



Friday, 13 March 2026

Dear Sir/Madam

A meeting of the Governance, Audit and Standards Committee will be held on Monday, 23 March 2026 in the Council Chamber, Council Offices, Foster Avenue, Beeston NG9 1AB, commencing at 6.00 pm.

Should you require advice on declaring an interest in any item on the agenda, please contact the Monitoring Officer at your earliest convenience.

Yours faithfully

Zulfiqar Darr
Interim Chief Executive

To Councillors:	S J Carr (Chair)	K A Harlow
	K Woodhead (Vice-Chair)	A Kingdon
	M Brown	S P Jeremiah
	R Bullock	T J Marsh
	A Cooper	J M Owen
	S Dannheimer	E Winfield

AGENDA

1. Apologies

To receive apologies for absence.

2. Declarations of Interest

Members are requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest in any item on the agenda.

Further information can be found at: [Member Code of Conduct of Broxtowe Borough Council](#)

3. Minutes

(Pages 5 - 8)

The Committee is asked to confirm as a correct record the

Council Offices, Foster Avenue, Beeston, Nottingham, NG9 1AB

www.broxtowe.gov.uk

minutes of the meeting held on 24 November 2025.

4. Annual Constitution Review (Pages 9 - 28)
To consider amendments to the Constitution following a reference from full Council at its meeting on 17 December 2025.
5. Audit of Accounts 2024/25 - Auditor's Annual Report (Pages 29 - 64)
To receive the final Auditor's Annual Report for the year ended 31 March 2025 from the Council's external auditors following the conclusion of their work on these accounts.
6. Statement of Accounts 2025/26 – Accounting Policies (Pages 65 - 92)
To provide Members with any updates made to the Council's accounting policies in relation to the production of the 2025/26 Statement of Accounts.
7. Statement of Accounts 2025/26 - Underlying Pension Assumptions (Pages 93 - 100)
To provide Members with information regarding the assumptions made by the Pension Fund Actuary in calculating the IAS19 figures to be reported in the 2025/26 Statement of Accounts.
8. Liberty Leisure Limited – External Audit Arrangements 2025/26 (Pages 101 - 104)
To provide Members with details of the exemption of Liberty Leisure Limited from the requirement of an external audit for 2025/26.
9. Internal Audit Plan 2026/27 (Pages 105 - 114)
To approve the Internal Audit Plan for 2026/27.
10. Internal Audit Progress Report (Pages 115 - 126)
To inform the Committee of the recent work completed by Internal Audit.

11. Review of Strategic Risk Register (Pages 127 - 130)
To approve the amendments to the Strategic Risk Register and the action plans identified to mitigate risks.
12. Quarterly Complaint Report (Pages 131 - 152)
To provide Members with a summary of complaints made against the Council.
13. Findings of Fault Determinations Reported from the Ombudsman (Pages 153 - 162)
To provide Members with the recent findings of fault determinations made by the Local Government and Social Care Ombudsman and the Housing Ombudsman.
14. Work Programme (Pages 163 - 164)
To consider items for inclusion in the Work Programme for future meetings.

This page is intentionally left blank

GOVERNANCE, AUDIT AND STANDARDS COMMITTEE

MONDAY, 24 NOVEMBER 2025

Present: Councillor S J Carr, Chair

Councillors: M Brown
R Bullock
A Cooper
J Couch
S Dannheimer
K A Harlow
S P Jeremiah
J M Owen
P J Owen (ex-officio)
D K Watts (substitute)
S Webb (substitute)

Apologies for absence were received from Councillors K Woodhead and A Kingdon

28. DECLARATIONS OF INTEREST

There were no declarations of interest.

29. MINUTES

The minutes of the meeting held on 22 September 2026 were confirmed and signed as a correct record.

30. AUDIT OF ACCOUNTS 2024/25 AND ASSOCIATED MATTERS

The Committee noted that Forvis Mazars, had almost concluded their work on the Statement of Accounts 2024/25. Forvis Mazars had published its Audit Completion Report and it was reported that the auditors anticipate issuing an unqualified audit opinion on the 2024/25 accounts.

It was further reported that the auditors had not identified any significant weaknesses in the Council's arrangements that would require it to make a recommendation.

RESOLVED that:

- (i) the updated Statement of Accounts 2024/25 and letter of representation, as circulated, be approved; and**
- (ii) delegation be given to the Interim Deputy Chief Executive and Section 151 Officer, in consultation with the Chair of this Committee, to approve any further changes required to the Statement of Accounts 2024/25.**

31. INTERNAL AUDIT PROGRESS REPORT

The Committee noted the recent work completed by Internal Audit. It was noted that Internal Audit had also reviewed progress made by management in implementing agreed actions within six months of the completion of the respective audits.

32. REVIEW OF STRATEGIC RISK REGISTER

The Committee considered the Strategic Risk Register and the action plans identified to mitigate risks.

The Strategy provides a comprehensive framework and process designed to support both Members and Officers in ensuring that the Council is able to discharge its risk management responsibilities fully. The Strategy outlines the objectives and benefits of managing risk, describes the responsibilities for risk management, and provides an overview of the process that the Council has in place to manage risk successfully.

RESOLVED that the amendments to the Strategic Risk Register and the actions to mitigate risks as set out be approved.

33. ANNUAL CONSTITUTION REVIEW

The Committee considered the amendments to the Constitution.

It was reported that Task and Finish Group (the Group) was formed to consider a review of the Constitution.

A number of issues were raised which have resulted in recommendations for consideration, these are the order of business at full Council meetings, the method by which appointments are made to Committees and working groups, urgent items procedural rules revisited, business considered at Budget Council meetings, the terms of reference of the Advisory Shareholder Sub-Committee, the use of a proforma for motions submitted to full Council and increasing the number of objectors that could speak on a planning item and supplementary clarification questions to be permitted via the Chair.

RECOMMENDED to Council that the amendments to the Constitution be approved subject to the following amendments:

- 1. Motions be moved to the end of the meeting agenda, before the Urgent Items meeting item.**
- 2. A time limit of 2 minutes be placed on the introduction of Portfolio Holders Reports.**
- 3. The Annual Budget Council meeting to allow Portfolio Holders reports and Members Questions.**
- 4. Bramcote Bereavement Services Joint Committee to allow substitutes.**

34. QUARTERLY COMPLAINT REPORT

Members were provided with a summary of complaints made against the Council.

Of the 167 stage one complaints received overall, 31 were investigated under the stage 2 complaints procedure and three were investigated by the LGO.

Under the stage two complaints procedure, 16 complaints were not upheld, 13 complaints were upheld and two were withdrawn during the course of the investigation.

The Ombudsman investigated five complaints made against the Council. Two complaints were recorded as not upheld, resulting in no further action being required by the Council, and three complaints were upheld.

35. MEMBER CODE OF CONDUCT ANNUAL COMPLAINTS REPORT

The Committee were provided with a summary of complaints under the Members' Code of Conduct between 1 April 2024 to 31 March 2025 and declarations of Gifts and Hospitality.

The number of Member Complaints received in 2024/25 has shown a decrease in both Borough and Parish complaints from those received in 2023/24.

36. FINDINGS OF FAULT DETERMINATIONS REPORTED FROM THE OMBUDSMAN

Members noted the recent findings of fault determinations made by the Local Government and Social Care Ombudsman and the Housing Ombudsman.

37. WORK PROGRAMME

The Committee considered the work programme.

RESOLVED that the Work Programme be approved.

This page is intentionally left blank

Report of the Monitoring Officer

Annual Constitution Review

1. Purpose of Report

To consider amendments to the Constitution following a reference from full Council at its meeting on 17 December 2025.

2. Recommendation

The Committee is asked to CONSIDER the report and RECOMMEND to full Council accordingly.

3. Detail

The Governance, Audit and Standards Committee concluded its Annual Constitution Review on 24 November 2025 following acceptance of the Constitution Task and Finish Group's recommendations.

On submission of the report to Council on 17 December 2025, Members resolved to refer the report back to the Governance, Audit and Standards Committee for reconsideration.

The report of the Governance, Audit and Standards Committee from 24 November 2025 is included in the **Appendix** for reference.

4. Financial Implications

The comments from the Interim Deputy Chief Executive and Section 151 Officer were as follows:

There are no additional financial implications to consider as part of this report, with any costs being contained within existing budgets.

5. Legal Implications

The comments from the Head of Legal Services and Deputy Monitoring Officer were as follows:

Section 37 of the Local Government Act 2000 requires local authorities operating executive arrangements to prepare and keep up to date a document which contains: (a) such information as the Secretary of State may direct (b) the authority's standing orders (i.e. rules of procedure) (c) the code of conduct for members (d) such information as the authority considers appropriate. Broxtowe Borough Council's Constitution is available on the Council's website.

6. Human Resources Implications

Not applicable.

7. Union Comments

Not applicable.

8. Climate Change Implications

The are no climate change implications are contained within the report.

9. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

This is not a change to policy therefore no equality impact assessment is not required.

11. Background Papers

Nil.

Report of the Monitoring Officer

Annual Constitution Review1. Purpose of Report

To consider amendments to the Constitution and to recommend these to full Council to be adopted.

2. Recommendation

The Committee is asked to RECOMMEND to Council that the amendments to the Constitution, as detailed in the Appendix 3, be approved.

3. Detail

Under its terms of reference, this Committee is tasked with an overview of the Council's Constitution, consideration of proposed amendments or revisions and to recommend to Council amendments to this Constitution. A Task and Finish Group (the Group) was formed to consider a review of the Constitution. A number of issues were raised which have resulted in recommendations for consideration at this meeting, these are the order of business at full Council meetings, the method by which appointments are made to Committees and working groups, urgent items procedural rules revisited, business considered at Budget Council meetings, the terms of reference of the Advisory Shareholder Sub-Committee, the use of a proforma for motions submitted to full Council and increasing the number of objectors that could speak on a planning item and supplementary clarification questions to be permitted via the Chair. Further detail is included in **Appendix 1** and the proforma is included at **Appendix 2**.

Further consideration was given to the role of ex-officio members at meetings and how urgent business was defined and conducted. However, agreement was not reached by the Group and further consideration will be given to these topics at future meetings.

The Group also raised concerns about allowing planning agents to speak at Planning Committee meetings. It was considered that this may intimidate members of the public who would otherwise speak and possibly cause some reluctance to speak. The Head of Legal services consulted the Assistant Director of Planning and Economic Development who raised concerns over removing agents speaking at Planning Committee, as it was thought that agents were able to offer professional assistance to the Committee. After further consideration the Group agreed that agents could continue to speak and this would be reviewed

when the Constitution was next revised. A change table reflecting these amendments is included at **Appendix 3**.

The Council meeting held on 14 May 2025 agreed changes to the Scheme of Delegation which reflected changes to a number of Officers' job titles. The amendments which were agreed were included in an updated version of the Constitution.

4. Financial Implications

The comments from the Interim Deputy Chief Executive were as follows:

There are no additional financial implications to consider as part of this report, with any costs being contained within existing budgets.

5. Legal Implications

The comments from the Head of Legal Services and Deputy Monitoring Officer were as follows:

Section 37 of the Local Government Act 2000 requires local authorities operating executive arrangements to prepare and keep up to date a document which contains: (a) such information as the Secretary of State may direct (b) the authority's standing orders (i.e. rules of procedure) (c) the code of conduct for members (d) such information as the authority considers appropriate. Broxtowe Borough Council's Constitution is available on the Council's website.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

There were no comments necessary from the Unions.

8. Climate Change Implications

There are no climate change implications are contained within the report

9. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

This is not a change to policy so an Equality Impact Assessment is not required.

11. Background Papers

Nil.

Reference

This page is intentionally left blank

Appendix 1

Recommendations from the Member Task and Finish GroupOrder of Business

The Constitution under Chapter 2 Part 2 point 2, sets out the order of an ordinary meeting, which also allows for any variation to the programme as decided at a previous meeting of full Council. The Task and Finish Group (the Group) suggested the order of business be changed, as set out below. These changes were recommended to address concerns that at long meetings Councillors were not always able to stay for substantive items of business that are placed towards the end of agenda.

- Elect a person to preside if the Mayor and Deputy Mayor are not present;
- Receive any apologies for absence from Members;
- Receive any declarations of interest from Members;
- To approve the minutes of the last meeting;
- Receive any announcements from the Mayor;
- Receive a presentation from the Youth Mayor, as appropriate, (and/or the Deputy Youth Mayor), by invitation, for up to five minutes on the activities of Broxtowe Youth Voice (the Youth Mayor and/or the Deputy Youth Mayor will have the right to speak, but not to vote, on any item on the agenda at a full Council meeting whether annual or ordinary with the rules on speaking being as per these Council Procedure Rules);
- To receive a report from the Leader and receive questions and answers on the report if any;
- To deal with questions from Councillors in accordance with Rule 10;
- To receive questions from Councillors to those representing the Council on outside bodies;
- To receive reports from the Cabinet Portfolio Holders and receive questions and answers on the reports;
- To receive questions from, and provide answers to, the public in relation to matters which in the opinion of the Chief Executive are relevant to the Council's functions (subject to Rule 8.5);
- To consider motions;
- To receive reports from the Committees and receive questions and answers on the reports;
- To consider business which, in the opinion of the Chair or Vice-Chair of the Overview & Scrutiny Committee, or in their absence, the Mayor or Deputy Mayor, or in their absence the Chief Executive or their nominee's should be considered at the meeting as a matter of urgency;
- To receive petitions in relation to matters which in the opinion of the Chief Executive are relevant to the Council's functions;
- To receive items referred from the Committees or questions from Members on the business of the Committees;

- To approve a programme of ordinary meetings of the Council and Committees for the year at an appropriate time. The Council meeting to consider the budget shall be limited to only that substantive item unless by agreement of the Mayor; or the criteria for urgent business, at 2.1.21, is met.
- To approve amendments to the membership of Committees.
- receive updates from the Chair or Vice Chair of the Overview and Scrutiny Committee on the Scrutiny work programme.
- Receive an Annual Review of Scrutiny report at an appropriate time.
- To consider any other business specified in notice convening the meeting, including proposals from the Cabinet in relation to the Budget and Policy Framework and reports from the Overview and Scrutiny Committee;
- To consider urgent business.

It was further suggested by the Group that Portfolio Holders' need only introduce their reports if reporting on new updates or changes that had arisen since their reports had been published, speeches would be limited to 2 minutes. This recommendation would allow more time to be spent on portfolio holders providing answers to Member questions.

Appointments to Committees and Working Groups

The Group considered the method by which Members are currently appointed to Committees and Working Groups. It was suggested that this can often be rushed between the period of group meetings and the Council meeting that approves the appointments. It was suggested that an alternative method would be for the Council meeting to approve the proportionality at the annual Council meeting and a resolution be passed authorising the Head of Democratic Services to make changes in the standing appointments to Committees and Sub Committees on the instructions of political groups. This ensures that the power to appoint remains with the groups as required by the Local Government (Committees and Political Groups) Regulations 1990, but the administrative action is carried out by the Head of Democratic Services. Nominations would have to be confirmed in writing at least a week before the meeting to allow for agendas to be despatched and substitutes to be informed.

Budget Council

Concern was raised that due to the schedule of meetings, and the business of budget and mayor-making Council meetings, there was no opportunity for other business between Council meetings held on December and July the following year. It was suggested that there be additions to the budget meeting to allow for Members' Questions and Portfolio Holders' Reports to allow for updates to be given on the business of the Council.

Advisory Shareholder Sub-Committee

The meetings of the Advisory Shareholder Sub-Committee were considered to be light. It was suggested that a recommendation be made to remove the Advisory Shareholder

Sub-Committee from the Councils Committee structure and the terms of reference be subsumed into the Governance, Audit and Standards Committee to reduce the need for a separate meeting to be held and better utilise Councillors' time.

The Sub-Committee is currently scheduled for three meetings each year and the terms of reference are as follows:

1. Number of Members: 7 (politically proportionate)
2. The Advisory Shareholder Sub-Committee may co-opt and / or otherwise engage the services of such external consultants and advisors as may be required from time to time, including but not limited to, auditors.
3. Meetings shall be held as necessary and not less than once each year. The quorum for meetings is 3.
4. The Advisory Shareholder Sub-Committee acts in an advisory capacity and is not a decision-making body.
5. The Advisory Shareholder Sub-Committee shall assist, support and advise the Portfolio Holder for Resources and Personnel Policy and the Cabinet in its exercise of the Council's function as the shareholder of the Council's companies.
6. Without prejudice to the generality of clause 5 above, the Advisory Shareholder Sub-Committee shall consider the business plans and financial performance of the Council's companies in respect of which it may advise and make recommendations to the Portfolio Holder for Resources and Personnel Policy and the Cabinet in respect of its exercise of the shareholder function.

Proforma for Motions

Dual hatted Members on the Constitution Group raised examples of proforma being used for Council motions at other authorities. The proforma was received favourably as it was suggested that it would bring consistency of approach to motions submitted to full Council. It was further suggested that an amended proforma could be used for Public Questions, Members' Questions, Urgent Items and petitions submitted to full Council meetings. The draft proforma is attached at Appendix 2.

Planning Committee

The Group considered a number of issues regarding Planning Committee procedures. New paragraphs covering bias and predetermination at Planning Committee have been inserted to ensure Members are aware of the principles of bias and predetermination and to ensure accuracy in their decision making.

The number of speakers allowed to speak at Planning Committee has been amended. The Group considered that the current arrangements were too restrictive and ambiguous as they only allowed multiple speakers for large applications. This has now changed to two objectors and two supporters being allowed to speak on any type of

application. This is to ensure fairness and impartiality when considering each application.

Supplementary questions, (to be put through the Chair only), are now proposed to be allowed once each speaker has spoken, this is something that the Members of Planning Committee were not allowed to do previously. The Group felt this was important to aid their understanding of the application and to ensure informed and accurate decision making. These amendments are included in the change table at Appendix 3.

Reference

Appendix 2

NOTICE OF MOTION FOR FULL COUNCIL	
Title of Motion:	
Date of Council meeting:	
Proposer of Motion: (Name and signature)	
Seconder of Motion: (Name and signature)	
Background/supporting information (maximum 100 words):	
Motion to be proposed (active section):	
Date and time received: <i>(for completion by Democratic Services)</i>	

Change Table

Constitution Chapter and Number	Current Wording/Suggested Change	Reason for Change
Chapter 2 Part 2 Ordinary Meetings	<p>To set the order of business at ordinary Council meetings as follows:</p> <ul style="list-style-type: none"> • Elect a person to preside if the Mayor and Deputy Mayor are not present; • Receive any apologies for absence from Members; • Receive any declarations of interest from Members; • To approve the minutes of the last meeting; • Receive any announcements from the Mayor; • Receive a presentation from the Youth Mayor, as appropriate, (and/or the Deputy Youth Mayor), by invitation, for up to five minutes on the activities of Broxtowe Youth Voice (the Youth Mayor and/or the Deputy Youth Mayor will have the right to speak, but not to vote, on any item on the agenda at a full Council meeting whether annual or ordinary with the rules on speaking being as per these Council Procedure Rules); • To receive a report from the Leader and receive questions and answers on the report if any; • To deal with questions from Councillors in accordance with Rule 10; • To receive questions from Councillors to those representing the Council on outside bodies; • To receive reports from the Cabinet Portfolio Holders and receive questions and answers on the reports; 	<p>To set the order for full Council meetings.</p> <p>To include Portfolio Holders' reports and Questions by Members at budget meetings.</p>

	<ul style="list-style-type: none"> • To receive questions from, and provide answers to, the public in relation to matters which in the opinion of the Chief Executive are relevant to the Council’s functions (subject to Rule 8.5); • To consider motions; • To receive reports from the Committees and receive questions and answers on the reports; • To receive updates on the work of Scrutiny Committees • To consider business which, in the opinion of the Chair or Vice-Chair of the Overview & Scrutiny Committee, or in their absence, the Mayor or Deputy Mayor, or in their absence the Chief Executive or their nominee’s should be considered at the meeting as a matter of urgency; • To receive petitions in relation to matters which in the opinion of the Chief Executive are relevant to the Council’s functions; • To receive items referred from the Committees or questions from Members on the business of the Committees; • To consider any other business specified in notice convening the meeting, including proposals from the Cabinet in relation to the Budget and Policy Framework and reports from the Overview and Scrutiny Committee; • To approve a programme of ordinary meetings of the Council and Committees for the year at an appropriate time. The Council meeting to consider the budget shall be limited to only that substantive item with the addition of Portfolio Holders’ Reports and Questions by Members unless by agreement of the Mayor; or the criteria for urgent business, at 2.1.21, is met. • To approve amendments to the membership of Committees. • receive updates from the Chair or Vice Chair of the Overview and Scrutiny Committee on the Scrutiny work programme. • Receive an Annual Review of Scrutiny report at an appropriate time. • To consider urgent business. 	
--	--	--

<p>Chapter 2 Part 2 1.17 Appointments to Committees</p>	<p>Suggested wording Delegate to the Head of Democratic Services to make changes in the standing appointments to Committees and Sub Committees on the instructions of political groups Nominations to be confirmed in writing at least a week before the meeting</p>	
<p>Chapter 2 Part 8 1.17</p>	<p>To remove the Advisory Shareholder Sub-Committee and transfer the terms of reference to the Governance, Audit and Standards Committee's terms of reference.</p>	
<p>Appendices</p>	<p>To include a proforma for Members' Questions, Public Questions, Motions and Petitions.</p>	
<p>Chapter 5 Part 3 (Probity in Planning)</p>	<p>Insertion of new paragraph to deal with Bias and Predetermination: Bias and Pre-determination Members of the Planning Committee need to take account of the general public's expectation that a planning application will be processed and determined in a transparently open and fair manner, in which members taking the decision will take account of all the evidence presented before arriving at a decision, not take into account irrelevant evidence or representations and that to commit themselves one way or the other before hearing all the arguments and evidence makes them vulnerable to an accusation of partiality. A Member may voice their concerns publicly before a meeting, but they should make it clear that they will not form a final opinion until they have considered all the information. Members must not prejudice their ability to participate in planning decisions at a Planning Committee by making up their mind or clearly appearing to have made up their mind on how they will vote on any planning matter prior to formal consideration of the matter at the relevant</p>	<p>Ensure Members are aware of the principles of bias and predetermination. Ensure accuracy in their decision making.</p>

	<p>Planning Committee and hearing the officer’s presentation and evidence and arguments on both sides.</p> <p>Pre-determining a matter in this way and then taking part in the decision will put the Council at risk of a finding of maladministration and of legal proceedings on the grounds of there being a danger of bias or a failure to take into account all of the factors enabling the proposal to be considered on its merits.</p> <p>If a Member has made up their mind prior to the meeting or have made public comments which indicate that they might have done and is not able to reconsider their previously held view, then they will not be able to participate on the matter.</p> <p>Members who are members of a Planning Committee and who in that capacity attend any ancillary meeting or Committee need to avoid any appearance of bias or of having predetermined their views before taking a decision on a planning application or on planning policies. Section 25 of the Localism Act 2011 provides that a Member should not be regarded as having a closed mind simply because they previously did or said something that, directly or indirectly, indicated what view they might take in relation to any particular meeting, provided they remain open to listening to all the arguments and changing their mind in the light of all the information presented at a relevant meeting. A Member in this position will always be judged against an objective test of whether the reasonable onlooker with knowledge of the relevant facts, would consider that the Member was biased.</p> <p>Circumstances may also arise where a Member has had significant personal involvement with an applicant, agent or interested party (whether or not in connection with the particular matter before the Planning Committee), which could lead an observer who knows the relevant facts to reasonably think the Member’s interest is so significant that it is likely to prejudice the Member’s judgement of the public interest.</p>	
--	--	--

	<p>For advice on bias and predetermination, Members should seek the advice of the Monitoring Officer and/ or Deputy Monitoring Officers.</p>	
<p>Chapter 5 Part 3 Paragraph 4: Public Speaking at Planning Committee</p>	<p>Existing wording:</p> <p>one person objecting and the applicant or a supporter may speak. Where an application is a major planning application and affects a large area, additional speakers will be allowed, at the discretion of the Head of Legal and Head of Planning and Economic Development, if it is felt there is justification on the basis of a multiplicity of viewpoints and issues.</p> <p>If more than one person wishes to speak in objection to a particular application then, subject to the above discretion, the person living closest, or most likely to be affected by the development, will be allowed to speak. Head of Planning and Economic Development and the Head of Legal will make that decision. Other people may be put in touch with the chosen person in order that they may co-ordinate the views of others.</p> <p>A supporter may only speak if the applicant chooses not to. Following the registration deadline, the people selected to speak will be notified by Democratic Services</p> <p>Suggested wording</p> <p>Two people objecting and two people supporting an application may speak. one person objecting and the applicant or a supporter may speak. Where an application is a major planning application and affects a large area, additional speakers will be allowed, at the discretion of the Head of Legal</p>	<p>To ensure fairness and impartiality.</p>

	<p>and Head of Planning and Economic Development, if it is felt there is justification on the basis of a multiplicity of viewpoints and issues.</p> <p>If more than one person wishes to speak in objection to a particular application then, subject to the above discretion, the person living closest, or most likely to be affected by the development, will be allowed to speak. Head of Planning and Economic Development and the Head of Legal will make that decision. Other people may be put in touch with the chosen person in order that they may co-ordinate the views of others.</p> <p>A supporter may only speak if the applicant chooses not to. Following the registration deadline, the people selected to speak will be notified by Democratic Services.</p>	
<p>Chapter 5 Part 3 Paragraph 4: Public Speaking at Planning Committee</p>	<p>Insertion of new paragraph</p> <p>Speakers may be asked supplementary questions from the Committee where clarification is required, these supplementary questions will be asked via the Chair.</p>	<p>To ensure informed and accurate decision making.</p>
<p>Chapter 2 Part 1, paragraph 2.</p>	<p>Suggested wording:</p> <p>2.1.21 The Council may deal with business even though it is not on the Agenda if that business is considered to be urgent. Urgent business means business that requires the urgent attention of Council in connection with a matter that affects the Borough, which needs to be dealt with before the next Ordinary meeting.</p> <p>The procedure for urgent business is as follows:</p> <ul style="list-style-type: none"> the business is raised by a Motion on Notice under Rule 11 	<p>Added again as dropped out of last adopted version.</p>

	<p>(Motions on Notice);</p> <ul style="list-style-type: none"> • For the motion to be considered as urgent business, the issue will be expected to have arisen between 12 noon seven clear working days before the Council meeting and 12 noon midday on the day before the meeting • The Mayor at the meeting, or the Voting Councillors, decide that the business is urgent and • the agenda relating to the meeting states that the Council may deal with urgent business at that meeting. <p>The Chief Executive in discussion with the Leader of the Council may reject the motion if it:</p> <ul style="list-style-type: none"> • does not meet the definition of urgent business; • is vexatious, abusive or otherwise inappropriate; • relates to a planning decision; • relates to a licensing decision; • relates to any other matter relating to an individual or entity in respect of which that individual or entity has a right of recourse to a review or right of appeal conferred by or under any enactment; • requires the disclosure of confidential or exempt information; <p>the Mayor shall refer the urgent motion to the voting Councillors. the voting</p> <p>Councillors will then decide whether or not the motion on notice is urgent and required to be debated. if they decide that it is urgent, they will debate it under rule 13 rules of debate. if they decide that the matter is not urgent, the motion shall be deferred to the next ordinary Council meeting (i.e. not to an extraordinary Council meeting, an annual meeting, or a meeting to set the budget).</p>	
--	--	--

<p>Chapter 2 Part 1, paragraph 2.</p>	<p>11. Motions on Notice</p> <p>New wording highlighted in bold below:</p> <p>11.1 Except for motions which can be moved without notice under Rule 12 and Urgent Business under Rule 2.1.21 above, written notice of every motion, must be delivered to the Chief Executive not later than 12 noon seven clear working days before the Council meeting at which it is to be considered. Motions received will be recorded and open to public inspection.</p>	<p>Added to accommodate allowing Urgent Business under rule 2.1.21</p>
---	---	--

Reference

This page is intentionally left blank

Report of the Interim Deputy Chief Executive and Section 151 Officer

Audit of Accounts 2024/25 - Auditor's Annual Report
--

1. Purpose of Report

To receive the final Auditor's Annual Report for the year ended 31 March 2025 from the Council's external auditors following the conclusion of their work on these accounts.

2. Recommendation

The Committee is asked to NOTE the Auditor's Annual Report for 2024/25.

3. Detail

Further to earlier updates, the Council's appointed external auditors, Forvis Mazars, have fully concluded their work on the Statement of Accounts 2024/25. Forvis Mazars has published its Annual Audit Report for the year ended 31 March 2025 which is now presented to Members in the **Appendix**.

It is pleasing to report that the auditors have issued an unqualified audit opinion on the 2024/25 accounts and that the accounts and audit process was fully completed inside of statutory deadlines.

As reported previously, officers are responding to the auditors' internal control recommendations, with the aim of resolving in time for preparing the 2025/26 accounts.

In terms of the auditors' Value for Money conclusion on whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, it was again pleasing to note that the auditors have not identified any significant weaknesses in the Council's arrangements that would require it to make a recommendation.

A representative from Forvis Mazars will be available at the meeting to introduce the Annual Audit Report and respond to any enquiries.

4. Financial Implications

The comments from the Interim Deputy Chief Executive and Section 151 Officer were as follows:

There are no direct financial implications arising from this report.

5. Legal Implications

The comments from the Head of Legal Services were as follows:

The legislation in the Accounts and Audit Regulations (2015) sets out the timescales for the production of the Council's accounts, including the dates of the public inspection period. The Statement of Accounts must be published by that date or as soon as reasonably practicable after the receipt of the auditor's final findings.

Section 151 of the Local Government Act 1972 requires the Council to make arrangements for the proper administration of its financial affairs and to secure that one of its officers (the Deputy Chief Executive) has the responsibility for the administration of those affairs, which include responsibility for preparing the Council's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

The Statement of Accounts is that upon which the auditor should enter his certificate and opinion which is prepared under the Local Government Finance Act 2003.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

Not applicable.

8. Climate Change Implications

Not applicable.

9. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

As there is no change to policy an equality impact assessment is not required.

11. Background Papers

Nil.



Auditor's Annual Report

Broxtowe Borough Council – year ended 31 March 2025

26 November 2025

Contents

- 01 Introduction
- 02 Audit of the financial statements
- 03 Commentary on VFM arrangements
- 04 Other reporting responsibilities
- 05 Audit fees and other services

- A Appendix A: Further information on our audit of the Council’s financial statements

A Page 32

Our reports are prepared in the context of the ‘PSAA Statement of Responsibilities of Auditors and of Audited Bodies’ and the ‘Appointing Person Terms of Appointment’ issued by Public Sector Audit Appointments Limited. This document is to be regarded as confidential to Broxtowe Borough Council. It has been prepared for the sole use of the Governance, Audit and Standards Committee as the appropriate sub-committee charged with governance. We do not accept any liability or responsibility to any other person in respect of the whole or part of its contents.

01

Introduction

Page 33

Introduction

Purpose of the Auditor's Annual Report

Our Auditor's Annual Report (AAR) summarises the work we have undertaken as the auditor for Broxtowe Borough Council ('the Council') for the year ended 31 March 2025. Although this report is addressed to the Council, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 and the Code of Audit Practice ('the Code') issued by the National Audit Office ('the NAO'). The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.

Page 34

Opinion on the financial statements

We issued an unqualified opinion on the 2024/25 financial statements on 26 November 2025.



Value for Money arrangements

We have not identified any significant weaknesses in the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. Section 3 provides our commentary on the Council's arrangements.



Reporting to the group auditor

We have not yet received group instructions from the National Audit Office in respect of our work on the Council's WGA submission. We are unable to commence our work in this area until such instructions have been received.

02

Audit of the financial statements

Audit of the financial statements

Our audit of the financial statements

Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (UK) (ISAs). The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Council and whether they give a true and fair view of the Council's financial position as at 31 March 2025 and of its financial performance for the year then ended. Our audit report, issued on 26 November 2025 gave an unqualified opinion on the financial statements for the year ended 31 March 2025.

A summary of the significant risks we identified when undertaking our audit of the financial statements and the conclusions we reached on each of these is outlined in Appendix A. In this appendix we also outline the uncorrected misstatements we identified and any internal control recommendations we made.

Qualitative aspects of the Council's accounting practices

We have reviewed the Council's accounting policies and disclosures and conclude that they comply with the 2024/25 Code of Practice on Local Authority Accounting, appropriately tailored to the Council's circumstances.

Draft accounts were received from the Council on 20 August 2025 and were of a good quality. The working papers supporting the financial statements were also of good quality and were comprehensive. However, we identified significant deficiencies in capital accounting processes, including issues with asset valuations and reconciliations, which required audit adjustments. These findings highlight weaknesses in internal controls within the capital accounting function.

Significant difficulties during the audit

We have not encountered any significant difficulties and we have had the full co-operation of management.

Other reporting responsibilities

Reporting responsibility	Outcome
Narrative Report	We did not identify any significant inconsistencies between the content of the annual report and our knowledge of the Authority.
Annual Governance Statement	We did not identify any matters where, in our opinion, the governance statement did not comply with the guidance issued by CIPFA/LASAAC Code of Practice on Local Authority Accounting.

03

Our work on Value for Money
arrangements

VFM arrangements

Overall Summary



VFM arrangements – Overall summary

Approach to Value for Money arrangements work

We are required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:



Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services.



Governance - How the Council ensures that it makes informed decisions and properly manages its risks.



Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

Our work is carried out in three main phases.

Phase 1 - Planning and risk assessment

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Council has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements.

We obtain our understanding of arrangements for each of the specified reporting criteria using a variety of information sources which may include:

- NAO guidance and supporting information
- Information from internal and external sources, including regulators
- Knowledge from previous audits and other audit work undertaken in the year
- Interviews and discussions with officers

Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses.

Phase 2 - Additional risk-based procedures and evaluation

Where we identify risks of significant weaknesses in arrangements, we design a programme of work to enable us to decide whether there are actual significant weaknesses in arrangements. We use our professional judgement and have regard to guidance issued by the NAO in determining the extent to which an identified weakness is significant.

We outline the risks that we have identified and the work we have done to address those risks on page 10.

Phase 3 - Reporting the outcomes of our work and our recommendations

We are required to provide a summary of the work we have undertaken and the judgments we have reached against each of the specified reporting criteria in this Auditor's Annual Report. We do this as part of our Commentary on VFM arrangements which we set out for each criteria later in this section.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Council. We refer to two distinct types of recommendation through the remainder of this report:

- **Recommendations arising from significant weaknesses in arrangements** - we make these recommendations for improvement where we have identified a significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Where such significant weaknesses in arrangements are identified, we report these (and our associated recommendations) at any point during the course of the audit.
- **Other recommendations** - we make other recommendations when we identify areas for potential improvement or weaknesses in arrangements which we do not consider to be significant, but which still require action to be taken.

The table on the following page summarises the outcome of our work against each reporting criteria, including whether we have identified any significant weaknesses in arrangements, or made other recommendations.

VFM arrangements – Overall summary

Overall summary by reporting criteria

Reporting criteria	Commentary page reference	Identified risks of significant weakness?	Actual significant weaknesses identified?	Other recommendations made?
 Financial sustainability	11	No	No	No
 Governance	14	No	No	No
 Improving economy, efficiency and effectiveness	18	No	No	No

VFM arrangements

Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services



VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria

Position brought forward from 2023/24

We reported in our Annual Auditor's Report for 2023/24, that we had:

- reviewed the 2023/24 financial performance and forecasts during the year and considered the Council's financial outturn position as presented in the financial statements;
- reviewed the 2024/25 General Fund Budget; and
- reviewed the Council's Annual governance Statement for any significant issues and considered the general findings from our audit work in other areas.

There were no indications of a significant weakness in the Council's arrangements for financial sustainability brought forward from 2023/24. The Council's underlying arrangements in relation to financial sustainability are not significantly different in 2024/25, with an established set of processes for budget setting, monitoring and financial control, including arrangements for scrutiny, consultation and integration with business plans to produce the annual budget.

Overall responsibilities for financial governance

We have reviewed the Council's overall governance framework, including Council and committee reports, the Annual Governance Statement, and Statement of Accounts for 2024/25. These confirm the Council fulfilled its responsibility to define its strategic aims and objectives, approve budgets and monitor financial performance against budgets and plans to best meet the needs of the Council's service users.

The Council's financial planning and monitoring arrangements

The Council monitors performance by service, integrating finance and performance management to provide a complete overview against Business Plan objectives. We have reviewed reports provided to Cabinet. Our review of reports confirms that Members receive information that adequately explains the main variances to budget on the Housing Revenue Account and the General Fund, and which allows Members to challenge and gain assurance on financial delivery.

2024/25 Budget Setting and the Medium-Term Financial Strategy

We considered the 2024/25 budget setting process, including the Medium-Term Financial Strategy (MTFS) as part of our work on the 2023/24 review of arrangements, with no significant concerns arising:

- we were satisfied that the Budget Report for 2024/25 adequately explained revenue and capital budgets, with a link to specific business units, as well as an explanation of the impact to the general fund balance;

- the Council's budget setting and MTFS is prepared by the Cabinet in line with the Budget and Policy Framework rules, and is then reviewed by the Overview & Scrutiny Committee and approved by the Council. The arrangements in place for budget setting and updating the MTFS are as expected for a District Council, with arrangements for the evaluation of financial risk, alignment to business plans and sources of funding;
- there is no indication of inappropriate use of capital flexibilities to support revenue expenditure. Furthermore, there is no indication that the Council's MTFS and budget setting process is not aligned to supporting plans;
- we reviewed the Council's balanced budget for 2024/25 where it was confirmed that the s151 Officer was satisfied that the budget was appropriately prudent and, if delivered, would leave the Council's General Fund Working Balance at £4.08m by the end of 2024/25, which is above the £1.5m minimum level recommended by the Section 151 Officer and reflects the cumulative impact of financial pressures. We read the Medium-Term Financial Strategy (MTFS) as included in reports to Cabinet and Council in February 2024.
- As in previous years, it covered five financial years. In our view, it includes an appropriate level of detail over the assumptions and cost pressures facing the Council, which are consistent with our experience at similar sized authorities and not unreasonable. In addition, there is sufficient narrative to explain the rationale and key financial risks. After taking into account all those risks and factors, the general fund reserves balance is estimated to be completely depleted by the end of 2027/28, being the last year in MTFS; The Council is actively reviewing its financial strategy to address this shortfall and ensure long-term sustainability; and
- in both the 2023/24 MTFS and the 2024/25 MTFS, the Council has shown the final year of the MTFS to be the year after which the general fund working balance falls below the Council's acceptable levels. The MTFS is clear that work and action will take place to manage the financial position over the five years to ensure that balances remain above the minimum level, which provides time to develop and implement any actions that are necessary.

2024/25 Financial Statement performance

The Council reported its financial outturn position in the 2024/25 Statement of Accounts. The General Fund outturn was £1.402m under budget, mainly caused by £0.9m underspend on salaries through vacancy savings and £0.8m additional central government grants as compared to original anticipation.

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria - continued

2024/25 Financial Statement performance (continued)

In 2024/25, the Council spent £31.4m on capital expenditure as per Note 33 of the financial statements. Our testing of these balances did not identify any concerns. Furthermore, there is no indication of excessive use of capital flexibilities to support revenue expenditure, nor has our work on the financial statements highlighted any concerns regarding the Council's policy for setting the Minimum Revenue Provision.

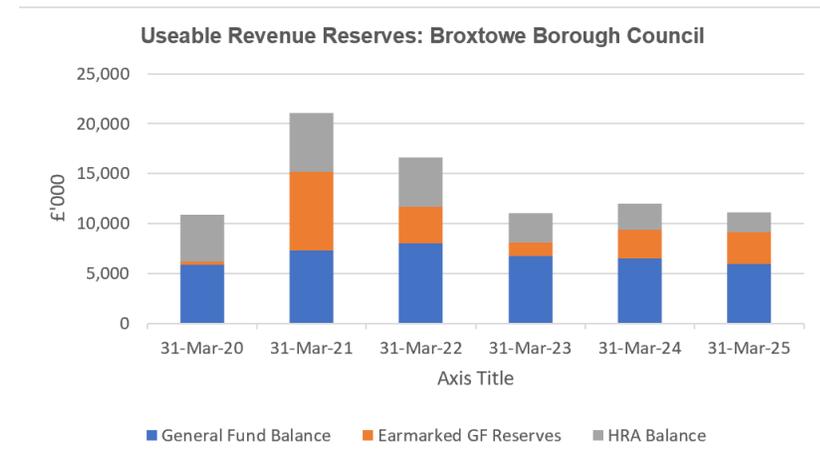
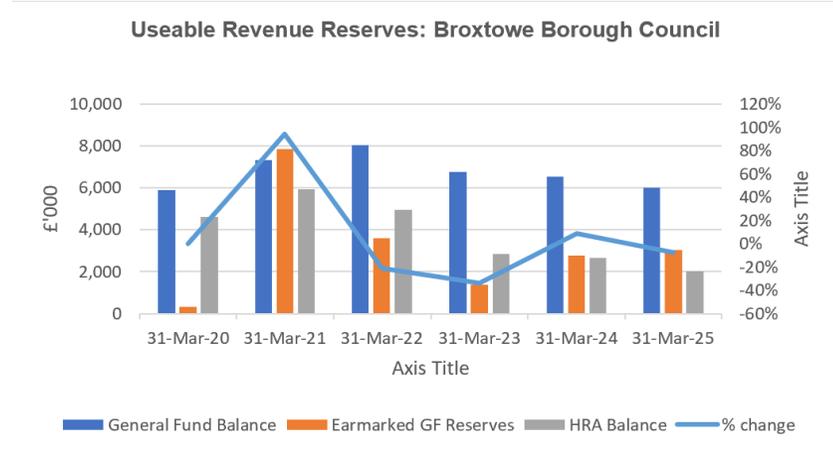
We have carried out a high-level analysis of the audited financial statements, including the Comprehensive Income and Expenditure Statement, the Balance Sheet and Movement in Reserves Statement. The Council's balance sheet position does not highlight any concerns. The Council's useable reserves have decreased from £18.3m to £15.6m in 2024/25, with:

- the combined General Fund & Earmarked Reserves of £8.6m, down from £8.8m in the prior year;
- Housing Revenue Account (HRA) Reserve of £2m, down from £2.6m compared to 2023/24; and
- The Capital Receipts Reserve of £4.7m, down from £6.3m in 2023/24 in line with the funding of capital expenditure.

The purpose of the Council's general fund reserve is to meet costs arising from any unplanned or emergency events. It also acts as a financial buffer to help mitigate against the financial risks the Council faces and can be used to a limited degree to 'smooth' expenditure on a one-off basis across years. Whereas earmarked reserves are set aside for specific purposes.

Through a review of the financial statements, we have considered the Council's revenue reserves over time as shown in the charts on this page. Overall, we are satisfied that the Council's Reserves position does not give rise to an immediate risk of significant weakness in arrangements to secure financial sustainability. It is however, an area of particular focus for the Council to consider as part of its 2025/26 outturn process and to assess the impact on the MTFS for 2026/27 onwards and the Council will need to ensure that any use of reserves to smooth the financial position over the next few years is properly planned because the use of reserves cannot be relied on to provide a long-term solution to funding gaps.

Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to financial sustainability for the year ended 31 March 2025.



VFM arrangements

Governance

How the body ensures that it makes informed decisions and properly manages its risks

Page 44



VFM arrangements – Governance

Overall commentary on the Governance reporting criteria

Position brought forward from 2023/24

There were no indications of a significant weakness in the Council's arrangements for governance brought forward from the previous year and the Council's arrangements in 2024/25 have not significantly changed.

The Council's governance structure

The Council 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 doing this it is responsible for putting in place proper arrangements for the governance of its affairs, effective exercise of its functions and arrangements for the management of risk.

Based on our work, we are satisfied that the Council has established governance arrangements, consistent with previous years, in place throughout 2024/25. These are detailed in the Statement of Accounts and Annual Governance Statement. We have considered both documents against our understanding of the Council as part of our audit.

There have been recent changes in management arrangements following the retirement of the previous Chief Executive. The interim replacement and other changes that have been made as a consequence have utilised existing senior management, ensuring continuity in understanding of the Council and its plans.

2024/25 financial statements

Although the 2024/25 audit of the accounts has gone well overall, we identified a number of deficiencies in disclosures and internal controls. This was in relation to valuations and related capital accounting. These findings have been reported in our Audit Completion Report. Addressing our recommendations needs to be a priority when preparing for the 2025/26 audit.

Risk management and internal control

The Council has an established risk management strategy and systems in place which are built into the governance structure of the organisation. The Council's Risk Management Strategy was recently revised in July 2025 and it sets out a five-step process for risk management:

- identification;
- analysis;

- treatment;
- completing the risk register; and
- monitoring, reporting and reviewing risk.

The Council's arrangements to execute the Risk Management Strategy include a Strategic Risk Management Group that meets frequently prior to updating the Strategic Risk Register and presenting the outcome to Members. The Annual Governance Statement is a critical component of the Council's governance arrangements. It is an evidenced self-assessment by the Council on the Council's governance, assurance and internal control frameworks for the financial year. The Governance, Audit & Standards Committee are responsible for review of the Council's Annual Governance Statement. No significant weaknesses in internal control have been identified from our work to date and Internal Audit has not identified or raised any significant concerns. We reviewed the Annual Governance Statement as part of our work on the financial statements with no significant issues arising.

Internal Audit

We have met with management during the year, reviewed Governance, Audit & Standards Committee reports and attended Committee meetings to observe the reporting by Internal Audit to the Committee. We also confirmed that the Chief Audit and Control Officer's Opinion has been adequately reflected in the Annual Governance Statement. No issues arose from our review to indicate there is a significant weakness in the Council's arrangements for governance.

Governance, Audit & Standards Committee

In our view, good governance forms the foundation of resilient and sustainable organisations and enhances stakeholder confidence.

The Council has an established Governance, Audit & Standards Committee that incorporates the functions of an Audit Committee. We have confirmed that the Committee meets regularly and reviews its programme of work to maintain focus on key aspects of governance and internal control. We have attended Committee meetings and reviewed supporting documents and are satisfied that the programme of work is appropriate for the Council's requirements. Based on the work, the Committee is adequately serviced and attended by officers as required, and there is evidence of challenge by members of the Committee.

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - continued

Governance, Audit & Standards Committee (continued)

However, our attendance at committee has identified occasions where discussions have turned to political debate and strayed from the agenda and we would draw attention to the MHCLG published policy paper “Local authority financial reporting and external audit: government response to the independent review” in December 2020, which included a recommendation that “The governance arrangements within local authorities be reviewed by local councils with the purpose of... consideration being given to the appointment of at least one independent member, suitably qualified, to the Audit Committee.”

In addition, the Local Government Association’s Ten questions for audit committees, sets out that:

“The role of the audit committee is normally to seek assurance that the council’s financial reporting, internal controls, governance, and risk management are effective and can be relied upon by councillors and citizens...”

“The audit committee is most effective when it is unencumbered by other tasks, such as scrutiny, ‘general purposes’ or standards...”

“The audit committee is also independent and, as the matters it deals with are normally apolitical, it should rise above politics. The Chair of Audit needs to ensure that the committee is not used to make political points.”

More recently, Government has indicated that it plans to require at least one independent Member for every Audit Committee in the near future, meaning that the Council should start planning for this.

Medium Term Financial Strategy 2025/26

The Council has an established set of arrangements in place for budget setting and control including updating the Medium-Term Financial Strategy (MTFS). The process is set out and approved through the Constitution, which encompasses the budget setting rules and financial procedures. We have reviewed the budget setting arrangements through observation and discussions with management and no matters have been identified indicating a significant weakness in arrangements.

An updated MTFS was presented to Cabinet in February 2025 which highlighted a potential shortfall in resources of £7.2m from 2025/26 through to 2028/29. In order to mitigate the effect of the shortfall of resources, the Council annually updates its Business Strategy (November 2024) and uses this to build in efficiencies and additional sources of income. There is no evidence of inappropriate use of one-off means to balance the budget, nor inappropriate assumptions as indicators of a significant weakness in arrangements.

The Business Strategy included proposals to either reduce costs or generate additional income. This approach provides time to develop and implement further measures to address the shortfalls in the medium-term levels of reserves and allow implementation of appropriate measures before reserves are depleted to or below the minimum prudent levels that have been identified.

The Council’s financial position, does not present an immediate risk of significant weakness in arrangements, however there is an increasing need to identify, agree and implement a plan to close the widening financial gap.

Local Government Reorganisation (LGR)

In February 2025, the Government wrote to local authorities in Nottinghamshire formally inviting them to submit proposals to create new structures of unitary authorities – which are a single tier of local government responsible for all local services in an area. All nine Nottinghamshire councils collaborated on an interim submission, submitted to Government on 21 March 2025, that outlined three core options:

- A new unitary authority combining Nottingham City, Broxtowe, and Gedling, with a second new unitary authority for the rest of Nottinghamshire;
- A new unitary authority combining Nottingham City, Broxtowe, and Rushcliffe, with a second new unitary authority for the rest of Nottinghamshire; and
- Nottingham City remains a unitary authority, with a new single unitary authority for the rest of Nottinghamshire.

We have held ongoing discussions with management throughout the year as the situation has evolved.

The options that have been taken forward for further consideration are the first two options which combine Broxtowe with Nottingham City. The Council does not currently support either of these options and have made their views known.

Despite this, the Council has acted responsibly and has continued to work with the other authorities impacted by these changes, and management are involved in representing the Council’s position as further details are worked through.

We understand that there is an ambitious timetable for implementation in April 2028.

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - continued

Local Government Reorganisation (LGR) (continued)

The future uncertainty presents a significant challenge for the Council. The Council can only ensure that it continues to act responsibly, continues to deliver its services for local people and performs its other duties until reorganisation is complete, including ensuring it maintains appropriate standards of governance and does not make decisions that impact adversely on any successor organisation, whatever form that takes.

With further announcements on LGR expected in winter 2025, we will consider developments further in our 2025/26 audit, and this is likely to include consideration of potential transition planning risks, including:

- financial risks and sustainability, including transitional costs, plans to bridge budget gaps and the impact to the capital programme;
- Governance and legal complexity, such as asset ownership, contract novation and how the Council is assured over plans;
- Workforce planning and retention strategies;
- IT system compatibility, data protection and cyber risk protection; and
- quality of post integration planning.

Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to governance for the year ended 31 March 2025.

VFM arrangements

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



VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria

Position brought forward from 2023/24

There were no indications of a significant weakness in the Council's arrangements brought forward from the previous year.

Corporate Plan

The Council's arrangements are consistent with the prior year, with the Council's Corporate Plan setting out what it wants to achieve for local residents and communities through to 2029.

The Corporate Plan for 2024-2029 was approved in 2024 and sets out the Council's priorities to achieve its vision to make "A Greener, Safer and Healthier Broxtowe where everyone prospers." Over the period, the Council will focus on the priorities of Housing, Business Growth, Community Safety, Health and Environment. The Corporate Plan prioritises local community needs and resources are directed toward the things they considered to be the most important. These needs are aligned with other local, regional and national plans to ensure the ambitions set out in the Corporate Plan are realistic and achievable.

We have discussed performance monitoring arrangements with management and reviewed a selection of business plans and monitoring reports. The Council monitors its performance using the Pentana Risk performance management system. Members have been provided with access to the system enabling them to interrogate the system on a 'view only' basis.

Business Plans detail the projects and activities undertaken in support of the Corporate Plan for each priority area. These cover a three-year period and are revised and updated annually. Detailed monitoring of progress against key tasks and outcome measures in the Business Plans is undertaken regularly by the relevant Committee. This includes an annual report where performance management and financial outturn are considered together following the year-end as part of the Council's commitment to closely align financial and performance management.

With the prospect of Local Government Reorganisation (LGR) now looming, the Council will want to ensure that its plans for the Borough, based on its knowledge to the local community, are taken forward as priorities in any new arrangements that are developed.

Regulators / Inspections

Our work has not identified any adverse findings from inspectors leading to any intervention action at the Council.

The Regulator of Social Housing (RSH) put into effect new standards for social housing landlords, designed to protect tenants and improve the service they receive from 1 April 2024. The Council is currently under inspection by the RSH, with the outcomes expected to be published in January 2026.

Partnerships

The Council plays an active part in many partnerships.

The Council is a non-constituent member of the East Midlands Mayoral Combined Authority, following the mayoral election in 2024. The Council's Leader is one of four district councillors representing the other districts in Nottinghamshire and Derbyshire.

The Council has a number and partnerships for the delivery of services which are outlined in the next section.

Local Government Reorganisation (LGR) provides the most significant test for the Council working in partnership going forward, ensuring that the Council's views are properly reflected in the structures of any successor organisation, and the priorities of that organisation, and ensuring that the best outcome is achieved for the residents of Broxtowe.

The fact that the Council does not currently support either of the two options being considered poses a significant challenge, but makes it all the more important that the Council plays its part in what happens next.

Commissioning and procurement

The Council has a number of arrangements in place for commissioning and procuring services including:

- Liberty Leisure Limited – this is the Council's wholly owned company for Leisure Services;
- Bramcote Bereavement Services Joint Committee, with Erewash Borough Council;

VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria - continued

Commissioning and procurement (continued)

- monitoring and maintaining the surveillance camera estate, alongside some other Notts districts.
- a long-established partnership with Ashfield District Council in respect of Business Rates administration; and
- Erewash Borough Council providing Broxtowe's Building Control services. This service also provided to other Nottinghamshire districts during 2024/25 and is managed through a steering group. This arrangement has been reviewed in the light of the Building Safety Act requirements.

For ongoing procurement, the Council utilises the services of Nottingham County Council to manage its procurement activity. The Council has found this beneficial, utilising the wider expertise that can be secured from this arrangement rather than the Council relying on a single in-house Procurement Officer.

The Council continues to deliver significant investment in the borough, including:

- The Stapleford Towns Fund Board oversees the implementation of the Towns fund bid for that area (reporting to Cabinet as required). The Stapleford Towns Fund has a group to keep tight focus on delivery of the projects granted funding by the government;
- The Kimberley Means Business Board met during 2024/25 to oversee the delivery of significant regeneration funding for Kimberley. Delivery meetings took place to discuss individual projects, and key decisions were referred to the Cabinet when required; and
- The Housing Delivery Plan is being implemented and is managed internally through the Housing Delivery Group of cross departmental officers, and reports to Cabinet for key decisions.

Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to improving economy, efficiency and effectiveness for the year ended 31 March 2025.

Other reporting responsibilities

Other reporting responsibilities

Wider reporting responsibilities

Matters we report by exception

The Local Audit and Accountability Act 2014 provides auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to the law; and
- issue an advisory notice.

We have not exercised any of these statutory reporting powers.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. We did receive some questions from one individual in relation to stock. These questions were more appropriate for the Council to deal with, so officers provided a response to the complainant. No further audit action was required in relation to the issues raised.

Reporting to the group auditor

Whole of Government Accounts (WGA)

The National Audit Office (NAO), as group auditor, requires us to complete the WGA Assurance Statement in respect of its consolidation data. We have not yet received group instructions from the National Audit Office in respect of our work on the Council's WGA submission. We are unable to commence our work in this area until such instructions have been received.

Consequently, we are unable to issue an audit certificate formally closing the audit until the requirements on WGA are clarified, and any work required has been completed.

05

Audit fees and other services

Audit fees and other services

Fees for our work as the Council's auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Audit Strategy Memorandum, dated 7 May 2025 and presented to the Governance, Audit and Standards Committee on 19 May 2025. Having completed our work for the 2024/25 financial year, we can confirm that our final fees, including proposed additional fees, are as set out in the table below. Please note that all additional fees are subject to approval by Public Sector Audit Appointments (PSAA) Ltd.

Area of work	2024/25 fees	2023/24 fees
PSAA Scale fee	£159,380	£144,729
Additional fees in respect of additional work from the introduction of new auditing standards (ISA 315)	-	£9,410
Additional fees in respect of testing of land and buildings, including Council dwelling beacons	£16,500	£7,600
Additional testing – group accounts in 2023/24 (in 2024/25 application of revised ISA 600 relating to groups)	£2,500	£5,400
Additional work in respect of IFRS16	£2,500	-
Total fees	£180,880	£167,139

Fees for other work

We confirm that we have not undertaken any non-audit services for the Council in the year.

Appendices

Appendix A: Further information on our audit of the Council's financial statements

Appendix A: Further information on our audit of the Council’s financial statements

Significant risks and audit findings

As part of our audit of the Council we identified significant risks to our opinion on the financial statements during our risk assessment. We will update this on completion of our audit of the financial statements.

Risk	Our audit response and findings
<p>Management override of controls This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur. Management at various levels within an organisation are 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. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.</p>	<p>Risk satisfactorily addressed. We did not identify any significant issues to report. We did make an internal control recommendation.</p>
<p>Valuation of property, plant and equipment (PPE) The financial statements contain material entries on the Balance Sheet as well as material disclosure notes in relation to the Council’s holding of Council dwellings and land and buildings. Although the Council uses a valuation expert to provide information on valuations, there remains a high degree of estimation uncertainty associated with the revaluation of PPE due to the significant judgements and number of variables involved in providing revaluations.</p>	<p>Risk satisfactorily addressed. We identified significant issues with the Council’s valuation processes, and this has resulted in a number of significant internal control recommendations. In addition, a number of material adjustments were required to the Council’s draft financial statements.</p>
<p>Defined benefit pension valuation The Council is an employer in the Local Government Pension Scheme, administered on a local level by the Nottinghamshire Pension Fund.</p> <p>The defined benefit assets and liabilities are significant items in the Council’s balance sheet and the Council engages an actuary to perform an annual valuation in accordance with the requirements of IAS 19 Employee Benefits. Due to the high degree of estimation uncertainty associated with this valuation, we have identified a significant risk in this area.</p> <p>We will also complete audit procedures on the net benefit liability held by Liberty Leisure Ltd.</p>	<p>Risk satisfactorily addressed. We identified an unadjusted misstatement and there are no further matters to report.</p>
<p>Implementation of IFRS 16, Leases (Other key areas of management judgement / enhanced risks)</p> <p>IFRS 16 is applicable from 1 April 2024, designed to report information that better shows lease transactions and provides a better basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. The Council is required to account for its lease arrangements in line with this new standard for the first time in the 2024/25 accounts. This requires the Council to re-classify their leases and account for a right of use asset.</p>	<p>Risk satisfactorily addressed. We did not identify any significant issues to report.</p>

Appendix A: Further information on our audit of the Council's financial statements

Summary of uncorrected misstatements for the Council

Management has assessed the misstatements in the table below as not being material, individually or in aggregate, to the financial statements and did not adjust.

Description	Entity	Nature	Comprehensive Income and Expenditure Statement		Balance Sheet	
			Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr. General Fund and Earmarked Reserves					119	
Cr. Capital Adjustments Account						119
Misstatement identified due to incorrect asset lives within its calculation of its MRP charge for the year. This represents an undercharge of MRP.						
Dr Net pension Liability					143	
Cr Pensions Reserve						143
The Pension Fund auditor identified an unadjusted difference in asset values during their audit of the Pension Fund. The above is our estimation of the impact on the Council's asset valuations based on the Council's share of Pension Fund assets. This is an understatement of asset values.						
Aggregate effect of unadjusted misstatements			0	0	262	262

Appendix A: Further information on our audit of the Council's financial statements

Summary of uncorrected misstatements for the Council

Management has assessed the misstatements in the table below as not being material, individually or in aggregate, to the financial statements and did not adjust.

Description	Entity	Nature	Comprehensive Income and Expenditure Statement		Balance Sheet	
			Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Brought forward from page 27					262	262
Dr Revaluation Reserve Cr Property, plant and Equipment Error in the valuation methodology utilised by the internal valuer in the valuation of car parks.					371	371
Aggregate effect of unadjusted misstatements			0	0	633	633

Appendix A: Further information on our audit of the Council's financial statements

Significant deficiencies in internal control

In our view, the deficiencies in internal control set out in this section result in a potential for financial loss, damage to reputation, or a loss of information. This may have implications for the achievement of business strategic objectives. Our recommendations should be considered for immediate action.

Weaknesses in Capital Accounting Processes and Control Framework

Description of deficiency

During the audit, we identified a significant deficiency in the Council's capital accounting processes, evidenced by multiple issues including discrepancies between the Fixed Asset Register and the general ledger, incorrect calculation and posting of asset disposals, failure to clear revaluation reserve balances, misclassification of capital transactions, and inconsistent application of CIPFA Code requirements for statutory adjustments. These weaknesses increase the risk of material misstatement in Property, Plant and Equipment balances and related reserves, and indicate inadequate review controls and reconciliation procedures within the capital accounting function.

Potential effects

Increased risk of material misstatement in PPE balances and reserves due to inadequate controls and non-compliance with CIPFA Code.

Recommendation

The Council should implement robust reconciliations, strengthen review controls ensure appropriate arrangements are in place to produce complex notes in the accounts that are of a high quality.

Management response

Agreed. The Deputy Chief Executive and Section 151 Officer remains satisfied with the competency and technical knowledge of the Accountancy team.

Whilst time was included in the year-end schedule for quality assurance, the late completion of asset valuations compromised the time available to support this review. This will be rectified in the timetable for future years with the earlier scheduling of asset valuations and the associated actions.

A full review of working papers will be undertaken with the aim of improving the quality and consistency of these to provide evidence of the figures included in the financial statements and to support the enquiries from the auditors.

Appendix A: Further information on our audit of the Council’s financial statements

Significant deficiencies in internal control

In our view, the deficiencies in internal control set out in this section result in a potential for financial loss, damage to reputation, or a loss of information. This may have implications for the achievement of business strategic objectives. Our recommendations should be considered for immediate action.

Weaknesses in Asset Valuation Instructions and Review Controls

Description of deficiency

The Council’s asset valuation process lacked adequate controls, as instructions to the external valuer of Council dwellings omitted certain beacon assets and the Council failed to identify a significant input error by the external valuer when recording the results of the valuation. This demonstrates insufficient review and validation procedures over valuation data and postings, increasing the risk of material misstatement in Property, Plant and Equipment balances.

There were weaknesses in the processes for the internal valuation of other assets, and there were significant delays in providing the valuation reports including the supporting valuation calculation for individual assets that had been revalued. The Council does not assess whether there is a potential material impact on assets that have not been revalued in the year.

Potential effects

Increased risk of material misstatement in asset valuations due to incomplete instructions and lack of review controls over valuation data.

Recommendation

Strengthen review procedures for valuation inputs and postings, ensure comprehensive instructions to valuers, and implement validation checks before recording valuations. Ensure all valuation reports are in place prior to preparing the accounts. Specifically assess whether there is a potential material misstatement relating to assets not valued in the year, and whether some form of indexation is required between revaluations to avoid potential material misstatements occurring.

Management response

Agreed. The process to complete the required asset valuations and its input into the financial statements fell below the levels expected. The late and incomplete instructions sent to the external valuers and the subsequent delayed receipt of those valuations did not allow time for the level of quality assurance that would have been anticipated.

The future timetable will include the planning of asset valuations much earlier in the process, well before the financial year-end. This will allow the Chief Accountant more time to effectively communicate and formally quality check instructions with the Estates Manager and/or external valuers.

The Estates Manager will then be responsible for ensuring that valuations are completed, as required, and submitted to Finance Services in accordance with agreed timescales. This should provide adequate time for completing working papers and quality checking entries into the accounts and the notes to the financial statements

The comments regarding whether indexation is required between revaluations to avoid potential material misstatements occurring is noted and will be considered further with the Estates Manager for 2025/26.

Appendix A: Further information on our audit of the Council's financial statements

Significant deficiencies in internal control

In our view, the deficiencies in internal control set out in this section result in a potential for financial loss, damage to reputation, or a loss of information. This may have implications for the achievement of business strategic objectives. Our recommendations should be considered for immediate action.

Minimum Revenue Provision

Description of deficiency

The Council has not fully adhered to its formal MRP Policy. While adopting Option 3 – Asset Life Method under statutory guidance, the asset lives used in MRP calculations do not align with those recorded in the asset register and applied for depreciation. This inconsistency resulted in immaterial misstatements and indicates a need to ensure MRP is calculated in strict accordance with statutory guidance and the CIPFA Code.

In relation to the Housing Revenue Account, the Council has not made a voluntary revenue provision, meaning that the outstanding capital finance requirement relating to the HRA will never be reduced. Making such provision is not a requirement, but it would be prudent.

Potential effects

The MRP charge is not appropriate. In relation to the Housing Revenue Account the Council is not making a prudent voluntary provision to reduce outstanding indebtedness.

Recommendation

Align asset lives used in MRP calculations with those in the asset register and depreciation schedules, and implement a formal review process to ensure strict adherence to the Council's MRP Policy and statutory requirements. The Council should consider whether a prudent voluntary revenue provision is made to reduce HRA indebtedness.

Management response

Agreed. A full review of MRP calculations will be undertaken as part of the budget setting process to ensure compliance and accuracy. The impact is not considered to be material.

In terms of the HRA, there is not a statutory requirement to make prudent provision for the repayment of debt. Whilst no provision has been made to date in respect of the historic debts relating to the Housing Finance reforms in 2012, all new borrowing to support the Council's housing delivery programme do have elements of Voluntary Revenue Provision (VRP) set aside within the business cases for each respective scheme. These are expected to come into effect from 2026/27 and will be kept under review by the Deputy Chief Executive and Section 151 Officer.

Appendix A: Further information on our audit of the Council’s financial statements

Significant deficiencies in internal control

In our view, the deficiencies in internal control set out in this section result in a potential for financial loss, damage to reputation, or a loss of information. This may have implications for the achievement of business strategic objectives. Our recommendations should be considered for immediate action.

Journals Testing

Description of deficiency

During our testing of journals, we identified certain users that had self-authorized journal entries when they should not have. We extended our testing with no issues arising. Additionally, we identified an instance where a user who does not have formal authorisation rights in the system was able to post and self-authorise a journal without any review mechanism in place.

Potential effects

Increased risk of error in the accounts

Recommendation

The Council should refresh authorisation and ledger access rights to ensure access and authorisation are relevant and up-to-date.

Management response

Agreed. A full review of users’ access rights to the general ledger, including journal authorisation, has been undertaken and is now scheduled for regular review. The audit matter identified occurred prior to the above review being undertaken and involved junior officers in the Finance Services team self-authorising internal journal transfers. Whilst there was an increased risk of error without the assurances provided by review and authorisation, the risk of financial loss and/or fraud was considered to be low.

Appendix A: Further information on our audit of the Council's financial statements

Follow up on previous year recommendations to the Council

Related Parties

Description of deficiency

During the testing of related party transactions, we noted two missing declarations of interest from Members
A similar control deficiency was reported in our 2022/23 report.

Current year update:

There has been no recurrence of this issue during 2024/25 audit testing.

Potential effects

Whilst there are compensating controls, such as declarations of interest at each committee meeting, related party transactions could go undetected which would lead to disclosure errors in the financial statements.

Recommendation from last year

The Council should ensure that all declaration forms are completed on an annual basis. These must be used as a basis to complete the related party note in the accounts.

Employment Contracts

Description of deficiency

During our testing of pay costs, we identified four employees that did not have a signed contract of employment on file.

Current year update:

We came across the same issue during 2024/25 and the Council was unable to provide the signed employment contracts.

Potential effects

There is a risk of incorrect terms or conditions being applied.

Recommendation from last year

The Council should conduct a risk-based review of employment contracts to ensure signed copies are retained in personnel files.

Management Response

Agreed. A new process has been implemented with a transactional record maintained of each new contract being produced, signed and returned. For new starters, any contract that has not been returned will be signed in person as part of employee induction process.

All but one of the cases identified in the audit are historical and therefore had not been collected as part of the new process. The one exception related to a contract for an existing employee who has recently moved onto new 'compressed hours' which did not have an impact in terms of pay or budget. Finance Services will continue to liaise with the Human Resources and Payroll teams to evaluate the extent of work required and the associated risks to the Council.

Contact

Forvis Mazars

Gavin Barker

Director

Tel: 07896 684 771

gavin.barker@mazars.com

Garima Garg

Manager

Tel: +44 (0)7581 015 447

Garima.Garg@mazars.co.uk

Page 64

Forvis Mazars LLP is the UK firm of Forvis Mazars Global, a leading global professional services network. Forvis Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at 30 Old Bailey, London, EC4M 7AU. Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861. VAT number: GB 839 8356 73

© Forvis Mazars 2025. All rights reserved.

Report of the Interim Deputy Chief Executive and Section 151 Officer

Statement of Accounts 2025/26 – Accounting Policies

1. Purpose of Report

To provide Members with any updates made to the Council's accounting policies in relation to the production of the 2025/26 Statement of Accounts.

2. Recommendation

The Committee is asked to RESOLVE that the Accounting Policies for 2025/26 be approved.

3. Detail

Prior to the completion of the Statement of Accounts 2025/26, it is considered good practice that Members are given the opportunity to discuss and comment on the accounting policies to be used in the production of the financial statements. These policies will be applied to the treatment of all transactions that make up the Statement of Accounts to ensure the accounts present a true and fair view of the financial position of the Council as at 31 March 2026.

The Statement of Accounts 2025/26 will be prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the 'Code') based upon International Financial Reporting Standards (IFRS). The 2025/26 Code introduces amendments to the following, which do not impact on any of the Council's policies:

- IAS 21 The Effects of Changes in Foreign Exchange Rates
- Insurance Contracts issued in May 2017

HM Treasury undertook a thematic review on the measurement and valuation of non-investment assets with a view to reducing the challenges faced by preparers of valuations and financial statements and auditors. The Code has been updated with the recommendations from this review and subsequently the accounting policy xvii 'Property, Plant and Equipment' has been updated to reflect the requirement for the value of assets not valued within the five-year rolling valuation cycle to be indexed. Indexation is a tool to apply an inflationary increase to assets in the years between professional valuations. The impact of indexation on the Council's balance sheet values is not expected to be material.

Accounting policy xi 'Intangible Assets' has been updated to remove the requirement to revalue intangible assets which has now been withdrawn in the Code. There is no expected impact on the Council's balance sheet from this amendment.

The proposed Accounting Policies for 2025/26 are set out in the **Appendix**.

4. Financial Implications

The comments from the Interim Deputy Chief Executive and Section 151 Officer were as follows:

There are no direct costs associated with the accounting policy updates.

5. Legal Implications

The comments from the Head of Legal Services were as follows:

The legislation, the Accounts and Audit Regulations (2015) and the Accounts and Audit (Amendment) Regulations 2022, sets out the timescales for the production of the Council's accounts, including the dates of the public inspection period. The Statement of Accounts must be published by that date or as soon as reasonably practicable after the receipt of the auditor's final findings.

Section 151 of the Local Government Act 1972 requires the Council to make arrangements for the proper administration of its financial affairs and to secure that one of its officers (the Deputy Chief Executive) has the responsibility for the administration of those affairs, which include responsibility for preparing the Council's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

The Statement of Accounts is that upon which the auditor should enter their certificate and opinion which is prepared under the Local Government Finance Act 2003.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

Not applicable.

8. Climate Change Implications

There are no Climate Change issues in relation to this report.

9. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

As there is no change to policy an equality impact assessment is not required.

11. Background Papers

Nil.

This page is intentionally left blank

Accounting Policies**(i) General Principles**

The Statement of Accounts summarises the authority's transactions for the 2025/26 financial year and its position at the year end of 31 March 2026. The authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting 2024/25 (the Code) supported by International Financial Reporting Standards (IFRS), International Accounting Standards and statutory guidance issued under section 12 of the Local Government Act 2003.

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

The Statement of Accounts has been prepared on a going concern basis. As required by IAS1, it has been assumed that the Council will continue in operation for the foreseeable future.

(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 their consumption they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

An exception to the above relates to electricity and other similar quarterly payments which are charged at the date of meter reading rather than being apportioned between financial years. This policy is consistently applied each year and therefore does not have a material effect on the year's accounts.

There is a minimum limit of £1,000 for any one accrual of service expenditure or income. However, discretion is allowed for lesser amounts to be accrued where budget managers consider such an amount to have a significant impact on their budget.

As regards private sector housing benefits, payments can relate to periods partly in advance and partly in arrears. The cut-off date applied to such payments is as near to the year end as possible and ensures consistency with the figures used to calculate government subsidy received on such payments.

Council housing rents become chargeable on the Monday of each week for the week ahead. Rent income is accounted for up to and including the last Monday in the financial year. This can therefore include an element relating to the following year for which no adjustment is made.

(iii) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

(iv) Prior Year Adjustments, Changes in Accounting Policies and Estimates and Errors

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effects 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 or council housing rents to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance. This is known as the Minimum Revenue Provision (MRP).

Depreciation, revaluation and impairment losses and amortisations are therefore reversed out of the General Fund (and the Housing Revenue Account (HRA)) and replaced by the MRP. This is completed with an adjusting transaction with the Capital Adjustment Account within the Movement in Reserves Statement for the difference between the two. This ensures that depreciation, revaluation and impairment losses and amortisations have no overall effect on council tax or housing rent levels.

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008, require local authorities to approve an MRP policy at the beginning of each financial year on setting aside a sum of money from revenue for the repayment of principal on outstanding debt. From 2012/13 onwards the Council has approved a policy such that, for capital expenditure incurred before 1 April 2008, the MRP is based on 4% of the authority's Capital Financing Requirement for the General Fund.

For General Fund capital expenditure incurred after 1 April 2008, the MRP is based upon the estimated life of those assets where the financing was provided by borrowing. The Council has also decided that no voluntary provision for the repayment of debt relating to the HRA should be made in 2024/25.

For finance leases held by the Council as a lessee the MRP charged is equivalent to the principal element of the lease payment.

(vi) 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 such benefits as salaries, paid annual leave and sick leave and are recognised as an expense for service in the year in which employees render service to the Council.

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 line in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to the termination of the employment of an officer or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund or Housing Revenue Account balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

Employees of the Council are members of the Local Government Pension Scheme, administered by Nottinghamshire County Council. The scheme is a defined benefit scheme in that it provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

The Local Government Pension Scheme

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

- The liabilities of the Nottinghamshire County Council Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees based on assumptions about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices using a discount rate that reflects the time value of money and the characteristics of the liability.

- The assets of the Nottinghamshire County Council Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:
 - Quoted securities – current bid price.
 - Unquoted securities – professional estimate
 - Unitised securities – current bid price
 - Property – market value

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

- Service cost comprising:
 - Current service cost – the increase in liabilities as a result of years of service earned this year (allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked).
 - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years (debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Resources).
 - Net interest on the net defined benefit liability or asset (i.e. the net interest expense for the Council) – the change during the period in the net defined liability or asset that arises from the passage of time charged to the Financing and Investment Income and Expenditure line in 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 or asset at the beginning of the period after taking into account any changes in the net defined benefit liability or asset during the period as a result of contribution and benefit payments.
- Re-measurements comprising:
 - The return on plan assets (excluding amounts included in net interest on the net defined benefit liability or 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.
 - The effect of the asset ceiling (limitation of the recognition of a surplus on the pension fund to be recognised to the extent that the organisation can gain economic benefit from that surplus) charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the Nottinghamshire County Council Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities (not accounted for as an expense).

In relation to retirement benefits, statutory provisions require the General Fund and Housing Revenue Account balance to be charged with the amount payable by the Council to the pension fund 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 any 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 and Housing Revenue Account 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 authority 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.

(vii) 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 is not adjusted to reflect such events but, where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

(viii) Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially assessed at fair value and are carried at amortised cost. Annual charges to the Financing and Investment income and expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

All borrowings shown in the Balance Sheet consist of the outstanding principal repayable plus accrued interest. Annual interest is charged to the Comprehensive Income and Expenditure Statement in accordance with the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment income and expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement or the Housing Revenue Account, regulations allow the impact on the General Fund and Housing Revenue Account Balance respectively to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement or the Housing Revenue Account to the net charge required against the General Fund or Housing Revenue Account Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Certain reserves are kept to manage the accounting processes for non-current fixed assets and retirement benefits and do not represent usable resources for the Council - these reserves are explained in the relevant policies below.

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. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss
- fair value through other comprehensive income

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest.

Financial Assets measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and

Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

All such assets held on the Balance Sheet consist of the outstanding principal receivable plus accrued interest. Annual interest is credited to the Comprehensive Income and Expenditure Statement in accordance with the loan agreement.

The Council has provided a number of “soft loans” to employees at less than market rates for the purchase of motor vehicles. These should be correctly shown in the Balance Sheet at fair value. However, the value of these loans is not considered to be material. Accordingly, the value as shown in the Balance Sheet represents the value of any loans made less any repayments that have been received.

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

Expected Credit Loss Model

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

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

Financial Assets measured at Fair Value through Profit or Loss

Financial assets measured at fair value through profit or loss are recognised on the balance sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they occur in the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.

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

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

The inputs to the measurement technique are categorised in accordance with the following:

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

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

Financial Assets measured at Fair Value through Other Comprehensive Income

Financial assets measured at fair value through other comprehensive income are recognised on the balance sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Annual income received from the financial instrument is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement when it becomes receivable by the authority.

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

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

The inputs to the measurement technique are categorised in accordance with the following:

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

The Council can elect to classify certain instruments as Fair Value through Other Comprehensive Income, dependent on the contractual arrangements for the instrument.

For an elected financial asset fair value gains and losses are recognised as they occur in Other Comprehensive Income within the Comprehensive Income and Expenditure Statement but are balanced by an entry in the Financial Instrument Revaluation Reserve. In all other circumstances the gain or loss is recognised in the Financing and Investment Income and Expenditure line on the Comprehensive Income and Expenditure Statement before being transferred to the Financial Instrument Revaluation Reserve via the Movement in Reserve Statement

On derecognition of an elected financial asset the balance on the Financial Instrument Revaluation Reserve is transferred to the General Fund via the Movement in Reserves Statement. In all other circumstances the balance on the Financial Instrument Revaluation Reserve is transferred to the Financing and Investment Income and Expenditure line within the Comprehensive Income and Expenditure Statement.

(ix) Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired by using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

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

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

(x) Heritage Assets

The Council's Heritage Assets are held for their historical and artistic significance and comprise:

- DH Lawrence Birthplace Museum building.
- DH Lawrence Museum Collection, made up of 129 pieces of art, ornaments and other objects of artistic, historic and cultural value.

- A painting by Dr Ala Bashir, a respected sculptor and painter, of DH Lawrence which is linked to his most famous novel, Lady Chatterley's Lover. The painting was donated to the Council in 2008.

The museum building is recognised and measured (including the treatment of depreciation and revaluation gains and losses) in accordance with the Authority's accounting rules on property, plant and equipment.

The museum collection and painting are valued periodically, in line with the Code, by a council officer with the appropriate knowledge and skill to determine the value of the items held.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment. For example, this may be where the asset 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.

(xi) Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the authority 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.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase. Research expenditure cannot be capitalised.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Intangible assets are measured initially at cost. Thereafter they are carried at cost less accumulated depreciation and any accumulated impairment loss. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

An asset is tested for impairment whenever there is an indication that the asset might be impaired. Any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

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

(xii) Interests in Companies and Other Entities

The authority has material interests in companies and other entities that have the nature of subsidiaries, associates and jointly controlled entities and require it to prepare group accounts. Liberty Leisure Limited is a wholly owned subsidiary of the authority which manages the provision of leisure services and its accounts are consolidated with the authority's in accordance with IAS27.

(xiii) Inventories and Long Term Contracts

Inventories are included in the Balance Sheet at cost. Whilst the Code of Practice on Local Authority Accounting requires inventories to be shown at the lower of cost and net realisable value, a departure from this is permitted under IFRS due to:

- the value of inventories not being considered to be material.
- the cost of analysing inventories between cost and net realisable value outweighing the value to the user of the accounts.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

(xiv) Jointly Controlled Operations and Jointly Controlled Assets

Jointly controlled operations are activities undertaken by the Council in conjunction with other venturers that involve the use of assets and resources of the venturers rather than the establishment of a separate entity. The Council recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity.

Jointly controlled assets are items of property, plant and equipment that are jointly controlled by the Council and other venturers, with the assets being used to obtain benefits for the venturers. The joint venture does not involve the establishment of a separate entity. The Council accounts for only its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

(xv) Leases**The Council as Lessee**

The authority classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date of 1 April 2024, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the PWLB annuity rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date.
- amounts expected to be payable under a residual value guarantee.
- the exercise price under a purchase option that the authority is reasonably certain to exercise Governance, Audit and Standards Committee 17 March 2025.
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option.
- penalties for early termination of a lease, unless the authority is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received. However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The authority considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions.

- leases with terms of more than five years that do not have any provision for rent reviews.
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties. The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption. The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate.
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee.
- the authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code, the authority excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise).

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed. Depreciation and impairments are not charges against council tax, as the cost of non-current 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.

The Council as Lessor

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.

Finance Leases

Where the authority grants a finance 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 authority'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 (ie 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 non-current 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 authority 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 or where this is initiated by a service to the individual service, even if this does not match the pattern of payments (eg 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.

(xvi) Overhead and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice (SerCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the authority's status as a multi-functional, democratic organisation.
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early.

These two cost categories are defined in the Service Reporting Code of Practice but are accounted for under Resources in the Comprehensive Income and Expenditure Statement.

(xvii) 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. 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.

In addition, expenditure needs to be above the Council's de-minimis level of £10,000 before it can be recognised as capital. Any spend below this limit is charged to revenue.

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

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

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund 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, community assets and assets under construction – depreciated historical cost.
- Dwellings - fair value, determined using the basis of existing use value for social housing (EUV-SH)
- All other assets – fair 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 fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Where non-property assets that have short useful lives or low values (or both) are involved, depreciated historical cost basis is used as a proxy for fair value.

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment. Where authorities do not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, authorities revalue their assets every five years, with annual indexation applied to assets during the four intervening years. Assets held at Depreciated

Historical Cost and those with 'short lives' are excluded (along with other exceptions). For Broxtowe, all assets included in the 'Other Land and Buildings' (OLB) classification are subject to the annual indexation exercise. Given that Broxtowe's OLB assets are valued using a variety of methods (as directed by CIPFA and the RICS due to the varying ways in which these assets are utilised), it may be necessary to identify a number of different indexes to perform this exercise.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. (Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from a reversal of a loss previously charged to a service).

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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

Depreciation is calculated on the following bases:

<u>Asset</u>	<u>Depreciation Method</u>	<u>Useful Life in Years</u>
Council Dwellings (Non components)	Straight line	80
Council Dwellings (Components)	Straight line	15-40
Council Offices	Straight line	60
Pavilions and Cemetery Chapels	Straight line	30
Other Buildings	Straight line	40
Vehicles, Plant, Furniture and Equipment	Straight line	5
Infrastructure	Straight line	40
Specialist Vehicles	Straight line but with additional charge in year following acquisition	5
Land	No depreciation charged	
Assets Under Construction	No depreciation charged	
Assets Held for Sale	No depreciation charged	

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. This applies particularly in respect of council house dwellings.

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

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any 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 the disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

If part of an asset is replaced with a similar identifiable component, the carrying amount of the replaced or restored component is derecognised with the carrying amount of the new component being recognised. Any gain or loss arising from this process is credited or debited to the Comprehensive Income and Expenditure Statement as appropriate.

With regards to the de-recognition of infrastructure assets or components of an asset, typically infrastructure assets/components are de-recognised when an asset/component is replaced. In these circumstances the Council will be utilising the Statutory Provision 'The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 SI 1232/2022'. The Council will derecognise infrastructure assets/component at £nil value (i.e. fully depreciated). The exception to this is where an infrastructure asset/component is disposed of via a means other than replacement expenditure (e.g. the sale of an asset). In this case the accounting methods for disposal as set out above will be followed.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The Council has committed to a government scheme whereby, as from 2012/13, housing capital receipts from right to buy sales can only be used towards new affordable council housing, and within five years of their receipt, otherwise they become payable to the government. The balance of receipts held is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment on council housing or set aside to reduce the 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 or housing rents, 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.

(xviii) 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 as 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.

A provision exists in relation to outstanding insurance claims, based upon information supplied by the Council's insurers. All insurance claims transactions during the course of the year are passed through the provision with the appropriate charge being made against the service lines within the Comprehensive Income and Expenditure Statement.

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 obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

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

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

(xix) 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 or Housing Revenue Account balance in the Movement in Reserves Statement. 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 appropriated back into the General Fund or Housing Revenue Account balance in the Movement in Reserves Statement so that there is no net charge against council tax or housing rents for the expenditure.

(xx) Revenue Expenditure Funded from Capital under Statute

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

(xxi) VAT

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

(xxii) Collection Fund

Billing authorities are required to maintain a separate fund for the collection and distribution of amounts due in respect of council tax and non-domestic rates. The Council acts as an agent, collecting and distributing council tax and business rates income on behalf of the major precepting authorities and central government as well as itself.

The difference between the income collected in the Comprehensive Income and Expenditure Statement and the amount by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Authority's share of year end balances in respect of Council Tax and Non-Domestic Rates relating to arrears, impairment allowances for doubtful debts and overpayments and prepayments and appeals.

Non-Domestic Rates amounts are collected on behalf of the other partners of Central Government, Nottinghamshire County Council and Nottinghamshire Fire Authority.

Council Tax amounts are collected on behalf of the other preceptors of Nottinghamshire County Council, Nottinghamshire Police Authority and Nottinghamshire Fire Authority.

As the Collection Fun is conducted on an agency basis, there is a debtor or creditor position between the Council and the major precepting authorities and central government.

This page is intentionally left blank

Report of the Interim Deputy Chief Executive and Section 151 Officer

Statement of Accounts 2025/26 - Underlying Pension Assumptions

1. Purpose of Report

To provide Members with information regarding the assumptions made by the Pension Fund Actuary in calculating the IAS19 figures to be reported in the 2025/26 Statement of Accounts.

2. Recommendation

The Committee is asked to NOTE the assumptions to be used in the calculation of pension figures for 2025/26

3. Detail

IAS19 (International Accounting Standard 19 – Employee Benefits) is one of the financial reporting standards with which the Council must comply when producing its annual Statement of Accounts. The basic requirement of IAS19 is that an organisation should account for retirement benefits when it is committed to give them, irrespective of when they are paid out.

In order to calculate the cost of earned benefits for inclusion in the Statement of Accounts, the scheme actuaries use certain assumptions to reflect expected future events which may affect the cost. The assumptions used should lead to the best estimate of the future cash flows that will arise under the scheme liabilities. Any assumptions that are affected by economic conditions should reflect market expectations at the balance sheet date. The proposed assumptions for 2025/26 are shown in the **Appendix**.

The Council will use the calculated costs and underlying assumptions based upon the advice of the actuary of the Nottinghamshire County Council Pension Fund, Barnett Waddingham, and the administering authority (Nottinghamshire County Council) in preparing the annual Statement of Accounts. A formal actuarial valuation is carried out every three years, the latest being dated 31 March 2023. This covers the financial years 2023/24, 2024/25 and 2025/26. The Actuary's report for 2025/26 is expected to be finalised on or before 31 March 2026.

All the figures relating to IAS19 are simply accounting adjustments made to comply with accounting standards and have no direct impact on resources. The amount charged to the General Fund is the actual amount paid out in employers' contributions and not the charge calculated in accordance with IAS19.

There is an expectation that the Pension Fund for 2025/26 will be showing a surplus. If this should be the case, the asset shown in the balance sheet will be an estimate based on assumptions and would only ever become receivable if the Council ceased to be a going concern.

4. Financial Implications

The comments from the Interim Deputy Chief Executive and Section 151 Officer were as follows:

There are no direct financial implications arising from this report, with estimated pensions costs already included within the establishment budgets.

5. Legal Implications

The comments from the Head of Legal Services were as follows:

The legislation, the Accounts and Audit Regulations (2015) and the Accounts and Audit (Amendment) Regulations 2022, sets out the timescales for the production of the Council's accounts, including the dates of the public inspection period. The Statement of Accounts must be published by that date or as soon as reasonably practicable after the receipt of the auditor's final findings.

Section 151 of the Local Government Act 1972 requires the Council to make arrangements for the proper administration of its financial affairs and to secure that one of its officers (the Deputy Chief Executive) has the responsibility for the administration of those affairs, which include responsibility for preparing the Council's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

The Statement of Accounts is that upon which the auditor should enter his certificate and opinion which is prepared under the Local Government Finance Act 2003.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

Not applicable.

8. Climate Change Implications

There are no Climate Change issues in relation to this report.

9. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

As there is no change to policy an equality impact assessment is not required.

11. Background Papers

Nil.

This page is intentionally left blank

Appendix

Financial Assumptions

The key financial assumptions required for determining the defined benefit obligation for accounting are the discount rate, linked to high quality corporate bond yields, and the rate of future inflation.

The discount rate allows for the effect of inflation on the liabilities in the scheme and the rate of future inflation determines the rate at which pension benefits increase. Pension increases in the Pension Fund are expected to be based on the Consumer Price Index (CPI)

The impact of a change in the rate assumptions compared with the previous accounting date will vary by employer depending on their own unique cashflow profile. The Council is considered to have a “mature” cashflow profile as the liability duration is 20 years at the accounting date.

Comparative rates are shown below:

	2025/26	2024/25	Estimated Impact of Change on Liabilities
Discount Rate	5.40% to 5.80%	5.60% to 5.85%	Increase of 1% to 2%
Pension Increase Rate (CPI)	2.50% to 2.70%	2.85% to 2.95%	Decrease of 3% to 5%
Overall			Decrease of 2% to 4%

Additionally, an assumption is made regarding the increase in salary for the employer. This increase is in line with the latest actuarial valuation.

Demographic Assumptions

The key demographic assumption is the mortality assumption and there are two main steps in setting this assumption.

- Current assumption based on best estimate assumptions as adopted in the 2025 actuarial valuation.
- Future assumption from a model prepared by the Continuous Mortality Investigation Bureau (CMI) which is updated on an annual basis.

Other democratic assumptions are:

- Commutation whereby members will exchange pension to get 50% of the maximum cash available on retirement.
- Normal retirement whereby members will retire at one retirement age for all tranches of benefit.

- A 50/50 take up where the proportion of the membership that has taken up the 50/50 option at the previous valuation date will remain the same.

Impact in the Financial Statements

Assumption	Movement	Impact
Discount Rate	Decrease	Worsen the balance sheet position
	Increase	Improve the balance sheet position
Pension Increase Rate	Decrease	Improve the balance sheet position
	Increase	Worsen the balance sheet position
Mortality Rate	Decrease	Improve the balance sheet position
	Increase	Worsen the balance sheet position
Salary Increase Rate	Decrease	Improve the balance sheet position
	Increase	Worsen the balance sheet position

Other Considerations

Goodwin case

The Goodwin case highlighted discriminatory practices in survivor pensions for same-sex spouses and civil partners, and as such the government proposes amendments to align LGPS regulations with principles of equality. Employers may see an increase to their LGPS defined benefit obligations resulting from any backdated benefit awards to members. The value of these possible payments is uncertain, because of the historical nature of these benefit awards to members. The overall costs are not anticipated to be significant, and it is, therefore, expected that any such awards will not be material to an average LGPS employer.

Impact of Lloyds Judgement

The Lloyds Banking Group court case involved a ruling that, in cases where a member exercised their right to a transfer value out of the scheme, the trustee had the duty to make a transfer payment that reflects the member's right to equalised benefits and remains liable if an inadequate transfer payment had been paid. It is not yet known if, or how, this will affect the Local Government Pension Scheme.

Virgin Media case

Where the rules of a contracted-out defined benefit scheme were amended, the Scheme Actuary would provide a 'section 37' confirmation that the scheme continues to meet the contracting-out requirements. The original court case in June 2023 decided that certain rule amendments were invalid in absence of the actuarial certification (potentially including cases where such a confirmation cannot now be located).

On 18 September 2025, the government published proposed amendments to the Pension Schemes Bill that would allow retrospective actuarial validation to confirm whether historic changes to contracted-out benefits complied with statutory requirements. For the LGPS, the Scheme Actuary is the Government Actuary's Department (GAD). It is understood that GAD were reviewing historic amendments to the LGPS in this context and the Scheme Advisory Board were liaising with GAD on whether the relevant certificates were available for past scheme changes.

This page is intentionally left blank

Report of the Interim Deputy Chief Executive and Section 151 Officer

Liberty Leisure Limited – External Audit Arrangements 2025/26

1. Purpose of Report

To provide Members with details of the exemption of Liberty Leisure Limited from the requirement of an external audit for 2025/26.

2. Recommendation

The Committee is asked to RESOLVE that Liberty Leisure Limited be exempt from requiring an external audit for 2025/26 in accordance with Part 16 Section 479 of the Companies Act 2006.

3. Detail

Liberty Leisure Limited is a company limited by guarantee and is wholly owned by Broxtowe Borough Council. Its objectives include the provision of leisure and sports services for the benefit of the public. The company was incorporated on 12 April 2016 and commenced trading on 1 October 2016.

Liberty Leisure Limited produce accounts with a year-end date of 31 March. It is assisted in this by TC Group Business Advisors and Accountants based in Stapleford who ensure that the company's accounts are filed at Companies House in accordance with the Companies Act 2006.

The accounts of Liberty Leisure Limited must be subject to an audit due to the company being a subsidiary of an entity (i.e. the Council) that does require an audit. Although the company has a turnover of around £2.9 million, it does not meet the small companies' exemption criteria as set out in the Companies Act 2006 due to its relationship with the Council.

It is possible, however, to obtain a specific audit exemption for Liberty Leisure Limited under section 479 of the Companies Act 2006 by obtaining a guarantee from the parent (i.e. the Council). Further details are set out in the Appendix. In this scenario, the Council would have to prepare Group Accounts in its Statement of Accounts 2025/26. As the Council's external auditors (Forvis Mazars) would not be able to rely on audited accounts for Liberty Leisure Limited, they would need to carry out additional work on both the Group and the transactions of the company. The guarantee would not impose any additional risk upon the Council above that it already has with Liberty Leisure.

4. Financial Implications

The comments from the Interim Chief Executive and Section 151 Officer were as follows:

The auditors will charge an additional fee over and above the fee for the external audit work undertaken on the Council's 2025/26 accounts. The additional cost will be met by the Council and has been included within the revenue budgets.

5. Legal Implications

The comments from the Head of Legal Services were as follows:

The legislation, the Accounts and Audit Regulations (2015) and the Accounts and Audit (Amendment) Regulations 2022, sets out the timescales for the production of the Council's accounts, including the dates of the public inspection period. The Statement of Accounts must be published by that date or as soon as reasonably practicable after the receipt of the auditor's final findings.

Section 151 of the Local Government Act 1972 requires the Council to make arrangements for the proper administration of its financial affairs and to secure that one of its Officers (the Deputy Chief Executive and Section 151 Officer) has the responsibility for the administration of those affairs, which include responsibility for preparing the Council's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

The Statement of Accounts is that upon which the auditor should enter his certificate and opinion which is prepared under the Local Government Finance Act 2003.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

Not applicable.

8. Climate Change Implications

There are no Climate Change issues in relation to this report.

9. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

As there is no change to policy an equality impact assessment is not required.

11. Background Papers

Nil.

Appendix

**Audit Exemption under the Companies Act 2006 Part 16, Section 479a
Subsidiary Companies**

The Companies Act 2006 Part 16, Section 479A(1) states that “a company is exempt from the requirements of this Act relating to the audit of individual accounts for a financial year if – (a) it is itself a subsidiary undertaking, and (b) its parent undertaking is established under the law of any part of the United Kingdom.”

Furthermore, Section 479A(2) states “exemption is conditional upon compliance with all of the following conditions:

- (a) all members of the company must agree to the exemption in respect of the financial year in question;
- (b) the parent undertaking must give a guarantee under section 479C [below] in respect of that year;
- (c) the company must be included in the consolidated accounts drawn up for that year or to an earlier date in that year by the parent undertaking in accordance with:
 - (i) if the undertaking is a company, the requirements of Part 15 of this Act, or, if the undertaking is not a company, the legal requirements which apply to the drawing up of consolidated accounts for that undertaking, or
 - (ii) UK-adopted international accounting standards (within the meaning given by section 474(1))
- (d) the parent undertaking must disclose in the notes to the consolidated accounts that the company is exempt from the requirements of this Act relating to the audit of individual accounts by virtue of this section, and
- (e) the directors of the company must deliver to the registrar on or before the date that they file the accounts for that year:
 - (i) a written notice of the agreement referred to in subsection (2)(a),
 - (ii) the statement referred to in section 479C(1) [below],
 - (iii) a copy of the consolidated accounts referred to in subsection (2)(c),
 - (iv) a copy of the auditor’s report on those accounts, and
 - (v) a copy of the consolidated annual report drawn up by the parent undertaking.”

The Companies Act 2006 Part 16, Section 479C(1) states that “a guarantee is given by a parent undertaking under this section when the directors of the subsidiary company deliver to the registrar a statement by the parent undertaking that it guarantees the subsidiary company under this section” and Section 479C(2) details that “the statement under subsection (1) must be authenticated by the parent undertaking and must specify:

- (a) the name of the parent undertaking,
- (b) the registered number (if any) of the parent undertaking
- (c)
- (d) the name and registered number of the subsidiary company in respect of which the guarantee is being given,
- (e) the date of the statement, and
- (f) the financial year to which the guarantee relates.”

Companies Act 2006 Part 16, Section 479C(3) states that “a guarantee given under this section has the effect that:

- (a) the parent undertaking guarantees all outstanding liabilities to which the subsidiary company is subject at the end of the financial year to which the guarantee relates, until they are satisfied in full, and
- (b) the guarantee is enforceable against the parent undertaking by any person to whom the subsidiary company is liable in respect of those liabilities.”

Report of the Chief Audit and Control Officer

Internal Audit Plan 2026/27

1. Purpose of Report

To approve the Internal Audit Plan for 2026/27.

2. Recommendation

The Committee is asked to RESOLVE that the Internal Audit Plan for 2026/27 be approved.

3. Detail

The *Global Internal Audit Standards* and the *Application note: Global Internal Audit Standards in the UK Public Sector*, published by the Institute of Internal Auditors (IIA) and the Chartered Institute of Public Finance and Accountancy (CIPFA) respectively ('the Standards'), require the Chief Audit and Control Officer, as the Council's designated 'chief audit executive', to prepare an annual risk-based audit plan.

The Internal Audit Plan governs the activity for the year. An audit report is produced at the completion of each assignment with recommendations for improvement. Regular progress reports covering all internal audit activities are submitted to this Committee for scrutiny. The Committee can request further audit reviews to be undertaken and can request other Committees to investigate matters arising from any activities within their remit.

The proposed Internal Audit Plan for 2026/27 is included in the **Appendix** for consideration. The plan has been prepared in accordance with the principles of the Internal Audit Charter. The plan has recognised the Council's priorities as outlined in the Corporate Plan and links closely to the corporate risk management and business planning processes having been prepared with due consideration to the identified strategic risks. The Chief Audit and Control Officer has also considered the valuable input from individual members of the General Management Team, Assistant Directors and Heads of Service regarding key risks and sources of assurance.

4. Financial Implications

The comments from the Interim Deputy Chief Executive and Section 151 Officer were as follows:

The work of Internal Audit continues to provide crucial and independent assurance to Management and Members over the key aspects of the Council's

governance, risk management and internal control arrangements. The cost of Internal Audit is included within the established Finance Services budgets.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

This report already sets out the legal framework for Internal Audit to provide a summary of internal audit work. It addresses the statutory obligations for local audit processes. The Local Government Act 1972 and subsequent legislation sets out a duty for the Council to make arrangements for the proper administration of its financial affairs. This report also complies with the requirements of the following:

- Local Government Act 1972
- Accounts and Audit Regulations 2015
- CIPFA/IIA: Public Sector Internal Audit Standards (PSIAS)
- CIPFA/IIA: Local Government Application Note for the UK PSIAS 33.

The provision of an Internal Audit service is integral to financial management at the Council and assists in the discharge of its duties.

6. Human Resources Implications

Not applicable.

7. Union Comments

Not applicable.

8. Climate Change Implications

No climate change implications have been identified in relation to this report.

9. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

As there is no change to policy / a new policy an equality impact assessment is not required.

11. Background Papers

Nil.

Appendix

Internal Audit Plan 2026/27

1. Introduction**1.1 Background**

The Internal Audit Plan sets out the proposed coverage for Internal Audit work in 2026/27. The mandate for the plan is primarily derived from the *Global Internal Audit Standards* and the *Application note: Global Internal Audit Standards in the UK Public Sector*, published by the Institute of Internal Auditors (IIA) and the Chartered Institute of Public Finance and Accountancy (CIPFA) respectively ('the Standards').

The Standards require the periodic preparation of a risk-based plan, which must be linked to a strategic high-level statement of how the service will be delivered and developed in accordance with the Internal Audit Charter and how this links to the Council's objectives and priorities.

The core work of Internal Audit is derived from the statutory responsibility in the Accounts and Audit Regulations 2015 that requires the Council to "undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance". The Standards constitute proper practices so as to satisfy the requirements for larger relevant bodies as set out in the Regulations.

The Governance, Audit and Standards Committee (the designated 'audit board') should review and assess the annual internal audit work plan, although the development of the risk-based plan remains the responsibility of the Chief Audit and Control Officer after consultation with senior management and the Committee.

1.2 Internal Audit Charter

Internal Audit will govern itself by adhering to the Standards and supplementary guidance issued and endorsed by the IIA and CIPFA along with the Council's relevant policies and procedures and the internal audit manual. Material non-conformance with the Standards shall be reported to the Interim Deputy Chief Executive and Section 151 Officer and the Governance, Audit and Standards Committee.

1.3 Aims of the Plan

Internal Audit activity is planned at all levels of operation in order to establish priorities, achieve objectives and ensure the efficient and effective use of audit resources. The Internal Audit Plan will support an opinion based on an assessment of the design and operation of the internal control environment

and the adequacy and effectiveness of controls noted from risk-based audit assignments carried out during the year. The aim of the plan is to:

- Deliver a risk-based audit programme through a detailed risk assessment of systems and services across the Council
- Be proactive in looking at what risks the Council is facing and trying to minimise the impact of these risks through audit work
- Add value by providing practical, value-added recommendations in areas of significant risk and by working with senior management in attempting to save resources and enhance controls wherever possible
- Provide assurance to senior management and the Governance, Audit and Standards Committee.

1.4 Developing the Plan

The Internal Audit Plan is designed to support the Chief Audit and Control Officer's annual opinion on the overall adequacy and effectiveness of the control environment. The required basis for forming this opinion is:

- An assessment of the design and operation of the overall internal control environment, governance and risk management arrangements
- An assessment of the adequacy and effectiveness of controls, based upon the results of the risk-based audit assignments that are reported during the course of year.

It follows that an effective risk-based audit plan should focus resources into areas of principal risk. The plan has been prepared in accordance with the requirements of the Internal Audit Charter and has been informed by:

- A review of the risks contained within the Strategic Risk Register, Horizon Scanning documents and Business Plans;
- Consideration of progress made with the actions generated by the Annual Governance Statement process;
- Consultation with Chief Officers and other senior managers to identify key auditable areas based on an assessment of corporate priorities and current and anticipated future issues and risks; and
- An understanding of the challenges to the Council to deliver its objectives within legislation and the current environment.

Based on the foregoing, the Chief Audit and Control Officer prioritises audit work for inclusion within the Internal Audit Plan as follows:

- High Priority – audits of areas where there exists significant current or ongoing risk to the Council and/or a satisfactory audit review has not been completed in the previous 12-18 months.

- Medium Priority – audits of areas where there exists moderate current or ongoing risk to the Council and/or a satisfactory audit review has not been recently (approximately 3 years) completed.
- Low Priority – audits of areas where there exists low current or ongoing risk to the Council and/or a satisfactory audit review has been recently completed.

The allocations set out in the plan for each review will include time spent on researching and preparing the audit programme, terms of reference, completing site work, testing and the drafting and reviewing of the audit report. The timings assume that the expected key controls are in place and working effectively. Further substantive testing may be required should an assessment of key controls provide limited assurance and additional time may be required to carry out such testing.

The Internal Audit Plan will be regularly reviewed. If additional risks are identified and/or there are changes to priorities during the year, the plan will be reconsidered in conjunction with the Interim Deputy Chief Executive and Section 151 Officer. Any significant changes to the plan will be reported back to the Governance, Audit and Standards Committee for approval.

1.5 Resourcing the Plan

The net resources available in 2026/27 are 335 audit days.

The amount of assurance work proposed is set at 235 days. This is at a slightly higher level to the planned assurance work that was delivered in 2025/26, taking into account the anticipated completion of an apprenticeship one Senior Internal Auditor is currently undertaking.

A further 10 days will be provided to support the Council and its wholly owned leisure company, Liberty Leisure Limited, with assurance work primarily relating to operations across the company's three sites.

In addition, the plan includes 40 days for corporate fraud and corruption prevention activity. The Council's approach to fraud and corruption establishes that Internal Audit takes a prominent role in leading and co-ordinating anti-fraud and corruption activities. Internal Audit will be supported in this by engaging specialist fraud investigation services as necessary from local authority partners.

Finally, 50 days are allocated towards other audit-related work including follow-up activity, financial appraisals of potential contractors, tenants and similar entities, consultancy work and provision for special investigations as they arise.

1.6 Reporting and Relationships

The Internal Audit Charter establishes the reporting and relationships, including the reporting arrangements for individual assignments and for the periodic reporting of activities to the Governance, Audit and Standards Committee. The relationships with elected Members; Chief Officers and Senior Management Team; the external auditors; and other assurance providers are also determined in the Charter.

In accordance with the Standards, the Chief Audit and Control Officer will deliver a formal assessment of the design and operation of the overall internal control environment, governance and risk management arrangements and an opinion on the adequacy and effectiveness of controls, based upon the results of the risk-based audit assignments reported during the year. This opinion will be formally recorded in the Internal Audit Annual Review Report to be presented to the Governance, Audit and Standards Committee.

Internal Audit will bring to the attention of the Interim Deputy Chief Executive and Section 151 Officer and the Committee any significant internal control issues that it feels should be declared in the Council's Annual Governance Statement.

1.7 Performance Monitoring

The work of Internal Audit is regularly reviewed to provide assurance that it complies with the Standards, conforms to other relevant professional standards and meets the requirements of the Internal Audit Charter.

Service delivery will be monitored as part of a quality assurance and improvement programme. This will include the regular reporting of progress to the Governance, Audit and Standards Committee, self-assessment and external quality assessment against the Standards and assessment of client feedback.

2. Summary of Audit Day Allocations

The following table summarises the allocation of days to each department.

	<u>Audit Days</u>
Interim Chief Executive's Department	
- Communities	8
- Environment	18
- Housing	66
- Human Resources	8
- ICT and Corporate Services	8
- Payroll	8
- Planning and Economic Development	5
- Public Protection	26
- Corporate	10
Interim Deputy Chief Executive's Department	
- Asset Management and Development	18
- Finance Services	17
- Revenues, Benefits and Customer Services	30
Monitoring Officer's Department	
- Democratic Services	13
Assurance Work	<u>235</u>
Liberty Leisure Limited	10
Corporate Counter Fraud Activities	40
Other (including follow-up work, financial appraisals, consultancy and provision for special investigations)	50
Net Audit Days	<u>335</u>

3. Detailed Internal Audit Plan

The following tables provide a breakdown of the audits planned for 2026/27.

Interim Chief Executive's Department	Priority	Days
Communities		
Community Engagement	Medium	8
Environment		
Waste Management (Trade and Residual)	Medium	8
Transport and Fleet Management	Medium	10
Housing		
Rents	High	10
Lettings	High	10
Shared Ownership	Medium	8
Tenancy Records Management	High	10
Fire Risk Management	High	10
Asbestos Risk Management	High	10
Tenancy Sustainment	Medium	8
Human Resources		
Human Resources	High	8
ICT and Corporate Services		
Business Support (Invoicing)	Medium	8
Payroll		
Payroll	High	8
Planning and Economic Development		
Planning Income	Medium	5
Public Protection		
Licensing	Medium	8
Environmental Health	Medium	10
Public Sector Housing Enforcement	Medium	8
Corporate		
Corporate Governance	High	2
Major Projects Dashboard	High	8
Total Interim Chief Executive's Department		157

Interim Deputy Chief Executive's Department	Priority	Days
Asset Management and Development		
Housing Acquisitions	High	10
Commercial Property Income	High	8
Finance Services		
Creditors and Purchasing	High	10
Treasury Management	Medium	5
Key Reconciliations	Medium	2
Revenues, Benefits and Customer Services		
Benefits	High	10
NNDR (Business Rates)	High	10
Council Tax	High	10
Total Interim Deputy Chief Executive's Department		65
Monitoring Officer's Department		
Democratic Services		
Complaints Reporting and Responses	Medium	8
Process Improvement Follow-Up	Medium	5
Total Monitoring Officer's Department		13
Liberty Leisure Limited		
Leisure Centre Operations		
Leisure Centre Operations	High	10
Total Liberty Leisure Limited		10

This page is intentionally left blank

Report of the Chief Audit and Control Officer

Internal Audit Progress Report

1. Purpose of Report

To inform the Committee of the recent work completed by Internal Audit.

2. Recommendation

The Committee is asked to NOTE the report.

3. Detail

Under the Council's Constitution and as part of the overall corporate governance arrangements, this Committee is responsible for monitoring the performance of Internal Audit. A summary of the reports issued and progress against the agreed Internal Audit Plan is included at **Appendix 1**. A summary narrative of the work completed by Internal Audit since the previous report to this Committee is also included.

Internal Audit has also reviewed progress made by management in implementing agreed actions within six months of the completion of the respective audits. Details of this follow-up work are included at **Appendix 2**. Where agreed actions to address significant internal control weaknesses have not been implemented this may have implications for the Council. A key role of the Committee is to review the outcome of audit work and oversee the prompt implementation of agreed actions to help ensure that risks are adequately managed.

Further progress reports will be submitted to each future meeting of this Committee. A final report detailing the overall performance of Internal Audit for 2025/26 will be presented to this Committee in July 2026.

4. Financial Implications

The comments from the Interim Deputy Chief Executive and Section 151 Officer were as follows:

The work of Internal Audit continues to provide crucial and independent assurance to management and Members over the key aspects of the Council's governance, risk management and internal control arrangements. The cost of Internal Audit is included within the established Finance Services budgets.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

This report already sets out the legal framework for Internal Audit to provide a summary of Internal Audit work. It addresses the statutory obligations for local audit processes. The Local Government Act 1972 and subsequent legislation sets out a duty for the Council to make arrangements for the proper administration of its financial affairs. This report also complies with the requirements of the following:

- Local Government Act 1972
- Accounts and Audit Regulations 2015
- CIPFA/IIA: Public Sector Internal Audit Standards (PSIAS)
- CIPFA/IIA: Local Government Application Note for the UK PSIAS 33.

The provision of an Internal Audit service is integral to financial management at the Council and assists in the discharge of its duties.

6. Human Resources Implications

Not applicable.

7. Union Comments

Not applicable.

8. Climate Change Implications

No climate change implications have been identified in relation to this report.

9. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

As there is no change to policy an equality impact assessment is not required.

11. Background Papers

Nil.

Appendix 1

Internal Audit Reports

The following table summarises the audit assignments and similar work completed by Internal Audit since the last meeting of this Committee.

Audit Title	Report Issued	Assurance Opinion	Actions (High Priority)	Actions (Other)
Licensing	13/11/25	Reasonable	-	-
Payroll	26/11/25	Substantial	-	2
Financial Appraisal – Capital Works	11/12/25	Advisory Report Only		
Kimberley Depot – Compliance	06/01/26	Reasonable	-	2
Audio-Visual Equipment Review	08/01/26	Advisory Report Only		
Housing Disrepair Claims	15/01/26	Substantial	-	1
Benefits	15/01/26	Substantial	-	1
Financial Appraisal – Capital Works	12/02/26	Advisory Report Only		
Committee Management System	16/02/26	Reasonable	-	1
NNDR (Business Rates)	20/02/26	Substantial	-	-
Human Resources	25/02/26	Substantial	-	-
Creditors and Purchasing	26/02/26	Substantial	-	-
Rents	02/03/26	Substantial	-	1
Capital Works	At the time of writing, it is anticipated that these audits will be completed (or substantially completed) by the date of this meeting. A verbal update will be provided by the Chief Audit and Control Officer at this meeting.			
Information Management				
Bramcote Leisure Centre – Governance Review				
Income Receiving System				

Remaining Internal Audit Plan 2025/26

Audit Title	Progress
Hickings Lane Pavilion	In Progress
Fire Risk Management (Housing)	Deferred to 2026/27*
Housing Lettings	Deferred to 2026/27*
Surveillance	Deferred to 2026/27*

*At the request of the relevant Assistant Director, this audit has been deferred into 2026/27. The audit time released by this deferral has been / will be utilised to make an early start on the Internal Audit Plan for 2026/27, presented to this Committee alongside this report.

Completed Audits

A report is prepared for each audit assignment and issued to the relevant senior management at the conclusion of a review that will:

- include an overall opinion on the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the specific identified key risks relating to the area under audit. This opinion is categorised as either ‘Substantial’, ‘Reasonable’, ‘Limited’ or ‘No’ assurance;
- identify inadequately addressed risks and ineffective control processes;
- detail the actions agreed with management and the timescales for completing those actions; and
- identify issues of good practice.

Recommendations made by Internal Audit are prioritised, with the agreed actions being categorised accordingly as follows:

- High Priority – Action considered necessary to avoid unmitigated exposure to significant risks
- Medium Priority – Action considered necessary to avoid unmitigated exposure to other key risks
- Best Practice – Action recommended in order to improve existing procedures and other systems of internal control

The following audit reports have been issued with key findings as follows:

1. **Licensing** **Assurance Opinion – Reasonable**

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risks:

- Licenses are granted without the appropriate legal and regulatory requirements being met.
- Unlicensed activity within the Borough is neither detected nor appropriately managed.
- License conditions are inadequately enforced.
- Incorrect fees and charges are applied to license applications and renewals.
- Income collection for license fees and charges is inadequately managed.

Internal Audit was pleased to report that no significant issues were identified in the course of this review. A small number of potential improvements in internal control or other risk mitigation measures in relation to the specific key risks addressed as part of the audit were noted. It was, however, further noted that the management and administration of Licensing is currently in a transitional period, with a number of new systems and processes being introduced which should address these matters and further enhance internal control in other

areas also. Accordingly, as agreed with the Head of Environmental Health, Licensing and Private Sector Housing, no specific recommendations were made in the present report, with a fresh audit of Licensing agreed for inclusion in the Internal Audit Plan for 2026/27.

2. **Payroll** **Assurance Opinion – Substantial**

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risks:

- Payments may be made to persons not currently employed by the Council or Liberty Leisure Limited.
- Payments may not be calculated accurately.
- Manual input and interventions to the payroll system may not be appropriately reviewed and authorised.

Internal Audit was pleased to report that no significant issues were identified in the course of this review with two recommendations (both 'medium priority') relating to the update of the listing of authorised signatories and the recovery of loans from former employees being proposed to and agreed with management.

3. **Financial Appraisals** **Advisory Reports Only**

Internal Audit is frequently requested to provide financial appraisals of companies, non-incorporated businesses and other organisations as part of the Council's 'due diligence' processes prior to the commencement of any commercial or similar relationship with the organisation in question. For each appraisal, Internal Audit provides a confidential report which summarises the results of a review of information provided by the organisation, information provided by third-party organisations (such as credit-referencing agencies and the National Anti-Fraud Network) and any other publicly available information.

4. **Kimberley Depot - Compliance** **Assurance Opinion – Reasonable**

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risks:

- Appropriate policies and procedures may not be in place for the reporting and recording of accidents and near misses.
- Monitoring and management reporting of accidents and near misses may be inadequate.
- Follow-up on actions identified following an accident or near miss may be inadequate.

Internal Audit was pleased to report that no significant issues were identified in the course of this review with two recommendations (both 'medium priority') relating to the retention of documentation and the timeliness of reporting being proposed to and agreed with management.

5. **Audio-Visual Equipment Review** **Advisory Report Only**

At the request of the General Management Team, Internal Audit completed a review of the use of audio-visual equipment within the Council and Liberty Leisure Limited in order to help determine whether a licence from the Motion Picture Licensing Company is required.

Internal Audit found that the presence and use of audio-visual equipment across the Council is generally minimal. A small number of departments reported the presence of equipment used for site-specific purposes such as laptop projectors / screens used for presentations or the display of information in employee / public areas. None of this equipment was understood to be connected to an aerial or similar receiving device.

6. **Housing Disrepair Claims** **Assurance Opinion – Substantial**

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risks:

- Appropriate and up-to-date policy and/or procedure documentation may not be in place.
- Housing Disrepair Claims may not be processed in a timely and appropriate manner.
- Performance monitoring and reporting processes may be inadequate.

Internal Audit was pleased to report that no significant issues were identified in the course of this review with a single recommendation ('best practice') relating to the review of a guidance document being proposed to and agreed with management.

7. **Benefits** **Assurance Opinion – Substantial**

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risks:

- Claims for Housing Benefit and Council Tax Support may not be assessed in an accurate and timely manner.
- Benefit overpayments may not be identified and recovered in a timely manner.

- Write offs may not be appropriately validated and authorised.
- Performance reporting and monitoring against service targets may not be adequate.
- Reconciliations to other primary financial systems may not be completed in an accurate and timely manner.
- Sensitive and personal information may not be handled in an appropriate manner.
- Effective processes may not be in place to manage potential fraudulent activity.

Internal Audit was pleased to report that no significant issues were identified in the course of this review with a single recommendation ('medium priority') relating to the checking of claims being proposed to and agreed with management.

8. **Committee Management System** **Assurance Opinion – Reasonable**

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risks:

- Reports may be presented to Cabinet and other Committees for consideration without appropriate Officer review.
- Cabinet reports relating to Key Decisions may not be identified and managed appropriately.
- Data relating to Councillors held within the Committee Management System may be inappropriately managed.

Internal Audit was pleased to report that no significant issues were identified in the course of this review with one recommendation ('medium priority') relating to the review and optimisation of the use of the report management system being proposed to and agreed with management.

9. **NNDR (Business Rates)** **Assurance Opinion – Substantial**

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risks:

- NNDR may not be correctly calculated and billed.
- Billed amounts may not be efficiently collected and accounted for correctly.
- Refunds and write-offs may not be valid and/or may not be authorised.
- Arrangements for detecting and managing fraud may not be robust.

Internal Audit was pleased to report that no significant issues were identified in the course of this review with no specific recommendations to address deficiencies in internal control being made.

10. **Human Resources** **Assurance Opinion – Substantial**

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risks:

- Appropriate processes for the return of signed contracts of employment may not be in place.
- Appropriate processes to manage long-term absence may not be in place.
- Adequate processes for the management of Hardship Grants may not be in place.
- Adequate processes for the management of payments for training may not be in place.

Internal Audit was pleased to report that no significant issues were identified in the course of this review with no specific recommendations to address deficiencies in internal control being made.

11. **Creditors and Purchasing** **Assurance Opinion – Substantial**

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risks:

- Payments may be made without authorisation and/or sufficient and appropriate evidence of receipt of goods or service.
- Invoices may not be paid in a timely manner.
- Credit notes received may not be processed in an appropriate and timely manner.
- Erroneous and/or fraudulent payments may not be identified.

Internal Audit was pleased to report that no significant issues were identified in the course of this review with no specific recommendations to address deficiencies in internal control being made.

12. **Rents** **Assurance Opinion – Substantial**

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risks:

- Rents may not be correctly calculated and billed.
- Billed amounts may not be efficiently collected and accounted for correctly.
- Refunds and write-offs may not be valid and/or authorised.
- Rent recovery procedures may not be appropriate.
- Regular performance reporting may not be occurring.

Internal Audit was pleased to report that no significant issues were identified in the course of this review with a single recommendation ('best practice') relating to the review of policy and procedure documentation being proposed to and agreed with management.

Current Audit Performance

Progress on the Internal Audit Plan for 2025/26 is considered to be satisfactory, taking into account a significantly higher than usual number of Financial Appraisals undertaken during April and June.

A final report on the performance of the Internal Audit Service for 2025/26 will be presented to this Committee in July 2026.

Appendix 2

Internal Audit Follow-Up

Internal Audit has undertaken a review of progress made by management in implementing agreed actions within six months of the completion of the audit. The table below provides a summary of the progress made with high and medium priority agreed actions for such internal audit reports issued. Those audits where all actions have previously been reported as completed have been excluded from this list.

Audit Title	Report Issued	Original Assurance Opinion	Agreed Actions	Progress
Damp and Mould	27/01/25	Reasonable	2	1 Outstanding
Stores	08/04/25	Limited	3	Completed
Key Reconciliations	19/06/25	Substantial	1	Completed
Waste Management (Garden Waste)	23/07/25	Substantial	1	Completed
Commercial Properties	24/07/25	Limited	5	Completed
Anti-Social Behaviour	12/09/25	Substantial	1	Completed

Further details of progress being made with high and medium priority agreed actions that have not yet been fully implemented are included below along with comments from management reflecting any updates on progress. Evidence of implementation will not be routinely sought for all actions as part of this monitoring process. Instead, a risk-based approach will be applied to conducting further follow-up work. Actions marked as 'superseded' refer to occasions where either 1) developments within the relevant Council department, or the environment within which the department operates, have occurred since the date of the original audit report and the action is no longer relevant or considered a priority in light of the consequent change to the Council's risk profile; or, 2) an alternative action has been implemented to mitigate the risk identified.

Where the agreed actions to address significant internal control weaknesses have not been implemented this may have implications for the Council. A key role of the Committee is to review the outcome of audit work and oversee the prompt implementation of agreed actions to help ensure that risks are adequately managed.

Outstanding Actions**1. Damp and Mould****1.1 Procurement****Agreed Action (High Priority)**

The recently commenced procurement process for Damp and Mould related works will be completed at the earliest opportunity.

Managers Responsible

Assistant Director Housing

Housing Repairs and Compliance Manager

Target Date: 31 March 2025

Update from the Assistant Director - Housing Services

This is still in progress. The Repairs team have a number of contracts requiring procurement and have prioritised those with the highest value.

Revised Target Date: 31 March 2026

This page is intentionally left blank

Report of the Interim Deputy Chief Executive

Review of Strategic Risk Register

1. Purpose of Report

To approve the amendments to the Strategic Risk Register and the action plans identified to mitigate risks.

2. Recommendation

The Committee is asked to RESOLVE that the amendments to the Strategic Risk Register and the actions to mitigate risks as set out be approved.

3. Detail

Insert detail

In accordance with the corporate Risk Management Strategy, the Strategic Risk Management Group met on 25 February 2026 to review the Strategic Risk Register. General Management Team (GMT) has since considered the proposals made by the Group. The objectives of the review were to:

- Identify the extent to which risks included in the register are still relevant
- Identify any new strategic risks to be included in the register
- Review action plans to mitigate risks.

A summary of the risk management process is included in **Appendix 1**. The Risk Management Strategy includes a '5x5' risk map matrix to assess both the threats and opportunities for each strategic risk in terms of both the likelihood and impact. The risk map is included to assist the understanding of the inherent and residual risk scores allocated to each strategic risk. These scores will be considered further and amended as necessary in due course.

Details of the proposed amendments to the Strategic Risk Register and actions resulting from the process are attached in **Appendix 2**. The full Strategic Risk Register incorporating the proposed amendments is available on the intranet. An extract from the register of the entries relating to the highest rated 'red' risks are included in **Appendix 3**.

4. Financial Implications

The comments from the Interim Deputy Chief Executive and Section 151 Officer were as follows:

There are no direct financial implications that arise from this report. Any future additional budgetary requirements will be considered separately by Cabinet.

5. Legal Implications

The comments from the Head of Legal Services and Deputy Monitoring Officer were as follows:

The Strategic Risk Register is the main mechanism used by the Council to identify, assess and monitor key risks. Whilst there are no direct legal implications arising from this report, it is important to assess whether the risks identified are being effectively mitigated and managed.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

There were no Union comments in relation to this report.

8. Climate Change Implications

Climate Change is considered in this report as a strategic risk.

9. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

As there is no change to policy an equality impact assessment is not required.

11. Background Papers

Nil.

Review of Strategic Risk Register**Introduction**

The corporate Risk Management Strategy aims to improve the effectiveness of risk management across the Council. Effective risk management will help to ensure that the Council maximises its opportunities and minimises the impact of the risks it faces, thereby improving its ability to deliver priorities, improve outcomes for residents and mitigating legal action and financial claims against the Council and subsequent damage to its reputation.

The Strategy provides a comprehensive framework and process designed to support both Members and Officers in ensuring that the Council is able to discharge its risk management responsibilities fully. The Strategy outlines the objectives and benefits of managing risk, describes the responsibilities for risk management, and provides an overview of the process that the Council has in place to manage risk successfully. The risk management process outlined within the Strategy should be used to identify and manage all risks to the Council's ability to deliver its priorities. This covers both strategic priorities, operational activities and the delivery of projects or programmes.

The Council defines risk as "the chance of something happening that may have an impact on objectives". A risk is an event or occurrence that would prevent, obstruct or delay the Council from achieving its objectives or failing to capture business opportunities when pursuing its objectives.

Risk Management

Risk management involves adopting a planned and systematic approach to the identification, evaluation and control of those risks which can threaten the objectives, assets, or financial wellbeing of the Council. It is a means of minimising the costs and disruption to the Council caused by undesired events.

Risk management covers the whole range of risks and not just those associated with finance, health and safety and insurance. It can also include risks as diverse as those associated with reputation, environment, technology and breach of confidentiality amongst others. The benefits of successful risk management include:

- Improved service delivery with fewer disruptions, efficient processes and improved controls
- Improved financial performance and value for money with increased achievement of objectives, fewer losses, reduced impact and frequency of critical risks
- Improved corporate governance and compliance systems with fewer legal challenges, robust corporate governance and fewer regulatory visits
- Improved insurance management with lower frequency and value of claims, lower impact of uninsured losses and reduced premiums.

Risk Management Process

The Council's risk management process has five key steps as outlined below.



Process Step	Description
Risk Identification	Identification of risks which could significantly impact the Council's aims and objectives – both strategic and operational.
Risk Analysis	Requires consideration to the identified risks potential consequences and likelihood of occurring. Risks should be scored against the Council's risk matrix
Risk Treatment	Treat; Tolerate; Transfer; Terminate – Identify which solution is best to manage the risk (may be one or a combination of a number of treatments)
Completing the Risk Register	Document the previous steps within the appropriate risk register. Tool for facilitating risk management discussions. Standard template to be utilised to ensure consistent reporting.
Monitoring, reporting and reviewing the risks	Review risks against agreed reporting structure to ensure they remain current and on target with what is expected or manageable.

Risk Matrix

		Risk – Threats				
Likelihood	Almost Certain – 5	5	10	15	20	25
	Likely – 4	4	8	12	16	20
	Possible – 3	3	6	9	12	15
	Unlikely – 2	2	4	6	8	10
	Rare – 1	1	2	3	4	5
		Insignificant – 1	Minor – 2	Moderate – 3	Major – 4	Catastrophic – 5
		Impact				

Risk Rating	Value	Action
Red Risk	25	Immediate action to prevent serious threat to provision and/or achievement of key services or duties
	15 to 20	Key risks which may potentially affect the provision of key services or duties
Amber Risk	12	Important risks which may potentially affect the provision of key services or duties
	8 to 10	Monitor as necessary being less important but still could have a serious effect on the provision of key services
	5 to 6	Monitor as necessary to ensure risk is properly managed
Green Risk	1 – 4	No strategic action necessary

Appendix 2

Strategic Risk Register – Summary of Proposed Changes

Inherent Risk – Gross risk **before** controls and mitigation

Residual Risk – Risk remaining **after** application of controls and mitigating measures

Risk	Inherent Risk	Residual Risk	Changes
<p>1. Failure to maintain effective corporate performance management and implement change management processes</p> <p><i>The position with regards to this risk is unchanged.</i></p>	20	<p>4</p> <p> Green</p>	<p>No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk. The challenges of LGR and changes at GMT could impact on this risk.</p>
<p>2. Failure to obtain adequate resources to achieve service objectives</p> <p><i>The position with regards to this risk is unchanged.</i></p>	20	<p>16</p> <p> Red</p>	<p>Ongoing challenges surrounding the local government finance, with the latest settlement reflecting the outcome of the long-awaited Fair Funding Review. The baseline for Business Rates has been fully reset, although transitional arrangements offer some income protection at least in the short-term.</p> <p>A new action was added to monitor the resourcing impacts arising from transitional arrangements in the run-up to Local Government Reorganisation.</p> <p>The action to review trade waste operations and its pricing to remain effective and competitive in the market had been completed.</p>
<p>3. Failure to deliver the Housing Revenue Account (HRA) Business Plan</p> <p><i>Although the residual risk score does not need to change, it was considered that the position with regards to this risk had worsened</i></p>	25	<p>12</p> <p> Amber</p>	<p>The Regulator for Social Housing (RSH) inspection has concluded with the outcomes published. The action to consider the outcomes and recommendations from the mock HQN audit, has been superseded by the action to consider and respond to the outcomes of the RSH inspection and to develop and deliver on any subsequent action plans. The improvement plan is being reported through Cabinet on a regular basis.</p>

Risk	Inherent Risk	Residual Risk	Changes
<p>3a. Failure to deliver a Housing Repairs and Compliance Service which meets Right to Repair and Compliance legislation</p> <p><i>The residual risk score has been revised after it was considered that the position with regards to this risk had worsened.</i></p>	20	<p>16</p> <p> Amber</p>	<p>The action to consider the outcomes and recommendations from the mock HQN audit and to develop and deliver on any subsequent action plans, has now been superseded by the action to consider and respond to the outcomes of the RSH inspection.</p> <p>In view of the outcomes of the inspection and considering the compliance position and outstanding fire safety actions, it was agreed that the residual risk score should be increased from 12 (Amber Risk) to 16 (Red Risk).</p>
<p>4. Failure of strategic leisure initiatives</p> <p><i>Although the residual risk score does not need to change, it was considered that the position with regards to this risk had improved.</i></p>	25	<p>20</p> <p> Red</p>	<p>The action to complete the planning application and development of the detailed design for a new replacement Bramcote Leisure Centre has been completed. A new action was added to seek Cabinet approval of the business case to progress the scheme onto the construction and delivery stages.</p> <p>The action to progress with the development of the new Community Pavilion and Young People’s Centre on Hickings Lane was completed.</p>
<p>5. Failure of Liberty Leisure (LLL) trading company</p> <p><i>The residual risk score has been revised after it was considered that the position with regards to this risk had improved</i></p>	25	<p>9</p> <p> Amber</p>	<p>No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.</p> <p>The company had continued to show positive financial and operational performance in 2025/26, with new income streams from the Hickings Lane Community Pavilion further strengthening the financial outlook.</p> <p>In view of the company’s financial performance continuing to be positive, it was agreed that the residual risk score could be reduced from 12 to 9 (Amber Risk).</p>

Risk	Inherent Risk	Residual Risk	Changes
6. Failure to manage the Beeston town centre development <i>The position with regards to this risk is unchanged.</i>	25	9  Amber	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
7. Not complying with legislation <i>The position with regards to this risk is unchanged.</i>	25	6  Amber	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
8. Failure of financial management and/or budgetary control and to implement agreed budget decisions <i>The position with regards to this risk is unchanged.</i>	25	4  Green	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
9. Failure to maximise collection of income due to the Council <i>The position with regards to this risk is unchanged</i>	20	9  Amber	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
10. Failure of key ICT systems <i>The residual risk score has been revised after it was considered that the position with regards to this risk had improved.</i>	25	9  Amber	Key controls and actions were updated to remove references to legacy shared service arrangements for ICT. Change Control Procedures was added as a key control. A new action was added to complete the relocation of the disaster recovery datacentre and ensure that this does not interrupt on regular backup regimes. A new action was added to complete annual reviews of business continuity plans and consider the potential impact of a cyber-attack and how services would respond and recover. In view of the establishment and tested control framework in place to protect against the failure of key ICT systems, it was agreed that the residual risk score be reduced from 15 (Red Risk) to 9 (Amber Risk).

Risk	Inherent Risk	Residual Risk	Changes
11. Failure to implement Private Sector Housing Strategy in accordance with Government and Council expectations <i>The position with regards to this risk is unchanged</i>	20	9  Amber	A new action was added to complete a review of the Private Sector Housing Enforcement Policy for presenting to Cabinet for approval in June 2026.
12. Failure to engage with partners/community to implement the Broxtowe Borough Partnership Statement of Common Purpose <i>The position with regards to this risk is unchanged</i>	15	4  Green	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk. The risk from Local Government Reorganisation will be monitored.
13. Failure to contribute effectively to dealing with crime and disorder <i>The position with regards to this risk is unchanged</i>	15	3  Green	Environmental Enforcement (WISE) was added as a key control.
14. Failure to provide housing in accordance with the Local Development Framework <i>The position with regards to this risk is unchanged</i>	20	12  Amber	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
15. Natural disaster or deliberate act, which affects major part of the Authority <i>The position with regards to this risk is unchanged</i>	15	12  Amber	The action to monitor the performance of the out-of-hours/call out service was updated to monitor the transition and performance impact relating to the out-of-hours service following a change in the service provider.
16. Failure to mitigate the impact of the Government's welfare reform agenda <i>The position with regards to this risk is unchanged</i>	20	4  Green	The action to monitor changes in government policy relating to winter fuel allowances and its potential impact on residents was no longer applicable.

Risk	Inherent Risk	Residual Risk	Changes
<p>17. Failure to maximise opportunities and to recognise the risks in shared services arrangements</p> <p><i>The position with regards to this risk is unchanged</i></p>	20	<p>9</p> <p> Amber</p>	<p>A new action was added to identify all shared service arrangements and review respective governance and performance reporting arrangements.</p> <p>A new action was added to monitor the transition and performance impact relating to the out-of-hours service following a change in service provider.</p>
<p>18. Corporate and/or political leadership adversely impacting upon service delivery</p> <p><i>The position with regards to this risk is unchanged</i></p>	20	<p>12</p> <p> Amber</p>	<p>No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.</p>
<p>19. High levels of sickness</p> <p><i>The residual risk score has been revised after it was considered that the position with regards to this risk had worsened.</i></p>	16	<p>9</p> <p> Amber</p>	<p>No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.</p> <p>In view of the challenges relating to the current levels of sickness (and long-term sickness) across services, it was agreed that the residual risk score be increased from 6 to 9 (Amber Risk).</p>
<p>20. Inability to recruit and retain staff with required skills and expertise to meet increasing demands and expectations.</p> <p><i>The residual risk score has been revised after it was considered that the position with regards to this risk had worsened.</i></p>	20	<p>9</p> <p> Amber</p>	<p>There continues to be market challenges with to specialist technical and management roles.</p> <p>In view of the challenges relating to recruitment and retention, particularly with impending Local Government Reorganisation, it was agreed that the residual risk score be increased from 8 to 9 (Amber Risk).</p>
<p>21. Failure to comply with duty as a service provider and employer to groups such as children, the elderly, vulnerable adults etc.</p> <p><i>The position with regards to this risk is unchanged</i></p>	20	<p>4</p> <p> Green</p>	<p>No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.</p>

Risk	Inherent Risk	Residual Risk	Changes
<p>22. Unauthorised access of data</p> <p><i>The residual risk score has been revised after it was considered that the position with regards to this risk had worsened.</i></p>	20	<p>12</p> <p> Amber</p>	<p>Key controls were updated to reflect enhanced endpoint detection and response (XDR) which includes encrypted data and systems stored on immutable storage and Realtime Monitoring, Remediation and Mitigation Systems.</p> <p>A new action was added to implement a Security Operations Centre solution to ensure proactive responsive hunt threat protection.</p> <p>In view of the circumstances relating to the national and global picture in terms of cyber security and associated risks, it was agreed that the residual risk score be increased from 6 (Amber Risk) to 12 (Amber Risk).</p>
<p>23. High volumes of employee or client fraud</p> <p><i>The position with regards to this risk is unchanged</i></p>	20	<p>4</p> <p> Green</p>	<p>No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.</p>
<p>24. <i>Failure to achieve commitment of being carbon neutral for the Council's own operations by 2027</i></p> <p><i>The position with regards to this risk is unchanged</i></p>	20	<p>12</p> <p> Amber</p>	<p>No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk. The risk from Local Government Reorganisation will be monitored.</p>
<p>25. Failure to respond to the outcomes of Local Government Reorganisation in Nottingham and Nottinghamshire</p>	25	<p>20</p> <p> Red</p>	<p>The action to ensure the Council was represented on the various LGR programme groups covering options 1b, 1e, and the City option has been completed.</p> <p>A new action was added to ensure that the Council is fully engaged and represented at a strategic level and on the various programme groups for key workstreams set up to develop the proposed LGR outcomes.</p>

Appendix 3

Extract from the Strategic Risk Register – November 2025 – Entries Relating to the Highest Rated ‘Red’ Risks

Risk 2 - Failure to obtain adequate resources to achieve service objectives

Risk Owner(s)	Inherent Risk	Residual Risk
Deputy Chief Executive Assistant Director Finance Services	20	16

Key Controls

- Medium Term Financial Strategy
- Business Strategy
- Economic Regeneration Strategy
- Procurement and Commissioning Strategy
- Capital Strategy and Treasury Management Strategy
- Asset Management Strategy
- Energy Procurement Strategy
- Commercial Strategy
- Land Disposals Policy

Risk Indicators

- Local Government Finance Settlement
- Budget gap
- Fuel and energy prices
- Fees and charges and other income levels
- Failed bids for external funding
- General economic indicators
- Interest rates
- Compliance with grant funding conditions
- Fluctuations in planning application fee income
- Cost of planning appeal decisions

Action Points

1. Review service objectives in response to changing resources.
2. Identify and assess external funding opportunities and ensure that accompanying targets are met.
3. Investigate and develop opportunities for shared service collaboration.
4. Monitor the impact of the collection of Business Rates on the resources available to the Council.
5. Seek the disposal of surplus assets to generate additional capital receipts.

6. Be alert to potential funding opportunities for town centre regeneration initiatives and other capital investment schemes.
7. Identify potential budget savings and maximise income generating opportunities.
8. Maximise income from commercial properties and industrial units.
9. Work collaboratively with Nottinghamshire local authorities to maximise the recovery of business rates income.
10. Assess the impact of the anticipated Fair Funding Review, including proposals for greater localisation of business rates and any reset in the baseline, upon the Council's finances.
11. Produce a new Commercial Strategy that will support the Business Strategy being refreshed as part of the annual budget setting process.
12. Progress with the delivery of the Stapleford Towns Fund project.
13. Progress with the delivery of the Kimberley Mean Business project.
14. Develop a Town Investment Plan for Eastwood.
15. Complete the full recovery of the agreed tram compensation claim against Nottingham City Council.
16. Monitor the impact of inflation and the cost of living on the Council's service provision and its financial position.
17. Assess the impact of the government's food waste policies and the potential receipt of New Burdens Funding to meet the additional capital and revenues costs associated with its delivery.
18. Monitor progress made by the DWP on the migration of existing Housing Benefit cases onto Pension Credit.
19. Be mindful of budget risks arising from planning appeal decisions and to report any uplift in costs to GMT at the earliest opportunity.
20. Monitor the funding implications of the increasing scope of Domestic Homicide Reviews being completed by the Community Safety Partnership.
21. Monitor the resourcing impacts arising from transitional arrangements in the run-up to Local Government Reorganisation.

Risk 3a - Failure to deliver a Housing Repairs and Compliance Service which meets Right to Repair and Compliance legislation

Risk Owner(s)	Inherent Risk	Residual Risk
Chief Executive Assistant Director Housing	25	16

Key Controls

- Membership of Association of Retained Council Housing (ARCH)
- Membership of Chartered Institute of Housing (CIH)
- Housing Strategy
- Housing Revenue Account (HRA) Business Plan
- Repairs Policy
- Void Management Policy
- Garage Management Policy
- Gas Servicing Policy
- Electrical Servicing Policy
- Fire Safety Policy
- Asbestos Policy
- Damp and Mould procedure
- Tenant Satisfaction Measures

Risk Indicators

- Gas Servicing compliance
- Electrical Servicing compliance
- Fire Risk Assessment compliance
- Completion of asbestos surveys
- Number of unallocated jobs
- Number of appointments made and kept
- Number of repairs completed at first visit

Action Points

1. Complete training programmes for new and existing employees.
2. Review and retender clean and clearance contract.
3. Update Lettable Standard for void properties.
4. Review access procedures and use of legal powers.
5. Monitor the position with regards to Housing Disrepair claims and to respond efficiently and effectively to claims being received.
6. Consider the outcome of the consultation on proposed new time limits for repairs and begin to implement changes to meet expectations of proposed legislation.

7. Ensure that the required Fire Risk Assessments for Council properties (including housing dwellings) are completed and to review the outcomes to ensure compliance with the respective regulations.
8. Ensure that the required Asbestos surveys are completed and to review the outcomes in order to ensure compliance with the respective regulations.
9. Monitor the effectiveness of the Recharges Policy to increase the resources available to the HRA.
10. Consider and respond to the outcomes of the Regulator for Social Housing inspection and develop and deliver on any subsequent action plans.
11. Ensure ongoing compliance with new legislation in the Social Housing (Regulation) Act 2023.

Risk 4 - Failure of strategic leisure initiatives

Risk Owner(s)	Inherent Risk	Residual Risk
Deputy Chief Executive	25	20

Key Controls

- Leisure Facilities Strategy
- Leisure and Culture Service Specification
- Liberty Leisure Limited Business Plan
- External legal advice and support

Risk Indicators

- Results of consultation exercises
- Progress against Business Plans
- Progress against the Capital Programme
- Events impacting upon any Joint Use Agreements
- Visitor numbers at leisure facilities
- Income at leisure facilities
- Financial viability of Liberty Leisure Limited

Action Points

1. Determine future strategy for investment in leisure facilities.
2. Review leisure opportunities arising from major developments.
3. Utilise external legal advice and support as required.
4. Work with Chilwell School to assess leisure facilities options at Chilwell Olympia Sports Centre and report back to Cabinet.
5. Forward plan any necessary capital repair works anticipated at Bramcote Leisure Centre and to submit, consider and profile the financial impact as part of the proposed Capital Programme.
6. Establish a cross-party members group, supported by key officers in leisure, property and regeneration, to identify leisure opportunities in the north of the Borough.
7. Progress with the development of the new Community Pavilion and Young People's Centre on Hickings Lane.
8. Develop the outline proposals for a new Healthy Lifestyle Centre complex at Walker Street in Eastwood.
9. Seek Cabinet approval of the business case to progress the new replacement Bramcote Leisure Centre project onto the construction and delivery stages.

Risk 25 – Failure to respond to the outcomes of Local Government Reorganisation in Nottingham and Nottinghamshire

Risk Owner(s)	Inherent Risk	Residual Risk
Chief Executive / All Chief Officers	25	20

Key Controls

- Council and Cabinet (Members)
- Leader of the Council and the Chief Executive
- LGR Management and Planning Groups
- Nottinghamshire Finance Officers Association (NFOA)
- External Consultants reports from PWC and CIPFA

Risk Indicators

- Political acceptance or non-acceptance of the LGR option proposals
- Recent MHCLG ministerial letter outlining spending restrictions on local authorities progressing through LGR (Structural Change Order) expected next year, including requirements for approvals for capital expenditure over £1m, recruitment to senior permanent roles and limits on surplus/disposal assets
- Potential pause/slowdown in the delivery key strategic priorities, e.g. new leisure centre, affordable housebuilding, economic regeneration
- Potential challenge in recruiting to vacant senior posts – impact on service delivery and additional agency costs
- Potential to pause/slowdown of investment in ICT, thereby impacting on improvements to efficiency and output productivity.

Action Points

1. Establishment of an internal LGR Implementation Group to plan and co-ordinate the Council's response to LGR.
2. Regular update reports provided to Members through Cabinet and Council.
3. Council LGR intranet webpages developed to continually engage with staff.
4. Staff engagement sessions planned to provide updates on LGR developments.
5. Chief Executive staff weekly briefings to includes regular updates on LGR.
6. Ensure that the Council is fully engaged and represented at a strategic level and on the various programme groups for key workstreams set up to develop the proposed LGR outcomes.

This page is intentionally left blank

Report of the Monitoring Officer

Quarterly Complaint Report

1. Purpose of Report

To provide Members with a summary of complaints made against the Council.

2. Recommendation

The Committee is asked to NOTE the report.

3. Detail

This report outlines the performance of the Council in dealing with complaints, including, at stage one those managed by the service areas, at stage two, managed by the Complaints and Compliments Officer and at stage three passed to the Local Government Ombudsman (LGO) or Housing Ombudsman (HO).

- **Appendix 1** provides a summary of the Council's internal complaints statistics.
- **Appendix 2** provides a summary of the complaints investigated by the Council formally under stage two of the Council's formal complaint procedure.
- **Appendix 3** provides a summary of the complaints determined by the Ombudsman.

Of the 96 stage 1 complaints received overall, 22 were investigated under the stage 2 complaints procedure and three were investigated by the LGO/HO. Under the stage 2 complaints procedure, 16 complaints (73%) were not upheld, 6 complaints (27%) were upheld. Further details can be found in **Appendix 2**.

The Ombudsman investigated three complaints made against the Council. Two complaints were recorded as not upheld resulting in no further action being required by the Council. One complaint was upheld. Further details can be found in **Appendix 3**.

4. Financial Implications

The comments from the Interim Deputy Chief Executive and Section 151 Officer were as follows:

The cost of compensation is charged either directly to the service or recognised in a central corporate budget. There are no additional financial implications associated with this report. Any significant additional budgets required, above virement limits, would require approval by Cabinet.

5. Legal Implications

The comments from the Head of Legal Services were as follows:

Whilst there are no direct legal implications arising from this report, it is important to note that the Council's approach to handling complaints is within the parameters of the following key pieces of legislation: Part III of the Local Government Act 1974 and Chapter 6 of the Localism Act 2011 (for Housing Services complaints).

6. Human Resources Implications

The comments from the Human Resources Manager were as follows:

Not applicable.

7. Union Comments

The Union comments were as follows:

Not applicable.

8. Climate Change Implications

Not applicable.

9. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

Not applicable.

11. Background Papers

Nil

Complaints received – Quarter 3 2025 comparative information

	Total	Chief Executive	Deputy Chief Executive	Executive Director	Monitoring Officer	Liberty Leisure Ltd
Number of Stage One complaints	110	88	4	18	0	0
No. of complaints concluded under Stage Two	22	20	2	0	0	0
No. of complaints determined by the Ombudsman	3	3	0	0	0	0

The above table highlights the complaints received in quarter 3 2025 for comparison purposes to the quarter 3 2026 complaint submissions.

Complaints received – Quarter 3 2026

	Total	Chief Executive	Deputy Chief Executive	Executive Director	Monitoring Officer	LLeisure
Number of Stage One complaints	96	62	8	24	0	2
No. of complaints concluded under Stage Two	22	21	0	1	0	0
No. of complaints determined by the Ombudsman	3	3	0	0	0	0

Breakdown of complaints and compliments by department and section**Chief Executive's department**

Service Areas	Stage 1 Complaints	Stage 2 Complaints	Ombudsman Complaints	Compliments
Development Control	3	2	0	0
Housing and Income	9	3	0	0
Housing Repairs	24	6	1	5
Housing Operations	20	6	2	7
Housing Strategy	5	3	0	0
Environmental Health	1	1	0	0
Total	62	21	3	12

Deputy Chief Executive's Department

Service Areas	Stage 1 Complaints	Stage 2 Complaints	Ombudsman Complaints	Compliments
Customer Services	0	0	0	0
Capital Works	0	0	0	0
Revenues	8	0	0	0
Total	8	0	0	0

Executive Director's Department

Service Areas	Stage 1 Complaints	Stage 2 Complaints	Ombudsman Complaints	Compliments
Communications	0	0	0	2
Environment	0	0	0	2
Waste and Recycling	23	1	0	0
Bereavement	1	0	0	5
Total	24	1	0	9

Monitoring Officer's Department

Service Areas	Stage 1 Complaints	Stage 2 Complaints	Ombudsman Complaints	Compliments
Democratic Services	0	0	0	0
Total	0	0	0	0

Liberty Leisure Ltd

Service Area	Stage 1 Complaints	Stage 2 Complaints	Ombudsman Complaints	Compliments
Bramcote Leisure Centre	1	0	0	0
Chilwell Leisure Centre	1	0	0	0
Total	2	0	0	0

STAGE 1 - FORMAL COMPLAINTS TO THE SERVICE DEPARTMENT**Time taken to acknowledge receipt of stage one complaints:**

	Total	Chief Executive	Deputy Chief Executive	Executive Director	Monitoring Officer	Liberty Leisure
Time taken to acknowledge complaints – 1 to 5 days	96	62	8	24	0	2
Time taken to acknowledge complaints - more than 5 days	0	0	0	0	0	0

Time taken to respond to stage one complaints:

	Total	Chief Executives	Deputy Chief Executive	Executive Director	Monitoring Officer	Liberty Leisure Ltd
Less than 10 working days	76	42	8	24	0	2
Over 10 working days	20	20	0	0	0	0

Directorate / Section	Chief Executive	
	Number responded to outside of 10 working days	Number of complaints where an was extension sort
Housing Operations	9	9
Housing Repairs	10	10
Housing Strategy	1	1
TOTAL	20	20

Stage 2 - Formal Complaints

22 formal complaints have been responded to in the third quarter; all of which were acknowledged within the 5 working day timescale, and 100% were responded to within the 20 working day timescale.

Time taken to respond to stage two complaints:

	Total	Chief Executives	Deputy Chief Executive	Executive Director	Monitoring Officer	Liberty Leisure Ltd
Less than 20 working days	22	21	0	1	0	0
Over 20 working days	0	0	0	0	0	0

Planning**1. Complaint against Planning**

Response – 20 working days

Complaint upheld**Complaint**

The complainant contacted the Council and complained regarding the erection of a fences at a neighbouring property which were considered to be a breach of planning, and the subsequent lack of any response to their emails by the Planning Enforcement Team.

Council's response

It was determined that there had been delays in communication and a lack of response being issued to the complainant regarding the planning enforcement case.

Furthermore, the Council recognised that there had been a delay in the Planning Enforcement Team concluding the planning enforcement case.

The Planning Enforcement Team determined that a section of the fence was a breach of planning regulations. This section of fence was removed, at the request of the Planning Enforcement Team, and no further action is now required.

An apology was offered to the complainant.

Assistant Director Comments

It is recognised that an appropriate level of service was not provided. The Planning Team recognises the importance of good communication especially when delays are likely.

2. Complaint against Planning

Response – 20 working days

Complaint not upheld

Complaint

The complainant contacted the Council and complained that the Planning Team did not provide the Planning Committee with all the relevant information to determine a planning application.

Council's response

It was determined that all the relevant information was included in the report which was subsequently reviewed by the Planning Committee.

Furthermore, the Planning Committee visited the proposed development and determined that the original plans did not protect the complainant's amenity enough. This was subsequently altered at the Planning Committee to impose a condition to erect screening to protect their privacy. This condition was approved and the screening has since been erected.

The complainant addressed the Planning Committee under the Council's public speaking to raise their concerns regarding the application.

The Planning Committee considered this information, the information provided as part of the report and site visit and determined that the application was acceptable subject to condition to erect a screen to protect their privacy.

Assistant Director Comments

The Planning Team had correctly including all the relevant information in the reports.

Housing Repairs

1. Complaint against Housing Repairs

Response – 20 working days

Complaint upheld

Complaint

The complainant contacted the Council and complained that the Housing Repairs did not repair a sewage leak in a timely manner.

Council's response

It was determined that while the Housing Repairs Team had acknowledged the complaint in the correct timeframe, the response exceeded the 10 working day timeframe.

It was noted that as part of the stage 1 complaint, the complainant was offered £250 compensation in recognition of the delays in the complaint response being issued.

There was no evidence to suggest that the Housing Repairs Team acted inappropriately when dealing with the drain blockage.

The Housing Repairs Team attended and cleared the blockage on the same day it was reported. It had been identified that the blockage was the responsibility of Severn Trent by two external contractors. However, the works were completed by the Housing Repairs Team despite this.

The Housing Repairs Team acted appropriately to clear the blockage, cleaned the complainant's property and offer them alternative accommodation while the works were undertaken.

The £250 compensation was re-offered and accepted.

Assistant Director Comments

The Council recognises the inconvenience caused by not responding to the complaint in a timely manner.

All works were correctly undertaken to remove the blockage and leak.

Complaint Team Recommendations/actions

- The Housing Repairs Team has been reminded of their responsibility to effectively communicate with individuals where complaints are delayed.
- The Housing Repairs Team has been reminded to their responsibility to effectively deal with complaints within the correct timeframes.

2. Complaint against Housing Repairs

Response – 20 working days

Complaint upheld

Complaint

The complainant contacted the Council and complained that their property was let to them in a poor standard.

Council's response

It was determined that an appropriate level of service was not provided as the property was let in a sub-standard condition.

While works were completed before the property was let, the works were not completed to an acceptable standard.

This resulted in the property having several outstanding repairs and substandard decorating.

The works to repair the property and bring it up to standard have since been completed.

An apology and £500 compensation was offered and accepted.

Assistant Director Comments

The Council recognises the inconvenience caused by letting the property in a poor standard. All subsequent works have since been completed to a satisfactory standard.

Complaint Team Recommendations/actions

- The Housing Repairs Team has been reminded to appropriately review properties before they let.
- The Housing Repairs Team has been reminded to book and complete all necessary works before the properties are let.

3. Complaint against Housing Repairs

Response – 20 working days

Complaint not upheld

Complaint

The complainant contacted the Council and complained that an issue of damp and mould had not been rectified at their property.

Council's response

It was determined that an appropriate level of service was provided as the Housing Repairs Team correctly removed the damp and mould when reported.

The Council recognises that delays occurred in the damp and mould being identified at the property in 2023. This issue had previously been concluded and compensation was awarded at this stage.

The current damp and mould issues the complainant was encountering was caused by condensation at the property. This had been identified by two separate specialist contractors.

As part of the complainant's disrepair claim, the contractor identified that the damp and mould was caused by condensation. This was identified as the Council as being not liable for this issue.

All works relating to the damp and mould had been undertaken promptly. However, access could not be gained to the property to complete a mould wash.

Following further reports of damp and mould, the Council arranged for a contractor to review the issues at the property.

It was identified that an internal wall required a damp proof course. However, this works is not linked to the condensation at the property due to the location of the wall and areas that are affected by the condensation.

The work to install a damp proof course has not been scheduled at the complainant's request as they requested the works to be completed after the holiday period.

Assistant Director Comments

The Housing Repairs Team take all reports of damp and mould seriously. All works were completed in a timely manner when reported and have been reviewed by specialist contractors.

4. Complaint against Housing Repairs/Capital Works

Response – 20 working days

Complaint upheld

Complaint

The complainant contacted the Council and complained that an issue of a crack at the their property had not been correctly investigated.

Council's response

It was determined that an appropriate level of service was not provided as the Council had failed to undertake a survey at the property to review any potential structural issues.

While this work was passed to the appropriate Department within the Council, due to an oversight, this survey had not taken place.

The survey was booked and subsequently undertaken.

An apology and £250 compensation was offered and accepted.

Assistant Director Comments

It is recognised that distress has been caused by the survey not being booked correctly. This was subsequently prioritised and regular communication is being issued to the complainant.

Complaint Team Recommendations/actions

- The Capital Works Team have been reminded to book works in an appropriate timeframe. Where these cannot met, the Capital Works Team have been reminded to communicate with residents to ensure that delays are fully explained.

5. Complaint against Housing Repairs

Response – 20 working days

Complaint upheld

Complaint

The complainant contacted the Council and complained that an issue of a sink leak causing damage to their flooring was not correctly handled.

Council's response

It was determined that an appropriate level of service was not provided as the repairs to kitchen plinths following the leak was not undertaken correctly.

As the plinths were not repaired correctly in the first instance this delayed the overall repair.

An apology was offered for this issue.

The Housing Repairs Team attended the leak in a timely manner and repairs were undertaken on the same day.

There was no information to suggest that the Council has acted inappropriately when repairing the leak. It was understood that this leak may have occurred for a period of time in which the flooring had been damaged.

As the Housing Repairs Team were unaware of the leak, repairs could not be undertaken to prevent further damage to the flooring until it was reported.

Furthermore, the flooring is none standard and would not be repaired by the Housing Repairs Team.

The complainant was advised to make an insurance claim either through their own insurer or the Council's.

Assistant Director Comments

It is recognised that the distress has been caused by not repairing the plinths correctly in the first instance. However, the leak was repaired on the same day when reported.

6. Complaint against Housing Repairs

Response – 20 working days

Complaint upheld

Complaint

The complainant contacted the Council and complained that a vermin issue had not been correctly dealt with.

Council's response

It was determined that an appropriate level of service was not provided as the repairs to the roof to stop the ingress of vermin was not undertaken correctly.

The Housing Repairs Team had delayed the erection of scaffolding at the property to complete the works to prevent vermin entering the loft space.

The scaffolding erection was delayed by 12 months

Furthermore, by delaying this work, the Council recognises that the preventative measures originally undertaken were not effective.

An apology and £500 compensation was offered and accepted.

Assistant Director Comments

The Council recognises that this delay is unacceptable and caused significant distress.

Complaint Team Recommendations/actions

- The Housing Repairs Team have been reminded for the necessity to complete works in a timely manner.
- Where delays are expected, the Housing Repairs Team have been reminded to contact individuals and inform them of these delays.

Housing Operations**1. Complaint against Housing Operations**

Response – 20 working days

Complaint not upheld

Complaint

The complainant contacted the Council and complained that the Council had not dealt with an issue of Anti-Social Behaviour.

Council's response

It was determined that an appropriate level of service was provided as the Tenancy Services Team are unable to act upon instances of Anti-Social Behaviour (ASB) without the necessary evidence.

In this instance, as the complainant had not provided any evidence to substantiate the alleged ASB they were experiencing, the Tenancy Services Team were unable to undertake any action.

Assistant Director Comments

The Council had acted appropriately and in line with Policies to investigate the Anti-Social Behaviour reports.

2. Complaint against Housing Operations

Response – 20 working days

Complaint not upheld

Complaint

The complainant contacted the Council and complained that the Council had requested that they remove their belongings from the communal areas.

Council's response

It was determined that an appropriate level of service was provided as the Tenancy Services Team had appropriately requested that the complainant remove their items from the communal areas following a fire safety assessment.

The Council undertook this action to ensure that residents are safe in their homes by reducing fire risks.

Assistant Director Comments

The Council had acted appropriately and in line with the tenancy agreement.

3. Complaint against Housing Operations

Response – 20 working days

Complaint not upheld

Complaint

The complainant contacted the Council and complained that the Council had requested that they remove their belongings from the communal areas.

Council's response

It was determined that an appropriate level of service was provided as the Tenancy Services Team had appropriately requested that the complainant remove their items from the communal areas following a fire safety assessment.

The Council undertook this action to ensure that residents are safe in their homes by reducing fire risks.

Assistant Director Comments

The Council had acted appropriately and in line with the tenancy agreement.

4. Complaint against Housing Operations

Response – 20 working days

Complaint not upheld

Complaint

The complainant contacted the Council and complained that the Council had not dealt with their homelessness application correctly.

Council's response

It was determined that an appropriate level of service was provided as the Housing Options Team had correctly assessed the homelessness applications in line with the Council's Allocations Policy.

There was no information to suggest that the homelessness applications had been incorrectly dealt with. The Council's records indicate that the correct advice and processes had been followed.

Assistant Director Comments

The Council had acted appropriately and in line with the Allocations Policy.

5. Complaint against Housing Operations/Capital Works

Response – 20 working days

Complaint not upheld

Complaint

The complainant contacted the Council and complained that the Council had requested that they remove their belongings from the communal areas.

Council's response

It was determined that an appropriate level of service was provided as the Capital Works Team and Tenancy Services Team had correctly undertaken the actions relating to the fire risk assessments.

In order for the Council to ensure that residents are safe within their homes, the decision had been made to remove all items from communal areas and areas which could be used to escape a potential fire.

This decision was factored by the recommendation provided by the fire risk assessment undertaken by the contractor, Savilles.

Assistant Director Comments

The Council had acted appropriately and in line with the tenancy agreement.

6. Complaint against Housing Operations

Response – 20 working days

Complaint not upheld

Complaint

The complainant contacted the Council and complained that the Council had not dealt with their homelessness application correctly.

Council's response

It was determined that an appropriate level of service was provided as the Housing Options Team had appropriately assessed the complainant's homelessness case.

During the complainant's initial homelessness case in 2024, the Council correctly discharged its duty when the offer of Derwentio Housing Trust accommodation was presented and accepted.

While Derwentio Housing Trust was supported housing, and not permanent accommodation, the complainant was appropriately housed for the Council to discharge its homelessness duty as they had accommodation.

Following the complainant's eviction from Derwentio Housing Trust, the Housing Options Team had attempted to contact the complainant to assess their current homelessness situation. This contact had been unsuccessful and the Housing Options Team could not progress the current application due to the lack of communication.

Assistant Director Comments

The Council had acted appropriately and in line with the Allocations Policy.

Housing Strategy

1. Complaint against Housing Strategy

Response – 20 working days

Complaint not upheld

Complaint

The complainant contacted the Council and complained that their service charge estimate bill was higher than it should be.

Council's response

It was determined that an appropriate level of service was provided as the Leaseholder Team had appropriately issued a service charge estimate.

This estimate is intended to give Leaseholders an overview of the intended charges and this is subject to change.

Assistant Director Comments

The correct actions were undertaken to produce the service charge estimate. This is only an estimate and a final bill is issued detailing all charges.

2. Complaint against Housing Strategy

Response – 20 working days

Complaint not upheld

Complaint

The complainant contacted the Council and complained that they had been asked to remove a gate that they had installed.

Council's response

It was determined that an appropriate level of service was provided as the Leaseholder Team had appropriately requested that the complainant remove the gate that had been identified as a potential fire risk.

The Council are obligated to comply with the outcomes of the fire risk assessment.

In this case, as the gate has been identified as a risk, the Council is obligated to request that it be removed.

Assistant Director Comments

The Council had acted appropriately and in line with the tenancy agreement.

3. Complaint against Housing Strategy

Response – 20 working days

Complaint not upheld

Complaint

The complainant contacted the Council and complained that they the Leaseholder Team had not dealt with their complaints of Anti-Social Behaviour correctly.

Council's response

It was determined that an appropriate level of service was provided as the Tenancy Services Team had appropriately investigated the complaints of Anti-Social Behaviour (ASB).

The Tenancy Services Team reviewed the information that had provided in a timely manner and it was determined that there was not enough evidence to pursue any further action.

Assistant Director Comments

The Council had acted appropriately and in line with the Anti-Social Behaviour Policy.

Housing Income

1. Complaint against Housing Income

Response – 20 working days

Complaint not upheld

Complaint

The complainant contacted the Council and complained that the Council had requested that they remove their belongings from the communal areas.

Council's response

It was determined that an appropriate level of service was provided as the Tenancy Services Team had appropriately requested that the complainant remove their items from the communal areas following a fire safety assessment.

Council undertook this action to ensure that residents are safe in their homes by reducing fire risks.

Assistant Director Comments

The Council had acted appropriately and in line with the tenancy agreement.

2. Complaint against Housing Income

Response – 20 working days

Complaint not upheld

Complaint

The complainant contacted the Council and complained that the Council contacted them excessively regarding rent arrears.

Council's response

It was determined that an appropriate level of service was provided as the Income Collection Team appropriately contacted the complainant regarding their rent arrears.

The Income Collection Team are obligated to contact individuals with rent arrears. There was no information to suggest that this contact has been inappropriate or harassing in nature.

Assistant Director Comments

The Council had acted appropriately when contacting the complainant regarding their rent arrears.

3. Complaint against Housing Income

Response – 20 working days

Complaint upheld

Complaint

The complainant contacted the Council and complained that the Independent Living Team are required to test their pull cords.

Council's response

It was determined that an appropriate level of service was not provided as the complainant was allowed to enter into an agreement that allowed you to test your own pull cord.

This should not have been offered in the first place and is not standard procedure for the testing of pull cords.

The Independent Living Team subsequently provided the correct information regarding the pull cord testing.

The Council are obligated to test this equipment to ensure that it is working correctly and free of any damage or faults.

The Council will continue to test the pull cord equipment.

This is undertaken to ensure that residents are safe within their homes.

Assistant Director Comments

The Council recognises that this has caused confusion and inconvenience.

Environmental Health

1. Complaint against Environmental Health

Response – 20 working days

Complaint not upheld

Complaint

The complainant contacted the Council and complained that the Environmental Health Team have not reconnected their gas supply to their property.

Council's response

It was determined that an appropriate level of service was provided as the appropriate advice had been provided regarding the gas being disconnected from complainant's property.

The Council does not have the power to reconnect the gas or dictate the method in which Cadent would reconnect the gas. This remains an issue between the complainant and Cadent to resolve as a private home owner.

There was no information to suggest that the Environmental Health Team have misinterpreted their enforcement powers. The Environmental Health Team cannot undertake enforcement on Cadent.

Under the Housing Act 2004, if the Council identifies hazards with a dwelling and deem enforcement action is required the action must be taken against the person who has a legal responsibility for the dwelling where the hazard is identified. It does not allow the Council to take action against any person who does not have a legal interest in the property affected.

Assistant Director Comments

The correct actions were undertaken to advise the complainant that as the legal owner of their property they are responsible for the reconnection of the gas supply.

Environment

1. Complaint against Environment

Response – 20 working days

Complaint upheld

Complaint

The complainant contacted the Council and complained that the Waste Team had failed to collect their waste bin on the correct day.

Council's response

It was determined that an appropriate level of service was not provided as the bins had not been collected on the correct day.

This was a service error and the bin was collected following its reporting.

Assistant Director Comments

The Council recognises the inconvenience of not collecting the bin on the designated day.

**STAGE 3 – COMPLAINTS TO THE LOCAL GOVERNMENT OMBUDSMAN (LGO)
/HOUSING OMBUDSMAN (HO)**

Stage 3 - Ombudsman Complaint

1. Complaint against Housing Repairs (complaint concluded in 2023/24)

Complaint Upheld.

Complaint

The concern raised was that the Council did not deal with an issue of noise being created by an adjoining stair case.

Ombudsman's conclusion

The Council's stage 1 complaint response set out its position in relation to any repairs needed to the stairs. Which was appropriate. However, its response failed to address the specific concerns the resident raised in their complaint, the noise disturbance. This was an error in its handling of the matter. The resident was inconvenienced by the lack of response to the actual concerns raised.

The Council's stage 2 complaint response went some way to putting the above error right by setting out its position on the noise disturbance from the stairs. It explained its position that no repairs were needed. It also explained it needed recommendations from an Occupational Therapist (OT) before it would install sound proofing. While evidently disappointing for the resident, the Council's position was reasonable. OTs are best placed to understand what specific adaptations are needed based on the needs of an individual. The Council's stage 2 complaint response failed to address the lack of detail and shortcomings of its stage 1 complaint response.

While an appropriate position to take, the Council should have been more supportive in terms of assisting the resident with an OT referral/assessment.

The HO ordered the Council to issue an apology and £100 compensation.

2. Complaint against Housing Operations (complaint concluded in 2023/24)

Complaint not Upheld.

Complaint

The concern raised was that the Council did not deal with an issue of noise generated by the building of new Council properties.

Ombudsman's conclusion

It was determined that the complaint was outside of the HO's jurisdiction.

3. Complaint against Housing Operations (complaint concluded in 2024/25)

Complaint not upheld.

Complaint

The concern raised was that the Council did not deal with an issue of housing allocation correctly during a homelessness application.

Ombudsman's conclusion

The LGO would not investigate the complaint about the Council's decision to end the relief duty after the complainant refused an offer of housing because they have appeal rights, which are reasonable for them to exercise.

In any case, there is insufficient evidence of fault in the Council's decision-making to justify the LGOs involvement.

This page is intentionally left blank

Report of the Monitoring Officer

Findings of Fault Determinations Reported from the Ombudsman

1. Purpose of Report

To provide Members with the recent findings of fault determinations made by the Local Government and Social Care Ombudsman and the Housing Ombudsman.

2. Recommendation

The Committee is asked NOTE the report.

3. Detail

This report outlines the recent determination made by the Housing Ombudsman (HO) where a finding of fault has been recorded. The full report by the HO is attached as the **Appendix**.

4. Financial Implications

The comments from the Interim Deputy Chief Executive were as follows:

The cost of compensation is charged either directly to the service or a recognised in a central corporate budget. Any significant financial implications relating to compensation and/or the operational recommendations from the Ombudsmen, over and above existing budgets and virement limits, would require approval by Cabinet.

5. Legal Implications

The comments from the Head of Legal Services were as follows:

Under s5A of the Local Government and Housing Act 1989 the Council's Monitoring Officer is legally obliged to report to Cabinet any findings of fault by the Local Government and Social Care Ombudsman.

6. Human Resources Implications

The comments from the Human Resources Manager were as follows:

Not applicable.

7. Union Comments

The Union comments were as follows:

Not applicable.

8. Climate Change Implications

Not applicable.

9. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

Not applicable.

11. Background Papers

Nil.

Decision	
Case ID	202330866
Decision type	Investigation
Landlord	Broxtowe Borough Council
Landlord type	Local Authority
Occupancy	Secure tenancy
Date	22 December 2025

Background

1. The resident is a tenant of the landlord and lives in a flat in a block. The resident and her partner are vulnerable due to their health conditions. The resident's son is vulnerable due to having autism. The resident reported concerns about noise disturbance from her neighbour's using the stairs up to the property above in October 2023. The landlord did an inspection in October 2023. During the complaint both the resident and her husband were in contact with the landlord. For clarity this report refers to them both as 'the resident'.

What the complaint is about

2. The landlord's handling of noise disturbance from the communal stairs.
3. We have also considered the landlord's complaint handling.

Our decision (determination)

4. There was service failure in the landlord's handling of noise disturbance from the communal stairs.
5. There was no maladministration in the landlord's complaint handling.

We have made orders for the landlord to put things right.

Summary of reasons

Noise disturbance from the communal stairs

6. The landlord failed to appropriately address the resident's concerns in its initial complaint response. An error it failed to acknowledge or put right. Its stage 2 response addressed the substantive issue and set out its position with clarity. Considering the vulnerabilities of the household it should have offered more support with regard to referrals for an occupational therapist (OT) assessment.

Complaint handling

7. The landlord responded to the complaint in line with its policy and procedures.

Putting things right

Where we find service failure, maladministration or severe maladministration we can make orders for the landlord to put things right. We have the discretion to make recommendations in all other cases within our jurisdiction.

Orders

Landlords **must** comply with our orders in the manner and timescales we specify. The landlord must provide documentary evidence of compliance with our orders by the **due date** set.

Order	What the landlord must do	Due date
1	<p>Apology order</p> <p>The landlord must apologise in writing to the resident for the failures identified in this report. The landlord must ensure:</p> <ul style="list-style-type: none"> • The apology is specific to the failures identified in this decision, meaningful and empathetic. • It has due regard to our apologies guidance. 	<p>No later than</p> <p>02 February 2026</p>
2	<p>Compensation order</p> <p>The landlord must pay the resident £ 100 to recognise the distress and inconvenience caused by its handling of noise disturbance from the communal stairs.</p> <p>This must be paid directly to the resident by the due date. The landlord must provide documentary evidence of payment by the due date.</p>	<p>No later than</p> <p>02 February 2026</p>
3	<p>OT Referral</p> <p>The landlord must meet with the resident to assist with a referral to the local authority for an OT assessment.</p>	<p>No later than</p> <p>02 February 2026</p>

Our investigation

The complaint procedure

Date	What happened
25 September 2023	The resident complained about noise disturbance from her neighbour when she used the stairs to go up to their property. She said the noise from the stairs was loud and affected her son who has autism. She asked it to inspect the stairs to see if anything could be done to improve the issue.
23 October 2023	The landlord sent its stage 1 complaint response. It said it had inspected the stairs on 10 October 2023. It said it had found small cracks in the hallway plaster that were the resident's responsibility to repair.
3 November 2023	The resident asked the landlord to escalate her complaint. She said she was unhappy it had not done any repairs to the staircase prior to the tenants moving in. She said the stairs were next to her son's bedroom but he could not move bedrooms due to the needs of the household.
1 December 2023	The landlord sent its stage 2 response. It said it had inspected the stairs and found them to be structurally sound. It said it would only consider sound proofing them if recommended by an OT. It told the resident who the relevant team was at the local authority.
Referral to the Ombudsman	The resident asked us to investigate her complaint. She said she was unhappy about its response to the noise disturbance issue, and how it had allocated the property above.

What we found and why

The circumstances of this complaint are well known by the parties involved, so it is not necessary to detail everything that's happened or comment on all the information we've reviewed. We've only included the key information that forms the basis of our decision of whether the landlord is responsible for maladministration.

Complaint	The landlord's handling of noise disturbance from the communal stairs.
Finding	Service failure

8. The resident reported the noise disturbance from the stairway impacted her son's wellbeing. It would be fairer, more reasonable and more effective for the resident to make a personal injury claim for any injury caused. The courts are best placed to deal with this type of dispute as they will have the benefit of independent medical advice to decide on the cause of any injury and how long it will last. We've not investigated this further. We can decide if a landlord should pay compensation for distress and inconvenience.
9. Our role is not to determine whether the noise disturbance was occurring or not, but to consider how the landlord responded to the resident's concerns. Our investigation has focused on the landlord's handling of the issue up to the point of its final complaint response on 1 December 2023. The resident reported further concerns about noise disturbance and antisocial behaviour (ASB) in early 2024. This occurred since the complaint exhausted the landlord's complaint procedure. We have no power to investigate complaints which the landlord has not had the chance to put right first. The resident may want to complain about the landlord's handling of the later reports of ASB. We may then investigate if the resident remains unhappy after exhausting its complaints procedure.
10. When the resident reported concerns about noise disturbance from the stairs the landlord appropriately arranged an inspection. It inspected on 10 October 2023 which was within the timeframe set out in its repairs policy. This is evidence it took the resident's reports seriously. The landlord's inspection found the stairs to be in satisfactory condition and no repairs were needed. We have not been provided with notes from the inspection, only images. This is a shortcoming in the landlord's record keeping. However, as the resident did not dispute its claim about the findings of its October 2023 inspection (that the

operative found the stairs in satisfactory condition) it is reasonable to conclude the landlord's version of the inspection set out in its complaint response was accurate.

11. The landlord's stage 1 complaint response set out its position in relation to any repairs needed to the stairs. Which was appropriate. However, its response failed to address the specific concerns the resident raised in her complaint, the noise disturbance. This was an error in its handling of the matter. The resident was inconvenienced by the lack of response to the actual concerns raised.
12. The landlord's stage 2 complaint response went some way to putting the above error right by setting out its position on the noise disturbance from the stairs. It explained its position no repairs were needed. It also explained it needed recommendations from an OT before it would install sound proofing. While evidently disappointing for the resident, the landlord's position was reasonable. OTs are best placed to understand what specific adaptations are needed based on the needs of an individual. The landlord's stage 2 complaint response failed to address the lack of detail and shortcomings of its stage 1 complaint response. This lacked transparency and learning.
13. While an appropriate position to take, the landlord should have been more supportive in terms of assisting the resident with an OT referral/assessment. This is particularly concerning considering the known vulnerabilities within the household. The resident and her husband both have disabilities and health conditions. It would therefore have been appropriate to support them with the relevant referrals to the appropriate department. It must do so now.
14. When the resident contacted us about the complaint she said she was unhappy she was not offered higher banding on the local authority rehousing system. She also complained about how the local authority allocated the property above her. We can only investigate complaints about councils where they are acting as the landlord under a licence, lease, or a social housing tenancy. For this part of the resident's complaint, the council was not acting in this capacity because the resident's rehousing application falls within Part 6 of the Housing Act (1996), and was dealt with by the landlord within its capacity as the local authority. As such, we have no power to investigate the complaint about the housing application, or the allocation of the property above. The resident may be able to complain about this to the Local Government and Social Care Ombudsman, if she is dissatisfied with the landlord's final response to the matter.

15. Due to the errors identified above we have decided there was service failure in the landlord's handling of the matter. Our remedies guidance sets out our approach to compensation. It says up to £100 in compensation is appropriate to put right a landlord's errors that were of a short duration and may not have significantly affected the overall outcome for the resident. We order the landlord to pay the resident £100 to put right the errors in its handling of this matter.

Complaint	The handling of the complaint
Finding	No maladministration

16. The landlord has a 2-stage complaint process. It aims to acknowledge both stages within 5 working days. It says the resident should then receive a formal response to stage 1 complaints within 10 working days and stage 2 complaints within 20 working days of the complaint acknowledgement. It provided formal responses at both stages of the process within the timescales set out within its policy and our Complaint Handling Code, which sets out our expectations of landlords' complaint processes.

Learning

Knowledge information management (record keeping)

17. The landlord's repair records provided for this investigation were poor. We acknowledge it provided images from its inspection from October 2023. But, it failed to provide any notes taken at the time of the inspection. It was therefore not possible to accurately determine the findings of the inspection.

Communication

18. The landlord's complaint responses about the substantive issue lacked detail at stage 1, and did not offer the appropriate level of support at stage 2. The landlord should have due regard for the vulnerabilities of a household when signposting to services. In cases such as this, it should offer support with appropriate referrals to help remove any barriers from residents accessing services.

This page is intentionally left blank

Report of the Deputy Chief Executive

Work Programme

1. Purpose of Report

To consider items for inclusion in the Work Programme for future meetings.

2. Recommendation

The Committee is asked to consider the Work Programme and RESOLVE accordingly.

3. Detail

Items which have already been suggested for inclusion in the Work Programme of future meetings are given below. Members are asked to consider any additional items that they may wish to see in the Programme.

18 May 2026	<ul style="list-style-type: none"> • Corporate Governance Arrangements • Audit of Accounts - Audit Strategy Memorandum 2025/26 • Internal Audit Progress Report • Employee Code of Conduct • Whistleblowing Policy
20 July 2026	<ul style="list-style-type: none"> • Audit of Accounts and Associated Matters • Internal Audit Progress Report • Internal Audit Review 2025/26 • Review of Strategic Risk Register • Complaints Report Quarter 4 • Annual Complaints report

4. Financial Implications

The comments from the Head of Finance Services were as follows:

There are no financial implications as a result of this report.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

The terms of reference are set out in the Council's constitution. It is good practice to include a work programme to help the Council manage the portfolios.

6. Human Resources Implications

The comments from the Human Resources Manager were as follows:

Not applicable.

7. Union Comments

The Union comments were as follows:

Not applicable.

8. Climate Change Implications

The climate change implications are contained within the report.

9. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

As this is not a change to policy and no Equality Impact Assessment is required.

11. Background Papers

Nil.