

Report of the Interim Deputy Chief Executive and Section 151 Officer

Statement of Accounts 2025/26 - Going Concern
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1. Purpose of Report

This report sets out the assessment by the designated Section 151 Officer of the Council's Going Concern status. This is in accordance with all of the Council's priorities.

2. Recommendation

The Committee is asked to NOTE the outcome of the assessment made of the Council's status as a going concern for the purposes of the Statement of Accounts 2025/26.

3. Detail

The concept of a 'going concern' assumes that a local authority, its functions and services will continue in operational existence for the foreseeable future. This assumption underpins the accounts drawn up under the Local Authority Code of Accounting Practice and is made because local authorities carry out functions essential to the community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If a local authority was in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year.

Where the 'going concern' concept is not the case, particular care would be needed in the valuation of assets, as inventories and property, plant and equipment may not be realisable at their book values and provisions may be needed for closure costs or redundancies. An inability to apply the going concern concept would potentially have a fundamental impact on the financial statements.

Given the significant reductions in funding for local government over many years and the potential risks that the wider economic context continues to pose to the ongoing viability of a number of local authorities as a consequence, external auditors place greater emphasis on local authorities undertaking an assessment of the 'going concern' basis on which they prepare their financial statements.

In response the position of this Council is set out in the **Appendix** to this report.

4. Financial Implications

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

The financial implications are included in the report.

5. Legal Implications

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

There are no direct legal implications that arise from this report.

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

11. Background Papers

Nil.