communities

Corporate

## Key Controls Identified

Policy and Procedures

Personnel

Partners and Partnership working

Adult and Child Safeguarding mandatory training

## Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Corporate awareness raising across the business to recognise Safeguarding as each persons responsibility where required	CLT and Safeguarding Champions to cascade reminders down to staff and Members	Ongoing	Nesta Barker Andrew Bird Sam Clark Georgina Evans-Stadward Catherine Fox Joanne Halliday Anthony Harold Craig Jordan Simon McEneny Gordon Mole Roger Tait Gillian Taylor Sarah Wilkes	30/09/2025	Part of Mandatory training on the e-learning portal.



Risk Strategic Projects

Likelihood	H				Impact Measures	
	M			R/G	Risk Description Failure to deliver key strategic project or priorities.	
	L			T	Potential Consequences Local economic impact Loss of influence and control	
		L	M	H	Implication Reputation. Financial. Legal.	
Impact					Risk Owners Simon McEneny	
					Risk Rating (G) Medium Amber D	Last Review 04/09/2025
					Final Risk Rating (R) Medium Amber D	Next Review 03/12/2025
					Target Risk Level (T) Medium Amber C	Treatment Treat
					Path Corporate Risks/Newcastle Under Lyme	

Objectives

1 - One Council delivering for Local People	Corporate
2 - A successful and sustainable growing Borough	Corporate
3 - Healthy, Active and Safe communities	Corporate
4 - Town Centres for all	Corporate

Key Controls Identified

Advice obtained from external bodies as and when required  
Corporate Business Continuity Plan  
Governance  
Resources

## Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Develop programme of commercial deliveries and investments		Ongoing	Joanne Halliday	30/09/2025	on going but difficult climate currently (not slowing down).  Work is happening via the One Commercial platform, and it will be looked at to discuss and move forward at a later date.
Scheme specific risk registers	Scheme specific risk registers to be reported quarterly to relevant governance boards	Ongoing	Nesta Barker Andrew Bird Sam Clark Allan Clarke Georgina Evans-Stadward Joanne Halliday Craig Jordan Simon McEneny Roger Tait Sarah Wilkes	31/03/2026	AH believes these risks are being considered at the Audit & Standards Committee, however it is being looked at to strengthen communications on the submission of reports to the relevant Committee.

Risk

Supported Accommodation

Likelihood	H			R/G	Impact Measures			
	M			T	Risk Description	Increasing number of unregulated supported accommodation providers, claiming inflated rent costs via housing benefit claims, resulting in the council being unable to reclaim proportionate amounts from DWP.		
	L				Potential Consequences	Increasing losses from subsidy claim from DWP, and overspend on budgeted amount to cover losses. Increased complaints due to not processing HB claims within the legal timeline. Failure to meet corporate performance targets in relation to HB processing. Unreasonable workloads resulting in potential stress related absence.		
		L	M	H	Implication	Missed opportunity to identify valid and invalid claims, to reduce losses or make savings.		
Impact					Risk Owners	Financial. Reputation. Legal. Political. Performance. Staff.		
					Risk Rating (G)	Roger Tait	Last Review	High Red E15/08/2025
					Final Risk Rating (R)	High Red E	Next Review	14/09/2025
					Target Risk Level (T)	Medium Amber D	Treatment	Treat
					Path	Corporate Risks/Newcastle Under Lyme		

Objectives		Key Controls Identified
1 - One Council delivering for Local People	Corporate	Compliance
		Consultancy advice
3 - Healthy, Active and Safe communities	Corporate	Gateway process
		Single point of contact
		Staff support

Action Plans					
	Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Review list of providers	Prioritise Registered Providers in the current list of suppliers, as they are likely to be lower risk for any inflated claims	Planned	Rosie Bloor Gareth Humphreys	31/07/2025	
Staff resource	Explore opportunities for additional staff resource to progress the reviews of existing HB claims and new providers	Planned	Roger Tait	31/07/2025	Informal chat with different suppliers for staff availability and costings.

Likelihood	H			
	M			
	L			R/T/G
		L	M	H
Impact				

## Town Centre Regeneration/Development Failure

### Impact Measures

### Risk Description

Failure to deliver major redevelopment schemes in Newcastle Town Centre

### Potential Consequences

Unfinished construction projects on Council land / assets leading to having to source a new contractor to complete developments, if started on site, loss of time to complete as procurement of new contractor and due diligence on works completed, having to find a purchaser for finished developments.

### Implication

Financial. Reputation. Political. Public relations.

### Risk Owners

Simon McEneny

### Risk Rating (G)

Medium Amber C

### Last Review

18/07/2025

### Final Risk Rating (R)

Medium Amber C

### Next Review

16/10/2025

### Target Risk Level (T)

Medium Amber C

### Treatment

Treat

### Path

Corporate Risks/Newcastle Under Lyme

## Objectives

1 - One Council delivering for Local People

Corporate

2 - A successful and sustainable growing Borough

Corporate

4 - Town Centres for all

Corporate

## Key Controls Identified

Governance

Contract Management

Development Agreement with Capital&Centric

Step In Rights for Failure to Deliver

## Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Contract Management of schemes / Capital&Centric	Robust construction management of development agreement and progress on site with / by Capital&Centric	Ongoing	Simon McEneny	31/10/2025	Risk established

Risk Walleys Quarry

Likelihood	H			G	Impact Measures	
	M			R/T	Risk Description	
	L				Potential Consequences	
		L	M	H	Implication	
					Risk Owners	Nesta Barker; Gordon Mole; Sarah Wilkes
					Risk Rating (G)	High Red E
					Final Risk Rating (R)	Medium Amber D
					Target Risk Level (T)	Medium Amber D
					Path	Corporate Risks/Newcastle Under Lyme

Objectives

1 - One Council delivering for Local People	Corporate
3 - Healthy, Active and Safe communities	Corporate

Key Controls Identified

Odour Incident Management Team
Specific Walley's Quarry risk profile in place
Strategic Co-ordinating Group

Action Plans

Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Continue with IMT works	Ongoing	Nesta Barker	30/09/2025	
Regular liaison with the Liquidators	Ongoing	Nesta Barker Anthony Harold Gordon Mole Sarah Wilkes	30/09/2025	

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Objectives			Key Controls Identified		
1 - One Council delivering for Local People		Corporate	Actively reviewing pay scales		
			Apprenticeship levy available		
2 - A successful and sustainable growing Borough		Corporate	Corporate Leadership Team are maintaining an overview		
			Corporate Leadership Team looking Vacancy Approval Forms		
			Interim posts available		
			Leadership Development Programme		
			Staff surveys		
			Updating recruitment procedures		
			Mandatory use of OPUS		
			Corporate Business Continuity Plan		
			Workforce policies in place		

Action Plans					
Action Plan Description		Action Plan Type	Action Plan Owner	Due for Completion by	Comments

## NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

### Corporate Leadership Team's Audit and Standards Committee

29 September 2025

**Report Title:**            **Audited Statement of Accounts 2024/25**

**Submitted by:**        **Service Director for Finance (Section 151 Officer)**

**Portfolios:**            **Finance, Town Centres and Growth**

**Ward(s) affected:**    **All**

<b><u>Purpose of the Report</u></b>	<b><u>Key Decision</u></b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
To receive the final accounts, audit findings report (ISA 260 report) and value for money risk assessment for the financial year 2024/25.	
<b><u>Recommendation</u></b>  <b>That Committee:</b>  <b>1. Receive the final Statement of Accounts for the financial year 2024/25 and delegate authority to the Service Director for Finance (S151 Officer), and the Chair of the Audit and Standards Committee to sign off the Statement of Accounts once the audit has been completed.</b>  <b>2. Receive the Audit Findings Report (ISA 260 report) for the financial year 2024/25.</b>  <b>3. Receive the Value for Money Risk Assessment for the financial year 2024/25.</b>	
<b><u>Reasons</u></b>  For the financial year 2024/25 the Council is required to publish its audited accounts by 27 February 2026.	

### **1.    Background**

- 1.1    The Accounts and Audit Regulations require that for the 2024/25 accounting period the publication of authority accounts and supporting documents (together with any certificate or opinion of the local auditor) shall be no later than 27

February 2026. For 2025/26 the deadline date will be 31 January 2027 and for the financial years 2026/27 and 2027/28 it will be 30 November 2027 and 30 November 2028 respectively. These measures were implemented via legislative changes in the autumn of 2024.

- 1.2 The Accounts and Audit Regulations require that the draft Statement of Accounts be certified by the responsible financial officer, the Service Director for Finance (Section 151 Officer) as presenting a true and fair view of the Council's financial position by 30 June 2025, this was done on 6 June 2025 and reported to the Audit and Standards Committee on 16 June 2025.
- 1.3 During the period 17 June 2025 to 12 July 2025, the public had the right to inspect the accounts. No objections to the draft accounts were received.

## **2. Issues**

- 2.1 Following the meeting of the Audit and Standards Committee on 16 June 2025, officers have continued to work closely with the Council's external auditors, KPMG, to complete the audit.
- 2.2 KPMG have advised that they expect to issue their final Audit Findings Report (ISA 260) and Annual Report to the Audit and Standards Committee on 10 November 2025.

## **3. Recommendation**

- 3.1 That Committee receive the final Statement of Accounts for the financial year 2024/25 and delegate authority to the Service Director for Finance (S151 Officer), and the Chair of the Audit and Standards Committee to sign off the Statement of Accounts once the audit has been completed.
- 3.2 That Committee receive the Audit Findings Report (ISA 260 report) for the financial year 2024/25.
- 3.3 That Committee receive the Value for Money Risk Assessment for the financial year 2024/25.

## **4. Reasons**

- 4.1 Regular reporting of the Council's financial position is a key discipline supporting sound financial management and corporate governance.

## **5. Options Considered**

- 5.1 Completion of the statement is best practice and demonstrates the transparency of the Council's Governance arrangements for 2024/25.

## **6. Legal and Statutory Implications**



- 6.1 The Council must comply with the Accounts and Audit Regulations 2015, in particular the requirement to publish the financial statements.

## 7. **Equality Impact Assessment**

- 7.1 There are no differential equality issues arising directly from this report.

## 8. **Financial and Resource Implications**

- 8.1 There are no financial and resources implications arising directing from this report.

## 9. **Major Risks & Mitigation**

- 9.1 If internal controls are not managed effectively and within the law, public resources will not be safeguarded from waste or properly accounted for.
- 9.2 If internal controls are not reviewed regularly, continuous improvement may not be exercised.

## 10. **UN Sustainable Development Goals (UNSDG)**

- 10.1 The External Audit Arrangement via KPMG and the Fraud Hub supports UNSG and Climate Change objectives in a number of ways. Principally, through partnership working and supporting sustainable cities and communities via the correct use of public monies. The following UNSGs are supported.



## 11. **One Council**

Please confirm that consideration has been given to the following programmes of work:

### **One Commercial Council** ☒

*We will make investment to diversify our income and think entrepreneurially.*

### **One Digital Council** ☒

*We will develop and implement a digital approach which makes it easy for all residents and businesses to engage with the Council, with our customers at the heart of every interaction.*

### **One Sustainable Council** ☒

*We will deliver on our commitments to a net zero future and make all decisions with sustainability as a driving principle*

**12. Key Decision Information**

12.1 This is not a key decision, the report is for informational purposes and is considered best practice.

**13. Earlier Cabinet/Committee Resolutions**

13.1 Not applicable for this report.

**14. List of Appendices**

14.1 Appendix 1 – Statement of Accounts for the Financial Year 2024-25

14.2 Appendix 2 – Audit Findings Report (ISA 260) 2024-25, KPMG

14.3 Appendix 3 – Value for Money Risk Assessment 2024-25, KPMG

**15. Background Papers**

15.1 None

# Statement of Accounts

2024/25



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# Guide to the Statement of Accounts

The Statement of Accounts contains a number of different elements, which are shown in the following table, together with an explanation of the purpose of each item. Throughout the Statement, various unusual or technical terms are employed which may not be familiar to all readers. A Glossary (page 73) has therefore been provided which explains the meaning of such items.

Page	Item	Purpose
5	Narrative Report	A guide to the main features of the accounts and a commentary on the Council's financial position and the factors affecting its finances.
16	Statement of Responsibilities	Sets out the responsibilities of the Council and the Service Director for Finance (Section 151 Officer) in relation to financial administration and accounting.
17	Annual Governance Statement	Explains the processes and procedures in place to enable the Council to carry out its functions effectively. Produced following a review of the Council's governance arrangements.
27	Financial Statements	The Financial Statements which the Council must publish.
27	Comprehensive Income and Expenditure Statement	Shows the accounting cost of providing services in accordance with accounting practice.
28	Movement in Reserves Statement	Shows movements in reserves split between usable and unusable reserves. It also reconciles the outturn on the Comprehensive Income and Expenditure Statement (CIES) to the General Fund balance.
29	Balance Sheet	Sets out the Council's financial position on 31 March 2025. Provides details of the Council's balances, reserves and assets employed in Council operations together with any liabilities.
30	Cash Flow Statement	Details the total cash movement of the Council's transactions.
31	Notes to the Financial Statements	Provide additional information in relation to the Financial Statements and outline technical issues such as the Council's accounting policies.
70	Collection Fund	Records details of receipts of Council Tax and business rates and the associated payments to precepting authorities/central government.
73	Glossary	Explanation of technical or unusual terms used in the Statement of Accounts.

# Narrative Report

## Commentary by the Service Director for Finance (Section 151 Officer)

### a. Introduction

Welcome to Newcastle-under-Lyme Borough Council's Statement of Accounts for the financial year 2024/25. The accounts give a summary of the money that the Council has received, what it has been spent on during the year, and its financial position at 31 March 2025. This Narrative Report provides a context to the accounts by presenting a summary of the Council's financial activities and its prospects for future years.

## Regulations Governing the Production of the Statement of Accounts

The continuation of service principle applies and the accounts have consequently been prepared on a going concern basis and in accordance with the Accounts and Audit Regulations 2015 and the requirements of the "Code of Practice on Local Authority Accounting in the United Kingdom" published by the Chartered Institute of Public Finance and Accountancy (CIPFA). Under the provisions of Sections 25/26 of the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015 the accounts were made available for inspection between 17 June 2025 and 12 July 2025, as notified on the Council's website.

The accounts are scheduled to be approved by the Audit and Standards Committee on 29 September 2025 in accordance with the Accounts and Audit Regulations 2015. The signature of the Committee Chair (who presided over the meeting) will be included at the conclusion of this report in line with these regulations as evidence of approval of the 2024/25 Statement of Accounts.

## General Accounting Policies

The accounting policies adopted by the Council comply with the relevant recommended accounting practice. The Council's service costs have been analysed in the Comprehensive Income and Expenditure Statement reflecting the Council's management reporting structure. Materiality considerations follow the policies set out in the CIPFA Code of Accounting Practice. In addition, the analysis of capital expenditure follows CIPFA's recommendations showing non-current and intangible assets separately. These recommended practices are all designed to meet the requirements of International Financial Reporting Standards (IFRS).

There have been no changes in the Council's statutory functions during the year.

## Statement of Accounts

The information contained within these accounts is presented as simply and clearly as possible. However, the accounts of a local authority are both technical and complex, which does not always lead to a style which is easily understood. Accordingly, a Guide to the Statement of Accounts (page 4) has been provided.

## Accountability/Financial Reporting

Local authorities are governed by a rigorous structure of controls to provide stakeholders with confidence that public money has been properly accounted for. As part of the process of accountability, the Council is required to produce a Statement of Accounts, in order to inform stakeholders that it has properly accounted for all the public money received and spent, and that the financial standing of the Council is secure.

The Statement of Accounts concentrates on clear and accurate reporting of the financial position of the Council in relation to a particular year. It does not, however, aim to fulfil the role of an annual report of a company.



## Newcastle-under-Lyme Borough Council

The Council is a lower tier district Council within the County of Staffordshire, covering 211 square kilometres with a population density of 607 residents per square kilometre, compared to 337 across the County. 58,990 dwellings making up a population of approximately 128,100 and are spread across a mix of urban and rural areas. There are two town centres, Newcastle and Kidsgrove, and a number of rural and urban villages across the Borough containing nine parishes, each with a parish Council.

# Newcastle-under-Lyme **Facts and Figures**

**THE BOROUGH**  
HAS A POPULATION OF



**128,100**

**64,400**

**ECONOMICALLY  
ACTIVE RESIDENTS**



**AVERAGE  
HOUSE PRICE**



**£195,200**

**21%**  
**UNDER 20  
YEARS OLD**

**345 BUSINESS  
BIRTHS  
PER YEAR**



**GVA**  
**£2.7BILLION  
PER YEAR**

The Council has 44 Members representing residents in 21 wards following elections in May 2022. Full Council, consisting of all Members, is responsible for setting Council policy, whilst other decisions within the policy framework set by Full Council are determined by a Cabinet, currently consisting of 6 Members.

Operational management is carried out under the direction of the Chief Executive, the Deputy Chief Executive, and nine Service Directors who include the Section 151 Officer and the Monitoring Officer making up the Corporate Leadership Team (CLT). The Council employed 455 people (409 full time equivalents), at 31 March 2025.

The Council Plan 2022-2026 signals a step change in the Council's focus on climate change and sustainability. The Council Plan, which can be found on the Council's website, details the Council's plans for the period incorporated in the Statement of Accounts. The plan sets out the Council's aspirations and priorities.

It sets out the vision of the Council as, 'good local services, a prosperous Borough, and safe and welcoming places for all'. It also focuses the work of everyone in the Council on four key priorities:

- One Council Delivering for Local People,
- A Successful and Sustainable Growing Borough,
- Healthy, Active and Safe Communities,
- A Town Centre for All.



The plan sets out how the Council will work to make the Borough an even better place for everyone who lives, works, studies or visits here. The Council's aims can only be achieved by taking advantage of every opportunity available and developing new ones through innovation and a more collaborative approach. The Council is committed to strong and sustainable economic growth for the Borough, focusing upon opportunities around Keele University, Newcastle town centre and Kidsgrove.

The Council has worked hard to secure more than £50m from government programmes aimed at boosting the economic fortunes of areas such as Newcastle and Kidsgrove. This plan includes a transformational portfolio of major projects but also reflects our ambition to attract yet more funding and take this work even further.

The plan builds on four years of achievement, despite the huge disruption caused by the COVID-19 lockdowns. It is very likely that the initial period of this plan's delivery will be strongly influenced by the impact of rising energy costs and their impact on the cost of living. Our key achievements, summarised in the plan, provide an excellent foundation from which to respond to this issue and to shape future delivery and improvement.

Details of the services which the Council provides and their budgets are set out in budget books for each financial year which are available on the Council's website.

In December 2024, the Government set out plans for how they'd like to move powers from central to local government across England, they call this 'devolution'. In the context of devolution the Government have set out plans to move away from the current two-tier system of district and county councils. The Government has initially indicated that for most areas this will mean creating councils with a population of 500,000 or more, but there may be exceptions to ensure new structures make sense for an area, including for devolution, and decision will be made on a case by case basis.

Final, detailed plans of proposals for local government reorganisation must be submitted by 28 November 2025. Once a preferred option is chosen, the Government will begin the process of creating new unitary councils. The whole process is likely to take until 2028 to complete, the Council is currently in the process of considering its options.

## Financial Summary 2024/25

The financial activities of the Council can be categorised as either revenue or capital. Revenue spending represents the cost of providing services delivered by the Council in its day to day business during the year. Capital spending relates to items which will provide benefit to the Borough over a number of years such as buildings, plant and equipment.

Major Government investment into the Borough has been secured via the Future High Streets Fund and the Town Deals Fund for both Newcastle and Kidsgrove to ensure that exciting and unique projects to help future economic growth can be progressed during the medium term.

Funding secured from the Future High Street Fund and Town Deals Fund are now being utilised and the following projects are underway;

- The redevelopment of the wider Ryecroft site as a key strategic anchor for the town with a mix of employment and residential uses and the development of a new multi storey car park on the site, project funding from the Future High Streets Fund is £7.2m. The Civic Offices has now been demolished, a new multi storey car park has been built and plans in respect of the residential developments have now obtain planning permission.
- Improvement to the market area to support a more vibrant market and performance spaces, £0.075m. This project has also been commenced with the purchase of new market stall canopies and designs have been drawn up in respect of the Market area.
- Improving a key area of upper High Street to improve connectivity between the Ryecroft area and core Town Centre whilst generating activity and footfall in surrounding buildings, £3m. The York Place Shopping Centre has been purchased and designs to re-model the building have been completed. This will link the Ryecroft and Town Centre areas together.
- New pedestrian wayfinding around the town centre to aid navigation between key sites in and around the town centre, £0.321m.

£23.6m has been awarded via the Town Deals Fund for Newcastle to enable a vision to improve communications, infrastructure and connectivity in Newcastle-under-Lyme to become reality. The three key objectives of the successful Town Investment Plan are:

- To open up growth opportunities through enhanced physical and digital connectivity aligned with clean and sustainable economic development (sustainable public transport solutions £3.6m, electric charging infrastructure £0.42m, full fibre network £2.38m and town centre cycle and pedestrian improvements £0.95m),
- To diversify and enhance the town centre experience by encouraging new uses to increase demand, footfall and boost the dwell time of residents and visitors (digital society £3.6m, gateway site (Zanzibar and Midway) £3.91m and centre for circus £1.91m),
- To channel investment into regenerating communities, ensuring these areas are sustainable places to live and provide residents with the infrastructure needed to improve their quality of life (Knutton Village masterplan £3.72m and Cross Street, Chesterton £3.11m).

£16.9m has been awarded via the Town Deals Fund for Kidsgrove to enable real and lasting economic benefits to be realised in Kidsgrove and the surrounding area. Three objectives clearly stand out in the successful Town Investment Plan:

- To drive growth and opportunity through an enhanced enterprise infrastructure in Kidsgrove (the development of Chatterley Valley West £3.68m),
- To create a connection, accessible town centre (improvement to Kidsgrove railway station £3.85m, canal network £0.42m and a shared service hub in the town centre £6.5m. The Kidsgrove Town Deal Board has now agreed on project reallocation of funds away from the Shared Service Hub. The new scopes include a community learning hub on the Kings Academy site, some small-scale enterprise units on the Meadows, canal pathway together with access improvements and highway improvements at The Meadows / Station Road, and Market St / The Avenue / Heathcote St, along with public realm improvements by Kings Street parade. Submission of the change requests will be submitted to MHCLG for approval prior to works commencing on the revised scopes of works,
- To maximise the leisure and recreation opportunities available in Kidsgrove (contribution to the refurbishment and re-opening of Kidsgrove Sports Centre £2.45m).

In addition the Council has been awarded £4.8m, over a three year period, of UK Shared Prosperity Funding as part of the governments mission to level up opportunity and prosperity and to overcome geographical inequalities. It also aims to level up people's pride in the places they love and seeing that reflected in empowered local leaders and communities, a stronger social fabric and better life chances. 33 projects have been identified for which spend has commenced. The 2022/23, 2023/24 and 2024/25 allocations totalling £4.8m have been received, and fully spent at 31 March 2025.

Projects under the UK Shared Prosperity Funding include the setting up of a new Homeless Hub, provision for a Cold Night Shelter and Community and Business Connects.

## Revenue Expenditure and Income

### *Where does the money come from, and where is it spent?*

Local authorities receive income from a variety of sources, from the Government in the form of grants, from households in the form of Council Tax (a property based charge payable by local residents dependent upon the Valuation Office's valuation band for their property), from consumers in respect of fees and charges and rents and from a share of business rates from occupiers of commercial premises within the Borough (based upon the rateable value set by the Valuation Office in respect of the properties concerned).

In accordance with the Business Rates Retention Scheme, the Council retains a share of the business rates collected after paying part over to the Government, Staffordshire County Council and the Staffordshire Fire and Rescue Service.

The gross income (£37.948m) and expenditure (£76.272m) attributable to management reporting areas is shown in the Comprehensive Income and Expenditure Statement (page 27), gross expenditure has increased significantly as a result of downwards revaluations relating to the Council's fixed assets.

## General Fund Revenue Budget Outturn

The General Fund is the main revenue account of the Council and relates to all of those services which are funded by the Council Tax, Retained Business Rates and Government Grant.

The Council approved a General Fund Revenue Budget of £17.046m on 14 February 2024. The outturn for 2024/25 shows a favourable variance of £0.020m against this budget.

The adverse variances that occurred during 2024/25 include:

- a. Income shortfalls from sales, fees and charges which amount to £0.541m for the financial year.
- b. A pay award of £1,290 per employee was agreed that is in excess of the amount provided for in the budget (3.5%), this amounts to a pressure of £0.120m.
- c. Expenditure on repairs and renewals has amounted to £0.100m greater than the amount budgeted for the financial year.
- d. Planning appeal costs and advice to £0.172m which was not budgeted for.
- e. Contributions to reserves of £0.350m have been made as a result of the favourable variance shown below in respect of interest receivable of cash that the Council holds in terms of Town Deal and Future High Street funding. £0.200m of this has been set aside to fund the inspection stage of the Local Plan. The remaining £0.150m has been contributed to the Walley's Quarry Reserve.

These adverse variances have been offset in full by the following favourable variances:

- a. Interest receivable on cash that the Council has held in terms of Town Deal and Future High Street funding totals £0.812m.
- b. Interest payable on borrowing has not been incurred due to the cash that the Council holds in terms of Town Deal and Future High Street funding, this has saved £0.526m.

A reconciliation of the Comprehensive Income and Expenditure Statement to the deficit declared above can be seen in the table below, further information can be obtained from the statements and notes referenced:

	£000
Service provision (per CIES-p27)	6,157
Adjustments between accounting basis and funding basis (Note 8-p47)	(6,467)
Movement in useable reserves (excluding transfer of surplus) (Note 9-p49)	290
<b>(Surplus)/Deficit for 2024/25</b>	<b>(20)</b>

## Capital Expenditure

Capital expenditure includes expenditure such as the acquisition, construction, repair and maintenance of fixed assets. As capital spending contributes to the Council's priorities and vision over the short, medium and long term, the Council plans and budgets for expenditure by means of a rolling programme.

A Capital Programme totalling £16.680m was approved for 2024/25, excluding £1.000m contingency. Of this total £10.135m relates to the total cost of new schemes for 2024/25 together with £6.545m for schemes funded by external sources (Town Deals Fund, Future High Streets Fund and Disabled Facilities Grants). In addition £42.174m was brought forward from the 2023/24 Capital Programme (including £25.641m from the Town Deals Fund and the Future High Streets Fund), the Council's contribution towards the construction of a new multi storey car park (£8.100m) and fleet replacement (£4.751m) resulting in a total Capital Programme of £59.855m for 2024/25 (including a £1.000m contingency).

A mid-year review of the Capital Programme for 2024/25 was undertaken as part of the Efficiency Board and budget setting process in order to identify any projects that may need to be re-profiled from 2024/25 into future years. The revised Capital Programme for 2024/25 totalling £51.295m was approved by Cabinet on 3 December 2024.

Actual expenditure has totalled £26.236m, £25.059m below that planned. This relates to expenditure that has been rolled forward into 2025/26 (£23.553m) including projects planned under the Town Deals funds that will be progressed during 2025/26 (£18.354m) and the Council's contribution towards the development of York Place (£1.146m). There are also a number of projects whereby costs have been value engineered or whereby a decision has been made not to progress with the project until a future period (£1.506m).

The capital investment made during 2024/25 and the financing of this expenditure is shown in Note 27 (page 60).

## Collection Fund

Local tax income (i.e. Business Rates and Council Tax) is collected by billing authorities and paid into local 'collection funds' (page 70) (the Council is a billing authority). Where there is a shortfall in tax receipts (compared to expected levels), this leads to a deficit on the collection fund for which the precepting authorities are liable. Billing and major precepting authorities are usually required to meet their share of any deficit during the following financial year.

The variance between the estimated business rates shared between Central Government, Staffordshire County Council, Staffordshire Fire and Rescue Service and Newcastle-under-Lyme Borough Council as per the NNDR1 return (£39.164m) and the actual business rates payable per the NNDR3 return (£41.296m) is £2.132m - a surplus to the collection fund for 2024/25 due to a reduction in the balance required in relation to appeals.

In addition to the business rates shares payable for 2024/25, the estimated 2023/24 deficit declared in January 2024 regarding business rates of £0.897m was repaid to the collection fund by the Council, Central Government, Staffordshire County Council and Staffordshire Fire and Rescue Service.

The actual 2023/24 deficit was calculated to be £1.207m, therefore there remains a further £0.310m in the collection fund balance carried forward which is payable to the Collection Fund by the Council, Central Government, Staffordshire County Council and Staffordshire Fire and Rescue Service in relation to 2023/24.

Taking into account the remaining 2023/24 amount to be paid back to the collection fund and the 2024/25 surplus, the business rates collection fund has a surplus of £1.822m as at 31 March 2025.

The variance between the Council Tax shared between Staffordshire County Council, Office of the Police and Crime Commissioner Staffordshire, Staffordshire Fire and Rescue Service and Newcastle-under-Lyme Borough Council as per the precepts (£83.039m) and the actual Council Tax payable (£83.119m) is £0.080m - a surplus to the collection fund.

In addition to the Council Tax payable for 2024/25, the estimated 2023/24 surplus declared in January 2024 regarding Council Tax of £0.057m was repaid to preceptors (Staffordshire County Council, Office of the Police and Crime Commissioner Staffordshire, Staffordshire Fire and Rescue Service and Newcastle-under-Lyme Borough Council).

The actual 2023/24 outturn was calculated to be a deficit of £0.056m, therefore £0.113m is repayable to the Collection Fund by Staffordshire County Council, Office of the Police and Crime Commissioner Staffordshire, Staffordshire Fire and Rescue Service and Newcastle-under-Lyme Borough Council in relation to 2023/24.

Taking into account the remaining 2023/24 amount to be repaid and the 2024/25 surplus, the Council Tax collection fund has a deficit of £0.033m as at 31 March 2025.

## Financial Prospects

### Revenue

The Council is committed to the delivery of high quality services. Integral to this is the need to effectively target financial resources in line with stated aims and objectives working against the background of an adverse economic situation.

The Council closely manages all of its resources to ensure it delivers the services that local people need, and to prepare for future challenges. The priority actions under 'One Council Delivering for Local People' include workforce development, community engagement, partnership working, financial discipline, high quality value for money services and delivering the transformational One Council Programme, which made recurrent savings of £1.173m.

During the year the Council has had to utilise resources (both financial and staff time) in dealing with an environmental crisis due to Hydrogen Sulphide (H<sup>2</sup>S) escaping from a local landfill site. This problem, which has been debated in Parliament and which the national press have used to characterise the village of Silverdale as “Britain’s Smelliest Village”, has generated over 40,000 complaints to the Council. The scale of work undertaken by the Council on this issue has soaked up a huge amount of corporate resource but has resulted in a greatly improved situation for local residents and securing an Abatement Notice against the site operator – a rare achievement on an Environment Agency regulated site. Since the abatement notice was issued the operators have continually breached the acceptable levels of Hydrogen Sulphide (H<sup>2</sup>S) being omitted, which has resulted in the Environmental Agency ceasing the operators licence. As a result of this the operators, Walleys Quarry Limited have now gone into administration.

## Economic and Community Impact (provided by Arlingclose)

Both the UK and US elected new governments during the period, whose policy decisions impacted the economic outlook. The Chancellor of the Exchequer delivered her Spring Statement in March 2025, following her Budget in October 2024. Based on the plans announced, the Office for Budget Responsibility downgraded its predictions for UK growth in 2025 to 1% from 2%. However, it upgraded its predictions for the four subsequent years. Inflation predictions for 2025 were pushed up, to 3.2% from 2.6%, before seen as falling back to target in 2027. The market reaction to the Spring Statement was more muted compared to the Budget, with very recent market turbulence being driven more by US trade policy decisions and President Trump.

After revising its interest rate forecast in November following the Budget, the Council’s Treasury Management advisors, Arlingclose, maintained its stance that Bank Rate will fall to 3.75% in 2025.

UK annual Consumer Price Index (CPI) inflation continued to stay above the 2% Bank of England (BoE) target in the later part of the period. The Office for National Statistics (ONS) reported headline consumer prices at 2.8% in February 2025, down from 3.0% in the previous month and below expectations. Core CPI also remained elevated, falling slightly in February to 3.5% from 3.7% in January, just below expectations for 3.6% but higher than the last three months of the calendar year.

The UK economy Gross Domestic Product (GDP) grew by 0.1% between October and December 2024, unrevised from the initial estimate. This was an improvement on the zero growth in the previous quarter, but down from the 0.4% growth between April and June 2024. Of the monthly GDP figures, the economy was estimated to have contracted by 0.1% in January, worse than expectations for a 0.1% gain.

The labour market continued to cool, but the ONS data still require treating with caution. Recent data showed the unemployment rate rose to 4.4% (3mth/year) in the three months to January 2025 while the economic inactivity rate fell again to 21.5%. The ONS reported pay growth over the same three-month period at 5.9% for regular earnings (excluding bonuses) and 5.8% for total earnings.

The BoE’s Monetary Policy Committee (MPC) held Bank Rate at 4.5% at its March 2025 meeting, having reduced it in February. This follows earlier 0.25% cuts in November and August 2024 from the 5.25% peak. At the March MPC meeting, members voted 8-1 to maintain Bank Rate at 4.5%, with the one dissenter preferring another 25 basis points cut. The meeting minutes implied a slightly more hawkish tilt compared to February when two MPC members wanted a 50bps cut. In the minutes, the Bank also upgraded its Q1 2025 GDP forecast to around 0.25% from the previous estimate of 0.1%.

The February Monetary Policy Report (MPR) showed the BoE expected GDP growth in 2025 to be significantly weaker compared to the November MPR. GDP is forecast to rise by 0.1% in Q1 2025, less than the previous estimate of 0.4%. Four-quarter GDP growth is expected to pick up from the middle of 2025, to over 1.5% by the end of the forecast period. The outlook for CPI inflation showed it remaining above the MPC’s 2% target throughout 2025. It is expected to hit around 3.5% by June before peaking at 3.7% in Q3 and then easing towards the end of the year, but staying above the 2% target. The unemployment rate was expected to rise steadily to around 4.75% by the end of the forecast horizon, above the assumed medium-term equilibrium unemployment rate of 4.5%.

Arlingclose, the Council’s Treasury Management advisors, maintained its central view that Bank Rate would continue to fall throughout 2025. From the cuts in August and November 2024 and February 2025, which took Bank Rate to 4.50%, May is considered the likely month for the next reduction, with other cuts following in line with MPR months to take Bank Rate down to around 3.75% by the end of 2025.



The US Federal Reserve paused its cutting cycle in the first three months of 2025, having reduced the Fed Funds Rate by 0.25% to a range of 4.25%-4.50% in December, the third cut in succession. Fed policymakers noted uncertainty around the economic outlook but were anticipating around 0.50% of further cuts in the policy rate in 2025. Economic growth continued to rise at a reasonable pace, expanding at an annualised rate of 2.4% in Q4 2024 while inflation remained elevated over the period. However, growth is now expected to weaken by more than previously expected in 2025, to 1.7% from 2.1%. The uncertainty that President Trump has brought both before and since his inauguration in January is expected to continue.

The European Central Bank (ECB) continued its rate cutting cycle over the period, reducing its three key policy rates by another 0.25% in March, acknowledging that monetary policy is becoming meaningfully less restrictive. Euro zone inflation has decreased steadily in 2025, falling to 2.2% in March, the lowest level since November 2024. Over the current calendar year, inflation is expected to average 2.3%. GDP growth stagnated in the last quarter of the 2024 calendar year, after expanding by 0.4% in the previous quarter. For 2025, economic growth forecasts were revised downwards to 0.9%.

## Financial Recovery

The Medium Term Financial Strategy (MTFS) sets out the Council's financial position over the next 5 years. This is aligned to the Council Plan 2022-2026 and is the key vehicle for ensuring efficiency in service delivery and targeting resources to priority areas. The updated MTFS was reported to Cabinet on 9 January and 4 February 2025, and reflects the impact of the Local Government Finance Settlement. The MTFS provides for a gap in 2025/26 of £1.890m and a revised gap to reflect the continued review of the capital programme, over the 5 year period of the MTFS of £5.042m.

A number of savings and funding strategies have been identified as being both feasible and sustainable, via a vigorous Financial Efficiency Board process. The Financial Efficiency Board is made up of the Leader of the Council, the Portfolio Holder for Finance and Town Centres, the Cabinet Portfolio Holders, the Corporate Leadership Team and Finance Officers. During the summer months service directorates are asked to provide saving plans for the coming financial year and future years. These saving proposals are then challenged and discussed at various meetings held with the members of the Financial Efficiency Board which acts like a star chamber session. Once the saving proposals have been reviewed and challenged, the approved savings are put forward as part of the MTFS update and form part of the budget setting process. Savings proposals put forward can be revisited at any time.

The Council has a Civic Growth Fund which was established in 2020 for the purpose of enabling investment in corporate priorities. The Civic Growth Fund is required to be used to invest in initiatives that are forecast to generate on-going revenue savings through reducing the costs of service delivery or through the generation of additional income.

The savings and funding strategies identified will enable continued investment of £0.250m in the Council's priorities as per the Council Plan 2022-2026 via the Civic Growth Fund. The Civic Growth Fund will continue to be used to provide pump priming investment in initiatives, including Digital Delivery, that are forecast to generate on-going revenue savings through reducing the costs of service delivery or through the generation of additional income.

The Council intends to consider ways it can facilitate and participate in the commercial and industrial development of the Borough and thereby gain access to income streams to contribute to a sustainable revenue budget. The basis for this is set out in the Commercial Strategy and the Investment Strategy.

## Capital

The Capital Programme for 2025/26 to 2027/28 is based on new schemes which are vital to ensure continued service delivery and in assisting the Council to achieve its corporate and service objectives as set out in the Council Plan 2022-26 approved by Cabinet on 5 September 2023. These schemes total £94.604m, including major investment into the Borough via external funding (and elements of matched funding contributions from the Council) in terms of the Future High Streets Fund and the Town Deals Fund for both Newcastle and Kildsgrove.

The Capital Programme is produced in line with the Capital Strategy for 2025/26 to 2034/35, which was approved by Full Council on 14 February 2025. In addition to the Council's corporate and service objectives, as set out in the Council Plan 2022-26, the Capital Programme is also influenced by a number of external parties and factors including Central Government and its agencies, legislation requiring capital works, partner organisations, businesses, developers and the needs and views of Borough residents.

Delivering the Capital Programme for 2025/26 will require prudential borrowing to be undertaken. The impact of borrowing is included in the MTFS pressures for 2025/26 and future years.

Advice will be sought from the Council's Treasury Management advisors, Arlingclose, as to the most beneficial timing of prudential borrowing. Their current advice remains to borrow on a short term basis (up to 4 years) from other local authorities whilst interest rates remain relatively low.

## Strategic Risks

Major strategic risks affecting the Council which could impact on future service provision are currently as set out in the table below, which shows for each risk its potential impact and measures to mitigate the risk:

Risk	Impact	Mitigation
Failure to realise potential for land sales to provide funding for capital investment	Insufficient resources to fund capital investment needed to maintain service provision or to achieve objectives	Asset Management Plan, Cabinet decisions to sell, planning approvals
Failure to recruit and retain staff with required experience and skills	Reduced amount and quality of service provision. Inability to provide services	Workforce development plan, business continuity planning
Major incident	Unable to provide services during and for some time after the incident	Major incident and emergency response plans in place, incident response guide, business continuity planning
Long term decline in income including reduction in government funding and failure to provide funding for new initiatives	Pressure on revenue budget	Included in calculation of prudent minimum balances
Pay and price increases	Pressure on revenue budget	Included in calculation of prudent minimum balances
ICT - system/software failure or malicious software incursion	Unable to provide services during and after the failure. Loss of data, corruption of data, ransom demands, unable to provide service after incursion	Business continuity planning, back up servers
Failure to comply with legislation including data protection breaches	Legal action, compensation claims, fines, reputational damage	Standing orders and financial regulation, training, internal audit, monitoring officer
Overall budget realisation fails	Reduction in reserves, unplanned cuts to services, impact on future budgets	Budget monitoring, adequate reserves levels
Business rates retention	If overall funding reduces, there will be pressure on the revenue budget	Medium term financial strategy, modelling, business rates reserve
Failure of major contractor	Unable to provide services, additional unbudgeted costs	Market intelligence, credit checks, procurement rules and procedures

## Reserves

The Council holds a number of reserves the majority of which are earmarked to meet specific categories or items of expenditure. Levels of reserves are reviewed to determine their adequacy to meet the Council's commitments and future plans and are an important consideration when preparing the budget.

The Council's Section 151 Officer has recommended that a minimum level of un-earmarked reserves and contingencies of £2.007m be held to reflect the Council's levels of revenue risk.

The General Fund balance can be used to contribute to the revenue account. The required level is determined by a risk assessment of factors which might adversely impact upon the revenue budget on a worst case basis, the increased level of un-earmarked reserves and contingencies held reflects a strategic decision to increase the Council's financial resilience.

## Partnerships

The Council participates in a wide range of partnership arrangements. Some are formal partnerships regulated by an agreement between the partners and some are informal in nature, many of them designed to facilitate community cohesion or to ensure awareness of community needs or to enable more efficient working practices. Examples of formal partnerships are a shared apprenticeship scheme in conjunction with Newcastle College and the administration of the Business Improvement District (BID) scheme for Newcastle town centre. Businesses within the BID area pay a supplementary business rate, collected by the Council and used by the BID Board to promote the economic wellbeing and development of the town centre.

The Council continues to work closely with other public sector organisations to obtain value for money in relation to supplies and services and to provide the public with easy access to all of the partners' services from its facilities. An example of this is the Newcastle Partnership Funding Commissioning Group which co-ordinates contributions to third sector organisations. There are also reciprocal arrangements between neighbouring authorities for providing assistance, such as the secondment of staff, to provide continuity of service. The Council's offices at Castle House are shared with Staffordshire County Council, Staffordshire Police and Aspire Housing.

## Economy, Efficiency and Effectiveness in the Use of Resources

Local authorities are obliged to achieve economy, efficiency and effectiveness in their use of resources. Arrangements are in place to ensure that value for money is obtained when Council resources are expended, that there is proper stewardship and governance in relation to these matters and the arrangements are kept under review to ensure they are adequate and effective.

Financial Regulations, Contract Procedural Rules, Standing Orders and the Council's Constitution set out the basic framework and internal controls by which Council business and administration must be conducted and are binding on all employees and Members of the Council. Financial Regulations and the Contract Procedural Rules lay down procedures which must be followed when obtaining supplies and services for use by the Council to ensure that transparent and effective processes are in place. The arrangements and their effectiveness are continually kept under review as part of the ongoing management of the Council's services, medium term financial planning, continuous budgetary control procedures and regular internal audit reviews and reports.

The Corporate Leadership Team receive and review monthly budget monitoring reports and initiate action to deal with any significant variances revealed. Members are kept up to date regarding the budgetary position via quarterly performance monitoring reports to Cabinet, which also include non-financial performance indicators showing how services are delivering on their key targets. The quarterly reports are available on the Council's website. There is also a formal Member led scrutiny process, with key priority focused Scrutiny Committees enabling service delivery to be monitored.

Formal review takes place via the Annual Governance Statement considered and approved by Council Members, which is published within the Statement of Accounts (page 17). This is informed by the Corporate Leadership Team, Service Directors and Business Managers to provide assurance that governance arrangements are in place and to identify required improvements.

The Capital Strategy, Investment Strategy and Asset Management Strategy set out the framework within which the capital programme is managed and resources made available to finance the programme. Approval to proceed with capital investment is only given provided the necessary resources are available to finance it. An important element providing assurance regarding resource availability is an approved realistic programme of asset disposals. Capital investment and resources are assessed and monitored by the Capital, Assets and Commercial Investment Review Group which is chaired by the Cabinet Portfolio Holder for Finance, Town Centres and Growth. The group aims to ensure that the capital investment programme meets the Council's priorities, is affordable and that projects are carried out on time and within budget.

## Pension Scheme Liability

The Council's assets within the Staffordshire Pension Scheme are greater than funded obligations (an accounting surplus). Accounting Standards Accounting Standards (IAS19, IFRIC Interpretation 14) limit the measurement of a net defined benefit asset to the lower of the surplus in the defined benefit plan and the asset ceiling, recognising the inability of the Council to obtain full economic benefit of the calculated surplus by way of either a refund or reduced future pension contributions.



In the absence of the asset ceiling adjustment, the Pension Fund would be recognised as a £38.488m asset at 31 March 2025, the adjustment reflects the present value of the Council's agreed past service contributions continuing throughout the remaining period of the funding time horizon (i.e. until 31 March 2042). A liability of £20.976m is recognised when taking account of the asset ceiling adjustment.

Formal actuarial valuations are carried out every three years, where each employer's assets and liabilities are calculated on a detailed basis, using individual member data, for cash contribution setting purposes. The most recent formal valuations for English and Welsh Local Government Pension Scheme Funds were concluded by 31 March 2022. A reconciliation of the balance sheet from 31 March 2024 to 31 March 2025 can be seen in the 'Transactions relating to post-employment benefits' table in Note 30 (page 62), in the Comprehensive Income and Expenditure Statement (re-measurement of the defined benefit liability/asset, (page 27) and in the Balance Sheet (pension liability and pension reserve, page 29).

## Audit of the Accounts

The Council's appointed auditors, KPMG LLP, currently undertake the annual audit of the accounts. Their contact details are:

Richard Lee, KPMG LLP, 1 St Peters Square, Manchester, M2 3AE.

## Further Information

Further information about the accounts is available from:

Sarah Wilkes, Service Director for Finance (Section 151 Officer), Castle House, Barracks Road, Newcastle, Staffordshire, ST5 1BL

## Comments

If you have any comments about the way that the information is presented in this Statement of Accounts, or about possible alternative ways of making the information available, we would be pleased to receive them, at the above address.

## Approval of Statement of Accounts

The Accounts and Audit Regulations 2015 require the Statement of Accounts to be considered by and approved by a Council Committee or the Full Council and for the Statement to be signed at the meeting by the person presiding. This statement has been approved by the Audit and Standards Committee and this is evidenced by the signature of that Committee's Chair.

Signed:

Dated:

Cllr Paul Waring

Chair of the Audit and Standards Committee

# Statement of Responsibilities

## The Authority's Responsibilities

The Authority 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 authority, that Officer is the Service Director for Finance (Section 151 Officer),
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets,
- To approve the Statement of Accounts.

## The Service Director for Finance (Section 151 Officer) - Responsibilities

The Service Director for Finance (Section 151 Officer) is the Council's statutory Section 151 Officer and as such is responsible for the preparation of the authority's Statement of Accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code) are required to present a true and fair view of the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March 2025.

In preparing the statement of accounts the Service Director for Finance (Section 151 Officer) has:

- Selected suitable accounting policies and then applied them consistently,
- Made judgements and estimates that were reasonable and prudent,
- Complied with the Code,
- Kept proper accounting records which were up-to-date,
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

## The Service Director for Finance (Section 151 Officer) Certificate

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Council as at 31 March 2025 and its income and expenditure for the year ended 31 March 2025.

Sarah Wilkes

Dated:

Service Director for Finance (Section 151 Officer)

# Annual Governance Statement

## Introduction and Scope of Responsibility

Newcastle-under-Lyme Borough Council is responsible for ensuring that:

- Business is conducted in accordance with the law and proper standards,
- Public money is safeguarded and properly accounted for, and used economically, efficiently and effectively,
- Risk is properly managed as part of the governance arrangements.

Newcastle-under-Lyme Borough Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Newcastle-under-Lyme Borough Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Newcastle-under-Lyme Borough Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*.

A copy of the Code is available on the Council's website or can be obtained from:

Service Director for Finance (Section 151 Officer), Castle House, Barracks Road, Newcastle, Staffordshire, ST5 1BL

## The Governance Statement

The Governance Statement explains how Newcastle-under-Lyme Borough Council complies with the Code and also meets the requirements of the Accounts and Audit Regulations 2015, Regulation 6(1), which requires all relevant bodies to prepare an Annual Governance Statement.

In this document the Council:

- Acknowledges its responsibility for ensuring that there is a sound system of governance,
- Summarises the key elements of the governance framework and the roles of those responsibilities for the development and maintenance of the governance environment,
- Describes how the Council has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period,
- Provides details of how the Council has responded to any issue(s) identified in last year's governance statement,
- Reports on any key governance matters identified from this review and provides a commitment to addressing them.

The Annual Governance Statement reports on the governance framework that has been in place for the year ended 31 March 2025 and up to the date of approval on the Statement of Accounts.

The Governance Framework

The governance framework comprises the systems, processes, culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services. To demonstrate compliance with the principles of good corporate governance, the Council must ensure that it does the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

Good governance is crucial as it leads to good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes for residents and service users. Further, good governance enables an authority to pursue its aims effectively whilst controlling and managing risk.

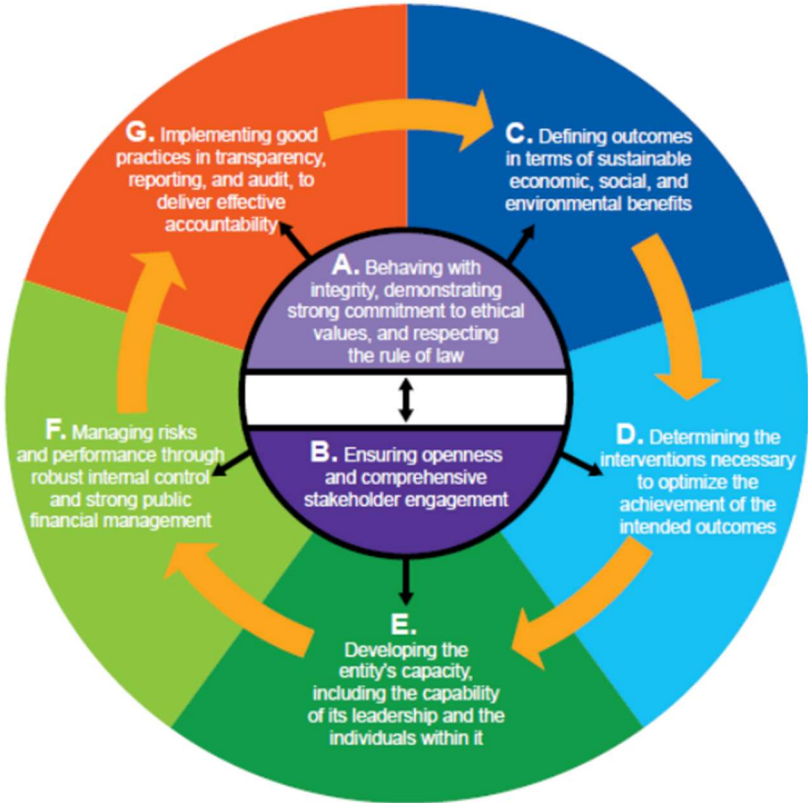
The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing and embedded process designed to identify and prioritise the risks to the achievement of Newcastle-under-Lyme Borough Council’s policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Newcastle-under-Lyme Borough Council for the year ended 31 March 2025 and up to the date of approval of the Statement of Accounts.

The Principles of Good Governance

The Council aims to achieve good standards of governance by adhering to the seven core principles in the diagram below, which form the basis of the Council’s Code of Corporate Governance:



The fundamental function of good governance is to ensure that the Council achieves its intended outcomes while acting in the public interest at all times.

The following core, high level, principles in Sections A to G reflect the 7 core principles of good governance in the public sector which are derived from the 'Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016)'.

The Council operates a number of systems, policies and procedures that constitute or contribute to the operation of the internal control environment and support the principles set out in the Code of Corporate Governance as detailed in the tables below:

Core Principle A	Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
	<ul style="list-style-type: none"> <li>• <b>Behaving with integrity:</b> <ul style="list-style-type: none"> <li>- The Council has in place Codes of Conduct for both Members and Officers which set out requirements that support the need to behave with integrity,</li> <li>- The Council has a set of values which are underpinned by a set of expected behaviours,</li> <li>- All new Members and Officers are made aware of the Code of Conduct when they join the Council,</li> <li>- The Council's Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by the law, while others are a matter for the Council to choose,</li> <li>- The Constitution is divided into 6 sections which set out the basic rules governing the Council's business. The Constitution is published on the Council's website,</li> <li>- The Monitoring Officer provides advice and can refer complaints to the relevant Committee (Audit and Standards Hearing Panel, Employment Committee).</li> </ul> </li> <li>• <b>Demonstrating strong commitment to ethical values:</b> <ul style="list-style-type: none"> <li>- The Council has a framework of policies that incorporate Anti-Fraud &amp; Corruption, Anti-Money Laundering and a Whistleblowing Policy all of which are designed to in the first instance discourage inappropriate behaviour and then secondly encourage both Members and Officers to voice any concerns they have and report any instances found,</li> <li>- Members are required to renew their declaration of interests annually and also declare any relevant interests at meetings. There is also a register of gifts and hospitality,</li> <li>- Employees are required to notify their Service Director about any potential conflict of interest,</li> <li>- A register of gifts and hospitality is maintained by the Corporate Leadership Secretarial Team,</li> <li>- A Corporate complaints procedure exists to receive and respond to any complaints received,</li> <li>- The Council is committed to equality of opportunity for all citizens, in line with the Public Sector Duty as set out in the Equality Act 2010.</li> </ul> </li> <li>• <b>Respecting the rule of law:</b> <ul style="list-style-type: none"> <li>- The Council has in place a Monitoring Officer who works with Members and Officers to ensure that the law is adhered to,</li> <li>- The constitution sets out; the responsibilities of the Council, the Cabinet, and Scrutiny Committees; the roles, duties and delegated powers of key officers,</li> <li>- The Council has a duty to appoint staff to three specific roles; The Head of Paid Service (Chief Executive) who has overall accountability for the governance arrangements operating within the Council; The Chief Finance Officer who is responsible for the proper administration of the Council's financial affairs and internal controls; The Monitoring Officer who has a role in ensuring decisions are taken lawfully and that the Council complies with the Constitution.</li> </ul> </li> </ul>

Core Principle B	Ensuring openness and comprehensive stakeholder engagement
	<ul style="list-style-type: none"> <li>• <b>Openness:</b> <ul style="list-style-type: none"> <li>- All meetings of the Council are held in public unless the Part II requirements of the local authorities (Executive Arrangements) (Access to Information) Regulations 2000, are met in terms of confidentiality,</li> <li>- Copies of all minutes and agendas are available on the Councils website. All reports contain details of options considered and the advice provided by Officers regarding legal and financial implications. The minutes include the reasons behind the decisions made,</li> <li>- The Council has a Freedom of Information Scheme in place and seeks to publish information openly on its website wherever possible and practicable to do so,</li> <li>- The Council complies with the code of recommended practice for local authorities on data transparency which acts as a starting point for the information made available.</li> </ul> </li> </ul>

**Core Principle B      Ensuring openness and comprehensive stakeholder engagement****• Engaging comprehensively with institutional stakeholders:**

- The Council has in place a Communications Strategy which sets out how we will communicate with our residents, service users and stakeholders,
- Since 2019/20 The Council has been part of the Staffordshire and Stoke-on-Trent Business Rate Pool,
- The Council is committed to working collaboratively with a range of other partners including the County Council, education, health, housing, business, police, fire and the voluntary and community sector to achieve what is needed for the Borough.

**• Engaging with stakeholders effectively, including individual citizens and service users:**

- Elected Members are democratically accountable to their local area and provide a clear leadership role in building sustainable communities,
- The Council has a consultation framework and toolkit in place and provides details of all on-going consultation exercises/surveys on its website,
- Whenever we seek the views from the community we provide feedback on the information received and let our residents know how it has or will be used to help shape Council decisions,
- Where appropriate, public consultation is used to seek the views of residents and stakeholders. For example, a public engagement exercise was undertaken with residents and stakeholders on the draft budget proposals. The aim of this engagement exercise was to:
  - Communicate clearly to residents and stakeholders the budget proposals for 2025/26,
  - Ensure any resident, business or stakeholder who wished to comment on the proposals had the opportunity to do so, enabling them to raise any impacts the proposals may have,
  - Allow participants to propose alternative suggestions for consideration which they feel could achieve the objectives in a different way.
- The Council carried out a consultation with its Officers via its Wellbeing survey. This survey focused on the impact of the COVID-19 pandemic on the workforce and their families. This gave a good insight as to how some of the staff were feeling and the sort of support needed going forward. A response plan was then developed with the support of the Human Resources department and this was communicated to all staff.

**Core Principle C      Defining outcomes in terms of sustainable economic, social and environmental benefits****• Defining outcomes:**

- The Council has a clear vision of what it wants to achieve, which is set out in its Council Plan 2022-2026 and supported by the Medium Term Financial Strategy. The vision and priorities have been informed by an analysis of needs for the Borough and also via consultation with key stakeholders and the public,
- Each service has a Priority Delivery Plan that outlines outcomes to be achieved and how they link to the Council Plan,
- The Council priorities are;
  - One Council Delivering for Local People,
  - A Successful and Sustainable Growing Borough,
  - Healthy, Active and Safe Communities,
  - Town Centres for All.
- Performance Monitoring takes place monthly and is reported to Cabinet and Scrutiny on a quarterly basis,
- The Finance, Assets and Performance Scrutiny Committee has an important role in helping to define and monitor outcomes,
- The Local Government Association Peer Review was used in 2023/24 to provide a 'health check' on core components including financial planning and partnership working.

**• Sustainable economic, social and environmental benefits:**

- A Sustainable Community Strategy is in place which aims to create an environment where local people can articulate their priorities, needs and aspirations,
- In addition the Capital Strategy sets out the principles and objectives which the Council has identified for its capital investment and how its capital plans link to other strategies and areas of activity of the Council and its partners and covers a 10 year period,
- The Council's day to day services support the delivery of the Council Plan, performance in delivering the objectives are monitored by the Corporate Leadership Team (Officers), the Cabinet and Scrutiny Committees (Members). The Council Plan can be viewed on the Council website at <https://www.newcastle-staffs.gov.uk/policies-1/Council-plan-2022-2026/6>,
- The Council is currently working on the Local Plan which is being designed to encourage sustainable development, including sustainable communities, economic development and homes for the future,
- The Council's Procurement Strategy includes social value principles (social, economic and environmental) in procurement and contract management.



Core Principle D	Determining the interventions necessary to optimise the achievement of the intended outcomes
<ul style="list-style-type: none"> <li>• <b>Determining and Planning Interventions:</b> <ul style="list-style-type: none"> <li>- The principles of decision making are detailed in the Council's Constitution, however the Council has in place a robust decision-making process with all Cabinet reports being considered by the Corporate Leadership Team to give a view on the strategic implications. Additionally, report authors should seek clearance from all corporate services, including legal and finance, for reports prior to publication. All reports follow a standard template which identifies the decision maker, the decision or action required, why the report is recommended and alternative options considered,</li> <li>- A calendar of meetings is approved and agreed by Full Council covering the period of the Council Plan 2022-2026,</li> <li>- The Council's Forward Plan details all the reports relating to key decisions and the timescales within which they will be presented,</li> <li>- Priority Delivery Plans are produced annually which set out the planned activities for each service area for that year,</li> <li>- Performance monitoring is undertaken to understand if and how the priorities identified within the Council Plan are being achieved. This is undertaken through service planning and identification of key performance indicators to show how services help to achieve the priorities of the Council. A number of corporate Indicators have been identified and are reported quarterly to the Corporate Leadership Team, Cabinet Members and Scrutiny Committee.</li> </ul> </li> <li>• <b>Optimising the achievement of intended outcomes:</b> <ul style="list-style-type: none"> <li>- The Medium Term Financial Strategy considers any changes that are required to be made to the base budget to ensure that service priorities are affordable and achievable,</li> <li>- The budget process takes account of the full cost of service delivery over the medium and longer terms,</li> <li>- The budget setting process ensures that a robust and balanced budget is approved,</li> <li>- The budget setting process allows for investment which is intended to bring future efficiencies.</li> </ul> </li> </ul>	

Core Principle E	Developing capacity, including the capability of leadership and the individuals within it
<ul style="list-style-type: none"> <li>• <b>Developing the Councils capacity:</b> <ul style="list-style-type: none"> <li>- The Council regularly reviews its activities to ensure continuous improvement of service delivery,</li> <li>- The Council works closely with its partners to ensure the delivery of agreed outcomes to the community.</li> <li>- The Council has a Workforce Development Plan which is currently being updated in order to capture the Council's capacity needs.</li> </ul> </li> <li>• <b>Developing the capability of the entity's leadership and other individuals:</b> <ul style="list-style-type: none"> <li>- The roles of Members, Committees, Officers and Statutory Officers are set out in the Council's Constitution, which is available on the Council's website,</li> <li>- The Council has a scheme of delegation in place which forms part of the Constitution, this sets out the types of decision made by the Council and who can make these,</li> <li>- The Constitution also contains Financial Regulations and Contract Procedural Rules which provide a framework for Officers to follow when running their services and making decisions,</li> <li>- An induction programme is in place to provide training and support for all new Members and Officers,</li> <li>- All Officers have an annual appraisal to review performance and identify any training and development needs,</li> <li>- A Member development programme is in place in respect of Members to identify all their training needs,</li> <li>- The Council is committed to supporting the health and well-being of the workforce through appropriate Human Resource policies, working practices and access to an occupational health service.</li> </ul> </li> </ul>	

Core Principle F	Managing risks, performance and data through robust internal control and strong public financial management
<ul style="list-style-type: none"> <li>• <b>Managing Risk:</b> <ul style="list-style-type: none"> <li>- The Council has a risk management policy and strategy in place, which is reviewed and approved annually,</li> <li>- A strategic risk register is maintained by the Corporate Leadership Team, progress is monitored on a quarterly basis by the Audit and Standards Committee,</li> <li>- Operational risks are identified and managed by Service Directors; these are reviewed and monitored quarterly,</li> <li>- The Council's Audit and Standards Committee has responsibility to provide independent assurance on the adequacy of the risk management framework and the internal control and reporting environment and the integrity of the financial reporting and annual governance statement process. This committee receives periodic reports regarding risk management and approves the risk management policy. This committee</li> </ul> </li> </ul>	

<b>Core Principle F</b>	<b>Managing risks, performance and data through robust internal control and strong public financial management</b>
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undertakes the core functions of an audit committee and operates in accordance with CIPFA guidance.

- The Financial Procedure Rules form part of the Constitution and set out the financial management framework for ensuring the best use of resources. It outlines the financial roles and responsibilities for staff and Members and provides a framework for financial decision making. The procedure rules ensure statutory powers and duties are complied with and reflect best practice,
- The Council has reviewed and revised its Contract Procedure Rules,
- The Chief Finance Officer provides effective financial management in accordance with the financial procedures and rules set out in the Constitution.

• **Managing Performance:**

- Service Directors and Business Managers are responsible operationally for the performance in delivering day to day services. This in turn is monitored by the Corporate Leadership Team,
- The performance of delivering the Council's priorities is monitored by Cabinet,
- The Council Plan 2022-2026 is monitored by the Council's Scrutiny Committee which reviews performance and financial monitoring information to support the delivery of the Council Plan and budget strategy. The Annual Statement of Accounts contains a review of key achievements and performance made against the Council Plan.

• **Robust internal control:**

- The internal control framework comprises a range of policies and procedures to ensure sound management of the Council's operation and delivery of services,
- Internal Audit undertakes reviews of systems that comprise the internal control and governance framework, it provides assurance and where necessary makes recommendations for improvement,
- The Audit and Standards Committee receives reports with regards to the internal control framework. In addition quarterly reports are presented in respect of the progress and completion of the audit plan and the implementation of outstanding recommendations,
- Fraud is taken very seriously, and the Council has an Anti-Fraud and Corruption, Money Laundering and a Whistleblowing Policy which is reviewed annually and approved by the Audit and Standards Committee.

• **Managing Data:**

- The Council has a suite of Information Security Policies to ensure and maintain the integrity of the data that it holds,
- The Council is committed to complying with the General Data Protection Regulations (GDPR) which introduced a requirement for accountability and governance in discharging the Council's obligations as data controller. The Council has established an Information Governance Group. The role of this group is to oversee the effectiveness, compliance and governance of information practice across the Council. The group is led by the Service Director for IT, as the Senior Responsible Officer, with Officers from all service areas across the Council. The group usually meets bi-monthly and reports once a month to the Council's Corporate Leadership Team to monitor compliance,
- Data protection training is mandatory for all employees of the Council and temporary members of staff and an online training module is available for elected Council Members,
- The Council recognises that Cyber Security is a persistent and growing threat to the systems and data that the Council holds and uses. It therefore recognised that reviews of Cyber Security and the associated awareness for Officers and Members is not a one-off exercise. The Council will keep technology, threats and education under constant review to ensure it is meeting with its obligations for all systems regardless of setting.

• **Strong public financial management:**

- The Service Director for Finance as the Councils Section 151 Officer is appropriately qualified and complies with the CIPFA statement on the Role of the Chief Finance Officer. In April 2016, CIPFA/SOLACE issued an updated application note on the CIPFA Statement on the Role of the Chief Financial Officer in Local Government. The Council complies with these requirements. The Chief Financial Officer is:
  - A key member of the Corporate Leadership Team,
  - Actively involved in, and able to bring influence to bear on, all material business decisions to ensure alignment with the Council's financial strategy,
  - The lead for the promotion and delivery, by the whole Council, of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively,
  - Professionally qualified and suitably experienced,
  - Able to lead and direct a finance function that is resourced to be fit for purpose.
- The Service Director for Finance (Section 151 Officer) prepares and advises the Council on its Medium Term Financial Strategy and the Budget,
- Regular budget monitoring reports are provided to Members and Officers,



<b>Core Principle F</b>	<b>Managing risks, performance and data through robust internal control and strong public financial management</b>
<ul style="list-style-type: none"> <li>- Financial Regulations and Contract Procedural Rules provide a framework for the day-to-day management of the Council's financial transactions,</li> <li>- The CIPFA Financial Management Code has been adopted and is complied with,</li> <li>- The Council maintains an internal audit function which operates to the standards set out in the 'Public Sector Internal Audit Standards'. An assessment against the standard is carried out each year with the outcome being reported to the Audit and Standards Committee as part of the Chief Internal Auditor's annual report. A Chief Internal Auditor protocol, to ensure that arrangements operated by the Council meet the requirements of the CIPFA Statement on the Role of the Head of Internal Audit in Public Sector Organisations, has been included in the constitution.</li> </ul>	

<b>Core Principle G</b>	<b>Implementing good practices in transparency, reporting and assurance (including audit) to deliver effective accountability</b>
<ul style="list-style-type: none"> <li>• <b>Implementing good practice in transparency and reporting:</b> <ul style="list-style-type: none"> <li>- The Council is committed to openness and transparency and publishing as much Council data as it can in order to increase accountability,</li> <li>- The following information is reported annually to Members and is available on the Council's website: <ul style="list-style-type: none"> <li>• Performance in delivering the Council's priorities,</li> <li>• Statement of Accounts,</li> <li>• Annual Governance Statement,</li> <li>• Annual Internal Audit Report,</li> <li>• Annual External Audit Letter,</li> </ul> </li> <li>- In addition to the above, the Council has a transparency page on the website which provides public access to information in accordance with the Local Government Transparency Code,</li> <li>- The Council's Constitution sets out how decisions are made and specific reference to decision making by Council, Cabinet, committees and subcommittees established by the Council and scrutinised by the Scrutiny Committees. The Constitution includes the Officer Scheme of Delegation which sets out the powers and functions that are delegated to named Council Officers. The compilation of a Register of Delegated powers is a statutory requirement and is maintained by the Service Director for Legal and Governance.</li> </ul> </li> <li>• <b>Assurance and effective accountability</b> <ul style="list-style-type: none"> <li>- Internal Audit provides assurance throughout the year on the key systems of internal control,</li> <li>- The External Auditor provides assurance on the Council's financial statements,</li> <li>- The Council's governance arrangements are reviewed on an annual basis,</li> <li>- There is a Corporate Complaints, Compliments and Comments Policy in place,</li> <li>- Independent reviews of Council services are undertaken from time to time, any feedback in respect of such reviews are noted and acted upon accordingly,</li> <li>- The Statutory Officers Group and Corporate Assurance Group review all corporate complaints, compliments and comments.</li> </ul> </li> </ul>	

A key element of the Council's governance arrangements concerns safeguarding. Newcastle-under-Lyme Borough Council has both a moral and legal obligation to ensure a duty of care for children and vulnerable adults across all its services. As a Council we are committed to ensuring that all children and vulnerable adults are protected and kept safe from harm whilst engaged in services organised and provided by us. We ensure this by:

- Having a Safeguarding Policy in place,
- Mandatory training in place for all Members and Officers,
- Carrying out the appropriate level of Disclosure and Barring Service (DBS) checks for employees,
- Working closely with the Staffordshire Safeguarding Children Partnership and Staffordshire and Stoke-on-Trent Adult Safeguarding Partnership.

## Annual Review of the Effectiveness of the Governance Framework

Newcastle-under-Lyme Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Corporate Leadership Team within the Council who have responsibility for the development and maintenance of the governance and internal control environment and also by comments made by the external auditors and other review agencies and inspectorates.

The Code of Corporate Governance adopted by Newcastle-under-Lyme Borough Council demonstrates the Council is committed to ensuring that the principles of good governance flow from a shared ethos or culture, as well as from sound management systems, structures, and processes that are transparent to all its stakeholders. By making explicit the high standards of self-governance the Council aims to provide a lead to potential partners, to the public, private or voluntary sectors and to all residents.

The Audit and Standards Committee monitors effectively the system of internal control, this has been demonstrated through the completion of a self-assessment against CIPFA's checklist on 'Measuring the effectiveness of the Audit Committee'. The Committee receives regular reports on both the Audit and Risk issues and has demonstrated effective challenge to senior officers in instances of non-compliance; it can therefore be relied upon when considering the Annual Governance Statement for 2024/25.

The Scrutiny function continues to ensure effective monitoring and challenge. There are Scrutiny Committees that reflect each of the Council's Corporate Priorities. The terms of reference for each of these committees ensure that performance is effectively monitored and challenged.

Internal Audit is responsible for monitoring the quality and effectiveness of the systems of internal control. A risk model is used to formulate a twelve month plan which is approved by the Audit and Standards Committee, and from which the annual workload is identified. The reporting process for Internal Audit requires a report of each audit to be submitted to the relevant Service Director. The report includes recommendations for improvements that are included within an action plan and require agreement, or challenge, by Service Directors. The process includes follow ups on a monthly basis, the results of which are reported quarterly to the Audit and Standards Committee in terms of fundamental recommendations and the level of assurance that can be given for that directorate based on the implementation of their recommendations. Internal Audit has continued to receive positive feedback from External Audit with regards to the coverage of their work and high professional standards.

Internal Audit can provide a level of assurance that the Council's systems of internal control are operating adequately, from their work in 2024/25.

An assessment of the role of the Chief Finance Officer (CFO) has been completed by the External Auditors in accordance with the 'CIPFA Statement on the role of the Chief Financial Officer in public service organisations'. The statement produced by CIPFA seeks to strengthen governance and financial management throughout the public sector, in addition it sets out the core responsibilities, personal skills and professional standards that are crucial to the role. It requires that the CFO is professionally qualified, reports directly to the Chief Executive and is a member of the Leadership Team. Having undertaken the assessment of the role of the CFO within the Council it can be confirmed that the Council complies with this statement.

The role of the Head of Internal Audit has been reviewed in accordance with 'CIPFA Statement on the role of the Head of Internal Audit'. The role of the Head of Internal Audit occupies a critical position within any organisation helping it to achieve its objectives by giving assurance on its internal control arrangements and playing a key role on promoting good corporate governance. The main aim of the CIPFA statement is to promote and raise the profile of the Head of Internal Audit within public service organisations. The Council's arrangements during 2024/25 for the provision of Internal Audit were in partnership with Staffordshire County Council, and ensured that the objectives of this role were achieved.

The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The Council keeps the Constitution under review throughout the year, with a report setting out changes to be consolidated to Council on an annual basis.

Managers Assurance Statements are produced annually by Service Directors. These statements provide a level of assurance with regards to the adequacy of internal controls within their own Service Areas.

There are various specialist working groups, i.e. Statutory Officers' Group, Capital, Assets and Commercial Investment Review Group, Corporate Governance, Information Governance, Procurement, and Corporate Health and Safety, that agree, oversee and review the various disciplines giving assurance that the Council complies with statute, identifies and manages its risks.

The External Auditors, KPMG gave an unqualified opinion on the 2023/24 Accounts, in their Annual Report. In addition their review of the Council's governance arrangements advised that no evidence or indication of significant risks were found.

The Council has a zero tolerance to Fraud and Corruption, the Anti-Fraud and Corruption Framework, Fraud Response Plan and Whistleblowing Policy are in place to help deliver our commitment to protecting public funds and ensuring that all Council activities are carried out in accordance with the principles of openness, honesty and integrity. The commitment to deterring fraud and corruption is actively promoted throughout the organisation. Anyone who has any concerns about any aspect of the Council's work is actively encouraged to come forward and voice those concerns.

## How has the Council addressed the Governance Improvement Actions from 2023/24?

The following matters were identified as improvement areas that need to be addressed in order to further improve the Council's overall governance arrangements:

- To continue to raise the profile and status of information security and governance throughout the Council. Work to ensure that information security and data protection requirements and legislation are complied with, is to be continued. A review will be completed on data retention/storage/disposal to ensure continued compliance.

***A review has been undertaken on data retention/storage/disposal and continues to be updated.***

- To ensure that the Council continues to deliver services that meet the needs of our customers and respond to any issues our customers may have with the current level of service provision. Working with our partners we will ensure that we can deliver effectively and efficiently against residents/customer requirements.

***Service provision is continuously monitored in order to ensure that the needs of our residents and customers are met.***

- To ensure that our services demonstrate value for money we will continue to review all service areas against best practice and implement actions outlined in Priority Delivery Plans, in addition we will seek to improve efficiencies across all Council services through the One Council Programme and ensure that the savings identified from this process can be realised.

***Following the One Council Programme, regular monitoring of processes takes place with the efficient working behaviour now embedded within service areas.***

- To develop the commercial skill sets of Officers and the Council's investment capacity in order to support the Council's long term financial sustainability. Whilst it is recognised that the Council has strong financial management, it is important to continue to promote joint responsibility and accountability for the financial health of the organisation.

***Joint responsibility and accountability for the Council's financial health has been promoted within the Council and this has been acknowledged by the Corporate Peer Review follow up visit in January 2024.***

- To continue to improve practical guidance on governance in order to provide clearer understanding of processes to be followed throughout the organisation, starting with a review of the Scheme of Delegation within the Constitution.

***The Scheme of Delegation and Constitution are currently being reviewed.***

## Looking ahead

In 2024/25 no significant weaknesses in Governance/Internal Control were highlighted in the feedback received from senior officers.

We propose over the coming year to further enhance our governance arrangements in order to continually improve our processes and policies in place.

**Conclusion**

We consider the Governance Framework and Internal Control environment operating during 2024/25 to provide reasonable and objective assurance that any significant risks impacting on the achievement of the Council's objectives will be identified and actions taken to avoid or mitigate their impact.

The system of Governance (including the system of Internal Control) can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, that value for money is being secured and that significant risks impacting on the achievement of our objectives have been mitigated.

**Signed:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Gordon Mole**  
  
**Chief Executive**

**Signed:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Cllr Simon Tagg**  
  
**Leader of the Council**

# Financial Statements

## Comprehensive Income and Expenditure Statement

This statement shows the accounting cost of providing services in accordance with 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 both the Movement in Reserves Statement (page 28) and the Expenditure and Funding Analysis (page 44).

2023/24				2024/25		
Gross expenditure	Gross income	Net expenditure		Gross expenditure	Gross income	Net expenditure
£000	£000	£000		£000	£000	£000
8,379	1,115	7,264	Chief Executive	8,982	1,612	7,370
12,020	6,814	5,206	Growth and Development	17,895	7,445	10,450
38,309	27,925	10,384	Sustainable Environment & Operations	49,395	28,891	20,504
<b>58,708</b>	<b>35,854</b>	<b>22,854</b>	<b>Cost of services</b>	<b>76,272</b>	<b>37,948</b>	<b>38,324</b>
3,049	2,246	803	Other operating expenditure (Note 10-p49)	1,331	1,412	(81)
10,328	10,448	(120)	Financing & investment income/expenditure (Note 11-p49)	10,656	10,110	546
11,071	36,016	(24,945)	Taxation & non-specific grant income/expenditure (Note 12-p49)	11,815	44,447	(32,632)
		<b>(1,408)</b>	<b>(Surplus)/deficit on service provision</b>			<b>6,157</b>
		(1,504)	(Surplus)/deficit on revaluation of assets (Note 26-p58)			(1,848)
		158	Remeasurement of the defined benefit liability/asset (Note 30-p62)			(634)
		<b>(1,346)</b>	<b>Other income &amp; expenditure</b>			<b>(2,482)</b>
		<b>(2,754)</b>	<b>Total income &amp; expenditure</b>			<b>3,675</b>

## 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 local taxation) and unusable reserves. The movements in the year are broken down between gains and losses incurred in accordance with accounting practices and statutory adjustments required to return to the amounts chargeable to Council Tax for the year. The net increase/decrease line shows the statutory General Fund balance movements in the year following those adjustments.

	General Fund balance	Capital receipts reserve	Capital grants unapplied	Total usable reserves	Unusable reserves	Total Council reserves
	£000	£000	£000	£000	£000	£000
<b>2024/25</b>						
<b>Balance at 31 March 2024 b/fwd</b>	<b>(5,208)</b>	-	<b>(4,359)</b>	<b>(9,567)</b>	<b>(40,680)</b>	<b>(50,247)</b>
<b>Movement in Reserves 2024/25</b>						
Total comprehensive income & expenditure	6,157	-	-	6,157	(2,482)	3,675
Adjustments between accounting & funding basis ( <a href="#">Note 8-p47</a> )	(6,467)	-	311	(6,156)	6,156	-
<b>(Increase)/decrease in year</b>	<b>(310)</b>	-	<b>311</b>	<b>1</b>	<b>3,674</b>	<b>3,675</b>
<b>Balance at 31 March 2025 c/fwd</b>	<b>(5,518)</b>	-	<b>(4,048)</b>	<b>(9,566)</b>	<b>(37,006)</b>	<b>(46,572)</b>
<b>2023/24</b>						
<b>Balance at 31 March 2023 b/fwd</b>	<b>(5,205)</b>	<b>(377)</b>	<b>(3,629)</b>	<b>(9,211)</b>	<b>(38,282)</b>	<b>(47,493)</b>
<b>Movement in Reserves 2023/24</b>						
Total comprehensive income & expenditure	(1,408)	-	-	(1,408)	(1,346)	(2,754)
Adjustments between accounting & funding basis ( <a href="#">Note 8-p47</a> )	1,405	377	(730)	1,052	(1,052)	-
<b>(Increase)/decrease in year</b>	<b>(3)</b>	<b>377</b>	<b>(730)</b>	<b>(356)</b>	<b>(2,398)</b>	<b>(2,754)</b>
<b>Balance at 31 March 2024 c/fwd</b>	<b>(5,208)</b>	-	<b>(4,359)</b>	<b>(9,567)</b>	<b>(40,680)</b>	<b>(50,247)</b>

- The General Fund balance includes £3.511m of earmarked reserves, leaving a general balance of £2.007m.

## 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. 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 (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). 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, 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 and funding basis' (page 28).

31/03/2024 £000		31/03/2025 £000
56,973	Property, plant & equipment (Note 19-p53)	56,662
1,816	Surplus assets (Note 19-p53)	3,021
13,505	Investment property (Note 20-p55)	15,349
1,218	Heritage assets (Note 21-p56)	1,218
419	Intangible assets	654
367	Long term debtors (Note 23-p57)	301
<b>74,298</b>	<b>Long term assets</b>	<b>77,205</b>
17,500	Short term investments (Note 32-p66)	-
-	Assets held for sale (Note 22-p57)	-
251	Inventories	252
14,080	Short term debtors (Note 23-p57)	16,158
593	Cash/cash equivalents (Note 32-p66)	3,067
<b>32,424</b>	<b>Current assets</b>	<b>19,477</b>
(9,949)	Short term creditors (Note 24-p57)	(11,587)
(54)	Short term borrowing (Note 32-p66)	(45)
(1,422)	Revenue grants receipts in advance (Note 18-p52)	(655)
(1,923)	Provisions (Note 25-p57)	(441)
<b>(13,348)</b>	<b>Current liabilities</b>	<b>(12,728)</b>
(224)	Provisions (Note 25-p57)	(426)
(22,775)	Net pensions liability (Note 30-p62)	(20,976)
(20,128)	Capital grants receipts in advance (Note 18-p52)	(15,980)
<b>(43,127)</b>	<b>Long term liabilities</b>	<b>(37,382)</b>
<b>50,247</b>	<b>Net assets</b>	<b>46,572</b>
<b>9,567</b>	<b>Total usable reserves (MIRS-p28)</b>	<b>9,566</b>
<b>40,680</b>	<b>Total unusable reserves (Note 26-p58)</b>	<b>37,006</b>
<b>50,247</b>	<b>Total reserves</b>	<b>46,572</b>

## Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. It shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The 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 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		2024/25 £000
<b>(1,408)</b>	<b>Net (surplus)/deficit on the provision of services (CIES-p27)</b>	<b>6,157</b>
(601)	(Increase)/decrease In creditors	(1,000)
890	Increase/(decrease) in debtors	1,116
(87)	Increase/(decrease) in inventories	1
(211)	(Increase)/decrease in provisions	1,280
(2,588)	Charges for depreciation/impairment of non-current assets	(2,839)
(708)	Revaluation losses on property, plant & equipment	(13,125)
(159)	Movements in fair value of investment properties	(211)
(6)	Amortisation of intangible assets	(327)
858	Movement in pension liability	1,165
(2,347)	Non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income & Expenditure Statement	(559)
<b>(4,959)</b>	<b>Adjustments for non-cash movements</b>	<b>(14,499)</b>
10,067	Capital grants & contributions credited to Comprehensive Income & Expenditure Statement	15,104
-	Capital grants unapplied transferred to Comprehensive Income & Expenditure Statement	(311)
2,247	Transfer of cash sales proceeds credited as part of the gain/loss on disposal to Comprehensive Income & Expenditure Statement	1,410
<b>12,314</b>	<b>Adjustments for items that are investing/financing activities</b>	<b>16,203</b>
<b>5,947</b>	<b>Net cash flows from operating activities</b>	<b>7,861</b>
6,748	Purchase of property, plant & equipment, investment property & intangible assets	18,187
500	Purchase of short & long term investments	-
-	Proceeds from short & long term investments	(17,500)
(2,259)	Proceeds from sale of property, plant & equipment, investment property & intangible assets	(1,431)
(9,721)	Other receipts from investing activities	(10,690)
<b>(4,732)</b>	<b>Net cash flows from investing activities</b>	<b>(11,434)</b>
1	Repayments of borrowing	9
2,572	Council Tax and NNDR Adjustments	1,090
<b>2,573</b>	<b>Net cash flows from financing activities</b>	<b>1,099</b>
<b>3,788</b>	<b>Net increase or decrease in cash &amp; equivalents</b>	<b>(2,474)</b>
(4,381)	Cash & equivalents brought forward	(593)
<b>(593)</b>	<b>Cash &amp; equivalents carried forward</b>	<b>(3,067)</b>

The cash flows for operating activities include the following items:

2023/24 £000		2024/25 £000
(1,426)	Interest received	(831)
-	Interest paid	-



# Notes to the Financial Statements

## 1. Accounting Policies

### i. General Principles

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 is required to be prepared in accordance with accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom, published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and supported by International Financial Reporting Standards (IFRS).

The continuation of service principle applies and the accounts have consequently been prepared on a going concern basis. 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.

Materiality levels throughout the accounts are based upon the relevance to the users of the accounts and notes and the amounts advised to the Council by its external auditors.

### ii. Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract,
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and used, 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 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.

### iii. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with the financial institutions repayable without penalty on notice of not more than 90 days. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand.

### iv. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise from changes 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 made when required by 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.

#### **v. Charges to Revenue for Non-Current Assets**

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

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

The Council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation. These are therefore reversed out by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

#### **vi. Council Tax and Non Domestic Rates**

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 principal for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. 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 (CIES) 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 CIES 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.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made (fixed or determinable payments), the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

#### **vii. Employee Benefits**

##### **Benefits Payable during Employment**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include benefits such as wages and salaries, annual leave and sick leave and non-monetary benefits for current employees that 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 other 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 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 benefits 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 and are charged on an accruals basis to the appropriate service at the earlier of when the Council can no longer withdraw the offer of those benefits or costs for a restructuring are recognised.

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 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 (unless they chose to opt out) are members of the Local Government Pensions Scheme, administered by Staffordshire County Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees working for the Council.

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

- The liabilities of the Staffordshire 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 and forecasts of projected earnings for current employees,
- Liabilities are discounted to their value at current prices, using a discount rate of 4.8%,
- The assets of Staffordshire 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 arising from current year decisions 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,

- Remeasurements 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 Staffordshire 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 appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

### Discretionary Benefits

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

### viii. Events After the Balance Sheet Date

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

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events,
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts are 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.

### ix. 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 (CIES) 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 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.

## Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. The financial assets that the Council holds are measured at amortised cost.

### Financial Assets Measured at Amortised Cost

Loans and debtors 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.

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 (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

### Short-Term Investments

The Council recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12 month or lifetime basis. Lifetime losses are recognised for trade 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 a 12 month expected loss.

### Instruments Entered into Before 1 April 2006

The Council has entered into a financial guarantee (Housing Stock Transfer Warranty) that is not required to be accounted for as a financial instrument. This guarantee is reflected in the Statement of Accounts to the extent that a contingent liability note is needed under the policies set out in the section on provisions, contingent liabilities and contingent assets.

## x. Foreign Currency Translation

Where the Council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

## xi. 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,
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement (CIES) until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future

economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

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

Where capital grants are credited to the CIES, 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.

## **xii. Heritage Assets**

The Council's heritage assets are either held in its Museum or consist of outdoor structures of various kinds. All of these assets are tangible. Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below:

### **Museum Collection**

These items are reported in the Balance Sheet at insurance valuation, which is based on market values as assessed by an external valuer. These valuations are updated where necessary by the museum curator in respect of significant items and changes. New items are added at cost, if purchased and at valuation, if donated, where they are significant. No depreciation is charged since the items in the collection are deemed to have indeterminate lives.

### **Outdoor Structures**

There is no reliable cost or valuation information available to enable these items to be valued. Consequently, they are not recognised on the Balance Sheet.

### **General**

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. Heritage assets may occasionally be disposed of which have a doubtful provenance or are unsuitable for public display. 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 (see note 'xviii').

## **xiii. 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. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement (CIES). 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 CIES. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the CIES.

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.

#### **xiv. Inventories**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

#### **xv. 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, however their values are considered each year according to market conditions at the year-end (i.e. if any properties or classes of properties, following consideration are thought likely to be subject to a valuation change, they are revalued). In any case every property is revalued once every five years according to a rolling programme of revaluations. 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.

#### **xvi. Leases**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

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

#### **The Council as Lessee**

Property, plant and equipment held under leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset.

Lease payments are apportioned between a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability; and a finance charge (debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund balance, by way of an adjusting transaction with the capital adjustment account in the Movement in Reserves Statement for the difference between the two.

## The Council as Lessor

Where the Council grants a lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, 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. A gain, representing the Council's net investment in the lease, is 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), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received) and finance income (credited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve.

The written-off value of disposals is not a charge against Council Tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

## Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

## xvii. 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.

## xviii. 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 accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. No de-minimis level, below which expenditure is not capitalised, applies. 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 cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the taxation and non-specific grant income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in a donated assets account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance to the capital adjustment account in the Movement in Reserves Statement.

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

- Infrastructure and assets under construction – depreciated historical cost. Where the historical cost is unknown, a nominal value of £1 is attributed to the asset concerned,
- Community assets - depreciated historical cost, or the valuation option as per section 4.10 of the Code of Practice on Local Government Accounting (this permits valuations by any method that is appropriate and relevant),
- 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. Assets within each asset class are revalued together to ensure consistency of valuation within class. Increases in valuations are matched by credits to the revaluation reserve to recognise unrealised gains.

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, including the year of acquisition. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Dwellings and other buildings - straight-line allocation over the useful life of the property as estimated by the valuer,
- Vehicles, plant, furniture and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified Officer,
- Infrastructure - straight-line allocation over estimated life of asset.

Where an item of property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the revaluation reserve to the capital adjustment account.

## Disposals and Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the surplus or deficit on provision of services. Depreciation is not charged on assets held for sale.

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

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of 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. These are required to be credited to the capital receipts reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the 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 fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

## **xix. Provisions, Contingent Liabilities and Contingent Assets**

### **Provisions**

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

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured 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.

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.

## **xx. Reserves**

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance. 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, local taxation and retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

## **xxi. 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 (less any grant or contribution received towards it) 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.

## **xxii. 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.

### **xxiii. Fair Value Measurement**

Some non-financial assets such as surplus assets and investment properties are measured at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market. Measurement uses the assumptions that market participants would use when pricing an asset or liability, assuming they are acting in their best economic interest and takes account of their ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Valuation techniques appropriate in the circumstances are used and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy as follows:

Level 1 – quoted prices in active markets for identical assets or liabilities that can be accessed at the measurement date,

Level 2 – inputs other than quoted prices that are observable for the asset, either directly or indirectly,

Level 3 – unobservable inputs for the asset or liability.

## **2. Accounting Standards That Have Been Issued but Have Not Yet Been Adopted**

At the balance sheet there were no amendments to existing standards that are deemed to have material significance to the Council that have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom.

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

In applying the accounting policies set out in Note 1 the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. These are not defined as critical judgements for the purposes of the Statement of Accounts.

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

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made 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 significant items in the Council's Balance Sheet at 31 March 2025 for which there is a risk of material adjustment in the forthcoming financial year are as follows:

- Principal actuarial assumptions used at the balance sheet date in respect of the defined benefit pension scheme. The effects on the net pension liability of changes in the real discount rate, salary increase rate and pension increase rate are shown below:
  - 0.1% decrease in real discount rate gives an increase in liability of £2.120m,
  - 0.1% increase in the salary increase rate gives an increase in liability of £0.090m,
  - 0.1% increase in the pension increase rate gives an increase in liability of £2.087m.

- As at 31 March 2025 the Council had £45.356m of operational land and buildings and £15.349m of investment property on its Balance Sheet that has been valued by the Council's qualified valuer. The Council's Property, Plant and Equipment have been valued on one of the following three bases under IFRS:
  - Fair Value (Existing Use Value (EUV)) – method used to value operational property assets other than specialised property assets,
  - Depreciated Replacement Cost (DRC) - method used to value operational property assets of a specialised nature,
  - Fair Value (Market Value) – method used to value property assets held as investments, surplus or for sale.

In relation to Castle Car Park the valuation has been performed with reference to income levels taken at the former Midway Car Park in the absence of any other reliable data.

Note 20 (page 55) details the valuation techniques utilised for investment property assets.

A 1% movement in values since the last valuation date would change the reported value of operational land and buildings assets by £0.454m (£0.432m in 2023/24) and investment property assets by £0.153m (£0.135m in 2023/24). Buildings are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance of those buildings.

It should be noted that neither movements in valuations or depreciation would have an impact on the funds held by the Council.

## 5. Events After the Reporting Period

The Statement of Accounts was authorised for issue by the Service Director for Finance (Section 151 Officer) on 6 June 2025.

There were no material events taking place before this date about conditions existing at 31 March 2025, which required the amendment of figures in the financial statements or notes to the financial statements.

## 6. Expenditure and Funding Analysis

This analysis shows how expenditure is used and funded from resources (government grants, Council Tax and business rates) by the Council compared to resources consumed or earned in accordance with accounting practices. It also shows how expenditure is allocated for decision making purposes between the Council's Directorates. Income and expenditure accounted for under accounting practice is presented fully in the Comprehensive Income and Expenditure Statement (page 27).

2023/24				2024/25		
Net expenditure chargeable to the General Fund £000	Adjustments between funding & accounting basis £000	Net Expenditure - Comprehensive Inc & Exp Statement £000		Net expenditure chargeable to the General Fund £000	Adjustments between funding & accounting basis £000	Net expenditure - Comprehensive Inc & Exp Statement £000
7,460	(196)	7,264	Chief Executive	7,860	(490)	7,370
(314)	5,520	5,206	Growth and Development	534	9,916	10,450
10,543	(159)	10,384	Sustainable Environment & Operations	9,624	10,880	20,504
<b>17,689</b>	<b>5,165</b>	<b>22,854</b>	<b>Net cost of services</b>	<b>18,018</b>	<b>20,306</b>	<b>38,324</b>
<b>(17,692)</b>	<b>(6,570)</b>	<b>(24,262)</b>	<b>Other income and expenditure</b>	<b>(18,328)</b>	<b>(13,839)</b>	<b>(32,167)</b>
<b>(3)</b>	<b>(1,405)</b>	<b>(1,408)</b>	<b>(Surplus) or deficit</b>	<b>(310)</b>	<b>6,467</b>	<b>6,157</b>
<b>5,205</b>			<b>Opening General Fund/other useable reserves balance (MIRS-p28)</b>	<b>5,208</b>		
<b>3</b>			<b>(Less)/plus movement on General Fund balance in year</b>	<b>310</b>		
<b>5,208</b>			<b>Closing General Fund/other useable reserves balance (MIRS-p28)</b>	<b>5,518</b>		

- The General Fund balance includes £3.511m of earmarked reserves, leaving a general balance of £2.007m.

## 6a. Note to the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to net expenditure chargeable to the General Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement.

Adjustments from General Fund to arrive at the Comprehensive Income & Expenditure Statement amounts	Adjustments for capital purposes (Note 1)	Net change for the pensions adjustments (Note 2)	Other differences (Note 3)	Total adjustments
2024/25	£000	£000	£000	£000
Chief Executive	430	(920)	-	(490)
Growth and Development	10,384	(468)	-	9,916
Sustainable Environment & Operations	11,671	(800)	9	10,880
<b>Net cost of services</b>	<b>22,485</b>	<b>(2,188)</b>	<b>9</b>	<b>20,306</b>
<b>Other income and expenditure</b>	<b>(13,649)</b>	<b>1,024</b>	<b>(1,214)</b>	<b>(13,839)</b>
<b>Difference between General Fund surplus / deficit &amp; Comprehensive Income &amp; Expenditure Statement surplus or deficit on the provision of services</b>	<b>8,836</b>	<b>(1,164)</b>	<b>(1,205)</b>	<b>6,467</b>

Adjustments from General Fund to arrive at the Comprehensive Income & Expenditure Statement amounts	Adjustments for capital purposes (Note 1)	Net change for the pensions adjustments (Note 2)	Other differences (Note 3)	Total adjustments
2023/24	£000	£000	£000	£000
Chief Executive	544	(708)	(32)	(196)
Growth and Development	5,783	(259)	(4)	5,520
Sustainable Environment & Operations	794	(941)	(12)	(159)
<b>Net cost of services</b>	<b>7,121</b>	<b>(1,908)</b>	<b>(48)</b>	<b>5,165</b>
<b>Other income and expenditure</b>	<b>(8,822)</b>	<b>1,050</b>	<b>1,202</b>	<b>(6,570)</b>
<b>Difference between General Fund surplus / deficit &amp; Comprehensive Income &amp; Expenditure Statement surplus or deficit on the provision of services</b>	<b>(1,701)</b>	<b>(858)</b>	<b>1,154</b>	<b>(1,405)</b>

### Notes

#### 1. Adjustments for Capital Purposes

This column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets,
- **Financing and investment income and expenditure** – the statutory charges for capital financing i.e. minimum revenue provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under accounting practices,
- **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without

conditions or for which conditions were satisfied. The taxation and non-specific grant income and expenditure line is credited with capital grants receivable without conditions or for which conditions were satisfied.

## 2. Net Change for the Pensions Adjustments

This column shows the net change for the removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income:

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

## 3. Other Differences

This column shows other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable recognised under statute. The charge under taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for Council Tax and Business Rates that was projected to be received at the start of the year and the income recognised under accounting practices in the Code. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the Collection Fund.

## 7. Segmental Income and Expenditure

The Code of Practice on Local Authority Accounting in the United Kingdom requires that where certain items of significant income and expenditure are included in the 'net expenditure chargeable to the general fund' as shown in the Expenditure and Funding Analysis, these must be disclosed in a separate note as shown below:

2023/24 £000	Segment	2024/25 £000
	<b><i>Depreciation &amp; amortisation</i></b>	
417	Chief Executive	770
831	Growth and Development	817
1,346	Sustainable Environment & Operations	1,579
<b>2,594</b>	<b>Total</b>	<b>3,166</b>
	<b><i>Impairment</i></b>	
-	- Chief Executive	-
-	- Growth and Development	-
-	- Sustainable Environment & Operations	-
-	<b>Total</b>	-
	<b><i>External Income</i></b>	
727	Chief Executive	1,178
5,268	Growth and Development	5,158
6,757	Sustainable Environment & Operations	7,417
<b>12,752</b>	<b>Total</b>	<b>13,753</b>



## 8. Adjustments Between Accounting Basis and Funding Basis

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 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	General Fund balance	Capital receipts reserve	Capital grants unapplied	Unusable reserves
	£000	£000	£000	£000
<b>Adjustments primarily involving - capital adjustment account</b>				
<b>Reversal of items debited or credited to the Comprehensive Income &amp; Expenditure Statement</b>				
Charges for depreciation of non-current assets	(2,839)	-	-	2,839
Revaluation losses on property, plant & equipment	(13,125)	-	-	13,125
Movements in fair value of investment properties	(211)	-	-	211
Amortisation of intangible assets	(327)	-	-	327
Reversal of REFCUS expenditure	(8,049)	-	-	8,049
Reversal of REFCUS income	8,024	-	-	(8,024)
Non-current assets written-off on disposal or sale as part of the gain/(loss) on disposal	(559)	-	-	559
Capital element of finance leases where Council is the lessor	(21)	-	-	21
Application of capital grants received	7,080	-	-	(7,080)
Statutory provision for the financing of capital investment	91	-	-	(91)
<b>Adjustments primarily involving - capital grants unapplied account</b>				
Transfer of grant to/from revenue to the capital grants unapplied account	(311)	-	311	-
<b>Adjustments primarily involving - capital receipts reserve</b>				
Transfer of sales proceeds from revenue to the capital receipts reserve	1,410	(1,410)	-	-
Use of the capital receipts reserve to finance capital		1,410	-	(1,410)
<b>Adjustments primarily involving - pensions reserve</b>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income & Expenditure Statement	(3,776)	-	-	3,776
Employers pension contributions and direct payments to pensioners payable in the year	4,941	-	-	(4,941)
<b>Adjustments primarily involving - collection fund adjustment account</b>				
Amount that Council Tax & Non-Domestic Rating income credited to the Comprehensive Income & Expenditure Statement differs from Council Tax & Non-Domestic Rating income calculated for the year	1,214	-	-	(1,214)
<b>Adjustments primarily involving - accumulated absences account</b>				
Amount by which Officer remuneration charged to the Comprehensive Income & Expenditure Statement on an accruals basis differs from remuneration chargeable calculated for the year	(9)	-	-	9
<b>Total adjustments</b>	<b>(6,467)</b>	<b>-</b>	<b>311</b>	<b>6,156</b>

2023/24	General Fund balance	Capital receipts reserve	Capital grants unapplied	Unusable reserves
	£000	£000	£000	£000
<b>Adjustments primarily involving - capital adjustment account</b>				
<b>Reversal of items debited or credited to the Comprehensive Income &amp; Expenditure Statement</b>				
Charges for depreciation & impairment of non-current assets	(2,588)	-	-	2,588
Revaluation gains on property, plant & equipment	(708)	-	-	708
Movements in fair value of investment properties	(159)	-	-	159
Amortisation of intangible assets	(6)	-	-	6
Reversal of REFCUS expenditure	(4,882)	-	-	4,882
Reversal of REFCUS income	4,752	-	-	(4,752)
Non-current assets written-off on disposal or sale as part of the gain/(loss) on disposal	(2,347)	-	-	2,347
Capital element of finance leases where Council is the lessor	(12)	-	-	12
Application of capital grants received in advance	4,585	-	-	(4,585)
Revenue contributions to capital financing	-	-	-	-
Statutory provision for the financing of capital investment	89	-	-	(89)
<b>Adjustments primarily involving - capital grants unapplied account</b>				
Transfer of grant from revenue to the capital grants unapplied account	730	-	(730)	-
<b>Adjustments primarily involving - capital receipts reserve</b>				
Transfer of sales proceeds from revenue to the capital receipts reserve	2,247	(2,247)	-	-
Use of the capital receipts reserve to finance capital	-	2,624	-	(2,624)
<b>Adjustments primarily involving - pensions reserve</b>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income & Expenditure Statement	(3,872)	-	-	3,872
Employers pension contributions and direct payments to pensioners payable in the year	4,730	-	-	(4,730)
<b>Adjustments primarily involving - collection fund adjustment account</b>				
Amount that Council Tax & Non-Domestic Rating income credited to the Comprehensive Income & Expenditure Statement differs from Council Tax & Non-Domestic Rating income calculated for the year	(1,202)	-	-	1,202
<b>Adjustments primarily involving - accumulated absences account</b>				
Amount by which Officer remuneration charged to the Comprehensive Income & Expenditure Statement on an accruals basis differs from remuneration chargeable calculated for the year	48	-	-	(48)
<b>Total adjustments</b>	<b>1,405</b>	<b>377</b>	<b>(730)</b>	<b>(1,052)</b>

## 9. Movements in Earmarked Reserves

2023/24				2024/25		
Transfers out £000	Transfers in £000	Net movement £000		Transfers out £000	Transfers in £000	Net movement £000
(250)	247	(3)	General Fund	(250)	100	(150)
(100)	-	(100)	Income reserve	-	-	-
(573)	100	(473)	Walleys Quarry reserve	(409)	800	391
(16)	32	16	Equipment replacement fund	(63)	9	(54)
(400)	400	-	Cost of living reserve	-	-	-
(805)	655	(150)	Budget support fund	(568)	698	130
(13)	10	(3)	Conservation and heritage fund	(9)	10	1
-	8	8	Museum purchases fund	(12)	-	(12)
-	21	21	Mayors charities reserve	(23)	-	(23)
-	5	5	Clayton Community Centre fund	(16)	5	(11)
(229)	250	21	Civic growth fund	(311)	250	(61)
-	50	50	Elections reserve	-	79	79
-	-	-	Small repairs reserve	(10)	38	28
-	-	-	Maintenance contributions	-	283	283
-	611	611	Business Rates reserve	(292)	-	(292)
<b>(2,386)</b>	<b>2,389</b>	<b>3</b>	<b>Total</b>	<b>(1,963)</b>	<b>2,272</b>	<b>309</b>

## 10. Other Operating Expenditure

2023/24 £000		2024/25 £000
702	Parish precepts	771
101	(Gains)/losses on disposal of non-current assets	(852)
<b>803</b>	<b>Total</b>	<b>(81)</b>

## 11. Financing and Investment Income and Expenditure

2023/24 £000		2024/25 £000
1,079	Interest on the net defined benefit liability	1,042
(1,426)	Interest receivable & similar income	(831)
(1,011)	Investment properties - income	(1,024)
85	Investment properties - revaluations	242
1,153	Investment properties - expenses	1,117
<b>(120)</b>	<b>Total</b>	<b>546</b>

## 12. Taxation and Non-Specific Grant Income and Expenditure

2023/24 £000		2024/25 £000
(8,872)	Council Tax income	(9,253)
11,071	Non Domestic Rates expenditure	11,815
(17,763)	Non Domestic Rates income	(20,570)
(1,179)	Non-ringfenced Government grants	(1,343)
(8,202)	Capital grants & contributions	(13,281)
<b>(24,945)</b>	<b>Total</b>	<b>(32,632)</b>

### 13. Expenditure and Income Analysed by Nature

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

2023/24 £000		2024/25 £000
	<b>Expenditure</b>	
19,020	Employees	19,827
2,632	Premises	2,230
1,202	Transport	1,107
10,400	Supplies and services	14,649
1,276	Grants and contributions	1,892
660	Agency and contracted services	498
20,633	Housing Benefits payments	20,610
6,785	Capital charges	17,062
323	Recharges to Investment Properties	314
11,774	Sources of finance expenditure	12,587
8,451	Pensions interest cost	9,298
<b>83,156</b>	<b>Total expenditure</b>	<b>100,074</b>
	<b>Income</b>	
2,247	Gains/(losses) on disposal of non current assets	1,411
23,438	Sources of finance income	25,772
34,657	Government grants	41,675
139	Transfer from Collection Fund	140
2,240	Other grants and contributions	2,989
1,803	Reimbursements	1,523
8,872	Customer receipts	9,896
1,026	Rents	1,070
1,426	Interest and investment income	834
7,378	Pensions return on assets	8,253
1,338	Other income	354
<b>84,564</b>	<b>Total income</b>	<b>93,917</b>
<b>(1,408)</b>	<b>(Surplus) or deficit on provision of services</b>	<b>6,157</b>

### 14. External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts and certification of grant claims by the Council's external auditors (KPMG):

2023/24 £000		2024/25 £000
157	External audit services carried out	172
32	Certification of grant claims and returns	20
<b>189</b>		<b>192</b>

### 15. Members' Allowances

In 2024/25 a total of £268,571 was paid to Members (including the Mayor and Deputy Mayor) in respect of allowances (£264,252 in 2023/24). There were no expenses paid to Members during 2024/25 (nil in 2023/24).

### 16. Termination Benefits

The Council terminated the contracts of a number of employees in 2024/25, incurring liabilities of £77,039 (£148,498 in 2023/24). The termination benefits related to the mutually agreed resignation scheme.

## 17. Officers' Remuneration

Remuneration between £50,000 and £150,000 per annum was paid to the Council's senior employees as follows:

2024/25	Salary (£)	Benefits in kind (£)	Total exc. employer pension (£)	Employer pension (£)	Total inc. employer pension (£)
Chief Executive **	87,650	-	87,650	19,283	106,933
Deputy Chief Executive	107,340	-	107,340	21,489	128,829
<b>Service Directors</b>					
Commercial Delivery	61,106	-	61,106	13,443	74,549
Finance	86,642	-	86,642	16,877	103,519
IT & Digital	70,018	-	70,018	14,663	84,681
Legal and Governance	86,383	-	86,383	19,004	105,387
Neighbourhood Delivery	76,836	-	76,836	16,904	93,740
Planning	76,383	-	76,383	16,804	93,187
Regulatory Services ***	78,131	-	78,131	16,789	94,920
Regulatory Services (Interim) ***	71,004	-	71,004	15,621	86,625
Strategy, People & Performance	76,383	-	76,383	16,804	93,187
Sustainable Environment	76,383	-	76,383	16,804	93,187

2023/24	Salary (£)	Benefits in kind (£)	Total exc. employer pension (£)	Employer pension (£)	Total inc. employer pension (£)
Chief Executive	117,627	-	117,627	25,878	143,505
Deputy Chief Executive	100,380	-	100,380	-	100,380
<b>Service Directors</b>					
Commercial Delivery	57,546	-	57,546	12,660	70,206
Finance	82,192	-	82,192	16,730	98,922
IT & Digital	63,272	-	63,272	13,920	77,191
Legal and Governance *	60,352	-	60,352	13,228	73,580
Neighbourhood Delivery	73,274	-	73,274	16,120	89,394
Planning **	62,501	-	62,501	13,750	76,251
Regulatory Services	73,533	-	73,533	16,177	89,710
Strategy, People & Performance	71,932	-	71,932	15,825	87,758
Sustainable Environment	71,932	-	71,932	15,825	87,758

\* The post has been held by two officers in 2023/24 or 2024/25, their full-time equivalent salary would exceed £50,000 per annum.

\*\* The post holder commenced during the year, their full-time equivalent salary would exceed £50,000 per annum.

\*\*\* Due to the resource implications relating to Walleys Quarry, two officers undertook Service Director for Regulatory Services, one of which was interim.

Thirteen further employees received remuneration from salary more than £50,000, ten of which are within the banding £50,000 to £54,999. The remaining three employees are within the banding £55,000 to £59,999.

## 18. Grant Income

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

2023/24 £000		2024/25 £000
	<b>Credited to taxation/non specific grant</b>	
8,202	Capital grants	13,281
89	Other Government grants	45
-	Funding Guarantee	533
222	Lower Tier Services grant	-
151	Services grant	26
3,197	Section 31/Business Rates Relief grant	4,051
500	New Homes Bonus scheme	506
217	Revenue Support grant	232
<b>12,578</b>	<b>Total</b>	<b>18,674</b>
	<b>Credited to services</b>	
19,727	Housing Benefits subsidy/grants	19,656
270	Housing Benefit/Council Tax Benefit admin	274
1,865	Disabled Facilities grant	1,823
199	Future High Street Fund	-
223	Town Deals	285
31	Contributions towards Community Safety	95
527	Homelessness	991
983	UK Shared Prosperity fund	1,823
-	Health Inequalities grant	379
494	Other grants and contributions	841
<b>24,319</b>	<b>Total</b>	<b>26,167</b>

The Council recognised the following as revenue grants received in advance:

31/03/2024 £000		31/03/2025 £000
	<b>Revenue grants received in advance</b>	
-	Heritage Lottery Fund	50
266	Future High Street Fund	-
629	Town Deals	605
148	UK Shared Prosperity Fund	-
379	Health Inequalities Grant	-
<b>1,422</b>	<b>Total</b>	<b>655</b>

The Council recognised the following as capital grants received in advance:

31/03/2024 £000		31/03/2025 £000
	<b>Capital grants received in advance</b>	
2,383	Future High Street Fund	-
15,274	Town Deals	12,637
128	UK Shared Prosperity Fund	-
2,343	Section 106 Agreements	3,343
<b>20,128</b>	<b>Total</b>	<b>15,980</b>

## 19. Property, Plant and Equipment

### Movements on Balances

2024/25	Land & buildings	Infrastructure assets	Vehicles, plant, furniture & equipment	Community assets	Surplus assets	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>							
<b>At 1 April 2024</b>	<b>43,244</b>	<b>1,375</b>	<b>12,916</b>	<b>6,237</b>	<b>1,816</b>	<b>3,128</b>	<b>68,716</b>
Additions	3,241	3	1,293	134	1,004	10,470	16,145
Accumulated depreciation/impairment written out	(1,496)	-	-	-	(39)	-	(1,535)
Revaluation increases/(decreases) - revaluation reserve	1,612	-	-	-	235	-	1,847
Revaluation increases/(decreases) - surplus/deficit on provision of services	(8,091)	-	-	-	(5,034)	-	(13,125)
Asset reclassifications	6,846	-	-	-	5,459	(12,888)	(583)
Derecognition - disposals	-	-	(665)	-	(420)	-	(1,085)
<b>At 31 March 2025</b>	<b>45,356</b>	<b>1,378</b>	<b>13,544</b>	<b>6,371</b>	<b>3,021</b>	<b>710</b>	<b>70,380</b>
<b>Accumulated depreciation &amp; impairment</b>							
<b>At 1 April 2024</b>	<b>-</b>	<b>(665)</b>	<b>(7,589)</b>	<b>(1,673)</b>	<b>-</b>	<b>-</b>	<b>(9,927)</b>
Depreciation charge	(1,540)	(21)	(1,067)	(207)	(4)	-	(2,839)
Derecognition - disposals	-	-	525	-	-	-	525
Accumulated depreciation/impairment written out	1,540	-	-	-	4	-	1,544
<b>At 31 March 2025</b>	<b>-</b>	<b>(686)</b>	<b>(8,131)</b>	<b>(1,880)</b>	<b>-</b>	<b>-</b>	<b>(10,697)</b>
<b>Net book value</b>							
As at 31 March 2024	43,244	710	5,327	4,564	1,816	3,128	58,789
As at 31 March 2025	45,356	692	5,413	4,491	3,021	710	59,683

2023/24	Land & buildings	Infrastructure assets	Vehicles, plant, furniture & equipment	Community assets	Surplus assets	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>							
<b>At 1 April 2023</b>	<b>42,173</b>	<b>1,375</b>	<b>12,721</b>	<b>6,186</b>	<b>2,099</b>	<b>-</b>	<b>64,554</b>
Additions	1,511	-	1,015	51	194	2,890	5,661
Accumulated depreciation/impairment written out	(1,420)	-	-	-	-	-	(1,420)
Revaluation increases/(decreases) - revaluation reserve	1,605	-	-	-	(105)	-	1,500
Revaluation increases/(decreases) - surplus/deficit on provision of services	(574)	-	-	-	(134)	-	(708)
Asset reclassifications	-	-	-	-	(238)	238	-
Derecognition - disposals	(51)	-	(820)	-	-	-	(871)
<b>At 31 March 2024</b>	<b>43,244</b>	<b>1,375</b>	<b>12,916</b>	<b>6,237</b>	<b>1,816</b>	<b>3,128</b>	<b>68,716</b>
<b>Accumulated depreciation &amp; impairment</b>							
<b>At 1 April 2023</b>	<b>-</b>	<b>(628)</b>	<b>(7,099)</b>	<b>(1,483)</b>	<b>-</b>	<b>-</b>	<b>(9,210)</b>
Depreciation charge	(1,420)	(37)	(941)	(190)	-	-	(2,588)
Accumulated depreciation/impairment written out	1,420	-	451	-	-	-	1,871
<b>At 31 March 2024</b>	<b>-</b>	<b>(665)</b>	<b>(7,589)</b>	<b>(1,673)</b>	<b>-</b>	<b>-</b>	<b>(9,927)</b>
<b>Net book value</b>							
As at 31 March 2023	42,173	747	5,622	4,703	2,099	-	55,344
As at 31 March 2024	43,244	710	5,327	4,564	1,816	3,128	58,789

## Depreciation

Depreciation is applied on a straight line basis. No depreciation is applied to land. Where an asset includes land, the value of this element is excluded before applying depreciation. A 10% residual value is assumed in most cases, which is deducted from the depreciable amount before applying depreciation.

The following useful lives have been used:

- Buildings – 60 years, unless the valuation basis is depreciated replacement cost, where individual lives apply to each asset,
- Vehicles, plant, furniture and equipment – between 5 and 15 years dependent upon an assessment of the asset,
- Infrastructure – no specific life. Depreciation is based on a historical composite calculation,
- Community assets – 20 years, which may vary dependent upon an assessment of the individual asset.

## Asset Classes

For the purposes of valuation assets are grouped into classes. Assets within a class are all valued at the same time. The table below shows the different classes with the total valuation of assets within each as at 31 March 2025 and for the prior period.

31/03/2024 £000		31/03/2025 £000
3,128	Assets under construction	710
1,816	Surplus assets	3,021
	<b>Land and buildings</b>	
3,916	Community Centres	4,012
3,796	Car Parks	4,655
3,243	Depot	3,091
5,607	Offices	5,363
229	Bus Station	236
1,263	Cemeteries	1,304
814	Crematorium	915
18,366	Leisure Centres	18,620
3,737	Parks and Sports grounds	5,369
840	Museum	864
31	Public toilets	18
1,402	Other land and buildings	909
1,375	Infrastructure assets	1,378
12,916	Vehicles, plant, furniture, equipment	13,544
6,237	Community assets	6,371
<b>68,716</b>	<b>Total</b>	<b>70,380</b>

## Revaluations

The Council carries out a rolling programme that ensures that all property, plant and equipment required to be measured at fair value is re-valued at least every five years, the vast majority of these assets have been revalued during the financial year 2024/25. All valuations are carried out internally. Valuations of land and buildings are carried out in accordance with the professional standards of the Royal Institution of Chartered Surveyors using the BCIS indices. Valuations of vehicles, plant, and equipment are based on historic cost. The significant assumptions applied in estimating the fair values are, whether a property asset is a specialised asset, which governs its valuation treatment, whether an asset is being used for operational purposes and whether there is any impairment applicable to the asset.

Valuations over the rolling period were as follows:



	Land & buildings	Infrastructure assets	Vehicles, plant, furniture & equipment	Community assets	Surplus assets	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000
Carried at historical cost	-	1,378	13,544	6,371	-	710	22,003
Valued at fair value at:							
31 March 2025	45,356	-	-	-	3,021	-	48,377
31 March 2024	-	-	-	-	-	-	-
31 March 2023	-	-	-	-	-	-	-
<b>Total cost or valuation</b>	<b>45,356</b>	<b>1,378</b>	<b>13,544</b>	<b>6,371</b>	<b>3,021</b>	<b>710</b>	<b>70,380</b>

### Fair Value Measurement of Surplus Assets

Surplus assets are measured at fair value. Level 3 of the fair value hierarchy applies in estimating the fair values and the valuation technique employed is the investment basis, using the rental value and yield as unobservable inputs. Significant changes in any of these inputs will result in a lower or higher fair value. There have been no changes in any of the valuation techniques employed during the year.

## 20. Investment Properties

There are no restrictions on the Council's ability to realise the value of its investment property or on the Council's right to the receipt 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.

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

2023/24 £000		2024/25 £000
<b>12,759</b>	<b>Balance at 1 April</b>	<b>13,505</b>
905	Additions - subsequent expenditure	1,480
-	Disposals	-
-	Transfers (to)/from Plant, Property & Equipment	575
(159)	Net gains/(losses) - fair value adjustments	(211)
<b>13,505</b>	<b>Balance at 31 March</b>	<b>15,349</b>

### Valuation Techniques Used to Determine Level 3 Fair Values for Investment Properties

The fair value for development sites is based on the market approach using current market conditions, sales prices and other relevant information for similar assets in the area. Local market conditions are such that similar land is not extensively purchased and sold and the level of observable inputs are not significant leading to categorisation at level 3 in the fair value hierarchy.

Other investment properties are valued using the investment approach, whereby actual or estimated rental income is capitalised to provide a capital value. The rental income is calculated by reference to actual or estimated values having regard to market evidence. The yield multiplier is based on comparable evidence. These properties are, therefore, categorised as level 3 in the fair value hierarchy as the measurement technique uses significant unobservable inputs to determine the fair value measurements. The following table shows quantitative information relating to fair value measurement of investment properties using significant unobservable inputs.

Investment property type	31/03/2024 £000	31/03/2025 £000	Valuation technique used to measure fair value	Unobservable Inputs	Sensitivity
Shops	2,542	1,914	Investment method	Rental values yield	(a)
Offices	902	1,130	Investment method	Rental values yield	(a)
Industrial units	4,908	5,125	Investment method	Rental values yield	(a)
Under construction	1,799	3,616	Historical cost	N/A	N/A
Other	3,354	3,564	Investment method	Rental values yield	(a)
	<b>13,505</b>	<b>15,349</b>			

(a) Significant changes in rental value, yield or capital value will result in a varied fair value

In estimating the fair value of investment properties, the highest and best use of the properties is their current use.

The fair value of investment property is measured annually at each reporting date. All valuations are carried out internally, in accordance with the professional standards of the Royal Institution of Chartered Surveyors.

## 21. Heritage Assets

### Reconciliation of the Carrying Value of Heritage Assets Held by the Council

The Council's collection of museum artefacts is reported in the Balance Sheet (page 29) at an insurance valuation of £1.218m, which is based on market values as assessed by an external valuer.

New items are added at cost, if purchased and at valuation, if donated, where they are significant. Other Heritage assets, i.e. outdoor structures, are not recognised on the Balance Sheet because there is no reliable cost or valuation information to enable them to be valued.

### Museum Exhibits

The museum holds a collection of around 20,000 objects, falling into the following categories:

Subject	Description	%
Social history	Domestic and working life, childhood, civic regalia, industry, crafts in the Borough	28%
Decorative art	Ceramics, glass, costume and textiles, furniture, furnishings	8%
Militaria	Costume, medals, weapons, ephemera	3%
Fine art	Oils, watercolours, prints, drawings, sketches of local scenes, local artists	3%
Archives	Documents, ephemera, prints, negatives, lantern slides, cine film, video, audio tapes connected to the local area	55%
Archaeology	Local excavated finds, chance finds	2%
Numismatics	A collection of local coinage/tokens, bank notes, commemorative medals	1%

In addition, the civic regalia and mayoral robes are kept in a secure location for use on ceremonial occasions.

### Outdoor Structures

This category of heritage assets comprises of the Queen Victoria Statue and Sergeant Fred Kite Memorial, Queens Gardens; Fountains, Nelson Place; Castle Motte, Queen Elizabeth Park; Silverdale Cemetery Gazebo; Ice House, Chesterton Memorial Park; Mining Memorials at Bateswood and Silverdale; Lyme Valley Canal Basin.

## 22. Assets Held for Sale

2023/24 £000		2024/25 £000
<b>1,925</b>	<b>Balance at 1 April (current assets)</b>	-
(1,925)	Assets newly classified as held for sale:	-
	- Disposals	-
-	<b>Balance at 31 March (current assets)</b>	-

## 23. Debtors

31/03/2024 £000	Short term	31/03/2025 £000
2,201	Trade receivables	2,133
4,645	Collection Fund receivables	5,606
7,234	Other receivable amounts	8,419
<b>14,080</b>	<b>Total</b>	<b>16,158</b>

31/03/2024 £000	Long term	31/03/2025 £000
94	Finance lease balances outstanding	73
273	Kickstart loans (re. home improvements)	228
<b>367</b>	<b>Total</b>	<b>301</b>

## 24. Creditors

31/03/2024 £000		31/03/2025 £000
234	Trade payables	4,293
1,945	Collection Fund payables	1,817
7,770	Other payables	5,477
<b>9,949</b>	<b>Total</b>	<b>11,587</b>

## 25. Provisions

	Short term	Long term			Total long term
	NNDR appeals £000	Insurance claims £000	MMI £000	NNDR appeals £000	£000
<b>Balance at 1 April 2023</b>	<b>1,301</b>	<b>146</b>	<b>4</b>	<b>485</b>	<b>635</b>
Additional provisions made	622	46	-	-	46
Amounts used	-	(15)	(2)	(440)	(457)
<b>Balance at 1 April 2024</b>	<b>1,923</b>	<b>177</b>	<b>2</b>	<b>45</b>	<b>224</b>
Additional provisions made	-	-	-	204	204
Amounts used	(1,482)	-	(2)	-	(2)
<b>Balance at 31 March 2025</b>	<b>441</b>	<b>177</b>	<b>-</b>	<b>249</b>	<b>426</b>

The NDR appeals provision provides for the Council's element of refunds payable following successful appeals in relation to the rateable value of business rates payer's properties.

The insurance claims provision has been created to meet the costs of claims that are likely to be settled but the actual settlement date is uncertain.

The MMI provision has been created to provide for possible claw-back (levy) of sums paid out by the administrator of Municipal Mutual Insurance (MMI), in the event of MMI becoming insolvent.

## 26. Unusable Reserves

Balances in relation to the Council's unusable reserves are shown below:

31/03/2024 £000		31/03/2025 £000
	<b>Capital:</b>	
16,740	Revaluation reserve	17,878
46,982	Capital adjustment account	39,187
368	Deferred capital receipts reserve	347
	<b>Revenue:</b>	
(22,775)	Pensions reserve	(20,976)
(489)	Collection fund adjustment account	725
(146)	Accumulated absences account	(155)
<b>40,680</b>	<b>Total unusable reserves</b>	<b>37,006</b>

### Revaluation Reserve

The revaluation reserve records unrealised gains in the value of property, plant and equipment. The reserve increases when assets are revalued upwards, and decreases as assets are depreciated or assets are revalued downwards or disposed of. 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.

2023/24 £000		2024/25 £000
<b>17,430</b>	<b>Balance at 1 April</b>	<b>16,740</b>
(1,540)	Adjustment re. Asset Held for Sale	-
2,453	Upward revaluation of assets not charged to the surplus/deficit on the provision of services	2,143
(949)	Downward revaluation of assets & impairment losses not charged to the surplus/deficit on the provision of services	(295)
(614)	Difference between fair value depreciation and historical cost depreciation	(689)
(40)	Accumulated gains on assets sold or scrapped	(21)
<b>16,740</b>	<b>Balance at 31 March</b>	<b>17,878</b>

### Capital Adjustment Account

The capital adjustment account is used to reconcile the different rates at which assets are depreciated under proper accounting practice and are financed through the capital controls system. Statute requires that the charge to the General Fund is determined by the capital controls system. 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.

The following table shows the disclosure to the revaluation reserve regarding the amendment between the revaluation reserve and the capital adjustment account.

2023/24 £000		2024/25 £000
<b>43,428</b>	<b>Balance at 1 April</b>	<b>46,982</b>
	<b><i>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income &amp; Expenditure Statement:</i></b>	
(2,588)	Charges for depreciation/impairment of non-current assets	(2,839)
(6)	Amortisation of intangible Assets	(327)
(4,882)	REFCUS expenditure	(8,049)
4,752	REFCUS income	8,024
(2,347)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal	(559)
(159)	Movements in the market value of investment properties debited or credited to the Comprehensive Income & Expenditure Statement	(211)
(708)	Revaluation losses on property, plant and equipment	(13,125)
4,585	Application of capital grants to capital financing	7,080
(12)	Capital element of finance leases where Council is the lessor	-
89	Minimum revenue provision contribution	91
<b>(1,276)</b>		<b>(9,915)</b>
	<b><i>Capital financing applied in the year:</i></b>	
2,624	Use of the capital receipts reserve to finance new capital expenditure	1,410
12	Capital element of finance leases where Council is the lessor	-
	<b><i>Adjusting amounts written out of revaluation reserve</i></b>	
1,540	Adjustment re. Asset Held for Sale	-
614	Difference between fair value depreciation/historical cost depreciation	689
40	Accumulated gains on assets sold or scrapped	21
<b>3,554</b>		<b>(7,795)</b>
<b>46,982</b>	<b>Balance at 31 March</b>	<b>39,187</b>

### Deferred Capital Receipts Reserve

The deferred capital receipts reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Statute requires that the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement takes place, amounts are transferred to the capital receipts reserve.

2023/24 £000		2024/25 £000
<b>380</b>	<b>Balance at 1 April</b>	<b>368</b>
-	Removal of capital element of finance leases re. asset no longer held	(10)
(12)	Capital element of finance leases where Council is the lessor	(11)
<b>368</b>	<b>Balance at 31 March</b>	<b>347</b>

### Pension Reserve

The pension reserve is used to reconcile payments made for the year to statutory pension schemes in accordance with the schemes requirements, and the net change in the Council's recognised liability under the Code's adoption of IAS19 – *Employee Benefits*. A transfer is made to or from the pensions reserve to ensure that the charge to the General Fund reflects the amount required to be raised in taxation. For example, the debit balance on the reserve shows that the Council has made commitments to fund pensions that the Government has permitted it to fund from contributions to be made in future years.

2023/24 £000		2024/25 £000
<b>(23,475)</b>	<b>Balance at 1 April</b>	<b>(22,775)</b>
(158)	Remeasurements of the net defined benefit liability/(asset)	634
(3,872)	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services	(3,776)
4,730	Employers pensions contributions and direct payments to pensioners payable in the year	4,941
<b>(22,775)</b>	<b>Balance at 31 March</b>	<b>(20,976)</b>

### Collection Fund Adjustment Account

The collection fund adjustment account is used to reconcile differences arising from the recognition of Council Tax and non domestic rates income in the Comprehensive Income and Expenditure Statement to those amounts required to be charged by statute to the General Fund. For example, the debit balance on the Account shows that less tax has been collected on behalf of the Council and the precepting bodies (and central government in England for non domestic rates income) than an authority is permitted to transfer out of the Collection Fund by 31 March.

2023/24 £000		2024/25 £000
<b>713</b>	<b>Balance at 1 April</b>	<b>(489)</b>
(36)	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year	3
(1,166)	Amount by which non domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from non domestic rates income calculated for the year	1,211
<b>(489)</b>	<b>Balance at 31 March</b>	<b>725</b>

### Accumulated Absences Account

The accumulated absences account absorbs the differences that would 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.

2023/24 £000		2024/25 £000
<b>(194)</b>	<b>Balance at 1 April</b>	<b>(146)</b>
194	Settlement or cancellation of accrual made at the end of the preceding year	146
(146)	Amounts accrued at the end of the current year	(155)
<b>(146)</b>	<b>Balance at 31 March</b>	<b>(155)</b>

## 27. 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), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the capital financing requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the table below.

2023/24 £000		2024/25 £000
<b>10,682</b>	<b>Opening capital financing requirement</b>	<b>10,262</b>
	<b>Capital investment</b>	
5,661	Property, plant & equipment	16,145
905	Investment properties	1,480
182	Intangible assets	562
4,882	REFCUS	8,049
	<b>Sources of finance</b>	
(2,624)	Capital receipts	(1,410)
(9,337)	Government grants & other contributions	(15,104)
(89)	Minimum revenue provision	(91)
<b>10,262</b>	<b>Closing capital financing requirement</b>	<b>19,893</b>
	<b>Explanation of movements in year</b>	
(331)	Capital expenditure financed from capital receipts and internal borrowing	9,722
<b>(420)</b>	<b>Increase/(decrease) in capital financing requirement</b>	<b>9,631</b>

## 28. Impairment Losses

The Council has undertaken an impairment review of its non-current assets at 31 March 2025, no impairment was chargeable.

## 29. 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

The UK 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 funding in the form of grants and prescribes the terms of many of the transactions that the Council has (e.g. Council Tax bills, housing benefits).

### Members

Members of the Council have direct control over the Council's financial and operating policies, a number of Members are also Members of Staffordshire County Council. The total of Members' allowances paid is shown in Note 15 (page 50).

During 2024/25 one Member declared involvement with the New Victoria Theatre, that received £26,422 from the Council, of which £25,000 related to an annual cultural grant. This grant was in line with the budget approved by Full Council for 2024/25.

### Officers

A Council Officer has declared that their spouse is a director of the Philip Astley Project CIC that received £49,735 from the Council. The Officer is involved with the Kidsgrove Town Deal, and not the Newcastle Town Deal, and therefore has no direct influence over the project.

No further payments have been made to any entities that have a relationship with Council Officers during 2024/25.

## 30. Defined Benefit Pension Schemes

### Participation in Pension Schemes

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

The Council participates in:

- The Local Government Pension Scheme (LGPS), administered locally by Staffordshire County Council - this has a career average revalue earnings (CARE) benefit design, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets,
- Arrangements for the award of discretionary post-retirement benefits upon early retirement - this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pensions liabilities, and cash has to be generated to meet actual pensions payments as they fall due,
- The Staffordshire Pension Scheme is operated under the regulatory framework for the LGPS and the governance of the scheme is the responsibility of the Pensions Committee of Staffordshire County Council. Policy is determined in accordance with the Pension Fund Regulations,
- The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts as described in the accounting policies note.

Formal actuarial valuations are carried out every three years, where each employer's assets and liabilities are calculated on a detailed basis, using individual member data, for cash contribution setting purposes. The 31 March 2022 formal valuations for English and Welsh Local Government Pension Scheme Funds were concluded by 31 March 2023.

The reconciliation of the balance sheet from 31 March 2024 to 31 March 2025 can be seen in the 'Transactions relating to post-employment benefits' table below, in the Comprehensive Income and Expenditure Statement (re-measurement of the defined benefit liability/asset) and in the Balance Sheet (pension liability and pension reserve).

The Council's assets within the Staffordshire Pension Scheme are greater than funded obligations (an accounting surplus). Accounting Standards Accounting Standards (IAS19, IFRIC Interpretation 14) limit the measurement of a net defined benefit asset to the lower of the surplus in the defined benefit plan and the asset ceiling, recognising the inability of the Council to obtain full economic benefit of the calculated surplus by way of either a refund or reduced future pension contributions.

In the absence of the asset ceiling adjustment, the Pension Fund would be recognised as a £38.488m asset at 31 March 2025, the adjustment reflects the present value of the Council's agreed past service contributions continuing throughout the remaining period of the funding time horizon (i.e. until 31 March 2042). A liability of £20.976m is recognised when taking account of the asset ceiling adjustment.

As part of our commitment to addressing the funding deficit identified in the 2022 triennial funding valuation, NULBC has pledged to pay secondary past service contributions. These contributions are clearly specified in the rates and adjustments certificate until 31 March 2026. The present value of agreed past service contributions has been calculated to be £17.154m.

On 25 July 2024, the Court of Appeal dismissed the appeal in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others. The appeal was brought by Virgin Media Ltd against aspects of the High Court's ruling handed down in June 2023 relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. The Court of Appeal upheld the High Court's ruling. The ruling may have implications for other UK defined benefit plans. It is understood this may apply to the LGPS and HM Treasury is currently assessing the implications for all public service pension schemes. No further information is available at this stage.



## Transactions Relating to Post-Employment Benefits

The cost of retirement benefits is recognised in the reported cost of services when they are earned by employees, rather than when the benefits are paid as pensions. However, the charge that is required to be made against Council Tax is based on the cash payable in the year, so the real cost of post-employment benefits is reversed out of the General Fund via the Movement in Reserves Statement (page 28). The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

2023/24			2024/25	
LGPS £000	Unfunded benefits £000		LGPS £000	Unfunded benefits £000
2,793	(430)	<b>Comprehensive Income &amp; Expenditure Statement</b> <b>Cost of services:</b> Current service cost	2,734	(434)
1,079	-	Unfunded benefit contributions <b>Financing and investment income &amp; expenditure</b> Net interest expense	1,042	-
<b>3,872</b>	<b>(430)</b>	<b>Total pension benefit charged to the surplus/deficit on provision of services</b>	<b>3,776</b>	<b>(434)</b>
(12,146)	-	<b>Remeasurement of the net defined benefit liability comprising:</b> (Return)/loss on plan assets	2,740	-
(964)	-	Changes in demographic assumptions	(276)	-
(6,726)	-	Changes in financial assumptions	(22,483)	-
5,042	-	Other experience	(1,727)	-
14,952	-	Asset Ceiling Adjustment	21,112	-
<b>158</b>	<b>-</b>	<b>Total pension benefit charged to Comprehensive Income &amp; Expenditure Statement</b>	<b>(634)</b>	<b>-</b>
(3,872)	430	<b>Movement in Reserves Statement</b> Reversal of net charges made to the surplus/deficit on provision of services for pension benefits	(3,776)	434
4,730	-	<b>Actual amount charged against the General Fund balance for pensions</b> Employers' contributions payable to scheme	4,941	(434)
-	(430)	Retirement benefits payable to pensioners		
<b>858</b>	<b>-</b>		<b>1,165</b>	<b>-</b>

## Pensions Assets and Liabilities Recognised in the Balance Sheet

2023/24 £000		2024/25 £000
(155,293)	Present value of defined benefit obligation-funded	(133,818)
(4,373)	Present value of defined benefit obligation-unfunded	(3,822)
173,486	Fair value of plan assets	176,128
(36,595)	Effect of the Asset Ceiling on net asset/liability	(59,464)
<b>(22,775)</b>	<b>Net liability arising from defined benefit obligation</b>	<b>(20,976)</b>

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

2023/24 £000		2024/25 £000
154,609	Present value of funded liabilities	155,293
4,512	Present value of unfunded liabilities	4,373
<b>159,121</b>	<b>Opening position as at 1 April</b>	<b>159,666</b>
2,793	Current service cost	2,734
7,458	Interest cost	7,538
820	Contributions by scheme participants	879
	<b>Remeasurements:</b>	
(6,726)	Changes in financial assumptions	(22,483)
(964)	Changes in demographic assumptions	(276)
5,042	Other experience	(1,727)
(7,448)	Benefits paid	(8,257)
(430)	Unfunded benefits paid	(434)
<b>159,666</b>	<b>Closing balance as at 31 March</b>	<b>137,640</b>
155,293	Present value of funded liabilities	133,818
4,373	Present value of unfunded liabilities	3,822

## Local Government Pensions Scheme Assets Comprised

2023/24			2024/25	
Quoted Prices in Active Markets £000	Quoted Prices not in Active Markets £000		Quoted Prices in Active Markets £000	Quoted Prices not in Active Markets £000
4,698	-	<b>Equities:</b>	2,537	-
2,341	-	- Consumer	-	-
1,068	-	- Manufacturing	-	-
6,374	-	- Energy & utilities	2,442	-
4,804	-	- Financial	1,470	-
7,673	-	- Health & care	1,497	-
26,958	-	- Information technology	7,946	-
12,914	-	<b>Bonds</b>	13,288	-
12,914	-	- Corporate (investment)	13,288	-
-	12,806	<b>Property</b>	-	14,719
-	12,806	UK	-	14,719
78,614	-	<b>Investment funds</b>	86,697	-
13,615	-	- Equities	13,443	-
-	7,539	- Bonds	-	10,494
-	9,088	Infrastructure	8,805	7,528
92,229	16,627	Other	108,945	18,022
-	9,131	Private equity	-	9,199
2,821	-	Cash/cash equivalents	4,009	-
<b>134,922</b>	<b>38,564</b>	<b>Total assets</b>	<b>134,188</b>	<b>41,940</b>

## Reconciliation of the Movements in the Fair Value of the Scheme Assets

2023/24 £000		2024/25 £000
156,298	<b>Opening value of scheme assets</b>	173,486
	<b>Remeasurement gain/(loss):</b>	
7,370	Interest Income on plan assets	8,253
-	Other experience	-
12,146	Return on assets excluding net interest	(2,740)
	<b>Actuarial gains/(losses)</b>	
4,300	Employer contributions	4,941
820	Contributions by scheme participants	879
(7,448)	Benefits paid	(8,691)
<b>173,486</b>	<b>Subtotal Prior to Asset Ceiling Adjustment</b>	<b>176,128</b>
	<b>Asset Ceiling Adjustment</b>	
(20,652)	Opening Effect of Asset Ceiling at 1 April	(36,595)
(14,952)	Asset Ceiling Adjustment	(21,112)
(991)	Interest on Effect of Asset Ceiling	(1,757)
<b>(36,595)</b>	<b>Subtotal Closing Effect of Asset Ceiling</b>	<b>(59,464)</b>
<b>136,891</b>	<b>Closing Fair Value of Plan Assets at 31 March</b>	<b>116,664</b>

## Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years, salary levels, etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, estimates for the County Council Fund being based on the latest valuation of the scheme as at 31 March 2022. The principal assumptions used by the actuary have been:

2023/24 LGPS		2024/25 LGPS
	<b>Longevity at 65 - current pensioners (years):</b>	
20.6	Men	20.5
23.6	Women	23.5
	<b>Longevity at 65 - future pensioners (years):</b>	
21.3	Men	21.2
25.4	Women	25.3
3.30%	Rate of increase in salaries	3.30%
2.80%	Rate of increase in pensions (CPI)	2.80%
4.80%	Rate for discounting scheme liabilities	5.80%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below is based on possible changes of the assumptions occurring and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme.

	<u>Increase</u> in defined benefit obligation £000
0.1% decrease in real discount rate	2,117
1 year increase in member life expectancy	5,506
0.1% increase in the salary increase rate	90
0.1% increase in the pension increase rate	2,085

## Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. Staffordshire County Council has agreed a strategy with the scheme's actuary to achieve a funding strategy to recoup the past deficit over the next 20 years. Funding levels are monitored on an annual basis.

The total contribution estimated to be made to the Local Government Pension Scheme by the Council in the year to 31 March 2026 is £4.524m.

## 31. Contingent Assets and Liabilities

The Council has recognised a contingent asset in relation to ongoing legal action that is being co-ordinated by the Local Government Association against a vehicle supplier cartel. The claim is for losses suffered as a result of a cartel affecting the prices of medium and heavy-duty trucks purchased between approximately 1997 and 2011. All the major truck manufacturers were found guilty of participation in the cartel. The Council will be seeking to recover the extra amounts that it paid for trucks as a result of the cartel inflating prices. This may amount to £0.150m.

Contingent liabilities as at 31 March 2025 are:

### (a) Municipal Mutual Insurance

In 1992/93 the Council's insurers, Municipal Mutual Insurance, ceased accepting business. The Scheme of Arrangement that was established to ensure an orderly wind up of the company determined that a levy could be made on the Council. The exact amount cannot be quantified, although the maximum is £783,193, of which £183,299 has been paid to the administrator. This leaves a maximum contingent liability of £599,894.

### (b) Housing Stock Transfer Warranty

Liabilities in relation to a 40 year warranty given by the Council in respect of the transfer of its housing stock to a registered social landlord in February 2000 could arise. The amount of the potential liability cannot be quantified but could amount to several million pounds.

## 32. Financial Instruments

### Categories and Fair Values of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet at amortised cost (page 29); the table below also shows the fair values of these financial instruments:

2023/24		Measured at amortised cost	2024/25	
Carrying amount £000	Fair value £000		Carrying amount £000	Fair value £000
3,446	3,446	<b>Financial Liabilities</b>	7,120	7,120
54	54	Creditors	45	45
		Borrowings		
		<b>Financial Assets</b>		
17,500	17,500	Short term investments	-	-
4,358	4,358	Debtors	4,739	4,739
593	593	Cash/cash equivalents	3,067	3,067

Debtors/Creditors vary from the balance sheet as statutory debtors and payments in advance (£9.722m in 2023/24 and £11.419m in 2024/25) and statutory creditors and receipts in advance (£6.503m in 2023/24 and £4.467m in 2024/25) are excluded from the classification of financial instruments.

## Income, Expenses, Gains and Losses

2023/24				2024/25		
Expenses & losses £000	Income & gains £000	Total £000		Expenses & losses £000	Income & gains £000	Total £000
-	(1,426)	(1,426)	Interest income on financial assets measured at amortised cost	-	(831)	(831)
-	<b>(1,426)</b>	<b>(1,426)</b>	<b>Total income in provision of services</b>	-	<b>(831)</b>	<b>(831)</b>

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

The Council's activities expose it to a variety of financial risks:

- Credit risk - the possibility that other parties might fail to pay amounts due to the Council,
- Liquidity risk - the possibility that the Council might not have funds available to meet its commitments to make payments,
- Market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

The Council's overall risk management programme focuses on the unpredictability of financial markets and aims to minimise adverse effects on the resources available. Risk management is carried out under policies approved by the Council in the annual Treasury Management Strategy. The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

#### Credit Risk

Credit risks arise from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria.

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

- Investment counterparties are assessed as to their suitability in relation to credit ratings supplied by the main ratings agencies, with the additional consideration of credit default swap data. A limit is placed on the amount which can in total be placed with individual counterparties and categories of counterparties,
- Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set where considered necessary. Credit references are obtained where contracts are entered into,
- The Council's policy regarding the write off of debtors is that all possible recovery procedures must have been exhausted, significant resources are committed to the recovery of debtors by the Finance service. Indicators that are considered when write offs are recommended include insolvency or other legal proceedings being commenced and the death of the debtor.

The following significant inputs, assumptions and estimation techniques have been used in calculating the Council's approach to impairment loss allowances:

- Debtors relating to public sector organisations are not impaired,
- A provision matrix is utilised to estimate expected credit losses based on the 'age' of debtors. The matrix identifies the relationship between the age of the Council's debtors and the risk of non-payment based on historical losses,
- Any reasonable and supportable information relating to individual debtors in terms of past events, current conditions and forecasts of future economic conditions that is available without undue cost or effort.

The changes in the lifetime expected credit loss allowance for debtors measured at amortised costs are as follows:

2023/24 £000		2024/25 £000
<b>122</b>	<b>Balance at 1 April</b>	<b>197</b>
16	Amounts written (off)/on	(119)
59	Changes in models/risk parameters	101
<b>197</b>	<b>Balance at 31 March</b>	<b>179</b>

### Liquidity Risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has access to borrowing from the money markets and the Public Works Loans Board. There is no significant risk that it will be unable to raise finance to meet its commitments. The maturity analysis of borrowing is as follows:

31/03/2024 £000		31/03/2025 £000
54	Less than one year	45
<b>54</b>		<b>45</b>

All trade creditors are due to be paid in less than one year.

### Interest Rate Risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its investments (no long term money market borrowing at present). Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would increase interest income.

The Council does not have any investment in equity shares, joint ventures or local industry. Consequently, it is not exposed to losses arising from movements in share prices. The Council has no financial assets or a liability denominated in foreign currencies and has no exposure to loss arising from movements in exchange rates.

## 34. Leases

### Council as Lessee

#### Finance Leases

As at 31 March 2025 the Council has no requirement to commit to making minimum payments under finance leases.

### Council as Lessor

#### Finance Leases

The Council has leased out 3 properties on a finance lease basis, with terms remaining ranging from 25 to 75 years.

The Council has a gross investment in these leases, made up of the minimum lease payments expected to be received over the remaining term and the residual value anticipated for properties when the leases come to an end. The minimum lease payments comprise settlement of the long-term debtor for the interest in the properties acquired by the lessee and finance income that will be earned by the Council whilst the debtor remains outstanding. The gross investment is made up of:

31/03/2024 £000		31/03/2025 £000
12	Current	11
94	Non-current	73
263	Unearned finance income	119
<b>369</b>	<b>Gross investment in the lease</b>	<b>203</b>

The gross investment in the lease and the minimum lease payments will be received over the following periods:

31/03/2024			31/03/2025	
Minimum lease payments £000	Finance lease liabilities £000		Minimum lease payments £000	Finance lease liabilities £000
36	24	Not later than one year	28	16
143	95	Later than one year, less than five years	110	65
190	144	Later than five years	65	38
<b>369</b>	<b>263</b>		<b>203</b>	<b>119</b>

# Collection Fund

The Collection Fund 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.

2023/24 Council Tax £000	2023/24 Business Rates £000	2023/24 Total £000		2024/25 Council Tax £000	2024/25 Business Rates £000	2024/25 Total £000
(78,052)		(78,052)	<b>Income</b>			
(212)		(212)	Council Tax Payers	(83,466)		(83,466)
	(34,452)	(34,452)	Household Support Fund			-
	(2,736)	(2,736)	Business Rates Payers		(37,746)	(37,746)
			Transitional Protection		(562)	(562)
			<b>Transfer of previous years deficit</b>			
			- Newcastle-under-Lyme Borough Council		(359)	(359)
			- Staffordshire County Council		(81)	(81)
			- Office of Police & Crime Commissioner			-
			- Staffordshire Fire and Rescue Authority		(9)	(9)
			- Central Government		(448)	(448)
<b>(78,264)</b>	<b>(37,188)</b>	<b>(115,452)</b>	<b>Total income</b>	<b>(83,466)</b>	<b>(39,205)</b>	<b>(122,671)</b>
			<b>Expenditure</b>			
			<b>Council Tax precepts</b>			
8,871		8,871	- Newcastle-under-Lyme Borough Council	9,244		9,244
56,053		56,053	- Staffordshire County Council	59,836		59,836
9,927		9,927	- Office of Police & Crime Commissioner	10,598		10,598
3,210		3,210	- Staffordshire Fire and Rescue Authority	3,361		3,361
			<b>Business Rates apportionment</b>			
	15,159	15,159	- Newcastle-under-Lyme Borough Council		15,665	15,665
	3,411	3,411	- Staffordshire County Council		3,525	3,525
	379	379	- Staffordshire Fire and Rescue Authority		392	392
	18,949	18,949	- Central Government		19,582	19,582
			<b>Other expenditure</b>			
	139	139	Cost of Collection		140	140
202	179	381	Provision for Bad Debts	347	69	416
	454	454	Provision for Appeals		(3,197)	(3,197)
			<b>Transfer of previous years surplus</b>			
37	574	611	- Newcastle-under-Lyme Borough Council	7		7
237	129	366	- Staffordshire County Council	41		41
43		43	- Office of Police & Crime Commissioner	7		7
13	14	27	- Staffordshire Fire and Rescue Authority	2		2
	717	717	- Central Government			-
<b>78,593</b>	<b>40,104</b>	<b>118,697</b>	<b>Total expenditure</b>	<b>83,443</b>	<b>36,176</b>	<b>119,619</b>
<b>329</b>	<b>2,916</b>	<b>3,245</b>	<b>Deficit/(surplus) for the year</b>	<b>(23)</b>	<b>(3,029)</b>	<b>(3,052)</b>
<b>(273)</b>	<b>(1,709)</b>	<b>(1,982)</b>	<b>Balance brought forward at 1 April</b>	<b>56</b>	<b>1,207</b>	<b>1,263</b>
<b>329</b>	<b>2,916</b>	<b>3,245</b>	<b>Deficit/(surplus) for the year</b>	<b>(23)</b>	<b>(3,029)</b>	<b>(3,052)</b>
<b>56</b>	<b>1,207</b>	<b>1,263</b>	<b>Balance carried forward at 31 March</b>	<b>33</b>	<b>(1,822)</b>	<b>(1,789)</b>
			<b>Allocation of Collection Fund balance</b>			
6	483	489	- Newcastle-under-Lyme Borough Council	4	(729)	(725)
41	109	150	- Staffordshire County Council	24	(164)	(140)
2	12	14	- Staffordshire Fire and Rescue Authority	1	(18)	(17)
-	603	603	- Central Government	-	(911)	(911)
7	-	7	- Office of Police & Crime Commissioner	4	-	4
<b>56</b>	<b>1,207</b>	<b>1,263</b>		<b>33</b>	<b>(1,822)</b>	<b>(1,789)</b>



## Notes

### 1. Business Rates

The Council collects business rates in its area based on non domestic rateable values (£102.912m at 31 March 2025 and £101.912m at 31 March 2024) multiplied by a uniform business rate. The rate is specified by the Government, in 2024/25 the rate was 54.6p, with a reduction for “small businesses” to 49.9p on application.

The administration of business rates aims to give Councils a greater incentive to grow businesses but also results in financial risks relating to volatility in appeals and non-collection of rates. Local authorities retain a proportion of the total collectable rates due, in the case of Newcastle-under-Lyme the local share is 40%. The remainder is distributed to preceptors, these are Central Government (50%), Staffordshire County Council (9%) and Staffordshire Fire and Rescue Service (1% share).

The business rates shares payable for 2024/25 were estimated, via the NNDR1 return, before the start of the financial year as £19.582m to Central Government, £3.525m to Staffordshire County Council, £0.392m to Staffordshire Fire and Rescue Service and £15.665m to Newcastle-under-Lyme Borough Council.

The total of these sums (£39.164m) has been paid in 2024/25 and charged to the collection fund in year.

The actual business rates payable for 2024/25, as per the NNDR3 return, when taking into account the cost of collection, provisions for appeals and bad debts and transitional protection was calculated to be £41.296m.

The variance between the estimated business rates shared between Central Government, Staffordshire County Council, Staffordshire Fire and Rescue Service and Newcastle-under-Lyme Borough Council as per the NNDR1 return (£39.164m) and the actual business rates payable per the NNDR3 return (£41.296m) is £2.132m - a surplus to the collection fund for 2024/25 due to a reduction in the balance required in relation to appeals.

In addition to the business rates shares payable for 2024/25, the estimated 2023/24 deficit declared in January 2024 regarding business rates of £0.897m was repaid to the collection fund by the Council, Central Government, Staffordshire County Council and Staffordshire Fire and Rescue Service.

The actual 2023/24 deficit was calculated to be £1.207m, therefore there remains a further £0.310m in the collection fund balance carried forward which is payable to the Collection Fund by the Council, Central Government, Staffordshire County Council and Staffordshire Fire and Rescue Service in relation to 2023/24.

Taking into account the remaining 2023/24 amount to be paid back to the collection fund and the 2024/35 surplus, the business rates collection fund has a surplus of £1.822m as at 31 March 2025.

Of the surplus, the Council's share amounts to £0.729m.

When the scheme was introduced, Central Government set a baseline level for each authority identifying the expected level of retained business rates and a top up or tariff amount to ensure that all authorities receive their baseline amount. Tariffs due from authorities payable to Central Government are used to finance the top ups to those authorities who do not achieve their targeted baseline funding. In this respect Newcastle-under-Lyme Borough Council paid a tariff in 2024/25 to the value of £11.161m.

### 2. Council Tax

Council Tax Income is derived from charges raised, in eight valuation bands, according to the value of residential properties. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by Staffordshire County Council, Office of the Police and Crime Commissioner Staffordshire, Staffordshire Fire and Rescue Service and Newcastle-under-Lyme Borough Council for the forthcoming year and dividing this by the Council Tax base. The average Band D tax in 2024/25 of £2,123.67 compared with £2,030.47 in 2023/24. Multiplication of this amount by the proportions set out in the Council Tax Base table below gives the amount due for a property in each band.

The Council Tax base for 2024/25 was 38,738 (38,099 in 2023/24), this was derived as follows:

Band & value range	Number of dwellings	After discounts/ exemptions	Ratio to band D	Band D equivalents
Band A-	-	53	5/9	30
Band A (Up to £40,000)	25,021	16,695	6/9	11,130
Band B (£40,001 - £52,000)	10,860	8,877	7/9	6,905
Band C (£52,001 - £ 68,000)	11,665	10,142	8/9	9,015
Band D (£68,001 - £88,000)	5,677	5,180	9/9	5,180
Band E (£88,001 - £120,000)	2,865	2,593	11/9	3,170
Band F (£120,001 - £160,000)	1,845	1,700	13/9	2,456
Band G (£160,001 - £320,000)	1,005	940	15/9	1,566
Band H (Over £320,000)	52	38	18/9	77
				<b>39,529</b>
Less non collection rate (2%)				(791)
<b>Borough Council Tax base</b>				<b>38,738</b>

The Council Tax precepts payable for 2024/25 were £59.836m to Staffordshire County Council, £10.598m to Office of the Police and Crime Commissioner Staffordshire, £3.361m to Staffordshire Fire and Rescue Service and £9.244m to Newcastle-under-Lyme Borough Council.

The total of these sums (£83.039m) has been paid in 2024/25 and charged to the collection fund in year.

The actual Council Tax payable for 2024/25, when taking into account bad debts was calculated to be £83.119m.

The variance between the Council Tax shared between Staffordshire County Council, Office of the Police and Crime Commissioner Staffordshire, Staffordshire Fire and Rescue Service and Newcastle-under-Lyme Borough Council as per the precepts (£83.039m) and the actual Council Tax payable (£83.119m) is £0.080m - a surplus to the collection fund.

In addition to the Council Tax payable for 2024/25, the estimated 2023/24 surplus declared in January 2024 regarding Council Tax of £0.057m was repaid to preceptors (Staffordshire County Council, Office of the Police and Crime Commissioner Staffordshire, Staffordshire Fire and Rescue Service and Newcastle-under-Lyme Borough Council).

The actual 2023/24 outturn was calculated to be a deficit of £0.056m, therefore £0.113m is repayable to the Collection Fund by Staffordshire County Council, Office of the Police and Crime Commissioner Staffordshire, Staffordshire Fire and Rescue Service and Newcastle-under-Lyme Borough Council in relation to 2023/24.

Taking into account the remaining 2023/24 amount to be repaid and the 2024/25 surplus, the Council Tax collection fund has a deficit of £0.033m as at 31 March 2025.

## Glossary

To assist readers of the Statement of Accounts to understand its contents the following definitions are provided of terms used in the text.

### Accounting Policies

Accounting policies are the principles, bases, conventions, rules and practices applied by the Council that specify how the effects of transactions and other events are to be reflected in its financial statements through recognising, selecting measurement bases for and presenting assets, liabilities, gains, losses, and changes to reserves.

### Accruals

The concept that items of income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

### Actuarial Gains and Losses

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

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

### Amortisation

An annual charge to a revenue account to reduce the value of an asset to zero over a period of years.

### Assets Register

A register of the Council's fixed assets which records their essential details, including their description and location, valuation, basis of valuation, life and service chargeable for their use.

### Balance Sheet

This shows a summary of the overall financial position of the Council at the end of the financial year.

### Business Improvement District (BID)

A BID is a defined area within which businesses are required to pay an additional business rates levy (a business rates supplement) in order to fund projects within the BID's boundaries. A completely separate body from the Council is responsible for operating the BID scheme. The BID is often funded primarily through the levy but can also draw on other public and private funding streams. The Council as billing authority collects the supplement and pays it over to the BID body, whose income it is, charging the body for the costs of collection.

### Capital Expenditure

Expenditure on the acquisition of fixed assets or expenditure, which adds to and does not merely maintain existing assets.

### Capital Grants Receipts in Advance Account

An account which holds the balances of capital grants received where conditions apply and have not been satisfied meaning that the grants are not yet available for use to finance expenditure.

### Capital Grants Unapplied Account

A usable reserve holding the balances of capital grants received or due to the Council at the year-end where conditions do not apply to those grants or conditions have been satisfied meaning that the grant is available for use to finance expenditure.

## Capital Receipts

Income received from the sale of capital assets which may be used to finance new capital expenditure.

## CIPFA

The Chartered Institute of Public Finance and Accountancy (CIPFA) is one of the leading accountancy bodies in the United Kingdom and specialises in public services.

## Collection Fund

A fund accounting for Council Tax and non domestic rates received by the Council and the payments which are made from the fund including precepts to other authorities, the Council's own demand and shares of business rates receipts.

## Community Assets

Assets which the Council intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historic buildings.

## Consistency

The concept that the accounting treatment of like items within an accounting period and from one period to the next is the same.

## Contingent Asset

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control.

## Contingent Liability

A contingent liability is either: -

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control,
- A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.

## Creditors

Amounts owed by the Council for goods and services, where payments have not been made at the end of the financial year.

## Current Service Cost

The increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period.

## Curtailment

For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments include termination of employees' services earlier than expected, for example as a result of discontinuing a segment of the business and termination of, or amendment to the terms of, a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

## **Debtors**

Amounts owed to the Council for goods and services, where the income has not been received at the end of the financial year.

## **Deferred Liabilities**

These are liabilities which by arrangement are payable beyond the next year at some point in the future or are paid off by an annual sum over a period of time, specifically for this Council amounts outstanding in respect of finance leases.

## **Defined Benefit Pension Scheme**

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

## **Depreciation**

The measure of the cost or revalued amount of the benefits of the fixed asset that have been consumed during the period. Consumption includes wearing out, using up or other reduction in the useful life of a fixed asset whether arising from use, the passing of time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.

## **Discretionary Benefits**

Retirement benefits which the employer has no legal, contractual, or constructive obligation to award and are awarded under the Council's discretionary powers, such as The Local Government (Discretionary Payments) Regulations 1996.

## **Expected Rate of Return on Pension Assets**

For a funded defined benefit pension scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

## **Experience Gains and Losses**

See actuarial gains and losses.

## **Fair Value**

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market.

## **Fair Value Hierarchy**

A three level classification of techniques used in order to measure the fair value of financial assets and liabilities. The highest level (level 1) uses quoted prices in active markets for identical assets or liabilities that can be accessed at the measurement date, level 2 uses inputs other than quoted prices that are observable for the asset, either directly or indirectly and level 3 uses unobservable inputs for the asset or liability. Techniques employed should aim to maximise the use of observable inputs and minimise the use of unobservable inputs.

## **Financial Instrument**

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. Typical financial instruments are: liabilities - trade creditors, borrowings, financial guarantees; assets - bank deposits, trade debtors, investments; derivatives - forward investment deals.

## Financial Reporting Standards (FRSs)

Statements prepared by the Accounting Standards Committee. Many of the Financial Reporting Standards (FRSs) and the earlier Statements of Standard Accounting Practice (SSAPs) apply to local authorities and any departure from these must be disclosed in the published accounts.

## Financial Year

The period of time to which the Statement of Accounts relates. The financial year of the Council runs from 1 April to 31 March.

## Fixed Assets

Tangible assets that yield benefits to the Council and the services it provides for a period of more than one year.

The classes of fixed assets required to be included in the accounting statements are:

Operational assets:

- Other land and buildings (excluding Council Dwellings),
- Vehicles, plant, furniture and equipment,
- Infrastructure assets,
- Community assets.

Non-operational assets:

- Investment Properties,
- Assets Held for Sale.

Assets under construction are not shown separately. They are included in the balance relating to the category of operational asset where they will be included when completed.

## Formula Grant

A formula grant is paid by central government to local authorities. Formula grant is largely funded by local business rates income (which is ultimately collected for central government). Revenue Support Grant and business rates are added together to make up the formula grant, which is then distributed to local authorities using a complex formula.

## General Fund Revenue Account

This account records the expenditure and income incurred by the Council in operating its services during the year. It does not record any capital expenditure or income but does include the costs associated with capital expenditure in the form of capital financing costs (mostly related to interest, capital charges for the use of assets by services and depreciation charges).

## Government Grants

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfer of assets to an authority in return for past or future compliance with certain conditions relating to the activities of the Council.

## Heritage Assets

Tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities which are held and maintained primarily for their contribution to knowledge and culture.

## Historical Cost

Actual cost of acquiring or constructing an asset.

## Impairment

A reduction in the value of a fixed asset below its carrying amount on the balance sheet.

## Infrastructure Assets

Fixed assets that are not able to be taken away, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure are highways and sewers.

## Interest Cost

For a defined benefit pension scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

## Insurance Value

The value placed upon an asset for insurance purposes.

## Intangible Assets

Non-financial fixed assets that do not have physical substance but are identifiable and are controlled by the Council through custody or legal rights. Specifically purchased software licenses are included in this category of asset.

## Inventories

The amount of unused or unconsumed stocks held in expectation of future use. When use will not arise until a later period, it is appropriate to carry forward the amount to be matched to the use or consumption when it arises. Inventories comprise the following categories:

- Finished goods and goods or other assets purchased for resale,
- Consumable stores,
- Raw materials and components purchased for incorporation into products for sale,
- Products and services in intermediate stages of completion,
- Long-term contract balances.

## Investments

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the Council. Investments should be classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment. Investments which do not meet the above criteria should be qualified as current assets.

## Investment Properties

Interest in land and/or buildings:

- In respect of which construction work and development have been completed,
- Which is held for its investment potential, any rental income being negotiated at arm's length,
- Which do not support the service or strategic objectives of the Council.

## Leasing

Method of financing the provision of capital assets which does not provide for the title to the asset to pass to the authority. In return for the use of the asset the Council pays rental charges over a specified period of time. There are two basic types of leasing arrangement:

- Finance leases which transfer the risks and rewards of ownership of an asset to the lessee (the Council) and such assets are included within the fixed assets in the Balance Sheet,
- Operating leases where the ownership of the asset remains with the lessor and annual rental is charged direct to the revenue account.

## Liquid Resources

Current asset investments that are readily disposable by the Council without disrupting its business and are either readily convertible to known amounts of cash at or close to the carrying amount or are traded in an active market.

## Long Term Debtors

Comprises amounts which are owed to the Council which are not investments and which are not expected to be realised within the next financial year. The main items included in this heading are outstanding loans from the Council to other bodies and outstanding amounts in respect of finance leases of Council properties to other bodies.

## Material Items

An item is material if its omission, non-disclosure or misstatement could be expected to lead to a distortion of the view given by the financial statements.

## National Non Domestic Rate (NDR)

Amounts payable to local authorities from non domestic properties. The rate poundage is set nationally. The amount collected is distributed via the business rates retention scheme to Central Government, Staffordshire County Council and Staffordshire Fire and Rescue Service. The remainder is retained by the Council but is subject to a tariff payment and pool levy.

## Non-Distributed Costs

Overheads from which no user now benefits and which are not apportioned to services.

## Past Service Cost

For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

## Precept

Demands made upon the Collection Fund by other authorities (Staffordshire County Council, Office of the Police and Fire Commissioner Staffordshire and Staffordshire Fire and Rescue Service and Parish Councils) for the services that they provide.

## Prior Period Adjustments

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring conditions or adjustments of accounting estimates made in prior years.

## Provisions

Amounts set aside to meet liabilities or losses which are likely to be incurred but where the amount remains uncertain.



## Quoted Securities

Assets such as shares that are traded on financial exchanges.

## Realisable Value

Open market value of the asset in its existing use (or open market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

## Related Parties

Two or more parties are related when at any time during the financial period:

- One party has direct or indirect control over the other party,
- The parties are subject to common control from the same source,
- One party has influence over the financial and operational policies of the other party to the extent that the other party might be inhibited from pursuing at all times its own separate interests,
- The parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

For individuals identified as related parties, the following are also presumed to be related parties:

- Members of the close family or the same household,
- Partnerships, companies, trusts or other entities in which the individual, or a member of their close family or same household, has a controlling interest.

## Related Party Transaction

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a charge is made.

## Reserves

Reserves fall into two different categories:

- Usable Reserves representing sums set aside to meet future expenditure for specific purposes and which the Council is able to utilise to provide services.
- Unusable Reserves which the Council is not able to utilise to provide services. This category of reserves includes reserves which hold unrealisable gains and losses, such as the Revaluation Reserve and reserves which are adjustment accounts which deal with situations where income and expenditure are recognised statutorily against the General Fund balance on a different basis from that expected by accounting standards, for example the capital adjustment account.

## Retirement Benefits

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either (i) an employer's decision to terminate an employee's employment before the normal retirement date or (ii) an employee's decision to accept voluntary redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

## Revenue Expenditure

Expenditure on day-to-day running of the Council, including employee costs, running expenses and capital financing costs.

### **Revenue Expenditure Funded From Capital Under Statute (REFCUS)**

Expenditure which does not result in the creation of a fixed asset and which is classified as capital for funding purposes but is chargeable to the Comprehensive Income and Expenditure Account (revenue account) as revenue expenditure. Any grants or contributions towards such expenditure are also chargeable to the revenue account. An appropriation is made to the revenue account from the capital adjustment account of the amount of expenditure financed from capital resources. Such expenditure was formerly referred to as deferred charges.

### **Revenue Support Grant (RSG)**

Grant paid to local authorities by Central Government to help finance its general expenditure.

### **Scheme Liabilities**

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities are measured using the projected unit method. Reflect the benefits that the employer is committed to provide for service up to the valuation date.

### **Settlement**

An irrevocable action that relieves the employer (or the defined benefit scheme) of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligation and the assets used to effect the settlement. Settlements include a lump-sum cash payment to scheme members in exchange for their rights to receive specified pension benefits, the purchase of an irrevocable annuity contract sufficient to cover vested benefits and the transfer of scheme assets and liabilities relating to a group of employees leaving the scheme.

### **Useful Life**

Period over which the local authority will derive benefits from the use of a fixed asset.

# Newcastle-under-Lyme Borough Council

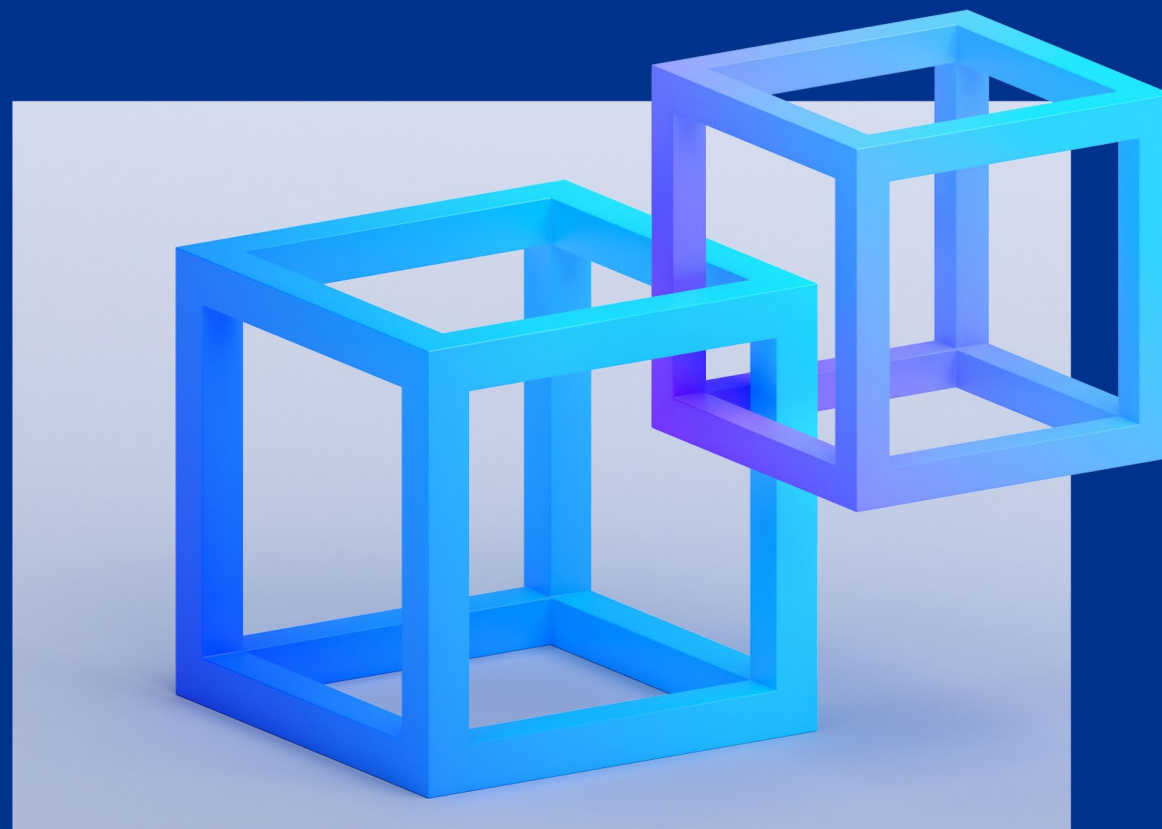
Year End Report to the Audit & Standards Committee

Year end report for the year ended 31 March 2025

—

22 September 2025

**DRAFT**



# Introduction

## To the Audit and Standards Committee of Newcastle-under-Lyme Borough Council

We are pleased to have the opportunity to meet with you on 29 September 2025 to discuss the results of our audit of the financial statements of Newcastle-under-Lyme Borough Council (the ‘Council’) as at and for the year ended 31 March 2025.

We are providing this report in advance of our meeting to enable you to consider our findings and hence enhance the quality of our discussions. This report should be read in conjunction with our audit plan and strategy report, presented on 7 April 2025. We will be pleased to elaborate on the matters covered in this report when we meet.

### How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define ‘audit quality’ as being the outcome when:

- Audits are executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality management; and,
- All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG’s work, in the first instance you should contact Richard Lee, the engagement lead to the Council, who will try to resolve your complaint. If you are dissatisfied with the response, please contact the national lead partner for all of KPMG’s work under our contract with Public Sector Audit Appointments Limited, Tim Cutler. ([tim.culter@kpmg.co.uk](mailto:tim.culter@kpmg.co.uk)). After this, if you are still dissatisfied with how your complaint has been handled you can access KPMG’s complaints process here: [Complaints](#).

### The engagement team

Subject to the approval of the statement of accounts, we expect to be in a position to sign our audit opinion on the approval of those statement of accounts and auditor’s representation letter on 12<sup>th</sup> November 2025, provided that the outstanding matters noted on page 4 of this report are satisfactorily resolved.

There have been no significant changes to our audit plan and strategy.

We expect to issue an unmodified Auditor’s Report.

We draw your attention to the important notice on page 4 of this report, which explains:

- The purpose of this report
- Limitations on work performed
- Restrictions on distribution of this report

Yours sincerely,

**Richard Lee**

22 September 2025

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# Important notice

**This report is presented under the terms of our audit under Public Sector Audit Appointments (PSAA) contract.**

The content of this report is based solely on the procedures necessary for our audit.

## Purpose of this report

This Report has been prepared in connection with our audit of the financial statements of Newcastle-under-Lyme Borough Council (the 'Council'), prepared in accordance with International Financial Reporting Standards ('IFRSs') as adapted Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, as at and for the year ended 31 March 2025.

This Report has been prepared for the Council's Audit and Standards Committee, a sub-group of those charged with governance, in order to communicate matters that are significant to the responsibility of those charged with oversight of the financial reporting process as required by ISAs (UK), and other matters coming to our attention during our audit work that we consider might be of interest, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone (beyond that which we may have as auditors) for this Report, or for the opinions we have formed in respect of this Report.

This report summarises the key issues identified during our audit.

## Limitations on work performed

This Report is separate from our audit report and does not provide an additional opinion on the Council's financial statements, nor does it add to or extend or alter our duties and responsibilities as auditors.

We have not designed or performed procedures outside those required of us as auditors for the purpose of identifying or communicating any of the matters covered by this Report.

The matters reported are based on the knowledge gained as a result of being your auditors. We have not verified the accuracy or completeness of any such information other than in connection with and to the extent required for the purposes of our audit.

## Status of our audit

Our audit is not yet complete and matters communicated in this Report may change pending signature of our audit report. We will provide an oral update on the status. Page 4 'Our Audit Findings' outlines the outstanding matters in relation to the audit. Our conclusions will be discussed with you before our audit report is signed.

## Restrictions on distribution

The report is provided on the basis that it is only for the information of the Audit and Standards Committee of the Council; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.



# Our audit findings

Significant audit risks	Page 5 - 13
Significant audit risks	Our findings
Valuation of land and buildings	Based on our work <b>to date</b> , the valuation of land and buildings is fairly stated in the financial statements. The assumptions used by management were appropriate.
Management override of controls	<b>Our work in this area is ongoing</b>
Valuation of post-retirement benefit obligations	Based on our actuary's review, the overall assumptions adopted by NULBC are balanced, and within our reasonable range.
Key accounting estimates	Page 16
Valuation of land and building	We assessed as reasonable the assumptions underpinning the valuation
Valuation of Investment properties	We assessed as reasonable the assumptions underpinning the valuation
Valuation of gross pension liabilities	We assessed the assumptions underpinning the valuation as reasonable

Uncorrected Audit Misstatements	Page 27	
Understatement/ (overstatement)	£m	%
Net expenditure	0.2	0.3
Surplus/(deficit) for the year	(0.2)	-
Total assets	(0.6)	0.3
Reserves	0.8	0.4

Misstatements in respect of Disclosures	Page 28
Misstatement in respect of Disclosures	Our findings
Officers' Remuneration	We identified some errors in the main table for individual officers and in the reference to the banding of employees earning more than £50k. These have been updated in the financial statements.

Number of Control deficiencies	Page 29
Significant control deficiencies	0
Other control deficiencies	2
Prior year control deficiencies remediated	1

## Outstanding matters

Our audit is **in progress**. The following areas are outstanding at the time of drafting this report:

- Finalising work over land and building valuation, valuation of post retirement benefit obligations, journals testing, payroll testing, collection fund debtors and review of non-significant disclosures.
- Internal quality review
- Management representation letter
- Finalise audit report and sign

We will provide a finalised year end report at the next Audit and Standards Committee.

# Significant risks and Other audit risks

**We discussed the significant risks which had the greatest impact on our audit with you when we were planning our audit.**

Our risk assessment draws upon our historic knowledge of the business, the industry and the wider economic environment in which Newcastle-under-Lyme Borough Council operates.

We also use our regular meetings with senior management to update our understanding and take input from local audit teams and internal audit reports.

Following our risk assessment we determined there was no risk of material misstatement in relation to IFRS 16 given the very small number of operating lease arrangements at the Council. This has therefore been removed as an 'Other audit risk'.

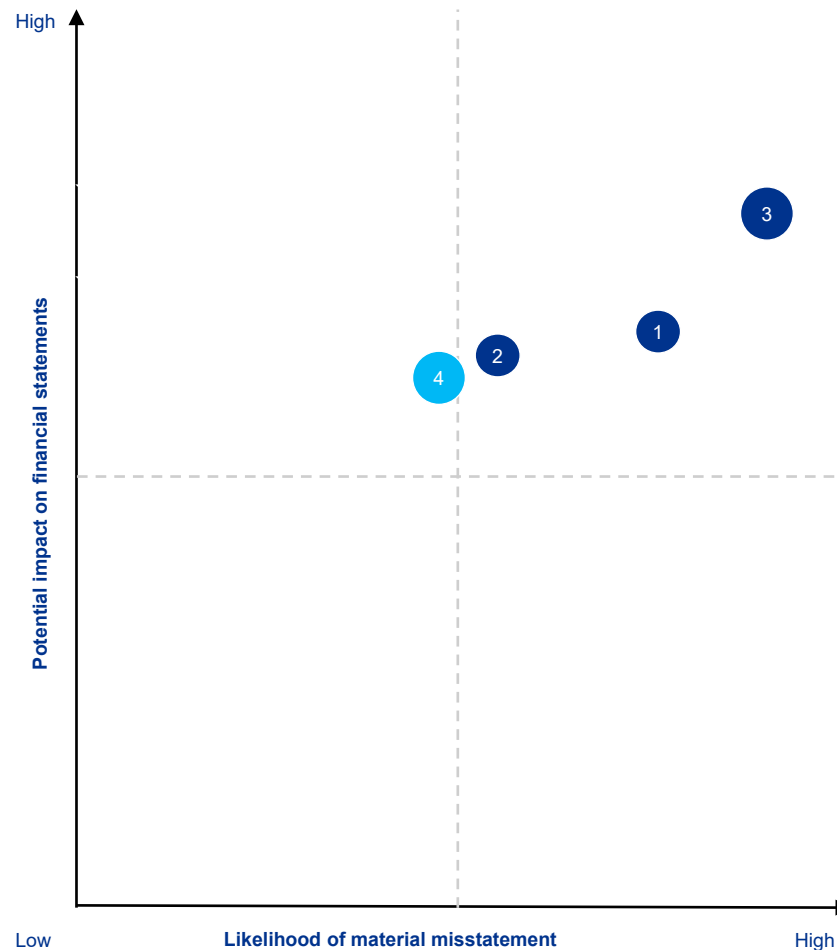
See the following slides for the cross-referenced risks identified on this slide

## Significant risks

1. Valuation of land and buildings
2. Valuation of post retirement benefit obligations
3. Management override of controls<sup>a</sup>

## Other audit risks

4. Valuation of investment property



<sup>a</sup> A significant risk that auditing standards require us to assess on all audit engagements.



# Audit risks and our audit approach

## 1 Valuation of land and buildings

The carrying amount of revalued Land and Buildings differs materially from the fair value



### Significant audit risk

The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date. The Council has adopted a rolling revaluation model which sees all land and buildings revalued over a five-year cycle

This creates a risk that the carrying value of assets not revalued in year differs materially from the year end current value.

A further risk is presented for those assets that are revalued in the year which involves significant judgement and estimation on behalf of the Internal Valuer.

The value of land and buildings as at 31 March 2024 was £43.2m, £37.6m of which is valued at depreciated replacement cost (DRC). However, during the year, the Council has completed the construction of the Castle Car Park at a cost of £12m. This will be valued at its existing use value (EUUV) using the investment method (based on its income potential).

Given the significance and estimation uncertainty associated with the assumptions, we determine that there is a significant risk over the valuation of land and buildings.

Key:  
 Prior year Current year



### Our response

We have performed the following procedures designed to specifically address the significant risk associated with the valuation:

- We critically assessed the independence, objectivity and expertise of the internal valuers, the valuers used in developing the valuation of the Council's properties at 31 March 2025;
- We inspected the instructions issued to the valuers for the valuation of land and buildings to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code.
- We compared the accuracy of the data provided to the valuers for the development of the valuation to underlying information;
- We evaluated the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used;
- We challenged the appropriateness of the valuation of land and buildings; including any material movements from the previous revaluations. We challenged key assumptions within the valuation as part of our judgement;
- We agreed the calculations performed of the movements in value of land and buildings and verified that these have been accurately accounted for in line with the requirements of the CIPFA Code;
- We discussed with our own valuation specialists to review the valuation report prepared by the Council's valuers to confirm the appropriateness of the methodology utilised; and
- Disclosures: We considered the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.



# Audit risks and our audit approach (cont.)

## 1 Valuation of land and buildings

The carrying amount of revalued Land & Buildings differs materially from the fair value



### Significant audit risk

The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date. The Council has adopted a rolling revaluation model which sees all land and buildings revalued over a five-year cycle

This creates a risk that the carrying value of assets not revalued in year differs materially from the year end current value.

A further risk is presented for those assets that are revalued in the year which involves significant judgement and estimation on behalf of the Internal Valuer.

The value of land and buildings as at 31 March 2024 was £43.2m, £37.6m of which is valued at depreciated replacement cost (DRC). However, during the year, the Council has completed the construction of the Castle Car Park at a cost of £12m. This will be valued at its existing use value (EUV) using the investment method (based on its income potential).

Given the significance and estimation uncertainty associated with the assumptions, we determine that there is a significant risk over the valuation of land and buildings.

Key:  
 Prior year Current year



### Our findings

- Our findings have not identified any significant issues in relation to the valuation of land and buildings to date.
- In our assessment of the design and implementation of controls we note the absence of a formal control with respect of reviewing the assumptions adopted by the Valuer. We acknowledge management consider this control deficiency to be an acceptable level of risk and its existing processes are proportionate. We have therefore not reported a control recommendation however, we are required to bring this to your attention as this control deficiency responds to a significant risk.
- We have however raised a recommendation relating to the completeness and accuracy of working papers presented for audit review on page 29. We have also requested additional disclosure in the sources of estimation uncertainty accounting policy note.
- Through our enquiries with both management and the Valuer, we are satisfied that the valuer has used up-to-date information (e.g. Buildings Cost Information Service (BCIS) indices, detail of capital spend) to inform the valuation as at 31 March 2025.
- We are satisfied that the assumptions such as the BCIS indices and asset lives adopted by management are appropriate and we are satisfied the population of assets not formally revalued could not be material misstated.

# Audit risks and our audit approach



2

## Valuation of post-retirement benefit obligations

An inappropriate amount is estimated and recorded for the defined benefit obligation



### Significant audit risk

- The valuation of the post-retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council.
- The effect of these matters is that, as part of our risk assessment, we determined that post-retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Council in completing the year end valuation of the pension surplus and the year-on-year movements.
- We have identified this in relation to the Local Government Pension Scheme membership.
- Also, recent changes to market conditions have meant that more councils are finding themselves moving into surplus in their Local Government Pension Scheme (or surpluses have grown and have become material). The requirements of the accounting standards on recognition of these surplus are complicated and requires actuarial involvement.



### Our response

We have performed the following procedures :

- We obtained an understanding of the pensions process for setting and approving the assumptions used in the DBO valuation;
- Auditing standards require auditors to identify a management control where there is a significant audit risk. We assessed Management's controls that ensure the appropriateness of actuarial assumptions for the preparation of the DBO accounting estimate;
- Evaluated the competency, objectivity of the Fund actuaries and confirmed their qualifications and the basis for their calculations;
- Performed inquiries of the Fund actuaries to assess the methodology and key assumptions used;
- Challenged, with the support of KPMG pensions actuarial specialists, the key assumptions applied, the discount rate, inflation rate and mortality/life expectancy against externally derived data;
- Vouched data provided by the audited entity to the Fund Administrator for use within the DBO accounting estimate calculation;
- Confirmed that the pensions disclosures adopted by the Council are in line with IAS19 and the SORP;
- Assessed the level of surplus that should be recognized by the entity; and
- Assessed the impact of any special events, where applicable

Key:  
 Prior year Current year



# Audit risks and our audit approach (cont.)

## 2 Valuation of post-retirement benefit obligations (cont.)

An inappropriate amount is estimated and recorded for the defined benefit obligation



### Significant audit risk

- The valuation of the post-retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council.
- The effect of these matters is that, as part of our risk assessment, we determined that post-retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Council in completing the year end valuation of the pension deficit and the year-on-year movements.
- We have identified this in relation to the Local Government Pension Scheme membership.
- Also, recent changes to market conditions have meant that more councils are finding themselves moving into surplus in their Local Government Pension Scheme (or surpluses have grown and have become material). The requirements of the accounting standards on recognition of these surplus are complicated and requires actuarial involvement.



### Our findings

- We acknowledge that there is a review of key assumptions by management, but we do not place reliance on this control due to the lack of precision and documentation. Whilst this Management Review Control may be achieving the control objective set by management (we have not confirmed this), it does not meet the control requirements as defined by auditing standards. We do not consider this to be a significant deficiency in the internal control environment.
- The Fund actuaries (individual and entity) are professionally qualified to perform actuarial valuations and prepare IAS19 disclosure reports being Fellow of the Institute of Actuaries in the UK;
- The actuarial assumptions methodology is consistent with the prior year and compliant with NULBC reporting framework. The actuarial assumptions adopted by NULBC compared to KPMG Central Rates, are balanced overall. All individual assumptions are balanced except mortality future improvements which is cautious compared to KPMG Central Rates but within our reasonable range
- We conducted testing on benefits paid and contributions by comparing the initial IAS 19 report dated 25 April 2025 with the actuals provided by the third-party administrator. The variances identified exceeded our acceptable threshold. We escalated this matter to management, who concurred with our assessment. A revised IAS 19 report, dated 23 May 2025, was subsequently provided. Following this update, all variances fell within acceptable threshold.
- Following management's agreement to align the accounts with the revised IAS 19 report, the material variances identified between the original and revised versions have been recorded as corrected misstatements. Please refer to slide 28 for further details.

Key:  
 Prior year Current year



# Audit risks and our audit approach (cont.)

## 2 Valuation of post-retirement benefit obligations (cont.)

An inappropriate amount is estimated and recorded for the defined benefit obligation



### Significant audit risk

- The valuation of the post-retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council.
- The effect of these matters is that, as part of our risk assessment, we determined that post-retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Council in completing the year end valuation of the pension deficit and the year-on-year movements.
- We have identified this in relation to the Local Government Pension Scheme membership.
- Also, recent changes to market conditions have meant that more councils are finding themselves moving into surplus in their Local Government Pension Scheme (or surpluses have grown and have become material). The requirements of the accounting standards on recognition of these surplus are complicated and requires actuarial involvement.



### Our findings

- We tested Plan Assets using the last triennial valuation as a baseline, due to Hymans' reliance on estimated cashflows and returns in the IAS 19 reports. By applying actual returns and cashflows over the three-year period, we calculated an expected value, identifying a variance of £885k—above our acceptable threshold. This was raised as an uncorrected audit misstatement, primarily driven by a difference between the actual return (per administrator) and the rate used by the actuary. This resulted in an unadjusted audit difference of £293k in the prior year, accumulating to £885k in 2024-25. Please refer to slide 27 for further details.
- Based on our analysis, we consider that the NULBC has calculated the impact and applied IFRIC 14 appropriately as at the year-end.
- We'll be able to proceed with our work on the pension disclosures once the accounts are updated to reflect the revised results.

Key:  
 Prior year Current year



# Procedures 3-6: UK assumptions



Overall assessment of assumptions for audit consideration						<div><div></div></div> <i>Balanced</i>		
Underlying assessment of individual assumptions		Methodology	Consistent methodology to prior year?	Compliant methodology with accounting standard?	Employer	KPMG	Assessment	Key assumptions
Discount rate		AA yield curve	✓	✓	5.80%	5.75%	<div><div></div></div>	✓
CPI inflation		Deduction to inflation curve with adjustment for recent inflation experience	✓	✓	2.80%	2.74%	<div><div></div></div>	✓
Pension increases		In line with CPI	✓	✓	2.80%	2.86%	<div><div></div></div>	
Salary increases		Employer best estimate	✓	✓	CPI + 0.5%	In line with long-term remuneration policy	<div><div></div></div>	
Mortality	Base tables	In line with most recent Fund valuation	✓	✓	Fund-specific based on Club Vita Curves	In line with Fund best- estimate	<div><div></div></div>	✓
	Future improvements	In line with most recent Fund valuation, updated to use latest CMI model	✓	✓	CMI 2023, 1.5% long-term trend rate, 0.25% initial addition parameter and default other parameters	CMI 2023,1.25% long-term trend rate and default other parameters	<div><div></div></div>	✓
Other demographics		In line with most recent Fund valuation	✓	✓	In line with most recent Fund valuation	In line with Fund experience	<div><div></div></div>	

# Audit risks and our audit approach



3

## Management override of controls<sup>(a)</sup>

Fraud risk related to unpredictable way management override of controls may occur



### Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit.



### Our response

Our audit methodology incorporates the risk of management override as a default significant risk.

- Assessed accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias.
- Evaluated the selection and application of accounting policies.
- In line with our methodology, evaluated the design and implementation of controls over journal entries and post closing adjustments.
- Assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- We analysed all journals through the year using data and analytics and focus our testing on those with a higher risk, such as unusual combinations with revenue and cash accounts.

Note: (a) Significant risk that professional standards require us to assess in all cases.

# Audit risks and our audit approach (cont.)

3

## Management override of controls (cont.)<sup>(a)</sup>

Fraud risk related to unpredictable way management override of controls may occur



### Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- [We have not identified any specific additional risks of management override relating to this audit.



### Our findings

- Communicated our views about significant qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures.
- Under the requirements of ISA315r, we conduct a detailed evaluation of the design and implementation of controls around journal entries. This identified that the ledger system permits approval of journals by team members that are more junior than the poster. In addition, the level of precision of the journals review prior to approval is not documented sufficiently to enable us to place reliance as a manual control over journal entries.
- We are therefore unable to rely on controls around segregation of duties in journal entry processing. We have not raised this a control recommendation on the basis management consider the controls in place proportionate to the level of risk. We are however required to bring this to your attention as this control responds to a significant risk.
- We identified 9 journal entries and other adjustments meeting our high-risk criteria. **This testing is in progress.**
- We evaluated accounting estimates, including the consideration of the valuation of land and buildings and did not identify any indicators of management bias. See page 15 for further discussion.
- We have not identified any significant unusual transactions.

Note: (a) Significant risk that professional standards require us to assess in all cases.

# Audit risks and our audit approach

## 4 Valuation of investment property

The carrying amount of revalued investment property differs materially from the fair value



### Other audit risk

The Code defines an investment property as property that is used solely to earn rentals and / or that is held for capital appreciation.

At each reporting period, the valuation of the investment property must be updated to reflect market conditions. Significant judgement and estimation is required to assess fair value and management experts are often engaged to undertake the valuations.

The Council's investment property portfolio as at 31 March 2024 was £13.5m. It is made up of a small number of assets some of which are individually material, however we do not consider there to a significant risk of material misstatement given their size and nature.



### Our response

We have performed the following procedures designed to specifically address the significant risk associated with the valuation:

- We critically assessed the independence, objectivity and expertise the internal valuer used in developing the valuation of the Council's investment property at 31 March 2025;
- We inspected the instructions issued to the valuers to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code.
- We compared the accuracy of the data provided to the valuers for the development of the valuation to underlying information;
- We challenged the appropriateness of the valuation; including any material movements from the previous revaluations. We challenge key assumptions within the valuation as part of our judgement;
- We agreed the calculations performed of the movements and verify that these have been accurately accounted for in line with the requirements of the CIPFA Code; and
- Disclosures: We considered the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.

Key:  
Prior year Current year



# Audit risks and our audit approach (cont.)

## 4 Valuation of investment property (cont.)

The carrying amount of revalued investment property differs materially from the fair value



### Other audit risk

The Code defines an investment property as property that is used solely to earn rentals and / or that is held for capital appreciation.

At each reporting period, the valuation of the investment property must be updated to reflect market conditions. Significant judgement and estimation is required to assess fair value and management experts are often engaged to undertake the valuations.

The Council's investment property portfolio as at 31 March 2024 was £13.5m. It is made up of a small number of assets some of which are individually material, however we do not consider there to a significant risk of material misstatement given their size and nature.



### Our findings

- Our findings have not identified any significant issues in relation to the valuation of investment property.
- Through our enquiries with both management and the Valuer, we are satisfied that the valuer has used up-to-date information (e.g. rental income and detail of capital spend) to inform the valuation as at 31 March 2025.
- We are satisfied that the assumptions such as the yields adopted by management are appropriate.
- We identified one audit adjustment. One of the investment properties (York Place) is recognised as an investment property under construction (AUC). During the audit, the valuer identified additional capital expenditure to be included in the cost valuation recognised. This was then partly countered by the inappropriate capitalisation of revenue expenditure. The net impact was a £255k adjustment.
- Overall, following the completion of our procedures, we are satisfied that the valuation of the investment property assets is free from material misstatement and disclosure of estimation uncertainty is adequate.

Key:  
 Prior year  Current year











# Key accounting estimates and management judgements– Overview

## Our view of management judgement

Our views on management judgments with respect to accounting estimates are based solely on the work performed in the context of our audit of the financial statements as a whole. We express no assurance on individual financial statement captions.

Key:  
 Prior year 
  Current year

Asset/liability class	Our view of management judgement	Balance (£m)	YoY change (£m)	Our view of disclosure of judgements & estimates	Further comments
<b>PPE</b> Land and Buildings	<div> <div>Cautious</div> <div>Neutral</div> <div>Optimistic</div> </div> 	45.4	2.2	<div> <div>Needs improvement</div> <div>Neutral</div> <div>Best practice</div> </div> 	There has been a small increase in the valuation of land and buildings, the £2.2m movement primarily driven by the reclassification of the Castle Car Park from Asset Under Construction to operational land and buildings.
<b>Investment Property</b>		15.3	1.8		There has been a small increase in the valuation of land and buildings, the £1.8m movement primarily driven by design and planning costs incurred on York Place, there was minimal impact as a result of in-year revaluation movements.
<b>Pensions</b> Gross pension obligation		(137.6)	(22.1)		The Pension Liabilities balance has decreased by 13.8% compared to the prior year. This reduction is primarily attributable to an actuarial gain resulting from changes in key assumptions. Based on our actuary's review, the assumptions adopted by the Council are considered to be balanced, and within reasonable range.
<b>Pensions</b> Valuation of Pension Asset		176.1	2.6		The pension assets balance has remained consistent with the prior year. The valuation basis is considered to be balanced.

# Other matters

## Narrative report

We have read the contents of the Narrative Report and checked compliance with the requirements of the Annual Report and financial statements with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 ('the Code'). Based on the work performed:

We have not identified any inconsistencies between the contents of the Narrative Report and the financial statements.

- We have not identified any material inconsistencies between the knowledge acquired during our audit and the statements of the Council. As Audit and Standards Committee members you confirm that you consider that the Narrative Report and financial statements taken as a whole are fair, balanced and understandable and provides the information necessary for regulators and other stakeholders to assess the Council's performance, model and strategy.

## Annual Governance Statement

We have reviewed the Council's 2024/25 Annual Governance Statement and confirmed that:

- It complies with Delivering Good Governance in Local Government: A Framework published by CIPFA/SOLACE; and
- It is not misleading and is consistent with other information we are aware of from our audit of the financial statements.

## Whole of Government Accounts

As required by the National Audit Office (NAO) we carry out specified procedures on the Whole of Government Accounts (WGA) consolidation pack.

We are yet to receive instructions from NAO regarding WGA.

## Independence and Objectivity

ISA 260 also requires us to make an annual declaration that we are in a position of sufficient independence and objectivity to act as your auditors, which we completed at planning and no further work or matters have arisen since then.

## Audit Fees

Our PSAA prescribed 2024/25 audit scale fee for the audit was £172,000 plus VAT (£167,000 in 2023/24).

We will agree any over-runs in respect of scope variations with management prior to finalising the audit. We will charge for any additional time taken to undertake testing of the pension obligation that resulted from the updated actuarial report.

In addition, following first-year implementation of IFRS 16, we may charge for scope changes dependent on the minimum documentation procedures required by auditing standards relating to the Council's approach to identifying leases and changes in disclosure requirements.

Our non-audit work over Housing Benefit certification for 24-25 is in progress and we have included confirmation of safeguards that have been put in place to preserve our independence on page 26 .

**01**

# **Value for money**

# Value for Money

We are required under the Audit Code of Practice to confirm whether we have identified any significant weaknesses in the Council’s arrangements for securing economy, efficiency and effectiveness in its use of resources.

In discharging these responsibilities we include a statement within the opinion on your accounts to confirm whether we have identified any significant weaknesses. We also prepare a commentary on your arrangements that is included within our Auditor’s Annual Report, which is required to be published on your website alongside your annual report and accounts.

## Commentary on arrangements

We have not yet finalised our commentary on your arrangements whilst we finalise elements our risk assessment. As a result, we are unable to certify our audit as complete and will bring the Auditor’s Annual Report to the Audit & Standards Committee in November. The report is required to be published on your website alongside the publication of the annual report and accounts.

## Response to risks of significant weaknesses in arrangements to secure value for money

As noted on the right, we have not identified any risks of a significant weakness in the Council’s arrangements to secure value for money.

## Summary of findings

We have set out in the table below the outcomes from our procedures against each of the domains of value for money:

Domain	Risk assessment	Summary of arrangements
Financial sustainability	No significant risks identified	No significant weaknesses identified
Governance	No significant risks identified	No significant weaknesses identified
Improving economy, efficiency and effectiveness	No significant risks identified	No significant weaknesses identified

Further detail will be set out in our Auditor’s Annual Report.

## Performance improvement observations

As part of our work we have identified a performance improvement observation, which are suggestions for improvement but not responses to identified significant weaknesses. This has been set out overleaf.



# Value for Money: Performance improvement observations

The performance improvement observations raised as a result of our work in respect of identified or potential significant value for money risks in the current year are as follows:

Priority rating for observations			
1	<b>Priority one:</b> Observations linked to issues where, if not rectified, these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.		
2	<b>Priority two:</b> Observations linked to issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately, but the weakness remains in the system.		
3	<b>Priority three:</b> Observations linked to issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.		









#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date
1	3	<b>Capital Planning</b>  At the beginning of the year, a capital programme totalling £59.9m was agreed. This included £42.2m of delayed expenditure that was carried forward from 2023/24 when only 21% of the capital budget was spent. This was because of significant inflationary pressures that required projects to be re-assessed and value engineered.  A mid-year review of the Capital Programme for 2024/25 was undertaken as part of the Efficiency Board and budget setting process. The revised Capital Programme for 2024/25 totalling £51.295m was approved by Cabinet on 3 December 2024. At the year-end, actual expenditure totalled £26.3m, £25.1m below that planned.  Whilst the underspend was much improved on the prior year (£44m underspend in 23-24), following multiple years of delayed delivery, there is a risk that the Council loses credibility over its ability to forecast and progress schemes effectively.  Management should carry out a more robust challenge and monitoring of the capital budget to ensure they are both realistic and achievable. Where slippage is experienced, the reasons should be clearly communicated and budgets adjusted accordingly.	









# Appendix

## Contents

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# Required communications

Type	Response
<b>Our draft management representation letter</b>	 We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2025.
<b>Adjusted audit differences</b>	 There were 3 adjusted audit differences no impact on reported surplus (impact is through OCI). See page 28
<b>Unadjusted audit differences</b>	 The aggregated surplus impact of unadjusted audit differences would be £0.2m. In line with ISA 450 we request that you adjust for these items. However, they will have no effect on the opinion in the auditor's report, individually or in aggregate. See page 27.
<b>Related parties</b>	 There were no significant matters that arose during the audit in connection with the entity's related parties.
<b>Other matters warranting attention by the Audit Committee</b>	 There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
<b>Control deficiencies</b>	 No deficiencies have been previously communicated.
<b>Actual or suspected fraud, noncompliance with laws or regulations or illegal acts</b>	 No actual or suspected fraud involving Council management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements identified during the audit.
<b>Issue a report in the public interest</b>	 We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit. We have not identified any such matters.

Type	Response
<b>Significant difficulties</b>	 No significant difficulties were encountered during the audit.
<b>Modifications to auditor's report</b>	 None
<b>Disagreements with management or scope limitations</b>	 The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
<b>Other information</b>	 No material inconsistencies were identified related to other information in the statement of accounts.
<b>Breaches of independence</b>	 No matters to report. The engagement team have complied with relevant ethical requirements regarding independence.
<b>Accounting practices</b>	 Over the course of our audit, we have evaluated the appropriateness of the Councils accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.
<b>Significant matters discussed or subject to correspondence with management</b>	 There are no significant matters arising from the audit were discussed, or subject to correspondence, with management.
<b>Certify the audit as complete</b>	 We are required to certify the audit as complete when we have fulfilled all of our responsibilities relating to the accounts and use of resources as well as those other matters highlighted above.  We will issue our certificate once we have received confirmation from the National Audit Office that all assurances required for their opinion on Whole of Government Accounts have been received.





# Fees

## Audit fee

Our fees for the year ending 31 March 2025 are set out in the PSAA Scale Fees communication and are shown below.

Entity	2024/25 (£'000)	2023/24 (£'000)
Scale fee as set by PSAA	172	167
Fee variation approved by PSAA	-	11
Fee variation agreed with management but subject to PSAA approval	-	-
<b>TOTAL</b>	<b>172</b>	<b>178</b>

We are in the process of agreeing [further] fee variations with management and report these at a later date,

## Billing arrangements

- Fees have been billed in accordance with the milestone completion phasing that has been communicated by the PSAA.

# Confirmation of Independence

**We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Director and audit staff is not impaired.**

## To the Audit and Standards Committee members

### Assessment of our objectivity and independence as auditor of Newcastle-under-Lyme Borough Council.

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

### General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners/directors and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values.
- Communications.
- Internal accountability.
- Risk management.
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity [except for those detailed below where additional safeguards are in place].

### Independence and objectivity considerations relating to the provision of non-audit services

#### Summary of non-audit services

Facts and matters related to the provision of non-audit services and the safeguards put in place that bear upon our independence and objectivity, are set out on the table overleaf.

# Confirmation of Independence (cont.)



Disclosure	Description of scope of services	Principal threats to Independence	Safeguards Applied	Basis of fee	Value of Services Delivered in the year ended 31 March 2025 £000	Value of Services Committed but not yet delivered £000
1	Housing benefit grant certification	Management Self review Self interest	<ul style="list-style-type: none"><li>Standard language on non-assumption of management responsibilities is included in our engagement letter.</li><li>The engagement contract makes clear that we will not perform any management functions.</li><li>The work is performed after the audit is completed and the work is not relied on within the audit file.</li><li>Our work does not involve judgement and are statements of fact based on agreed upon procedures.</li></ul>	Fixed	£30,800 (relating to the 2023/24 Housing Benefit Certificate)	£19,950 (proposed fee for 2024/25)

# Confirmation of Independence (cont.)

## Summary of fees

We have considered the fees charged by us to the Group and its affiliates for professional services provided by us during the reporting period.

## Fee ratio

The ratio of non-audit fees to audit fees for the year is anticipated to be 0.12: 1. We do not consider that the total non-audit fees create a self-interest threat since the absolute level of fees is not significant to our firm as a whole.

	2024/25
	£'000
Scale fee	172
Other Assurance Services	20
Total Fees	192

## Application of the FRC Ethical Standard 2019

Your previous auditors will have communicated to you the effect of the application of the FRC Ethical Standard 2019. That standard became effective for the first period commencing on or after 15 March 2020, except for the restrictions on non-audit and additional services that became effective immediately at that date, subject to grandfathering provisions.

AGN 01 states that when the auditor provides non-audit services, the total fees for such services to the audited entity and its controlled entities in any one year should not exceed 70% of the total fee for all audit work carried out in respect of the audited entity and its controlled entities for that year.

We confirm that as at 15 March 2020 we were not providing any non-audit or additional services that required to be grandfathered.

## Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the Audit and Risk Committee.

## Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the Audit and Risk Committee of the Group and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

KPMG LLP

# Uncorrected audit misstatements

Under UK auditing standards (ISA (UK) 260) we are required to provide the Audit and Standards Committee with a summary of uncorrected audit differences (including disclosure misstatements) identified during the course of our audit, other than those which are 'clearly trivial', which are not reflected in the financial statements. In line with ISA (UK) 450 we request that you correct uncorrected misstatements. However, they will have no effect on the opinion in our auditor's report, individually or in aggregate. As communicated previously with the Audit and Standards Committee, details of all adjustments greater than £70K are shown below:

Uncorrected audit misstatements (£'000s)				
No.	Detail	CIES Dr/(Cr)	Balance Sheet Dr/(Cr)	Comments
1	Dr Investment Property		255	One of the investment properties (York Place) is recognised as an investment property under construction (AUC). During the audit, the valuer identified additional capital expenditure to be included in the cost valuation recognised. This was then partly countered by the inappropriate capitalisation of revenue expenditure.
	Cr Other Expenditure	(255)	-	
2	Dr Remeasurement of Defined Benefit Liability/(Asset)	885		This misstatement is driven by the differences between actual returns and those estimated by the actuary. This includes a £293k prior year misstatement that was uncorrected.
	Cr Defined Benefit Assets		(885)	
Total		630	(630)	

# Corrected audit misstatements

Under UK auditing standards (ISA (UK) 260) we are required to provide the Audit and Standards Committee with a summary of corrected audit differences (including disclosures) identified during the course of our audit. The adjustments below have been included in the financial statements.

Corrected audit misstatements (£'000s)				
No.	Detail	SOCI Dr/(Cr)	SOFP Dr/(Cr)	Comments
1	Dr Defined Benefit Assets Cr Contributions Payable		257 (257)	A corrected misstatement was raised due to an increase of £257k in Employer Contributions in the updated IAS 19 report, which led to a corresponding increase in Defined Benefit assets. Management has reflected this adjustment in the financial statements, ensuring alignment with the revised actuarial valuation.
2	Dr Defined Benefit Liabilities Cr Defined Benefit Assets		132 (132)	A corrected misstatement was raised following a £132k increase in Benefits per the updated IAS 19 report, resulting in a decrease in both Defined Benefit assets and liabilities. Management has incorporated this adjustment in the financial statements to reflect the revised actuarial data.
3	Dr Defined Benefit Assets Cr Remeasurement of Defined Benefit Liability/(Asset)	(1,869)	1,869	A corrected misstatement was raised due to a £1,869k increase in asset remeasurement gain/loss in the updated IAS 19 report, resulting in an increase in Defined Benefit assets and a corresponding decrease in OCI. Management has updated the financial statements to reflect this revised actuarial valuation.
<b>Total</b>		<b>(1,869)</b>	<b>1,869</b>	

**Pension Disclosures** - We conducted testing on benefits paid and contributions by comparing the initial IAS 19 report dated 25 April 2025 with the actuals provided by the third-party administrator. The variances identified significantly exceeded our acceptable threshold. We escalated this matter to management, who concurred with our assessment. A revised IAS 19 report, dated 23 May 2025, was subsequently provided. Following this update, all variances fell within acceptable limits, and no further procedures were deemed necessary.

**Officers' Remuneration** - We identified some errors in the main table for three officers and in the reference to the banding of employees earning more than £50k. These have been updated in the financial statements.

**Accounting Policies – Major Sources of Estimation Uncertainty** – We requested management include some further commentary on the underlying assumptions with respect of the Castle Car Park valuation which became operational during the financial year.

**IFRS 16** - Changes were made to lease disclosures to reflect the new accounting standard.

# Control Deficiencies

The recommendations raised as a result of our work in the current year are as follows:

**Priority rating for recommendations**

1

**Priority one:** issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.

2

**Priority two:** issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.

3

**Priority three:** issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date
1	2	<p><b>Valuation working papers</b></p> <p>On receipt of the workings to support the valuation of two specific assets, we identified formula errors for key assumptions in the valuation. Similarly, relevant data inputs had been provided by finance (e.g cashflows) which had not been appropriately applied to elements of the workings evidencing a lack of review by management over the valuation workings.</p> <p>Management rely on the internal valuers for their expertise in the development of an appropriate basis for asset valuations but in turn are ultimately responsible for the values that are reflected in the financial statements.</p> <p>We therefore recommend there is a formal review of the workings to support significant valuations in year, particularly those that are reliant on key data inputs from the finance team.</p>	

# Control Deficiencies

The recommendations raised as a result of our work in the current year are as follows:

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date
2	3	<p><b>Missing declarations of interest</b></p> <p>Management has a process in place to identify related party transactions. This requires that officers and members declare interests on an annual basis. Through our testing, we observed that declarations of interest were not obtained for all individuals.</p> <p>Whilst we acknowledge that management has taken action to chase these returns, there is a risk that management are not aware of all interests that could result in related party transactions not being disclosed within the financial statements.</p> <p><i>Recommendation</i></p> <p>We recommend that management ensure that all members provide declarations of interest and reinforce the requirements to do so in line with the Council's standing orders and financial regulations.</p>	



# FRC's areas of focus

The FRC released their **Annual Review of Corporate Reporting 2023/24** ('the Review') in **September 2024** having already issued three thematic reviews during the year.

The Review and thematic reviews identify where the FRC believes companies can improve their reporting. These slides give a high level summary of the key topics covered. We encourage management and those charged with governance to read further on those areas which are significant to their entity.



## Key expectations for 2024/25 annual reports

### Overview

The Review identifies that the quality of reporting across FTSE 350 companies has been maintained this year, but there is a widening gap in standards between FTSE 350 and non-FTSE 350 companies. This is noticeable in the FRC's top two focus areas, 'Impairment of assets' and 'Cash Flow Statements'.

'Provisions and contingencies' has fallen out of the top ten issues for the first time in over five years. This issue is replaced by 'Taskforce for Climate-related Financial Disclosures (TCFD) and climate-related narrative reporting'.

The FRC re-iterates that companies should apply careful judgement to tell a consistent and coherent story whilst ensuring the annual report is clear, concise and Council-specific.

### Pre-issuance checks and restatements

The FRC expects companies to have in place a sufficiently robust self-review process to identify common technical compliance issues. The FRC continues to be frustrated by the increasing level of restatements affecting the presentation of primary statements. This indicates that thorough, 'step-back' reviews are not happening in all cases.

### Risks and uncertainties

Geopolitical tensions continue and low growth remains a concern in many economies, particularly with respect to going concern, impairment and recognition/recoverability of tax assets and liabilities. The FRC continues to push for enhanced disclosures of risks and uncertainties. Disclosures should be sufficient to allow users to understand the position taken in the financial statements, and how this position has been impacted by the wider risks and uncertainties discussed elsewhere in the annual report.

### Financial reporting framework

The FRC reminds preparers to consider the overarching requirements of the UK financial reporting framework in determining the information to be presented. In particular the requirements for a true and fair view, along with a fair, balanced, and comprehensive review of the Council's development, position, performance, and future prospects.

The FRC does not expect companies to provide information that is not relevant and material to users, and companies should exercise judgement in determining what information to include.

Companies should also consider including disclosures beyond the specific requirements of the accounting standards where this is necessary to enable users to understand the impact of particular transactions or other events and conditions on the entities financial position, performance and cash flows.

# FRC's areas of focus (cont.)

## Impairment of assets

Impairment remains a key topic of concern, exacerbated in the current year by an increase in restatements of parent Council/Authority investments in subsidiaries.

Disclosures should provide adequate information about key inputs and assumptions, which should be consistent with events, operations and risks noted elsewhere in the annual report and be supported by a reasonably possible sensitivity analysis as required.

Forecasts should reflect the asset in its current condition when using a value in use approach and should not extend beyond five years without explanation.

Preparers should consider whether there is an indicator of impairment in the parent when its net assets exceed the group's market capitalisation. They should also consider how intercompany loans are factored into these impairment assessments.

## Cash flow statements

Cash flow statements remain the most common cause of prior year restatements.

Companies must carefully consider the classification of cash flows and whether cash and cash equivalents meet the definitions and criteria in the standard. The FRC encourage a clear disclosure of the rationale for the treatment of cash flows for key transactions.

Cash flow netting is a frequent cause of restatements and this was highlighted in the ['Offsetting in the financial statements'](#) thematic.

Preparers should ensure the descriptions and amounts of cash flows are consistent with those reported elsewhere and that non-cash transactions are excluded but reported elsewhere if material.

## Climate

This is a top-ten issue for the first time this year, following the implementation of TCFD.

Companies should clearly state the extent of compliance with TCFD, the reasons for any non-compliance and the steps and timeframe for remedying that non-compliance. Where a Council/Authority is also applying the CIPFA Climate-related Financial Disclosures, these are mandatory and cannot be 'explained', further the required location in the annual report differs.

Companies are reminded of the importance of focusing only on material climate-related information. Disclosures should be concise and Council/Authority specific and provide sufficient detail without obscuring material information.

It is also important that there is consistency within the annual report, and that material climate related matters are addressed within the financial statements.

## Financial instruments

The number of queries on this topic remains high, with Expected Credit Loss (ECL) provisions being a common topic outside of the FTSE 350 and for non-financial and parent companies.

Disclosures on ECL provisions should explain the significant assumptions applied, including concentrations of risk where material. These disclosures should be consistent with circumstances described elsewhere in the annual report.

Council/Authority should ensure sufficient explanation is provided of material financial instruments, including Council/Authority -specific accounting policies.

Lastly, the FRC reminds companies that cash and overdraft balances should be offset only when the qualifying criteria have been met.

## Judgements and estimates

Disclosures over judgements and estimates are improving, however these remain vital to allow users to understand the position taken by the Council/Authority. This is particularly important during periods of economic and geopolitical uncertainty.

These disclosures should describe the significant judgements and uncertainties with sufficient, appropriate detail and in simple language.

Estimation uncertainty with a significant risk of a material adjustment within one year should be distinguished from other estimates.

Further, sensitivities and the range of possible outcomes should be provided to allow users to understand the significant judgements and estimates.

# FRC's areas of focus (cont.)

## Revenue

Disclosures should be specific and, for each material revenue stream, give details of the timing and basis of revenue recognition, and the methodology applied. Where this results in a significant judgement, this should be clear.

## Presentation

Disclosures should be consistent with information elsewhere in the annual report and cover Council/Authority - specific material accounting policy information.

A thorough review should be performed for common non-compliance areas of IAS 1.

## Income taxes

Evidence supporting the recognition of deferred tax assets should be disclosed in sufficient detail and be consistent with information reported elsewhere in the annual report.

The effect of Pillar Two income taxes should be disclosed where applicable.

## Strategic report

The strategic report must be 'fair, balanced and comprehensive'. Including covering all aspects of performance, economic uncertainty and significant movements in the primary statements.

Companies should ensure they comply with all the statutory requirements for making distributions and repurchasing shares.

## Fair value measurement

Explanations of the valuation techniques and assumptions used should be clear and specific to the Council/Authority.

Significant unobservable inputs should be quantified and the sensitivity of the fair value to reasonably possible changes in these inputs should provide meaningful information to readers.

## Thematic reviews

The FRC has issued three thematic reviews this year: 'Reporting by the UK's largest private companies' (see below), 'Offsetting in the financial statements', and 'IFRS 17 Insurance contracts –Disclosures in the first year of application'. The FRC have also performed Retail sector research (see below).

### UK's largest private companies

The quality of reporting by these entities was found to be mixed, particularly in explaining complex or judgemental matters. The FRC would expect a critical review of the draft annual report to consider:

- internal consistency
- whether the report as a whole is clear, concise, and understandable; notably with respect to the strategic report
- whether it omits immaterial information, or
- whether additional information is necessary for the users understanding particularly with respect to revenue, judgments and estimates and provisions







### Retail sector focus

Retail is a priority sector for the FRC and the research considered issues of particular relevance to the sector including:

- Impairment testing and the impact of online sales and related infrastructure
- Alternative performance measures including like for like (LFL) and adjusted e.g. pre-IFRS 16 measures
- Leased property and the disclosure of lease term judgements, particularly for expired leases.
- Supplier income arrangements and the clarity of accounting policies and significant judgements around measurement and presentation of these.

## 2024/25 review priorities

The FRC has indicated that its 2024/25 reviews will focus on the following sectors which are considered by the FRC to be higher risk by virtue of economic or other pressures:

- |  |  |  |
|--|--|--|
|  Industrial metals and mining |  Construction and materials     |  Food producers     |
|  Retail                       |  Gas, water and multi-utilities |  Financial Services |

# KPMG's Audit quality framework

**Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.**

To ensure that every partner, director and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework.

Responsibility for quality starts at the top through our governance structures as the UK Board is supported by the Audit Oversight (and Risk) Committee, and accountability is reinforced through the complete chain of command in all our teams.

## ■ Commitment to continuous improvement

- Comprehensive effective monitoring processes
- Significant investment in technology to achieve consistency and enhance audits
- Obtain feedback from key stakeholders
- Evaluate and appropriately respond to feedback and findings

## ■ Performance of effective & efficient audits

- Professional judgement and scepticism
- Direction, supervision and review
- Ongoing mentoring and on the job coaching, including the second line of defence model
- Critical assessment of audit evidence
- Appropriately supported and documented conclusions
- Insightful, open and honest two way communications

## ■ Commitment to technical excellence & quality service delivery

- Technical training and support
- Accreditation and licensing
- Access to specialist networks
- Consultation processes
- Business understanding and industry knowledge
- Capacity to deliver valued insights



## ■ Association with the right entities

- Select clients within risk tolerance
- Manage audit responses to risk
- Robust client and engagement acceptance and continuance processes
- Client portfolio management

## ■ Clear standards & robust audit tools

- KPMG Audit and Risk Management Manuals
- Audit technology tools, templates and guidance
- KPMG Clara incorporating monitoring capabilities at engagement level
- Independence policies

## ■ Recruitment, development & assignment of appropriately qualified personnel

- Recruitment, promotion, retention
- Development of core competencies, skills and personal qualities
- Recognition and reward for quality work
- Capacity and resource management
- Assignment of team members employed KPMG specialists and specific team members



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**Document Classification: KPMG Public**

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# Newcastle-under-Lyme Borough Council

## Value for money risk assessment

Year ended 31 March 2025

22 September 2025

# Value for money

**For 2024/25 our value for money reporting requirements have been designed to follow the guidance in the Audit Code of Practice.**

Our responsibility to conclude on significant weaknesses in value for money arrangements is unchanged.

The main output remains a narrative on each of the three domains, summarising the work performed, any significant weaknesses and any recommendations for improvement.

We have set out the key methodology and reporting requirements on this slide and provided an overview of the process and reporting on the following page.

## Risk assessment processes

Our responsibility remains to assess whether there are any significant weaknesses in the Council's arrangements to secure value for money. Our risk assessment will continue to consider whether there are any significant risks that the Council does not have appropriate arrangements in place.

In undertaking our risk assessment we will be required to obtain an understanding of the key processes the Council has in place to ensure this, including financial management, risk management and partnership working arrangements. We will complete this through review of the Council's documentation in these areas and performing inquiries of management as well as reviewing reports, such as internal audit assessments.

## Reporting

Our approach to value for money reporting aligns to the NAO guidance and includes:

- A summary of our commentary on the arrangements in place against each of the three value for money criteria, setting out our view of the arrangements in place compared to industry standards;
- A summary of any further work undertaken against identified significant risks and the findings from this work; and
- Recommendations raised as a result of any significant weaknesses identified and follow up of previous recommendations.

The Council will be required to publish the commentary on its website at the same time as publishing its annual report online.

### Financial sustainability

*How the body manages its resources to ensure it can continue to deliver its services.*

### Governance

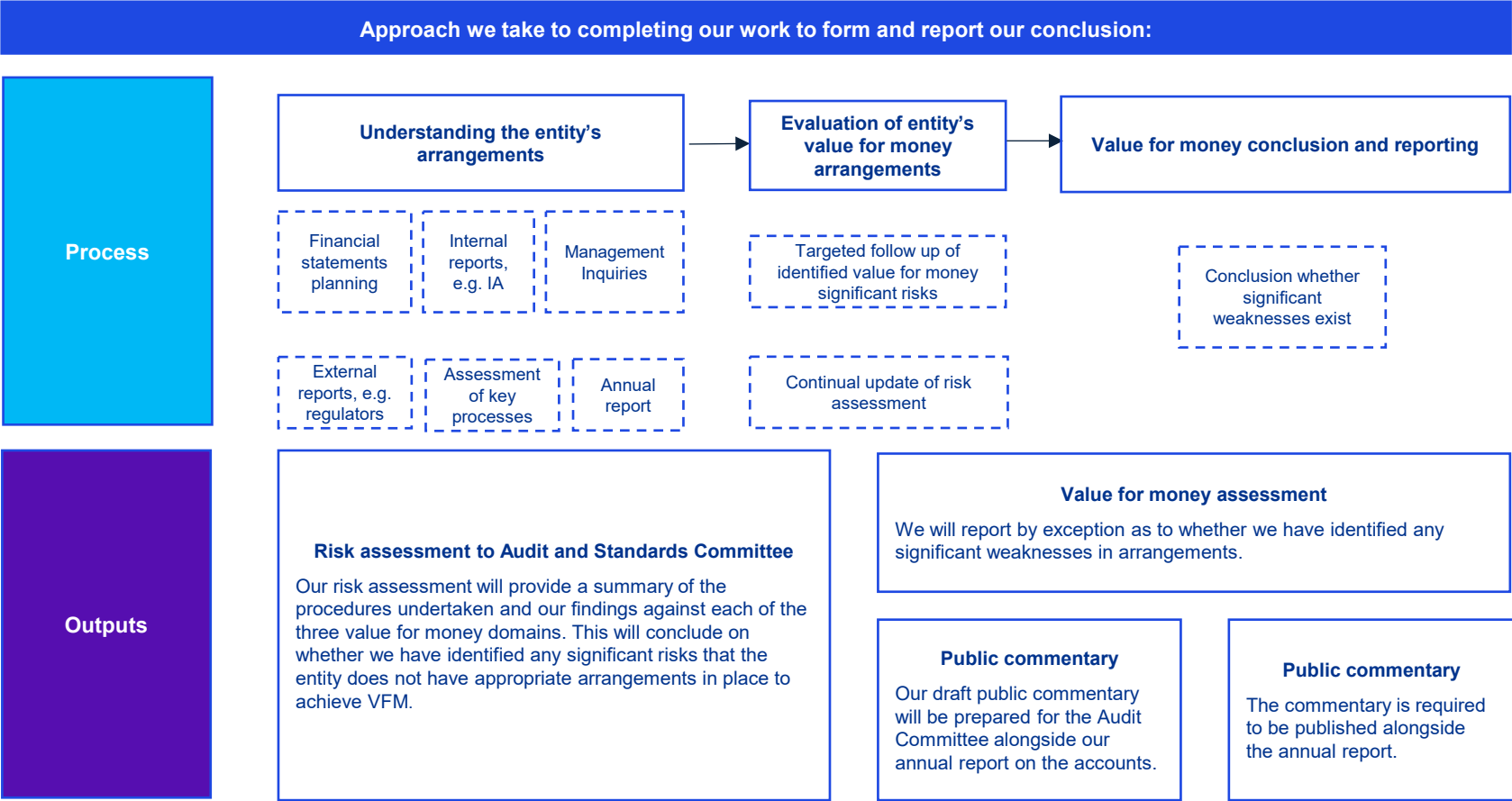
*How the body ensures that it makes informed decisions and properly manages its risks.*

### Improving economy, efficiency and effectiveness

*How the body uses information about its costs and performance to improve the way it manages and delivers its services.*



# Value for money



# Summary of risk assessment

## Summary of risk assessment

As set out in our methodology we have evaluated the design of controls in place for a number of the Council’s systems, reviewed reports from external organisations and internal audit and performed inquiries of management.

Based on these procedures the table below summarises our assessment of whether there is a significant risk that appropriate arrangements are not in place to achieve value for money at the Council for each of the relevant domains:

Domain	Significant risk identified?
Financial sustainability	No significant risk identified
Governance	No significant risk identified
Improving economy, efficiency and effectiveness	No significant risk identified

As a result of our risk assessment, we have not identified any significant risks.

# Value for money arrangements

## Financial sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for identifying all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the 2024/25 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2025/26 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

### Summary of risk assessment

In February 2024, the Council approved a general fund revenue budget for the financial year 2024/25 of £17.046m. At the year end a positive variance of £20k was achieved. Pressures identified during the year amounting to £1.3m were offset by interest income of £0.8m and savings on borrowing that has not occurred (£0.5m).

#### *Process of identifying cost pressures*

Income and cost pressures are reviewed independently by the accounts team and jointly with budget managers on at least a monthly basis. A review of the budget for 2024/25 indicated that the Council was expecting additional expenditure mainly due to the local government pay award, increase in borrowing and other pressures including cost of software licences increases and contracts. The impact of budget pressures have been reflected within the Medium-Term Financial Strategy (MTFS) which covers a 5-year period and will be mitigated through ongoing cost savings.

Once the budget assumptions are agreed, these are presented to Cabinet in the form of a first draft. The draft is then presented to the Finance, Assets and Performance Scrutiny Committee for its comments. This process takes place before and after Central Government's Settlement Figures are announced then final approval is obtained at Full Council. We have seen evidence of this process taking place for 2025/26 financial planning during 2024/25.

#### *Efficiency plan*

Savings and funding strategies have been identified to cover the shortfall in both 2024/25 and 2025/26. Over recent years, the Council has achieved the savings targets it has set itself, primarily through increasing the tax base and additional government grants, rather than through cost reductions. The Council realised savings of £2.7m in 24/25.

For example, the One Council programme which launched at the start of 2021/22 focused on transforming customer experience and modernising internal processes is now realising recurrent savings of £1.1m each year. This was following a £1.2m initial investment in 2021/22.

A review of minutes of both the Finance, Assets and Performance Scrutiny and Council confirmed councillors present at the meeting queried the adverse variances observed relating to housing benefits subsidy and temporary accommodations, pay awards and benchmarking information against other authorities. Savings are reported alongside the quarterly reporting.

#### *Managing identified sustainability risks*

Looking ahead, the Council is confident that it will continue to be able to achieve agreed budgets without the unplanned need to use reserves or contingencies.

# Value for money arrangements

## Financial sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for identifying all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the 2024/25 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2025/26 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

Whilst reserve levels are at a lower level than peers, the Council has completed a full risk assessment that is fully costed to determine the minimum level of reserves that are required. This demonstrates robust risk management processes are operating at the Council and links the Council's Balance and Reserve Strategy to the requirements of the MTFS. However, it is important to acknowledge that the low level of reserves means there is limited headroom for unforeseen pressures that may arise during the year.

For 2025/26, the Council has set the minimum level of unallocated reserves and contingencies at £2.010m to reflect the levels of revenue risk shown in the budget for 2025/26.

### *Performance for the year 2024/25*

The Council maintained general fund balances at a level consistent with 31 March 2024, with a net increase in general fund and earmarked reserves of £310k, primarily driven by transfer into the Walleys Quarry reserve and maintenance contributions. In achieving the £20k surplus, specific pressures materialised during the year included income shortfalls (£0.5m), additional pay award (£0.1m) and expenditure on repairs and renewals (£0.1m), the latter as a result of a delay to updating the existing waste and recycling fleet.

At the beginning of the year, a capital programme with a value of £59.9m was agreed. This included £42.2m of delayed expenditure that was carried forward from 2023/24 when only 21% of the capital budget was spent. This was because of significant inflationary pressures that required projects to be reassessed and value engineered. A mid-year review of the Capital Programme for 2024/25 was undertaken as part of the Efficiency Board and budget setting process. The revised Capital Programme for 2024/25 totalling £51.295m was approved by Cabinet on 3 December 2024. At the year-end, actual expenditure totalled £26.3m, £25.1m below that planned.

Whilst the underspend was significantly less than the prior year (£44m underspend) there continues to be a performance improvement opportunity and management should carry out more robust challenge and monitoring of capital budget to ensure they are both realistic and achievable.

### *Future Capital Programme*

The Capital Programme for 2025/26 to 2027/28 is based on new schemes which total £94.6m continuing the major investment into the Borough via external funding in terms of the Future High Streets Fund and the Town Deals Fund for both Newcastle and Kidsgrove. External borrowing is currently very low at the Council, however Public Works Loan Board (PWLb) borrowing will be required to fund the capital programme in 2025-26. The capital financing requirement is set to increase to £23.6m by 2027/28.

### **Risk assessment conclusion**

Based on the risk assessment procedures performed we have not identified a significant risk associated with financial sustainability.

# Value for money arrangements

## Governance

In assessing whether there was a significant risk relating to governance we reviewed:

- Processes for the identification, monitoring and management of risk;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2025/26 financial plan by the Authority, including how financial risks were communicated;
- Processes for monitoring performance against budgets and taking actions in response to adverse variances;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Authority ensures decisions receive appropriate scrutiny.

### Summary of risk assessment

#### *Risk Management*

The Council determines and continuously assesses the nature and extent of the principal risks that it is exposed to by recording risks identified within its Governance Risk and Control Environment (GRACE) system. Each recorded risk is linked to a Strategic Objective in the Council's 2022 to 2026 Strategic Plan. The risks are either graded as low, medium or high risk based on the likelihood and impact on the Council should they materialise.

The risks and related risk scores were discussed at Corporate Leadership Team (CLT) meetings throughout the year, and the risks scores were agreed and subsequently presented to the Audit and Standards Committee (ASC).

We have reviewed the Risk Management Strategy and confirmed all identified risks were assigned to risk owners who are responsible for monitoring and reporting them to the Corporate Leadership Team where constant monitoring of the risks recorded within the GRACE systems is conducted. Also, the Risk Management Policy makes room for identifying what strategies have been put in place to reduce impact and/or likelihood of the risk.

The ASC monitors and reviews the effectiveness of the Council's risk management systems and processes on a quarterly basis. We reviewed minutes of ASC and noted that the updated Risk Management Strategy was presented to and adopted by the Committee, and that there is evidence of the ASC challenging the scoring and grading of risks.

#### *Budget setting*

The finance team sent out budget pressures and savings request spreadsheets in the summer to budget holders and service directors. Once these were complete the output is discussed at Efficiency Board meetings which is the first stage of challenge. We have seen evidence of an Efficiency Board that took place in September 2024 which was used to explore potential opportunities for savings and cost reductions across the services.

Once the budget assumptions are agreed, they are presented to Cabinet in draft before presentation to the Finance, Assets and Performance Scrutiny Committee for their comments. This process takes place before and after Central Government's Settlement Figures are announced after which final approval is obtained at Full Council.

In February 2025, the Council approved the latest MTFS, Capital Strategy, Treasury Strategy and the Borough Council's Financial Plan. A general fund revenue budget for the financial year 2025/26 of £19.730m was approved. The MTFS provides for a gap in 2025/26 of £1.890m and a revised gap over the 5-year period of the MTFS of £5.042m.

The biggest medium-term pressure reflected in the MTFS is the business rate reset which is forecast to have a £1.5m impact over the next 3 years. The Council is mitigating the £1.9m in-year (2025/26) pressure through income generation, efficiency schemes and the largest benefit being the introduction of a nationally implemented levy scheme worth £732k annually. The scheme is paid for by producers of materials that are collected and disposed of by local authorities.

# Value for money arrangements

Governance	
<p>In assessing whether there was a significant risk relating to governance we reviewed:</p> <ul style="list-style-type: none"><li>Processes for the identification, monitoring and management of risk;</li><li>Controls in place to prevent and detect fraud;</li><li>The review and approval of the 2024/25 financial plan by the Authority, including how financial risks were communicated;</li><li>Processes for monitoring performance against budgets and taking actions in response to adverse variances;</li><li>How compliance with laws and regulations is monitored;</li><li>Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and</li><li>How the Authority ensures decisions receive appropriate scrutiny.</li></ul>	<p><i>Reporting to budget holders of financial performance</i></p> <p>On a monthly basis, budget holders are provided with financial statements which show an analysis between budgets and actual performance on a month-by-month basis and year-to-date basis. We reviewed sample reports for September (Month 6) 2024 across the services showing a breakdown for budget holders of all expenditure lines during the period with a variance to budget, coupled with example actions agreed at the meetings. The reports provided were at a sufficiently granular level to be appropriately interrogated by budget holders and the respective accountants.</p> <p>Regular meetings are held with budget holders to discuss variances and expectations for dealing with future challenges. The service directors also meet on a weekly basis with business managers to discuss financial and operational performance. Quarterly finance reports are then presented to both the Finance, Assets and Performance Scrutiny and the Council. The reports cover the income and expenditure over the period and non-financial performance indicators showing how services are delivering on their key targets.</p> <p>A review of minutes of both the Finance, Assets and Performance Scrutiny and Council confirmed councillors present at the meeting queried the adverse variances observed relating to housing benefits subsidy and temporary accommodations, pay awards and benchmarking information against other authorities. Savings are reported alongside the quarterly reporting.</p> <p><i>Informed decision making</i></p> <p>The Council continued to provide appropriate oversight of the key programmes in place to deliver the wider regeneration across the Borough. There are four independent boards in place who provide oversight of the four key programmes which are – Future High Street, Newcastle Under Lyme Town Deal, Kidsgrove Town Deal and Shared Prosperity Fund projects.</p> <p>The regeneration team supports the management of the key capital decision-making, and the delivery teams comprise a wide range of stakeholders include senior officers and managers but also external partners.</p> <p>We have seen evidence of key decision-making taking place at Cabinet and Council. In the prior year (September 2023), Cabinet had resolved to appoint Capital &amp; Centric to develop plans and development business cases for York Place, Midway Car Park and Ryecroft. The report presented to Cabinet outlined the challenges the Council faced with respect of growing borrowing and construction costs and articulated the commercial and operational benefits of seeking appointment of a delivery development partner.</p> <p>In February 2024, Council approved expenditure of up to £2,649,000 to develop the three schemes to the end of RIBA Stage 3, and the submission of the requisite planning applications. This was following consideration at Cabinet on 6<sup>th</sup> February 2024 and an all-members teams briefing which took place on 5<sup>th</sup> February 2024.</p>

# Value for money arrangements

## Governance

In assessing whether there was a significant risk relating to governance we reviewed:

- Processes for the identification, monitoring and management of risk;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2024/25 financial plan by the Authority, including how financial risks were communicated;
- Processes for monitoring performance against budgets and taking actions in response to adverse variances;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Authority ensures decisions receive appropriate scrutiny.

A Pagabo Pre-Development Services Agreement (PDSA) was entered into between Capital & Centric and the Council on 23 April 2024 with a clear scope of services and deliverables. These services were extended on 14 November 2024 to progress the RIBA Stage 4 design and procure a fixed price building contract. Following consideration of stage 4 works, Cabinet (and subsequently Council on 16 April 2025) approved expenditure of £85m to complete the schemes to practical completion.

By using business cases and approvals, the Council is demonstrating decision-making processes in place in line with the Council's constitutional framework. However, given the scale of the capital programme the Council are planning to undertake over the next three years, management will need to ensure the governance arrangements are operating effectively with a particular focus on the partnership arrangement with Capital and Centric.

### *Standards and behaviours*

There are various processes and controls in place to review the Council's compliance with regulatory requirements. This includes regular audits (formal and informal) such as Code of Corporate Governance Compliance audit carried out by the internal audit in 2023/24, effective scrutiny committees and an effective complaints management process. There were no relevant complaints reported by the Local Government and Social Care Ombudsman or other regulatory bodies and no specific findings from internal reviews in 24/25 that we have been made aware of.

We have reviewed the Annual Governance Statement (AGS) and the Head of Internal Audit report and noted no significant findings or areas of non-compliance. The Code of Corporate Governance adopted demonstrates the Council is committed to ensuring the principles of good governance and the Audit and Standards Committee monitors the system of internal control through the completion of a self-assessment against CIPFA's checklist on 'Measuring the effectiveness of the Audit Committee'.

There is a Code of Conduct in place for Members and separately for officers (which is part of the Constitution) alongside a whistleblowing policy which is available on the Councils' website. This is supplemented by regular member and officer training, with oversight sitting with the Council's Monitoring officer.

### **Risk assessment conclusion**

Based on the risk assessment procedures performed we have not identified a significant risk associated with governance.

# Value for money arrangements

## Improving economy, efficiency and effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with other stakeholder and wider partners in development of the organisation;
- How the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

### Summary of risk assessment

#### *Financial and Performance management*

The Council uses key performance indicators (KPIs) and outcomes to measure the effectiveness of its performance. Quarterly reports are provided to the Scrutiny Committee and to Cabinet. The corporate performance report is presented alongside the financial performance report. Through our review of the committee minutes we were able to see evidence of member challenge over this report and queries to officers.

There are clear linkages between the performance and indicators and the corporate priorities which form part of the Corporate Plan (2022/2026). The Council also produces an Annual Report which summarises performance against the corporate plan. The Council's Annual report for 2023/24 was received at Cabinet in September 2024 to allow for more timely reflections on the previous year and forming a key part of the Council's governance and assurance framework.

We have reviewed the Q3 Financial and Performance Review Report submitted by Corporate Leadership Team to the Finance, Assets and Performance Scrutiny Committee in March 2025. The indicators included in the report are those agreed as part of the Council Plan and reflected the priorities for the Borough.

The quarterly reports include an overall summary of performance against each of the four strategic priorities, with a diagram illustrating how each indicator contributes to those priorities. Of the 49 indicators monitored, 20 were contextual with no set target. By Q3 2024/25, 65% were meeting their targets and 30% of off-target measures showed a positive trend compared to the previous financial year. This indicates an overall positive movement in performance.

The Council compares performance trends against the previous year and where performance has improved or deteriorated, commentary and actions have been included.

Through our inquiries with management, we note the Council benchmarks costs against other relevant organisations (nearest neighbours) and external data using CIPFA benchmarking functionality. The LG Futures Financial Benchmarking – Key Financial Indicators report is reviewed to compare the Council's financial resilience with all English district local authorities.

In addition, learnings are shared at groups such as the Staffordshire Chief Finance Officers Group and Staffordshire Accountants Group. Management provided a VFM benchmarking report which provide some useful comparison to performance with other district local authorities in England and the West Midlands. The next step will be how to use this benchmarking analysis to inform cost savings and income generation activity that continue to be increasingly important throughout the MTFS period.



# Value for money arrangements

## Improving economy, efficiency and effectiveness

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- How the performance of services is monitored and actions identified in response to areas of poor performance;
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- How the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

Through our service line inquiries, we were provided with an example of operational benchmark data from Association for Public Service Excellence (APSE) who provide performance data for refuse collection which the Council. Service directors can use this data to challenge their own service performance to refresh their target performance.

### *Partnership working*

The Council participates in a wide range of partnership arrangements. Some are formal partnerships regulated by an agreement between the partners and some are informal in nature. One example of a formal partnership is the administration of the Business Improvement District (BID) scheme for Newcastle town centre. Businesses within the BID area pay a supplementary business rate, collected by the Council and use the BID Board to promote the economic wellbeing and development of the town centre. Since its incorporation in 2015, the BID, with the support of local business owners, stakeholder and key partners has invested more than £4.5m into projects which include street cleaning, animating public spaces and boosting skills and training.

Partnership working is critical to the success of devolution and levelling-up agenda. Significant parts of the Capital Programme include major investment as part of the Future High Streets Fund and Town Deals Fund for both Newcastle and Kidsgrove, all which require effective partnership working and stakeholder engagement.

The Council has put in place robust and well documented governance arrangements to oversee the delivery of projects in line with Department for Levelling Up, Housing and Communities (DLUHC). The terms of reference of the Town Deal Boards remain appropriate and in line with DLUHC recommendations. Details of each meeting are publicly available allowing for transparency of decision making. The Council is assigned as the Lead Council and Accountable Body. The existing governance structure in the Council provides the necessary oversight for decision making and financial control.

Regular updates are provided on County-wide projects, such as the Chatterley Valley Project at the Kidsgrove Town Hall Board, of which all agendas and action points are available on the council's website.

### *Commissioning and Procurement*

The Council has a Contract and Procurement Strategy which sets out the Borough Council's vision for procurement and priorities for the next three years to 2025, incorporating the latest government procurement legislation and initiatives, and the Council's priorities, aims and objectives and is a statement of the procurement commitments of the Borough Council.

# Value for money arrangements

## Improving economy, efficiency and effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with other stakeholder and wider partners in development of the organisation;
- How the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

The Council has a small procurement team however service directors are satisfied that it supports service needs. We have reviewed the Council's contract register for year ended 31 March 2025. All the contracts the Council has entered into are recorded within the contract register. The Contract register has details of contract start and expiry dates of the contracts. We are satisfied this register is up-to-date and action has been taken in respect of contracts that expired during the year.

### Risk assessment conclusion

Based on the risk assessment procedures performed we have not identified a significant risk associated with improving economy, efficiency and effectiveness.

## AUDIT & STANDARDS COMMITTEE



### Work Programme 2025-26

**Chair**

Cllr P. Waring

**Vice-Chair**

Cllr G. Burnett-Faulkner

**Members**

Cllrs M. Holland, J. Whieldon, M. Stubbs,  
R. Lewis and P. Reece

**Officer Champions**

Sarah Wilkes / Anthony Harold

The Audit & Standards Committee is responsible for overseeing the Council's audit and assurance arrangements. Its role is to provide independent assurance to members of the adequacy of the Council's corporate governance arrangements including risk management and its systems of internal control. More information is available in Section B2 of the Council's constitution.

For more information on the Committee or its work Programme please contact the Democratic Services:

- + Geoff Durham at [geoff.durham@newcastle-staffs.gov.uk](mailto:geoff.durham@newcastle-staffs.gov.uk) or on (01782) 742222
- + Alexandra Bond at [alexandra.bond@newcastle-staffs.gov.uk](mailto:alexandra.bond@newcastle-staffs.gov.uk) or on (01782) 742211

**Planned Items**

<b>DATE OF MEETING</b>	<b>ITEM</b>	<b>NOTES</b>
29/09/2025	<ul style="list-style-type: none"> <li>• Q1 Corporate Risk Management Report 2025/26</li> <li>• Q1 Internal Audit Progress Report 2025/26</li> <li>• Health and Safety Report 2024/25</li> <li>• Audited Statement of Accounts 2024/25</li> </ul>	
10/11/2025	<ul style="list-style-type: none"> <li>• Treasury Management Half Yearly Report 2025/26</li> <li>• Q2 Corporate Risk Management Report 2025/26</li> <li>• Q2 Internal Audit progress Report 2025/26</li> </ul>	
02/02/2026	<ul style="list-style-type: none"> <li>• Q3 Corporate Risk Management Report 2025/26</li> <li>• Q3 Internal Audit Progress Report 2025/26</li> <li>• External Audit Findings Report 2024/25</li> </ul>	
27/04/2026	<ul style="list-style-type: none"> <li>• Internal Audit Charter 2026/27</li> <li>• Internal Audit Plan 2026/27</li> <li>• Corporate Fraud Arrangements 2026/27</li> <li>• Risk Management Policy &amp; Strategy 2026/27</li> <li>• External Audit Plan 2025/26 - KPMG</li> </ul>	
26/05/2026	<ul style="list-style-type: none"> <li>• Proposed Accounting Policies 2025/26</li> <li>• Draft Statement of Accounts 2025/26</li> <li>• Annual Governance Statement 2025/26</li> </ul>	

## Previous Items

DATE OF MEETING	ITEM	NOTES
22/04/2024	<ul style="list-style-type: none"><li>• Internal Audit Charter 2024/25</li><li>• Internal Audit Plan 2024/25</li><li>• Corporate Fraud Arrangements 2024/25</li><li>• Risk Management Policy &amp; Strategy 2024/25</li><li>• External Audit Plan 2023-24</li><li>• Committee Work Plan 2024/25</li></ul>	
28/05/2024	<ul style="list-style-type: none"><li>• External Audit Report 2022-23</li><li>• Accounting Policies 2023-24</li><li>• Annual Governance Statement 2023-24</li><li>• Statements of Accounts 2023-24</li></ul>	
15/07/2024	<ul style="list-style-type: none"><li>• Treasury Management Annual Report 2023/24</li><li>• Q4 Corporate Risk Management Report 2023/24</li><li>• Annual Internal Audit Report and Opinion 2023/24</li><li>• Committee Work Plan 2024/25</li></ul>	
30/09/2024	<ul style="list-style-type: none"><li>• Q1 Corporate Risk Management Report 2024/25</li><li>• Q1 Internal Audit Progress Report 2024/25</li><li>• Health and Safety Report 2023/24</li><li>• Audited Statement of Accounts 2023/24</li><li>• Committee Work Plan 2024/25</li></ul>	
04/11/2024	<ul style="list-style-type: none"><li>• Treasury Management Half Yearly Report 2024/25</li><li>• Q2 Corporate Risk Management Report 2024/25</li><li>• Q2 Internal Audit progress Report 2024/25</li></ul>	

	<ul style="list-style-type: none"> <li>• Committee Work Plan 2024/25</li> </ul>	
03/02/2025	<ul style="list-style-type: none"> <li>• Q3 Corporate Risk Management Report 2024/25</li> <li>• Q3 Internal Audit Progress Report 2024/25</li> <li>• External Audit Findings Report 2023/24</li> </ul>	
07/04/2025	<ul style="list-style-type: none"> <li>• Internal Audit Charter 2025/26</li> <li>• Internal Audit Plan 2025/26</li> <li>• Corporate Fraud Arrangements 2025/26</li> <li>• Risk Management Policy &amp; Strategy 2025/26</li> <li>• External Audit Plan 2024/25 - KPMG</li> <li>• National Fraud Initiative Report</li> </ul>	
16/06/2025	<ul style="list-style-type: none"> <li>• Proposed Accounting Policies 2024/25</li> <li>• Draft Statement of Accounts 2024/25</li> <li>• Annual Governance Statement 2024/25</li> </ul>	
14/07/2025	<ul style="list-style-type: none"> <li>• Annual Internal Audit Report and Opinion 2024/25</li> <li>• Treasury Management Annual Report 2024/25</li> <li>• Q4 Corporate Risk Management Report 2024/25</li> </ul>	

Last updated on 18 September 2025