NOTTINGHAMSHIRE COUNTY COUNCIL
ANNUAL FINANCIAL REPORT 2024/25

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NARRATIVE REPORT

Introduction

1. The Authority's Statement of Accounts for the year 2024/25 is set out on the following pages. It is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) issued by CIPFA. The statements also comply with appropriate guidance notes issued by CIPFA covering International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and interpretations of the Standing Interpretations Committee (SIC) and IFRS Interpretations Committee (IFRIC) as they apply to Local Authorities.

2. The Statement of Accounts aims to provide information so that interested parties can:

   - Understand the overarching financial position of the Authority and the outturn for 2024/25
   - Have confidence that the public money with which the Authority has been entrusted has been used and accounted for in an appropriate manner
   - Be assured that the financial position of the Authority is sound and secure.

   The style and format of the accounts complies with CIPFA standards and, in order to assist users, the content has been reviewed and improved where possible.

3. **Narrative Report**
   This Narrative Report provides information on key issues affecting the Authority and its accounts.

4. **Annual Governance Statement**
   Alongside the Statement of Accounts, the Authority publishes an Annual Governance Statement which sets out the Authority's responsibility for internal control and describes both the purpose of internal control and the internal control environment. The Statement also summarises the Authority's review of the effectiveness of internal control and highlights significant internal control issues and the actions to be taken in order to address these. The 2024/25 Statement is scheduled to be reported to Governance and Ethics Committee on 23 July 2025.

5. **Other Statements**
   The Statement of Accounts is supported by the Statement of Responsibilities and the Notes which follow the core financial statements. In addition, the Authority publishes the Pension Fund Accounts and a glossary of financial terms.

6. **Movement in Reserves Statement**
   This statement shows the movement in the year on the different reserves held by the Authority, analysed into usable reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves. The surplus / deficit on the provision of services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for Council Tax setting purposes.

7. **Comprehensive Income and Expenditure Statement**
   This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Expenditure and Funding Analysis (EFA) and Movement in Reserves Statement.

8. **Balance Sheet**
The Balance Sheet shows the value of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves are unusable reserves which the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under statutory provisions'.

9. **Cash Flow Statement**
The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

10. **Pension Fund Accounts**
This Statement shows the income and expenditure relating to the Local Government Pension Scheme (LGPS) administered by Nottinghamshire County Council.

11. **Pension Net Assets Statement**
This Statement shows the net current assets and liabilities arising from the operation of the Authority's Pension Scheme (LGPS). In accordance with the Code of Practice this Statement does not take account of liabilities to pay pensions and other benefits after the period end.

Budget Monitoring

12. The financial position of the Authority has continued to be monitored throughout the financial year, with monthly reports to the Corporate Leadership Team and the Cabinet Member for Finance and Resources or Cabinet, providing an update of progress and thus ensuring decision makers had access to financial information on a timely basis.

13. The Budget Report 2025/26 that was approved at Full Council on 27 February 2025 sets out that the Authority's budget aims to protect and enhance key services for residents whilst making the organisation financially sustainable for the medium to long term. The Authority's objective is to reach a position, through transforming the way it delivers services over a number of years, where it is able to both offer more support within communities and simultaneously be more efficient and effective with its spending.

14. Whilst having a clear view of the funding position for 2025/26, the Government's further one-year Local Government Financial Settlement means funding for the final three years of the Medium-Term Financial Strategy (MTFS) remains unclear. This will continue to be the case until announcements regarding the longer-term future of local government financing are made.

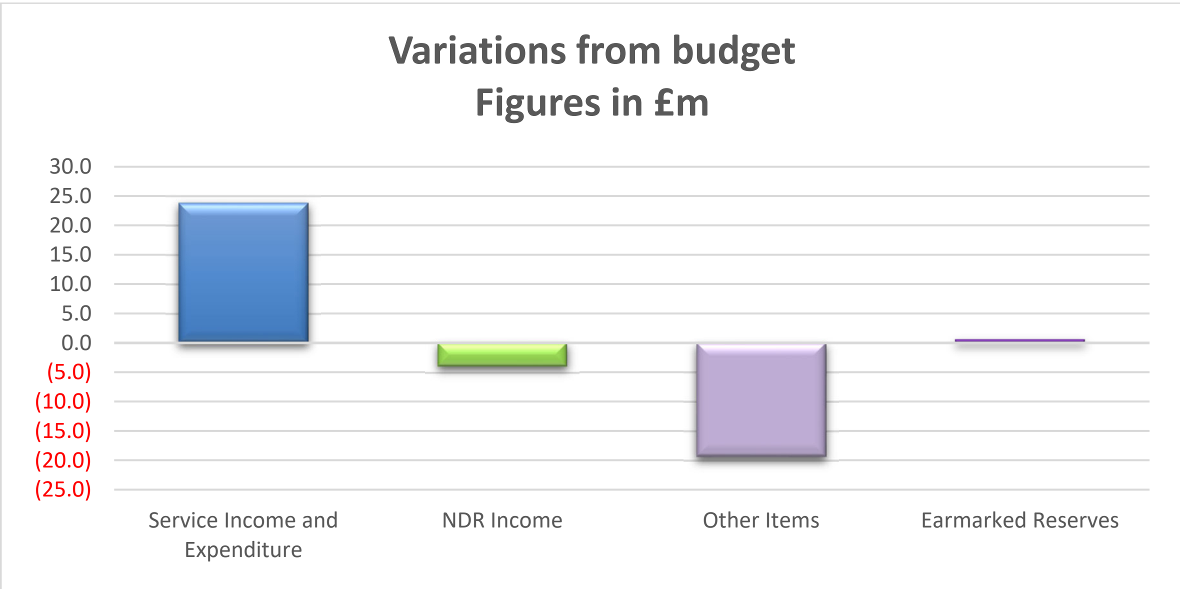
15. The MTFS approved at Full Council in February 2025 shows that, whilst the Authority can deliver a balanced budget in 2025/26, based on current assumptions further significant savings will need to be identified in each of the following years to 2028/29.

Revenue Expenditure

16. The 2024/25 budget estimated that there would be no net movement in relation to General Fund balances. The draft management accounts show that the final use of the General Fund was £1.0m.

	Budget £m	Actual £m	Variance from Budget £m
INCOME			
Income raised from taxation:			
Precept Income (Council Tax)	(485.9)	(485.9)	-
Non Domestic Rate Income	(144.3)	(148.3)	(4.0)
Revenue Support Grant	(8.6)	(8.6)	-
	(638.8)	(642.8)	(4.0)
NET EXPENDITURE (inc appropriations)	**638.8**	**643.8**	**5.0**
Contribution to/(from) General Fund Balances	**0.0**	**(1.0)**	**(1.0)**

The main variations to net expenditure were:



17. As shown above, service areas overspent by £23.8m which can mainly be attributed to overspends in Adult Social Care (£20.5m) and External Looked After Children (LAC) placements (£8.8m) being offset by additional grant allocations and vacancy levels across various portfolios due to a challenging recruitment environment. Also within the overall budget variance, owing to treasury management outcomes, the Authority has benefitted from favourable interest rate movements (£8.9m) in addition to under-utilisation of budgeted contingency funding (£7.2m). Full details of these and other variations are set out in the draft management accounts which will be reported to Cabinet on 17 July 2025.

18. The Authority's MTFS, reported to Cabinet in February 2025, included savings of £12.9m to be delivered with a residual unfunded deficit of £18.5m extending out to 2028/29. All

savings are monitored with a status update included in the monthly report to the Cabinet Member for Finance and Resources.

Capital Expenditure and Financing

19. The Authority's capital expenditure in 2024/25 was £151.7m. That total includes capital expenditure of £2.3m incurred at schools and £0.2m incurred on the Waste PFI scheme. The external capital financing costs relating to borrowing incurred by Treasury Management totalled £17.6m.

20. The Authority’s borrowings, used to finance the past acquisitions of assets, were £469.8m at 31 March 2025, excluding PFI schemes. The Authority makes use of financial instruments called Lenders' Option Borrowers' Option (LOBOs) which offered attractive borrowing rates of interest as well as greater flexibility. At 31 March 2025 the amount owed on these types of borrowings was £60.0m. The Finance Lease Liability relating to PFI schemes and finance leases as at 31 March 2025 totalled £134.8m. This is an increase of £44.5m and is due to the implementation of the new IFRS 16 leasing standard as:-

- leased assets are recognised as right-of-use assets with a corresponding lease liability
- opening lease liabilities are re-measured where an inflationary increase has been applied to unitary payments.

21. The Authority has entered into Private Finance Initiative (PFI) partnerships. The schemes are as follows:

- The provision of schools at East Leake. Service commenced during 2003/04
- The provision of schools and leisure facilities in Bassetlaw which commenced during 2007/08
- Waste recycling and energy recovery facilities. The waste recycling facility became operational in January 2009.

Further details of all PFI contracts are set out in Note 12 to the Accounts.

Balance Sheet

22. The Authority holds £1,526m of long-term assets (£1,623m as at 31 March 2024, re-stated), which is primarily made up of property, plant and equipment held by the Authority. Details on these balances can be found in notes as referenced in the Balance Sheet. In addition to these balances, the Authority holds material balances relating to pension liabilities and borrowing:-

- The pension liability recognised on the Authority’s Balance Sheet has a significant impact on the net worth of the Authority. Pension benefits do not become payable until employees retire, however, the Authority is required to account for the future obligations at the same time as the employees accrue pension benefits. The pension liability is calculated by an independent actuary, Barnett & Waddingham LLP. The net pension scheme liability is estimated to be £61.1m at the Balance Sheet date (£164.4m as at 31 March 2024); a decrease of £103.3m. Further details of the pension liability are set out in Note 20

- The Authority continues to be in a positive cash position and therefore continues to pursue a strategy of temporarily borrowing using its internal resources to finance capital expenditure. Long-term borrowing is £453.0m (£463.3m as at 31 March 2024).

Governance

23. Full Council at its meeting on 31 March 2022 approved a revised model of governance moving from the committee system of governance to the executive, Leader and Cabinet model. This model of governance became operational in May 2022.

24. As part of the review of the governance arrangements the Centre for Governance and Scrutiny (CfGS) has undertaken an independent review of the scrutiny function. The recommendations of the independent review were reported to Governance and Ethics Committee on 17 April 2024 who approved the recommendations.

Context

25. The Authority has looked at the major trends and issues affecting the County now and into the future. It has collected and analysed the latest statistics about Nottinghamshire's communities, economy, and environment.

- Nottinghamshire is a large county covering 805 square miles (2,085 sq. km). There are three distinct areas: the relatively affluent suburbs surrounding the City of Nottingham; the towns and villages in the north-west which grew out of the textile and coal industries; and the rural areas to the east and south characterised by prosperous market towns and villages in the Trent Valley

- Towns and villages in the north and west that were the heartland of heavy industry now offer opportunities for service and manufacturing sector industries, with a major concentration of logistics and distribution companies on the M1 and A1 corridors

- Rural communities to the east and south, outside of the main market towns, act largely as commuter belt for conurbations including Nottingham, Lincoln, Leicester, and London. These also have significant agricultural economies with market towns such as Newark and Retford offering more diverse opportunities

- Latest statistics set out that the population of Nottinghamshire stands at 826,300. The overall population is predicted to jump to 908,000 (10%) by 2034

- Our ageing population (the over 65s) is expected to increase by over 30% by 2034, or an extra 53,000 people. The number of older people expected to live alone is forecast to increase by 26% by 2030

- Nottinghamshire's economic landscape has changed significantly over the last 30 years, with growth largely mirroring the national economy. However, while the south and east of the County are generally performing at or around the national average, the north, especially Ashfield and Mansfield, are below the national average in terms of education, skills, training, annual earnings and business growth.

Risks and Uncertainties

26. The Risk, Safety and Emergency Management Board (RSEMB) has the lead role in creating and maintaining the Authority's capacity to respond to emergencies in the community and for internal resilience to the effects of significant business interruptions. The RSEMB is chaired by the Director Of Public Health and Communities and comprises of departmental representatives plus specialist officers from emergency planning, health and safety, risk and insurance, facilities management, property and ICT.

27. The Corporate Risk Register provides a summary scorecard of the main risks to the Authority at a strategic level and assesses these in terms of their likelihood and potential impact were they to occur. It identifies measures in place to mitigate these risks and further measures that are planned for the future. Progress is monitored as part of the meetings of the RSEMB.

Environmental

28. The Authority approved its Corporate Environment Policy Statement and Corporate Environment Strategy in March 2020. These documents set out the commitment to protecting and enhancing the environment and are accompanied by an action plan setting out activities that must take place to support this, around five key areas:

- **Natural environment** – looking at biodiversity and habitat management, improvements to our green spaces and flood management
- **Built environment** – this area includes conservation and enhancement of heritage sites, production of renewable energy on the Authority's estate and the way in which we approach our current estate and the design specifications of any new developments
- **Resources** – encompasses how we reduce generation of waste across Council activities, increase recycling, reduce consumption of water, energy and use of single-use plastics and paper
- **Travel and transport** – looking at encouraging our staff to utilise greener modes of transport, increasing the number of Council vehicles which use greener fuels and improving electric vehicle charging infrastructure across the County
- **Community leadership, health, and the economy** – actions around how we influence our staff to take positive environmental action both at work and at home, how we work with partners, schools and communities to encourage them to take positive steps to protect and enhance the environment, being environmentally responsible through our procurement of goods and services and linking with Public Health colleagues and partners to improve air quality and support the development of healthy and sustainable places across Nottinghamshire.

29. The Authority declared a climate emergency in May 2021, furthering the commitment to tackle climate change and ensure Nottinghamshire has a greener future. The Transport and Environment Committee were tasked with driving forward the Authority's commitment to achieving carbon neutrality in all its activities by 2030. Following the move to a Cabinet system the Cabinet Member for Transport and Environment has subsequently received a number of reports on progress including reviewing the Corporate Environment Policy to incorporate the 2030 target noted above, receiving the Authority's Greenhouse Gas Report for 2019/20 and agreeing projects to be funded through the Green Investment Fund.

30. Furthermore, work has continued with the development of the Authority's Carbon Reduction Plan that was published in February 2023. This document sets out a framework for action and scope for the activities for which Green House Gas emissions will be measured and reported in pursuit of the 2030 goal. An update on the Authority's climate change activities and climate emergency response was reported to Overview Committee in March 2025.

People

31. As a major employer in Nottinghamshire, the Authority's ambition is to contribute to build a more prosperous local community by modelling good employment practice, including ensuring fairness in the way that it pays and rewards its existing and future employees.

32. The Authority also wishes to be an attractive source of potential employment to job seekers across its community and is committed to using its resources to create meaningful and fairly remunerated employment opportunities for local people.

33. The Authority remains amongst the largest employer in the county with a headcount of 7,414 directly employed permanent and temporary staff, as of February 2025.

34. Nottinghamshire County Council's Pay Policy Statement 2025/26 is produced annually by the Authority and the most recent published information was presented to Full Council on 20 March 2025.

Vision

35. The Nottinghamshire Plan 2021 - 2031 was agreed by Full Council in November 2021 and sets out the strategic vision for the future of Nottinghamshire and the Local Authority. The Plan is built around achieving a bold 10-year vision for a 'healthy, prosperous and greener future for everyone'. It focuses on:

- Improving health and well-being in all our communities
- Growing our economy and improving living standards
- Reducing the County's impact on the environment
- Helping everyone access the best of Nottinghamshire.

36. This vision is supported by nine ambitions and commitments to 2025 which will act as a framework for all County Council activity.

1. Helping our people live healthier, more independent lives
2. Supporting communities and families
3. Keeping children, vulnerable adults, and communities safe
4. Building skills that help people to get good local jobs
5. Strengthening businesses and creating more good-quality jobs
6. Making Nottinghamshire somewhere people love to live, work and visit
7. Attracting investment in infrastructure, the economy, and green growth
8. Improving transport and digital connections
9. Protecting the environment and reducing our carbon footprint.

A tenth ambition 'A forward-looking and resilient Council' describes the Authority's ambitions and commitments in terms of internal corporate improvement.

Performance

37. The Authority continues to make progress against the Nottinghamshire Plan 2021-31. The following are just a few tangible outcomes from the 2024/25 financial year which are furthering the Authority's ability to meet the needs of residents:-

- System partners across health, local authorities and the voluntary sector, and people with lived experience, have worked together to develop the Integrated Mental Health Pathway Strategic Plan 2024-2027, which was published on 31st July

- New Family Hub networks are being rolled out across Nottinghamshire, with a range of weekly activities organised by Council teams and different organisations, which make up the Family Hub network.
- The Authority's Community Flood Signage Scheme won a Flood and Coast Excellence Award in the Community Action category. The scheme, established in 2011, trains volunteers to close roads susceptible to flooding, helping to protect properties and enhance community resilience.
- The Authority, in partnership with Stagecoach East Midlands, has secured £2.8m from government to invest in electric buses and charging infrastructure in Mansfield. With investment from Stagecoach, this represents a total investment of £13m. These new electric buses will start operating in Mansfield from October 2025.
- The Authority has reduced its greenhouse gas emissions by 39% since 2019. To support the UK's 2050 Net Zero target, the Authority has created a Net Zero Framework outlining its vision and strategies for reducing carbon emissions and adapting to climate change.
- By March 2025 the Authority had used its Bus Service Improvement Plan funding to invest an additional £3.8m in Nottinghamshire's local bus network, enhancing, extending or introducing 32 bus services.

38. Further details of actions that have been completed and benefits delivered as part of the 2024/25 Annual Delivery Plan, will be provided as part of the upcoming Annual Report that details our achievements and reports our progress against these key measures of success.

Summary

39. Overall, the financial position remains challenging, however the Authority continues to deliver good financial and non-financial performance. The Authority will carry on responding to change and to deliver the savings required to meet the budget requirements. Robust financial management and ongoing risk management processes will ensure the Authority maintains delivering good value to the people of Nottinghamshire and ensure we deliver on our vision of a healthy, prosperous and greener future for everyone.

Nigel Stevenson
Service Director (Finance, Infrastructure & Improvement) & Section 151 Officer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOTTINGHAMSHIRE COUNTY COUNCIL

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Nottinghamshire County Council ("the Council") for the year ended 31 March 2025, which comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Council as at 31st March 2025 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Service Director for Finance, Infrastructure and Improvement’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Council's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Service Director for Finance, Infrastructure and Improvement with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the Annual Governance Statement and information included in the Statement of Accounts, other than the financial statements and our auditor’s report thereon. The Service Director for Finance, Infrastructure and Improvement is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Service Director for Finance, Infrastructure and Improvement for the financial statements

As explained more fully in the Statement of the Service Director for Finance, Infrastructure and Improvement's Responsibilities, the Service Director for Finance, Infrastructure and Improvement is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and for being satisfied that they give a true and fair view. The Service Director for Finance, Infrastructure and Improvement is also responsible for such internal control as the Service Director for Finance, Infrastructure and Improvement determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Service Director for Finance, Infrastructure and Improvement is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and prepare the financial statements on a going concern basis on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. The Service Director for Finance, Infrastructure and Improvement is responsible for assessing each year whether or not it is appropriate for the Council to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Council, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, data protection, corruption and anti-bribery.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- gaining an understanding of the legal and regulatory framework applicable to the Council, the environment in which it operates, and the structure of the Council, and considering the risk of acts by the Council which were contrary to the applicable laws and regulations, including fraud;
- inquiring with management and the Governance & Ethics Committee, as to whether the Council is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- reviewing relevant meeting minutes in the year;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Council which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015.

In addition, we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management, Chief Internal Auditor, and the Governance & Ethics Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing, reviewing accounting estimates, and testing significant transactions outside the normal course of business, or otherwise unusual.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud, rests with both management and the Governance & Ethics Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

We are also required to conclude on whether the Service Director for Finance, Infrastructure and Improvement's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom, (Revised 2024) and Supplementary Guidance Note 01, issued by the National Audit Office in November 2024.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on the Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our view we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in this respect.

Responsibilities of the Council

The Council is responsible for putting in place proper arrangements to secure economy, efficiency, and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor’s responsibilities for the review of arrangements for securing economy, efficiency, and effectiveness in the use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Council’s arrangements for securing economy, efficiency, and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or

- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Use of the audit report

This report is made solely to the members of Nottinghamshire County Council as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have received confirmation from the NAO that the group audit of the Whole of Government Account has been completed and that no further work is required to be completed by us.

Mark Surridge, Key Audit Partner

For and on behalf of Forvis Mazars LLP

2 Chamberlain Square,

Birmingham

B3 3AX

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers (the Service Director - Finance, Infrastructure & Improvement) has responsibility for the administration of those affairs;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

Responsibilities of the Service Director (Finance, Infrastructure & Improvement)

The Service Director (Finance, Infrastructure & Improvement) is responsible for the preparation of the Authority's Statement of Accounts (which includes the financial statements) in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ("The Code").

In preparing this Statement of Accounts, the Service Director (Finance, Infrastructure & Improvement) has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code;
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities;
- assessed the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- used the going concern basis of accounting on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future; and
- maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Nigel Stevenson

Service Director (Finance, Infrastructure and Improvement) & Section 151 Officer

17 December 2025

STATEMENT OF APPROVAL OF THE STATEMENT OF ACCOUNTS

Governance and Ethics Committee, at the meeting to be held on 26 November 2025, approved that the Statement of Accounts 2024/25 would be approved by the Section 151 Officer in consultation with the Chairman of the Governance and Ethics Committee.

I, as Section 151 Officer, am satisfied with the position set out in the Statement of Accounts. Following consultation with the Chairman of the Governance and Ethics, I am satisfied that the approval process for the Statement of Accounts has now been completed satisfactorily and that the Statement of Accounts may now be issued.

Signed

Nigel Stevenson

Service Director (Finance, Infrastructure and Improvement) & Section 151 Officer

17 December 2025

Signed

Councillor Lukacs

Chairman of the Governance and Ethics Committee

17 December 2025

STATEMENT OF ACCOUNTING POLICIES

1. General Policies

The Statement of Accounts summarises the Authority's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which require them to be prepared in accordance with proper accounting practices. These practices are primarily based on the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, which is based on International Financial Reporting Standards (IFRS).

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 have been prepared on a going concern basis: that is, on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future from the date that the accounts are authorised for issue

2. Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

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

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority'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.

4. 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.

5. Costs of Support Services

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

6. 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 Authority when there is reasonable assurance that:

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

Amounts recognised as due to the Authority 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 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 receipts in advance. 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-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement.

Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

7. Charges to Revenue for Non-Current Assets

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

- depreciation attributable to the assets used by the relevant service.

- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- amortisation of intangible non-current assets attributable to the service.

The Authority is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance.

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

8. Property, Plant and Equipment (PPE)

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 Authority 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.

As a rule, assets are only recognised when they exceed the de-minimis levels set out below. However, assets below de-minimis meeting all other criteria may still be capitalised if it is deemed appropriate. Most commonly this will be when capitalisation leads to greater utilisation of available funding.

Asset Type	De minimis
Land and Buildings	£0
Community Assets	£10,000
Infrastructure Assets	£0
Assets under Construction	£0
Heritage Assets	£10,000
Vehicles, Plant, Furniture and Equipment	£10,000
Other assets	£10,000

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.
- an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Authority does not capitalise borrowing costs.

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 Authority). 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 Authority.

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:

- Highways Infrastructure Assets - measured at depreciated historical cost. However, this is a modified form of historical cost – opening balances for highways infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April 1994 which was deemed at that time to be historical cost.
- Community Assets and Assets under Construction – historical cost (depreciated where appropriate).
- Heritage Assets - held at valuation or, under certain conditions, historical cost (depreciated where appropriate).
- Operational assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV). Where no market exists to allow a valuation on an EUV basis (e.g. schools), the Depreciated Replacement Cost method (DRC) is used. This is the sum of the fair value for the existing use of the land and the current gross replacement cost of the building, in line with the methodology for Modern Equivalent Asset (MEA), less allowances for physical deterioration, obsolescence and optimisation.
- Non-Operational Assets (i.e. surplus assets) – current value, being fair value as per the requirements of IFRS13 using the principle of “highest and best use” from a market participant’s perspective.

Where there is no market-based evidence of current value because of the specialist nature of an asset (e.g. school buildings), depreciated replacement cost (DRC) is used as an estimate of current value.

Where non land and building assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

The current land and building values used in the Statement of Accounts are based upon a certificate as at 31 March 2025 issued by Andrea Hopkins, MRICS, the Director of Estates Practice for Arc Partnership Ltd on 23 June 2025. A rolling 5-year revaluation programme is in place to maintain the accuracy of the valuations. When significant changes occur in any year, they are included in the revaluation schedule undertaken during that year.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service. Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)

- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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

Impairment

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

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

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

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

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

Depreciation is charged in the year after acquisition or construction. Where depreciation is provided for, assets are depreciated using the straight- line method. The lives of the assets vary and fall within the following ranges:

Asset Type	**Useful Life (In Years)**
Buildings	2 – 50
Vehicles and plant	2 – 20
Infrastructure	15 – 40
IT and other equipment	3 – 10
Intangibles	3 – 5
Furniture and Fittings	5 – 15

As per IFRS16, depreciation in relation to Right of Use Assets is charged over the shorter of the useful life of the asset or length of the lease term.

Where an item of PPE has major components, whose costs are at least 20% of the total cost of the item, the components are depreciated separately. For the purposes of these accounts, a review was carried out for all items over a de-minimis of £0.5m and the Authority has not identified any components to be depreciated separately.

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

Accounting for Schools Property, Plant and Equipment

The Authority has made detailed judgements regarding the control exercised over schools run in a wide variety of ways to determine whether non-current assets should be held on the Balance Sheet. The treatment of all schools has been considered by analysis predicated on the application of tests inherent within the following IFRS adopted by the CIPFA Code (Module 4 – Non Current Assets) – IAS16 – Property, Plant and Equipment, IFRS16 – Leases and IFRIC12 – Service Concession Arrangements. This has resulted in the following treatment:

- Academy schools - off-Balance Sheet
- Foundation schools - on-Balance Sheet
- Voluntary Aided schools – off-Balance Sheet
- Voluntary Controlled schools – off-Balance Sheet
- Community schools – on-Balance Sheet

The assets of those Schools that convert to Academy status are derecognised from the Authority's Balance Sheet at nil proceeds. No impairment is recognised by the Authority prior to disposal.

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 losses previously 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 PPE or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts and are required to be credited to the Capital Receipts Reserve and can then be used for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement).

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

9. Revenue Expenditure Funded from Capital Under Statute (REFfCUS)

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 Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

10. Leases

The Authority 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 IFRS16 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, 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 Authority's incremental borrowing 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
- 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 current 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, these right of use assets 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 remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the Authority'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.

The lease liability will be remeasured to the present value of lease payments, using the updated assumptions. 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 Authority 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, Right of Use Asset 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 (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

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

The written-off value of disposals is not a charge against Council Tax, as the cost of 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, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

11. Private Finance Initiatives (PFI) and Similar Contracts

The Authority has entered into a number of Private Finance Initiative contracts. PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Authority is deemed to control the services that are provided under its PFI schemes, and as ownership of the property, plant and equipment will pass to the Authority at the end of the contracts for no additional charge, the Authority carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. For the Bassetlaw Schools PFI scheme and East Leake Schools PFI scheme, the liability was written down by initial capital contributions of £9.0m and £2.9m respectively.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as Property, Plant and Equipment owned by the Authority.

The amounts payable to the PFI operators each year are analysed into four elements:

- fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement

- finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a capitalised lease)
- lifecycle replacement costs – charges for ongoing capital maintenance of the Property, Plant and Equipment debited to the relevant scheme.

Following the introduction of IFRS 16 PFI lease liabilities are remeasured using IFRS 16 principles when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the Authority'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.

The PFI lease liability will be remeasured to the present value of lease payments, using the updated assumptions. When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the PFI asset, with any further adjustment required from remeasurement being recorded in the income statement.

12. Heritage Assets

Tangible and Intangible Heritage Assets

The Authority's Heritage Assets are held at County Hall or at the Nottinghamshire Archives. Nottinghamshire Archives has a number of architectural drawings and records relating to Rufford Abbey and the Savile of Rufford Estate. These collections are held in support of the primary objective of the Authority's Archives. In addition, the Authority retains a number of important ceremonial regalia and paintings that are also retained for increasing the knowledge, understanding and appreciation of the Authority's history and local area.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Authority's accounting policies on Property, Plant and Equipment.

The carrying amounts of Heritage Assets are reviewed where there is evidence of impairment for Heritage Assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Authority's general policies on impairment. Where assets are disposed of, the proceeds of such items are accounted for in accordance with the Authority's general provisions relating to the disposal of Property, Plant and Equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

13. 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 Authority.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. 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 the Capital Receipts Reserve.

14. Investment Properties

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

Investment Properties are measured initially at cost and subsequently at fair value as per the requirements of IFRS13. Fair value is based on the amount at which the asset could be sold in an orderly transaction between knowledgeable market participants at the measurement date. As a non-financial asset, an investment property will be measured at its highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

15. Employee Benefits and Pensions

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 wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

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

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority 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 Authority are members of two separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE)
- The Local Government Pension Scheme, administered by Nottinghamshire County Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work for the Authority. However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Authority. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Education & SEND and Schools line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

The Local Government Pension Scheme (LGPS)

The Scheme is accounted for as a defined benefits scheme:

- The liabilities of the pension fund attributable to the Authority 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. In assessing these liabilities at 31 March 2025 for the 2024/25 Statement of Accounts, the actuary made a number of changes in the assumptions underlying the present value of the scheme liabilities. These include changes in the discount rate, assumed pensions increases and inflation.
- The assets of the pension fund attributable to the Authority 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 pensions liability is analysed into several components:

- Service Cost comprising:
  - current service cost / gain – the change in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
  - past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Other Operating Income and Expenditure
  - net interest on the net defined benefit liability (asset), i.e. net interest expense for the Authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning

of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

- Remeasurements comprising:

  - the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
  - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – credited/debited to the Pensions Reserve
  - Contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The 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 (including teachers) 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.

16. Cash and Cash Equivalents

Amounts held in call accounts or money market funds are highly liquid and readily convertible. These can be held for relatively long periods as call account rates are currently attractive. However, these accounts are used to cover short-term cash flow needs and so will be classed as cash equivalents.

Fixed term investments, of whatever duration, and amounts held in notice accounts are not readily convertible to known amounts of cash. Fixed deals and notice periods can be broken but only through negotiation with the borrower and at a penalty depending on the fair value of the loan at the time of break. All such investments will not therefore be classed as cash equivalents.

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 Authority's cash management.

17. 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 measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

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

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI).

The Authority'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 (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

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

When soft loans are made, a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the relevant organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund

Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

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

Expected Credit Loss Model

The Authority 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 (debtors) held by the Authority.

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.

18. Fair Value Measurement

The Authority measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments at each reporting date at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

a) in the principal market for the asset or liability, or

b) in the absence of a principal market, in the most advantageous market for the asset or liability

The Authority measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Authority's financial statements are categorised within the fair value hierarchy, as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – unobservable inputs for the asset or liability

19. Inventories

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

20. Interests in Companies and Other Entities

The Authority has involvement with a number of entities where interests are not considered to be material. The nature and value of the relationships are disclosed within the single entity accounts. In line with the Code requirement on group accounts and consolidation, maintained schools within the county are considered to be entities controlled by the Authority. The income, expenditure, assets and liabilities, reserves and cash flows of these schools are recognised within the Authority's single entity accounts rather than group accounts.

21. Provisions

Provisions are made where an event has taken place that gives the Authority 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 Authority 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 Authority becomes aware of the obligation. These are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

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

22. Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority 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 Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

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

23. Contingent Assets

A contingent asset arises where an event has taken place that gives the Authority 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 are disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

24. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance 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 Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority.

25. Schools

The Code of Practice on Local Authority Accounting in the United Kingdom confirms that the balance of control for Local Authority maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the Local Authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the Local Authority financial statements (and not the Group Accounts). Therefore schools' transactions, cash flows and balances are recognised in each of the financial statements of the Authority as if they were the transactions, cash flows and balances of the Authority.

26. VAT

VAT payable, for both revenue and capital, is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

27. Accounting for Council Tax and NNDR

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

The Balance Sheet includes the Authority's share of the end of year balances in respect of Council Tax and NNDR relating to arrears, impairment allowances, overpayments and prepayments and appeals.

Movement in Reserves Statement 2024/25

	Usable Revenue Reserves Balance £000	Capital Grants Unapplied Reserve £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Authority Reserves £000
Balance as at 31 March 2024	**318,747**	**8,643**	**327,390**	**673,694**	**1,001,084**
Changes due to adoption of IFRS16	-	-	-	(39,578)	(39,578)
Movement in Reserves during 2024/25					
Total Comprehensive Income and Expenditure	(100,867)	-	(100,867)	52,818	(48,049)
Adjustments between accounting and funding basis under regulations					
Adjustments to Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements.					
Pensions Costs	(18,436)	-	(18,436)	18,436	-
Financial Instruments	(59)	-	(59)	59	-
Collection Fund Adjustments (Council Tax and NNDR)	982	-	982	(982)	-
Employee Benefits	(231)	-	(231)	231	-
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to Capital expenditure	197,730	-	197,730	(197,730)	-
Total Adjustments to Revenue Resources	**179,986**	**-**	**179,986**	**(179,986)**	**-**
Adjustments between Revenue and Capital Resources					
Statutory provision for the financing of capital investment	(23,966)	-	(23,966)	23,966	-
Capital Expenditure Charged in the year to the General Fund	(20,257)	-	(20,257)	20,257	-
Total Adjustments between Revenue and Capital Resources	**(44,223)**	**-**	**(44,223)**	**44,223**	**-**
Adjustments to Capital Resources					
Capital Grants unapplied credited to CI&E	(49,141)	49,141	-	-	-
Application of grants to capital financing transferred to CAA	-	(54,403)	(54,403)	54,403	-
Movement in deferred Capital Receipts	(32,209)	-	(32,209)	32,209	-
Total Adjustments to Capital Resources	**(81,350)**	**(5,262)**	**(86,612)**	**86,612**	**-**
Other Movements	**-**	**-**	**-**	**-**	**-**
Total Adjustments between Accounting Basis and Funding Basis under Statutory Provisions	**54,413**	**(5,262)**	**49,151**	**(49,151)**	**-**
Increase or (Decrease) in 2024/25	**(46,454)**	**(5,262)**	**(51,716)**	**(35,911)**	**(87,627)**
Balance at 31 March 2025	**272,293**	**3,381**	**275,674**	**637,783**	**913,457**

Movement in Reserves Statement 2023/24

	Usable Revenue Reserves Balance £000	Capital Grants Unapplied Reserve £000	Total Usable Reserves £000	Restated after PPA (Note 1) Total Unusable Reserves £000	Total Authority Reserves £000
Balance as at 31 March 2023	**306,572**	**3,762**	**310,334**	**498,907**	**809,241**
Movement in Reserves during 2023/24					
Total Comprehensive Income and Expenditure	31,819	-	31,819	160,024	191,843
Adjustments between accounting and funding basis under regulations					
Adjustments to Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements.					
Pensions Costs	11,027	-	11,027	(11,027)	-
Financial Instruments	202	-	202	(202)	-
Collection Fund Adjustments (Council Tax and NNDR)	1,169	-	1,169	(1,169)	-
Employee Benefits	(495)	-	(495)	495	-
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to Capital expenditure	70,089	-	70,089	(70,089)	-
Total Adjustments to Revenue Resources	**81,992**	**-**	**81,992**	**(81,992)**	**-**
Adjustments between Revenue and Capital Resources					
Statutory provision for the financing of capital investment	(20,063)	-	(20,063)	20,063	-
Capital Expenditure Charged in the year to the General Fund	(12,224)	-	(12,224)	12,224	-
Total Adjustments between Revenue and Capital Resources	**(32,287)**	**-**	**(32,287)**	**32,287**	**-**
Adjustments to Capital Resources					
Capital Grants unapplied credited to CI&E	(69,348)	69,348	-	-	-
Application of grants to capital financing transferred to CAA	-	(64,467)	(64,467)	64,467	-
Movement in deferred Capital Receipts	-	-	-	-	-
Total Adjustments to Capital Resources	**(69,348)**	**4,881**	**(64,467)**	**64,467**	**-**
Other Movements	**(1)**	**-**	**(1)**	**1**	**-**
Total Adjustments between Accounting Basis and Funding Basis under Statutory Provisions	**(19,644)**	**4,881**	**(14,763)**	**14,763**	**-**
Increase or (Decrease) in 2023/24	**12,175**	**4,881**	**17,056**	**174,787**	**191,843**
Balance at 31 March 2024	**318,747**	**8,643**	**327,390**	**673,694**	**1,001,084**

Comprehensive Income and Expenditure Statement 2024/25

	Note	2023/24 Restated After PPA (Note 1) Gross Expenditure	Income	Net Expenditure	2024/25 Gross Expenditure	Income	Net Expenditure
		£000	£000	£000	£000	£000	£000
Gross expenditure, gross income and net expenditure of continuing operations							
Children & Families		195,538	(29,797)	165,741	208,842	(35,614)	173,228
Education & SEND		67,991	(41,802)	26,189	115,602	(23,685)	91,917
Schools		393,942	(397,475)	(3,533)	456,279	(438,062)	18,217
Adult Social Care		495,051	(228,106)	266,945	551,233	(241,556)	309,677
Communities & Public Health		100,345	(85,424)	14,921	105,957	(80,703)	25,254
Deputy Leader & Transformation		3,006	-	3,006	3,658	(189)	3,468
Finance & Resources		59,172	(8,960)	50,212	60,570	(10,056)	50,513
Economic Development & Asset Management		42,658	(16,287)	26,372	39,836	(18,800)	21,036
Transport & Environment		146,973	(19,986)	126,987	158,597	(23,569)	135,028
Cost of Services		**1,504,676**	**(827,837)**	**676,840**	**1,700,574**	**(872,235)**	**828,338**
Other Operating Expenditure							
Loss on Disposal of non-current assets		11,967	-	11,967	39,250	-	39,250
Change in fair value of Assets Held for Sale	16	43	-	43	335	-	335
Other Operating Income and Expenditure		1,543	(916)	627	1,247	(1,904)	(657)
Total Other Operating Expenditure		**13,553**	**(916)**	**12,637**	**40,832**	**(1,904)**	**38,928**
Financing and Investment Income and Expenditure							
Interest Payable	27	33,190	-	33,190	32,801	-	32,801
Net Interest on the defined liability/asset	20	15,347	-	15,347	115	-	115
Interest and Investment Income	27	-	(14,305)	(14,305)	-	(11,373)	(11,373)
Income and Expenditure in relation to Investment Properties and changes in their fair value	13	(4,201)	(824)	(5,025)	(3,868)	(837)	(4,705)
Net (Surplus)/Deficit of Trading Undertakings		23,983	(21,549)	2,434	29,030	(24,693)	4,337
Insurance Revenue	32	(1,844)	-	(1,844)	(1,168)	-	(1,168)
Total Financing and Investment Income and Expenditure		**66,475**	**(36,678)**	**29,797**	**56,910**	**(36,903)**	**20,007**
Taxation and Non-Specific Grant Income							
Recognised Capital Grants and Contributions	25			(69,348)			(50,471)
Income from Council Tax				(454,528)			(485,008)
General Government Grants	25			(82,288)			(96,173)
National Non-Domestic Rates Distribution				(143,835)			(153,720)
New Homes Bonus Scheme				(1,094)			(1,034)
Total Taxation and Non-Specific Grant Income				**(751,093)**			**(786,406)**
(Surplus)/Deficit on Provision of Services				**(31,819)**			**100,867**
(Surplus)/Deficit on Revaluation of non current assets				(16,149)			32,018
Remeasurement of the net defined benefit liability	20			(143,246)			(83,887)
Other Comprehensive Income and Expenditure				(629)			(949)
Total Comprehensive Income and Expenditure				**(191,843)**			**48,049**

Balance Sheet 2024/25

1st April 2024 Restated after PPA (Note1)		Note	31 March 2024 Restated after PPA (Note1)	31 March 2025
		1		
£000			£000	£000
	Property, Plant and Equipment (PPE)	9(a)		
656,876	Land and Buildings		659,533	513,880
46,558	Vehicles, Plant, Furniture and Equipment		42,966	39,596
680,442	Infrastructure Assets	9(b)	698,658	728,464
1,818	Community Assets		2,037	4,004
94,934	Surplus Assets		123,529	85,854
3,263	Assets Under Construction		12,279	40,486
1,483,891			1,539,002	1,412,284
-	Right of Use Assets	11	-	24,856
420	Heritage Assets	15	420	420
60,506	Investment Properties	13	63,495	66,823
8,803	Intangible Assets	14	10,066	10,812
2,825	Long Term Advances	26	2,859	3,018
5,025	Long Term Investments	26	5,025	5,025
2,818	Long Term Debtors	18	2,537	2,681
80,397			84,402	113,635
1,564,288	**Total Long Term Assets**		**1,623,404**	**1,525,919**
126,047	Short Term Investments	26	132,200	71,044
1,769	Inventories		2,172	1,598
101,054	Short Term Debtors	18	102,684	135,459
85,696	Cash and Cash Equivalents	35	108,940	92,883
33,799	Assets Held for Sale	16	7,862	7,706
348,365	**Total Current Assets**		**353,858**	**308,690**
(156,013)	Short Term Creditors	21	(162,408)	(162,133)
(1,665)	Short Term Provisions	22	(1,506)	(2,049)
(18,393)	Loans to be repaid within 1 year	26, 29	(17,546)	(56,799)
(7,425)	Other Short Term Liabilities	11, 12, 26, 29	(8,303)	(14,544)
(183,496)			(189,763)	(235,525)
1,729,157	**Total Assets less Current Liabilities**		**1,787,499**	**1,599,084**
(11,349)	Long Term Provisions	22	(10,419)	(9,576)
(474,678)	Long Term Borrowing	26, 29	(463,362)	(413,026)
(4,930)	Long Term Creditors	21	(4,454)	(5,230)
(88,876)	Other Long Term Liabilities	11, 12, 26, 29	(81,957)	(120,247)
(705)	Deferred Liability	27	(628)	(551)
(42,150)	Capital Grants Receipts in Advance	25	(61,215)	(75,890)
(297,230)	Net Pensions Liability	20	(164,380)	(61,107)
(919,918)	**Total Long Term Liabilities**		**(786,415)**	**(685,627)**
809,239	**Total Net Assets**		**1,001,084**	**913,457**
	Usable Reserves	31		
3,762	Capital Receipts and Grants Unapplied Reserve		8,643	3,381
186,342	Other Earmarked Reserves		196,168	169,457
41,445	General Insurance	32	43,289	44,457
41,924	Schools Statutory Reserves	33	42,429	22,470
36,861	General Fund Balance		36,861	35,909
310,334	**Usable Reserves**		327,390	275,674
	Unusable Reserves	34		
470,633	Capital Adjustment Account		505,190	413,892
335,731	Revaluation Reserve		343,989	264,587
-	Deferred Capital Receipts		-	32,209
(297,230)	IAS 19 Pensions Reserves	20	(164,380)	(61,107)
(2,226)	Financial Instruments Adjustment Account		(2,428)	(2,370)
540	Collection Fund Adjustment Account		(629)	(1,611)
(8,543)	Employee Benefits Account		(8,048)	(7,817)
498,905	**Unusable Reserves**		673,694	637,783
809,239	**Net Worth / Total Reserves**		**1,001,084**	**913,457**

The unaudited accounts were issued on 27 June 2025 and the audited accounts were authorised for issue on 17 December 2025

Nigel Stevenson - Service Director (Finance, Infrastructure & Improvement) & Section 151 Officer

Cash Flow Statement 2024/25

	Note	Restated after PPA (Note 1) 2023/24 £000	2024/25 £000
Net (surplus) or deficit on the provision of services		(31,819)	100,867
Adjust for non-cash movements			
Depreciation and amortisation		(53,735)	(54,046)
Revaluation / Impairment of Property, Plant and Equipment		(6,117)	(71,077)
Movement in current assets and liabilities		(277)	(1,669)
Movement in reserves and provisions		1,089	300
Adjustments in respect of pension charges		(11,025)	18,437
Carrying amount of non-current assets sold		(12,564)	(81,783)
Donated Assets		-	1,330
Other		5,799	2,711
		(76,830)	**(185,797)**
Adjust for items included in investing or financing activities		69,945	91,674
Net cash flows from operating activities		**(38,704)**	**6,744**
Investing activities	37	(4,103)	(13,837)
Financing activities	38	19,563	23,150
Net (increase)/decrease in cash and cash equivalents		**(23,244)**	**16,057**
Cash and cash equivalents at beginning of period		**85,696**	**108,940**
Cash and cash equivalents at end of period	35	**108,940**	**92,883**

NOTES TO THE STATEMENT OF ACCOUNTS

1. Explanation of Prior Period Adjustments

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. 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.

Property, Plant and Equipment

Within the previous valuation of an asset within the Authority's operational Land and Building portfolio, the incorrect method was adopted and there were also elements of the site missing from the valuation. This has given rise to a significant adjustment in the valuation for 2024/25. Consequently, a prior period adjustment has been made to correct the relevant opening balances as at 1 April 2023.

The restated Balance Sheet as at 1st April 2023 is summarised as follows:

	01/04/2023 Original Statement £000	Adjustment Made £000	01/04/2023 As Restated £000
Property, Plant and Equipment	1,439,373	44,518	1,483,891
Total Long Term Assets	1,519,770	44,518	1,564,288
Total Net Assets	764,721	44,518	809,239
Usable Reserves	310,334	-	310,334
Unusable Reserves	454,387	44,518	498,905
Net Worth / Total Reserves	764,721	44,518	809,239

The 2024/25 Comprehensive Income and Expenditure Account and the Movement In Reserves Statement have thus been restated in the 2024/25 Statement of Accounts to account for the revaluation. The effects of the restatement are as follows:

Comprehensive Income and Expenditure Statement 2023/24

	2023/24 Original Statement £000	Adjustment Made £000	2023/24 As Restated £000
Communities & Public Health	13,792	1,129	14,921
Cost of Services	675,711	1,129	676,840
(Surplus)/Deficit on Provision of Services	(32,948)	1,129	(31,819)
(Surplus)/Deficit on Revaluation of non current assets	(15,217)	(932)	(16,149)
Total Comprehensive Income and Expenditure	(192,040)	197	(191,843)

Movement in Reserves Statement 2023/24	2023/24 Original Statement £000	Adjustment Made £000	2023/24 As Restated £000
Total Usable Reserves			
Surplus/(Deficit) on the provision of services	(32,948)	1,129	(31,819)
Total Comprehensive Income and Expenditure	(192,040)	197	(191,843)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to Capital expenditure	68,960	1,129	70,089
Total Adjustments to Revenue Resources	80,863	1,129	81,992

	2023/24 Original Statement £000	Adjustment Made £000	2023/24 As Restated £000
Total Unusable Reserves			
Total Comprehensive Income and Expenditure	159,092	932	160,024
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to Capital expenditure	(68,960)	(1,129)	(70,089)
Total Adjustments to Revenue Resources	(80,863)	(1,129)	(81,992)

The restated Balance Sheet as at 31st March 2024 is summarised as follows:

	31/03/2024 Original Statement £000	Adjustment Made £000	31/03/2024 As Restated £000
Property, Plant and Equipment	1,494,680	44,322	1,539,002
Total Long Term Assets	1,579,082	44,322	1,623,404
Total Net Assets	956,762	44,322	1,001,084
Usable Reserves	327,390	-	327,390
Unusable Reserves	629,372	44,322	673,694
Net Worth / Total Reserves	956,762	44,322	1,001,084

2. Accounting Standards issued but not yet Adopted

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors requires the Authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year.

The standards introduced by the 2025/26 Code where disclosures are required in the 2024/25 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023

The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.:

This change to the Code requirements is not expected to have any significant impact on the Authority's accounts. This is a change to the Code requirement and not a change in accounting standard.

IFRS 17 Insurance Contracts issued in May 2017

IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

This accounting standard is not expected to have any significant impact for the Authority.

IAS 16 Property, Plant and Equipment & IAS 38 Intangible Assets

The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as

requiring a change in accounting policy due to an amendment in standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8.

This accounting standard is not expected to have any significant impact for the Authority. This is not a change in accounting standard, but a change in the requirements of the Code.

3. Critical Judgements in Applying Accounting Policies

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

- **School Assets**

The Authority has made detailed assessment and applied judgement regarding the extent of control exercised over maintained schools run under various arrangements to determine whether associated assets and liabilities are consolidated into the single entity accounts. The outcome of our interpretation in relation to school non-current assets is as follows:

- Community schools - on Balance Sheet
- Foundation schools - on Balance Sheet
- Voluntary Aided schools – off Balance Sheet
- Voluntary Controlled schools – off Balance Sheet

The basis of recognition requires the assets of a school to be interpreted as controlled directly by the Authority (Community Schools) or indirectly via the school's governing body (Foundation Schools). However, for Voluntary Aided and Voluntary Controlled schools where non-current assets are owned by religious bodies, the assets are deemed to be held under "mere licences" and not substantively within the control of the school. As such, associated assets are not recognised as the risks and rewards of ownership have not been transferred to the Authority from the relevant Diocese.

- **Group Accounts**

Details of our relationships with other companies are set out in Note 30. It is Management's judgement on materiality grounds, that the users of the accounts are able to see the complete economic activities of the Authority, and its exposure to risk, without completely consolidating these arrangements into the Authority accounts.

4. Assumptions made about the future and other major sources of estimation uncertainty

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

The items in the Authority's Balance Sheet at 31 March 2025 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

- **Property, Plant and Equipment**

Land and Building assets that are required to be measured at current value are revalued on a 5-year rolling basis by the Authority's external team of valuers, Arc Partnership Ltd. Each property is assessed and valued on its own merits and the valuation is determined with due regard to any changes or uncertainties which may affect the specific property.

The 2024/25 Code of Practice clarifies the requirements for valuing property, plant and equipment (PPE) to ensure valuations are "sufficiently regular to ensure that the carrying amount does not differ materially from that which would be determined using the current value at the end of the reporting period". To achieve this objective, the Authority has consulted its professional valuers who have affirmed that there is no such material deviation from current value at the Balance Sheet date for those assets not subject to a formal in-year valuation.

It is estimated that a theoretical 2.5% market drop applied across all properties valued in 2024/25 would equate to an impairment variation of £8.6m expensed through the surplus/deficit on the provision of services. In addition, this would result in a £5.6m reversal of prior gains through the Revaluation Reserve. In terms of the materiality threshold set for this Statement of Accounts, such a decrease in market values would reduce the combined value of Property, Plant and Equipment by approximately £14.2m. This equates to 1% of carrying value at the Balance Sheet date.

The estimated remaining useful life of all operational assets is reviewed annually based on advice from the Authority's external team of valuers, Arc Partnership Ltd. Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. If the useful life of an asset is reduced, depreciation increases and the carrying amount of the asset falls. It is estimated that the annual depreciation charge for buildings would increase by £0.5m for every year that useful lives had to be reduced. Further information on PPE can be found in Notes 9 and 10.

- **Fair Value**

When determining fair value for the measurement and disclosure requirements in relation to the Authority's assets and liabilities, it is likely the Authority will be required to make assumptions and estimations. Where direct observable market data is unavailable, professional judgement is required in order to determine a fair value and the Authority uses relevant experts to ensure that appropriate valuation techniques are employed given full consideration of risk and uncertainty.

- **Pensions**

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied. The effects on the net pensions' liability of changes in individual assumptions can be measured and is contained in Note 20.

5. Post Balance Sheet Events

The Statement of Accounts was authorised for issue by the Service Director – Finance, Infrastructure and Improvement on xx xxxx 2025. Where there was a material post balance sheet event before the date the accounts were authorised, a disclosure in the notes to the accounts was included. If the event provided additional evidence of conditions that existed at the Balance Sheet date and materially affected the amounts to be included in the accounts, adjusting items are shown in the accounts.

6. Adjustments between Accounting Basis and Funding Basis under Regulations

The adjustments between the accounting basis and the funding basis under regulations are shown in the Expenditure and Funding Analysis (Note 7) and the Movement in Reserves Statement.

7. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by Local Authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Authority's Portfolios.

	2024/25		
	Net Expenditure Chargeable to the General Fund * £000	Total Adjustments between Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Children & Families	177,041	(3,813)	173,228
Education & SEND	16,681	75,235	91,916
Schools	18,216	-	18,216
Adult Social Care	311,496	(1,819)	309,677
Communities & Public Health	22,715	2,539	25,254
Deputy Leader & Transformation	3,571	(103)	3,468
Finance & Resources	46,950	3,563	50,513
Economic Development & Asset Management	23,932	(2,896)	21,036
Transport & Environment	110,213	24,815	135,028
Cost of Services	**730,815**	**97,521**	**828,336**
Other Income and Expenditure	(684,359)	(43,110)	(727,469)
(Surplus) or Deficit on Provision of Services	**46,456**	**54,411**	**100,867**
Opening Usable Revenue Reserves	**318,748**		
Surplus or (Deficit) on Provision of Services	(46,456)		
Transfers to/(from) other Earmarked Reserves	-		
Closing Usable Revenue Reserves	**272,292**		

	2023/24 Restated after PPA (Note 1)		
	Net Expenditure Chargeable to the General Fund * £000	Total Adjustments between Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Children & Families	161,177	4,568	165,745
Education & SEND	14,816	11,373	26,189
Schools	(3,537)	-	(3,537)
Adult Social Care	266,208	737	266,945
Communities & Public Health	12,133	2,788	14,921
Deputy Leader & Transformation	2,979	27	3,006
Finance & Resources	43,915	6,297	50,212
Economic Development & Asset Management	23,744	2,628	26,372
Transport & Environment	103,227	23,761	126,988
Cost of Services	**624,662**	**52,179**	**676,841**
Other Income and Expenditure	(636,838)	(71,822)	(708,660)
(Surplus) or Deficit on Provision of Services	**(12,176)**	**(19,643)**	**(31,819)**
Opening Usable Revenue Reserves	**306,572**		
Surplus or (Deficit) on Provision of Services	12,176		
Transfers to/(from) other Earmarked Reserves	-		
Closing Usable Revenue Reserves	**318,748**		

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement	Adjustments for Capital Purposes £000	Net change for Employee Adjustments under IAS19 £000	Other Differences £000	Total Differences £000
	2024/25			
Children & Families	1,312	(5,122)	(3)	(3,813)
Education & SEND	81,709	(6,474)	-	75,235
Schools	-	-	-	-
Adult Social Care	533	(2,352)	-	(1,819)
Communities & Public Health	2,868	(323)	(6)	2,539
Deputy Leader & Transformation	-	(103)	-	(103)
Finance & Resources	5,051	(1,488)	-	3,563
Economic Development & Asset Management	(2,650)	(246)	-	(2,896)
Transport & Environment	25,171	(356)	-	24,815
Net Cost of Services	**113,994**	**(16,464)**	**(9)**	**97,521**
Other Income and Expenditure	(41,838)	(2,203)	932	**(43,109)**
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure surplus or deficit	**72,156**	**(18,667)**	**923**	**54,412**

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement	Adjustments for Capital Purposes £000	Net change for Employee Adjustments under IAS19 £000	Other Differences £000	Total Differences £000
	2023/24 Restated after PPA (Note 1)			
Children & Families	3,020	1,289	259	4,568
Education & SEND	17,643	(6,270)	-	11,373
Schools	-	-	-	-
Adult Social Care	110	627	-	737
Communities & Public Health	2,703	93	(8)	2,788
Deputy Leader & Transformation	-	27	-	27
Finance & Resources	5,866	431	-	6,297
Economic Development & Asset Management	2,558	70	-	2,628
Transport & Environment	23,707	54	-	23,761
Net Cost of Services	**55,607**	**(3,679)**	**251**	**52,179**
Other Income and Expenditure	(87,153)	14,211	1,120	**(71,822)**
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure surplus or deficit	**(31,546)**	**10,532**	**1,371**	**(19,643)**

8. Expenditure and Income Analysed by Nature

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

	Restated after PPA (Note 1) 2023/24 £000	2024/25 £000
Expenditure		
Employee expenses	493,614	484,215
Other operating expenses	989,944	1,122,550
Depreciation, amortisation & impairment	59,833	125,104
Interest Payments	33,190	32,801
Precepts & Levies	315	321
Gains or Losses on disposal of Non Current Assets	11,967	39,250
Total Expenditure	**1,588,863**	**1,804,241**
Income		
Fees, charges & other service income	(261,761)	(282,701)
Interest & Investment Income	(14,305)	(13,766)
Income from Council Tax, NNDR	(598,363)	(638,727)
Government grants	(741,271)	(763,810)
Other net income relating to held for sale & investment properties	(4,983)	(4,370)
Total Income	**(1,620,683)**	**(1,703,374)**
(Surplus)/Deficit on Provision of Services	**(31,820)**	**100,867**

9 (a). Property, Plant and Equipment

Movement in 2024/25

	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant & Equipment £000	PFI Assets included in Property, Plant & Equipment £000	Leased Out Assets included in Land & Buildings
Cost or Valuation								
At 1 April 2024	672,438	94,830	2,048	124,684	12,279	906,278	57,837	127,687
Adjustment due to initial application of IFRS 16	(10,978)	-	-	-	-	(10,978)	-	-
Adjusted Balance 1 April 2024	**661,460**	**94,830**	**2,048**	**124,684**	**12,279**	**895,300**	**57,837**	**127,687**
Additions	23,544	5,314	637	1,823	31,545	62,863	1,377	2,469
Donations	-	-	1,330	-	-	1,330	-	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(40,187)	-	-	(2,947)	-	(43,134)	(8,895)	3,173
Revaluation increases/(decreases) recognised in the surplus/deficit on Provision of Services	(81,221)	-	-	(228)	-	(81,449)	1,238	(1,566)
Derecognition - disposals	(46,723)	(7,035)	-	(30,843)	-	(84,602)	-	(1,738)
Derecognition - other	-	-	-	-	-	-	-	-
Assets reclassified (to)/from Held for Sales/Investment Property	(125)	-	-	(4,781)	-	(4,906)	-	-
Other Transfers between Asset Categories	1,311	-	-	(855)	(3,338)	(2,882)	-	-
Other Movements in cost or valuation	-	-	-	-	-	-	-	-
At 31 March 2025	**518,058**	**93,108**	**4,015**	**86,853**	**40,486**	**742,519**	**51,557**	**130,025**
Accumulated Depreciation and Impairment								
At 1 April 2024	(12,905)	(51,864)	(11)	(1,155)	-	(65,934)	(6,701)	(1,158)
Adjustment due to initial application of IFRS 16	183	-	-	-	-	183	-	-
Adjusted Balance 1 April 2024	**(12,722)**	**(51,864)**	**(11)**	**(1,155)**	**-**	**(65,751)**	**(6,701)**	**(1,158)**
Depreciation charge	(14,608)	(7,336)	(1)	(107)	-	(22,052)	(1,416)	(2,909)
Depreciation written out to the Revaluation Reserve	9,455	-	-	43	-	9,498	108	2,286
Depreciation written out to the Surplus/Deficit on Provision of Services	11,269	-	-	54	-	11,323	791	1,162
Impairment losses/(reversals) recognised in the Revaluation Reserve	-	-	-	-	-	-	-	-
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-	-	-
Derecognition - disposals	2,427	5,687	-	5	-	8,119	-	20
Derecognition - other	-	-	-	-	-	-	-	-
Change in category	-	-	-	162	-	162	-	-
Other movements in depreciation and impairment	1	1	1	(1)	-	2	-	-
At 31 March 2025	**(4,178)**	**(53,512)**	**(10)**	**(999)**	**-**	**(58,699)**	**(7,218)**	**(599)**
Net Book Value								
At 31 March 2025	**513,880**	**39,596**	**4,004**	**85,854**	**40,486**	**683,820**	**44,339**	**129,426**
At 31 March 2024	**659,533**	**42,966**	**2,037**	**123,529**	**12,279**	**840,344**	**51,136**	**-**

9 (a).Property, Plant and Equipment (Continued)

Movement in 2023/24

	Restated (see Note 1) Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000	PFI Assets included in Property, Plant & Equipment £000
Cost or Valuation							
At 1 April 2023	623,342	96,563	1,828	95,502	3,263	820,498	55,369
Prior period adjustment (Note 1)	44,442	-	-	-	-	44,442	-
Adjusted Balance 1 April 2023	**667,784**	**96,563**	**1,828**	**95,502**	**3,263**	**864,940**	**55,369**
Additions	22,803	5,053	220	18	9,091	37,184	1,642
Donations	-	-	-	-	-	-	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	3,009	-	-	3,320	-	6,329	974
Revaluation increases/(decreases) recognised in the surplus/deficit on Provision of Services	(9,287)	-	-	(92)	-	(9,379)	(148)
Derecognition - disposals	(12,636)	(6,786)	-	-	-	(19,422)	-
Derecognition - other	-	-	-	-	(37)	(37)	-
Assets reclassified (to)/from Held for Sales/Investment Property	1,487	-	-	25,176	-	26,663	-
Other Transfers between Asset Categories	(722)	-	-	760	(37)	-	-
Other Movements in cost or valuation	-	-	-	-	-	-	-
At 31 March 2024	**672,438**	**94,830**	**2,048**	**124,684**	**12,279**	**906,278**	**57,837**
Accumulated Depreciation and Impairment							
At 1 April 2023	(10,984)	(50,005)	(10)	(568)	-	(61,567)	(6,140)
Prior period adjustment (Note 1)	76	-	-	-	-	76	-
Adjusted Balance 1 April 2023	**(10,908)**	**(50,005)**	**(10)**	**(568)**	**-**	**(61,491)**	**(6,140)**
Depreciation charge	(16,607)	(8,416)	(1)	(76)	-	(25,100)	(1,329)
Depreciation written out to the Revaluation Reserve	9,760	-	-	60	-	9,820	768
Depreciation written out to the Surplus/Deficit on Provision of Services	3,234	-	-	28	-	3,262	-
Impairment losses/(reversals) recognised in the Revaluation Reserve	-	-	-	-	-	-	-
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-	-
Derecognition - disposals	799	6,559	-	-	-	7,358	-
Derecognition - other	-	-	-	-	-	-	-
Change in category	817	-	-	(599)	-	218	-
Other movements in depreciation and impairment	-	(1)	-	-	-	-	-
At 31 March 2024	**(12,905)**	**(51,864)**	**(11)**	**(1,155)**	**-**	**(65,933)**	**(6,701)**
Net Book Value							
At 31 March 2024	**659,533**	**42,966**	**2,037**	**123,529**	**12,279**	**840,344**	**51,136**
At 31 March 2023	**656,876**	**46,558**	**1,818**	**94,934**	**3,263**	**803,449**	**49,229**

9(b). Highways Infrastructure Assets

In accordance with the temporary relief offered by the update to the Code on the disclosure of infrastructure assets, this note does not report gross cost and accumulated depreciation separately because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

	2023/24	2024/25
Net book value (modified historical cost)	£000	£000
At 1 April	680,442	698,658
Additions	44,186	54,037
Disposals	-	-
Depreciation charge	(25,969)	(27,113)
Impairment	-	-
Transfers between Asset Categories	-	2,882
At 31 March	**698,658**	**728,464**

The Authority has also determined in accordance with Statutory Override - Instrument 2022 No. 1332, that when replacing a component of an infrastructure asset, the carrying amount of the asset to be derecognised is nil.

10. Valuation of Property, Plant and Equipment (PPE)

The Authority carries out a rolling programme that ensures all Property, Plant and Equipment required to be measured at current value are revalued at least every five years. Furthermore, for those assets measured at current value that fall outside of the 5-year rolling cycle, a revaluation is applied when evidence suggests the carrying amount may be materially inaccurate. Annual revaluations are undertaken for the highest value assets and also those subject to significant in-year additional expenditure. This ensures that the closing current value of assets held on the Balance Sheet does not materially deviate from a current value as determined by a recent formal revaluation. The effective date of valuation is 31st March.

Details of the valuation methods used can be found in Accounting Policy 8.

All valuations of land and buildings have been carried out externally in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS).

Other PPE assets are carried at depreciated historic cost as a proxy for current value.

Revaluation of Property, Plant and Equipment
The following statement shows the progress of the Authority's rolling programme for the revaluation of PPE.

Basis of Measurement	Op Land & Bldgs £000	Surplus Assets £000	Other PPE Assets £000	Total £000
Valued at current value as at:				
31/03/2025	427,047	64,574		491,621
31/03/2024	33,072	4,285		37,357
31/03/2023	8,549	4,051		12,600
31/03/2022	12,661	7,365		20,026
31/03/2021	32,551	5,579		38,130
Valued at historic cost			812,550	812,550
Total	**513,880**	**85,854**	**812,550**	**1,412,284**

Fair Value Hierarchy

The Authority's portfolio of Surplus Assets have been assessed in relation to the Fair Value Hierarchy for the purposes of valuation (see Statement of Accounting Policies for full explanation).

Surplus Assets by type	Level 1 £000	Level 2 £000	Level 3 £000	Fair Value as at 31/3/25 £000
Strategic development site	-	62,260	3,563	**65,823**
Cleared land	-	7,413	6,872	**14,285**
Vacant premises	-	4,149	1,597	**5,746**
	-	**73,822**	**12,032**	**85,854**

2023/24 Comparative

	Level 1 £000	Level 2 £000	Level 3 £000	Fair Value as at 31/3/24 £000
Strategic development site	-	95,836	1,997	**97,833**
Cleared land	-	5,334	12,275	**17,609**
Vacant premises	-	6,209	1,878	**8,087**
	-	**107,379**	**16,150**	**123,529**

Transfers between levels of the Fair Value Hierarchy

There were no transfers of assets between levels 1 and 2 of the hierarchy during the year.

Valuation Techniques used to measure Fair Value

The fair value has been derived using either the market approach or investment method, predominantly the former. The market approach applies current market conditions and recent sales prices and other relevant information for similar assets with similar characteristics in the local authority area. The investment method is based on discounted cashflows to establish the present value of the net projected income stream. This method requires the use of estimates (e.g. future rental income) and other inputs to determine a fair value. There is no reasonably available information to indicate that market participants would use different assumptions.

If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorised within Level 3 of the Fair Value hierarchy. If the inputs are categorised in different levels of the hierarchy, the asset is categorised at the same level as the lowest level input that is significant to the entire measurement.

Reconciliation of Fair Value Measurements within Level 3

	2024/25 £000
Opening Balance	**16,150**
Transfers into Level 3	1,751
Transfers out of Level 3	(5,669)
Total gains (or losses) for the period included in Surplus or Deficit on Provision of Services resulting from changes in Fair Value	(311)
Unrealised gains / (losses)	121
Additions	-
Disposals	-
Other	(10)
Closing Balance	**12,032**

Impairment review

In accordance with the requirements of the Code, the Authority undertakes a review each year to identify any assets which may have been subject to an impairment in value. Where a potential impairment of Land and Buildings is identified, the asset is revalued and consequently any decrease in value is treated as a revaluation loss.

The Authority recognised impairment losses of £0.0m in the CIES during the year (£0.0m 2023/24).

11. Leases

Transitional Accounting Adjustments

In 2024/25, the Authority applied IFRS 16 Leases as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability) a right of use asset and a liability are to be brought onto the Balance Sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. Some practical expedients have been applied as required or permitted by the Code.

- lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the Authority’s incremental borrowing rate at that date
- a single discount rate has been applied to portfolios of leases with reasonably similar characteristics
- the weighted average of the incremental borrowing rates used to discount liabilities was 4.96%
- right of use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024 – any initial direct costs have been excluded
- all leases were assessed as to whether they were onerous at 31 March 2024, so right of use assets have not been subject to an impairment review – carrying amounts have been reduced by any provisions for onerous contracts that were in the 31 March 2024 Balance Sheet.

This has resulted in the following additions to the Balance Sheet:

- £12.8m Property, plant and equipment – land and buildings (right of use assets)
- £0.6m Property, plant and equipment – vehicles, plant and equipment (right of use assets)
- £10.2m Non-current creditors (lease liabilities)
- £1.5m Current creditors (lease liabilities)

The newly recognised lease liabilities of £11.7m compare with the operating lease commitments of £8.2m at 31 March 2024 disclosed in the notes to the 2023/24 financial statements. When these are discounted to their present value of £7.0m (using the incremental borrowing rate at 1 April 2024), there is a difference of £4.7m from the newly recognised lease liabilities. This is explained by the following:

- the lease liabilities exclude amounts for leases of low value items and leases that will expire before 31 March 2025.
- the lease liabilities include expected payments for future years whilst the operating lease commitments only include minimum payments for future years.

For leases that were previously classified as finance leases under IAS 17, the carrying amount of the right of use asset and the lease liability at 1 April 2024 are determined as the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

Authority as Lessee

The Authority's lease contracts comprise leases of operational land and buildings, plant and equipment and motor vehicles.

Right of use assets

This table shows the change in the value of right of use assets held under leases by the Authority.

	Land and Buildings £000	Vehicles, Plant & Equipment £000	Total £000
Balance as at 1 April 2024	-	-	-
Additions arising from adoption of IFRS 16 as at 1 April 2024	12,817	586	13,403
Transfers from PPE arising from adoption of IFRS 16 as at 1 April 2024	10,795	-	10,795
Additions	1,858	150	2,008
Revaluations	667	-	667
Depreciation	(1,719)	(172)	(1,891)
Disposals	-	(126)	(126)
Balance as at 31 March 2025	24,418	438	24,856

Transactions under leases

The Authority incurred the following expenses and cash flows in relation to leases.

	2023/24 £000	2024/25 £000
Comprehensive income and expenditure statement		
Interest expense on lease liabilities	40	615
Expense relating to short term leases	-	19
Expense relating to exempt leases of low value items	-	561
Income from subletting right of use assets	58	82
Cash flow statement		
Minimum lease payments	2,531	2,734

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of cash payments).

	2023/24 £000	2024/25 £000
Less than one year	66	2,227
Less than one year and not more than five years	262	5,397
More than five years	6,884	17,377
Total undiscounted liabilities	7,212	25,001

Authority as Lessor

Finance Leases

The Authority leases school land and buildings to Academy schools for 125 year terms on peppercorn rentals. As per accounting policy, related assets are derecognised from the Authority's balance sheet upon transfer to Academy status. In addition, two community leisure centres acquired as part of the PFI for Bassetlaw Schools have been leased to Bassetlaw District Council for 60 year terms on peppercorn rentals and have been derecognised from the Authority’s balance sheet.

Operating Leases

The Authority leases out property and equipment under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres
- for economic development purposes to provide suitable affordable accommodation for local businesses.

Transactions under leases

	2023/24 £000	2024/25 £000
Operating leases		
Total lease income	1,302	1,303
Share of lease income relating to variable lease payments that do not depend on an index or a rate	119	91

Maturity analysis of operating lease receivables

The lease receivables are due to be collected over the following time bands (measured at the undiscounted amounts of expected cash receipts).

	2023/24 £000	2024/25 £000
Less than one year	1,180	1,116
One to two years	672	532
Two to three years	475	239
Three to four years	231	180
Four to five years	180	162
More than five years	1,169	1,007
Total undiscounted receivables	3,907	3,236

12. Private Finance Initiative (PFI)

Transitional Accounting Adjustments

In 2024/25, the Authority applied the principles of IFRS 16 Leases as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements on PFIs is that lease liabilities recognised on the balance sheet now reflect agreed increases in payments in respect of indexation related to inflation that have been made since the beginning of the PFI arrangement up to 31 March 2024. From 1 April 2024 lease liabilities will further increase each year to reflect agreed increases in payments in respect of annual indexation related to inflation.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that PFI lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures.

This has resulted in the following additions to the Balance Sheet:

- £38.5m Non-current creditors (lease liabilities)
- £2.8m Current creditors (lease liabilities)

East Leake Schools

The Authority has a contract with East Leake Schools Limited for the provision of secondary and primary schools and a community leisure facility in East Leake. Service commenced during 2003/04 and the contract finishes on 31 July 2027 when the buildings transfer back to the Authority.

The Authority retained the freehold of the land which is valued and included in the Balance Sheet as other land and buildings where the school is under local authority control.

The assets used to provide the schools services are recognised on the Authority's Balance Sheet where the school is under local authority control.

The Authority makes an agreed payment each year which is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year but is otherwise fixed. Payments remaining to be made under the PFI contract at 31 March 2025 excluding any performance or availability deductions, are as follows:

	Service Charge	Lifecycle Replacement	Finance Liability	Interest	Total
	£000	**£000**	**£000**	**£000**	**£000**
Payable within 1 year	648	249	1,686	443	**3,026**
Within 2-5 years	864	187	2,686	298	**4,035**
	1,512	**436**	**4,372**	**741**	**7,061**

The balance outstanding to pay the liability to the contractor for capital expenditure incurred is as follows:

	2023/24	2024/25
	£000	**£000**
Balance at start of year	**5,056**	**4,144**
Remeasurement following implementation of IFRS 16	-	1,615
Additions	-	65
Payments during the year	(912)	(1,452)
Balance at end of year	**4,144**	**4,372**

Bassetlaw Schools

The Authority has a contract with Transform Schools (Bassetlaw) Ltd for the provision of five secondary schools, two post-16 centres, one special school and two community leisure centres. These became fully operational during 2007/08 and the contract finishes on 31 July 2032 when the buildings transfer back to the Authority.

An agreement has been entered into between Nottinghamshire County Council and Bassetlaw District Council with regards to the two leisure facilities which form part of the PFI Scheme. A lease has been granted to Bassetlaw District Council for a term of 60 years secured on both the leisure facilities. Consequently these facilities are not included as assets on the Authority's Balance Sheet.

The Authority retained the freehold of the land which is valued and included in the Balance Sheet as other land and buildings where the school is under local authority control.

The assets used to provide the schools services are recognised on the Authority's Balance Sheet where the school is under local authority control.

The Authority makes an agreed payment each year which is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year but is otherwise fixed. Payments remaining to be made under the PFI contract at 31 March 2025 excluding any performance or availability deductions, are as follows:

	Service Charge	Lifecycle Replacement	Finance Liability	Interest	Total
	£000	**£000**	**£000**	**£000**	**£000**
Payable within 1 year	5,620	1,966	7,513	7,347	**22,446**
Within 2-5 years	22,710	7,565	38,017	21,488	**89,780**
Within 6-10 years	13,726	4,244	31,149	5,123	**54,242**
	42,056	**13,775**	**76,679**	**33,958**	**166,468**

The balance outstanding to pay the liability to the contractor for capital expenditure incurred is as follows:

	2023/24	2024/25
	£000	**£000**
Balance at start of year	**67,665**	**62,618**
Remeasurement following implementation of IFRS 16	-	20,505
Additions	-	972
Payments during the year	(5,047)	(7,416)
Balance at end of year	**62,618**	**76,679**

Waste Recycling

The Authority has received Government support for a Nottinghamshire Waste PFI scheme which involves the commissioning of Materials Recycling Facilities and an Energy Recovery Facility. A PFI credit of £38.3m has been allocated. The contract was signed on 26 June 2006 with Veolia Environmental Services and the contract ends on 31 March 2033 when the assets transfer to the Authority. The first main new facility, the Materials Recycling Facility (MRF), became operational in January 2009. The MRF site is subject to a 50 year rental agreement with the Authority, which is then recharged to Veolia Environmental Services at the same rates.

The assets used to provide the services are recognised on the Authority's Balance Sheet. Movements in their value over the year are included in the analysis of the movement in Property, Plant and Equipment balances.

The Authority makes an agreed payment per tonne of waste which is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year but is otherwise fixed. Payments remaining to be made under the PFI contract at 31 March 2025 excluding any performance or availability deductions, are as follows:

	Service Charge £000	Lifecycle Replacement £000	Finance Liability £000	Interest £000	Total £000
Payable within 1 year	24,855	-	3,957	5,669	**34,481**
Within 2-5 years	99,425	1,441	18,708	18,350	**137,924**
Within 6-10 years	74,566	-	22,476	6,401	**103,443**
	198,846	**1,441**	**45,141**	**30,420**	**275,848**

The balance outstanding to pay the liability to the contractor for capital expenditure incurred is as follows:

	2023/24 £000	2024/25 £000
Balance at start of year	**22,695**	**22,621**
Remeasurement following implementation of IFRS 16	-	19,141
Additions	1,496	1,568
Payments during the year	(1,570)	(1,816)
Balance at end of year	**22,621**	**41,514**

Impact of change in accounting policy for PFI and other service concession liabilities

IFRS 16 liability measurement principles have been applied to PFI and other service concession arrangement liabilities from 1 April 2024. When payments for the assets are uplifted for inflation, the imputed lease liability recognised on the Balance Sheet is remeasured to reflect the increase in future payments. Such increases were previously recognised as contingent rent as incurred.

The change in measurement basis has been applied retrospectively without restatement of comparatives and with the cumulative impact on 1 April 2024 recognised in reserves. The incremental impact of applying the new accounting policy on (a) the allocation of the unitary charges in 2024/25 and (b) the primary statements in 2024/25 is set out in the disclosures below.

Impact of change in accounting policy on the allocation of unitary payments

	IFRS 16 basis (new basis) 2024/25 £000	IAS 17 basis (old basis) 2024/25 £000	Impact of change 2024/25 £000
Unitary payments payable to service concession operators	**59,952**	**59,952**	**-**
Consisting of			
Interest charge	14,531	8,973	5,558
Repayment of finance liability	10,683	7,912	2,771
Service charge	31,097	31,097	-
Lifecycle replacement	3,641	3,641	-

Contingent rent	-	8,329	(8,329)

Impact of change in accounting policy on primary statements

Impact of change in PFI accounting policy on 31 March 2025 Balance Sheet

	£000
Increase in PFI and other service concession liabilities	(40,846)
Impact on net assets as at 31 March 2025	**(40,846)**

Impact of change in PFI accounting policy on 2024/25 Comprehensive Income and Expenditure Statement

	£000
PFI liability remeasurement charged to Refcus	1,784
Increase in interest arising on PFI liability	5,558
Reduction in contingent rent	(8,329)
Net impact on Total Comprehensive Income and Expenditure	**(987)**

Impact of change in PFI accounting policy on 2024/25 Movement in Reserves Statement

	£000
Adjustment to reserves for the cumulative retrospective impact on 1 April 2024	(41,261)
Increase in statutory provision for the financing of capital investment	2,771
Increase in PFI liability arising from remeasurement in 2024/25	(2,356)
Net impact on Reserves	**(40,846)**

Impact of change in PFI accounting policy on 2024/25 Cash Flow Statement

	£000
Increase in cash outflows for capital element of PFI	(2,771)
Decrease in cash outflows for operational element of PFI	2,771
Net impact on Cash Flow Statement	**-**

13. Investment Properties

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

	2023/24 £000	2024/25 £000
Rental income from Investment Properties	(824)	(837)
Direct operating expenses arising from Investment Properties	274	70
Net (income)/expenditure	**(550)**	**(767)**

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

Investment Properties have been valued as at the Balance Sheet date by Arc Property Services Partnership Ltd, and their RICS registered Estates Practice team.

The following table summarises the movement in the fair value of Investment Properties over the year:

	2023/24 £000	2024/25 £000
Balance at start of year	**60,506**	**63,495**
Additions:		
Subsequent expenditure	-	-
Disposals	-	(375)
Net gains/(losses) from fair value adjustments	4,475	3,938
Transfers:		
(to)/from PPE	(1,487)	(235)
Other Movements	1	-
Balance at end of year	**63,495**	**66,823**

Fair Value Hierarchy

The Investment property portfolio has been assessed in reference to the Fair Value Hierarchy as per the requirements of IFRS13 (see Statement of Accounting Policies for further detail).

Investment Properties by Type	Level 1 £000	Level 2 £000	Level 3 £000	Fair Value as at 31/3/25 £000
Industrial	-	6,586	-	**6,586**
Land	-	45,758	8,033	**53,791**
Residential	-	199	-	**199**
Smallholding	-	3,895	-	**3,895**
Commercial	-	-	2,352	**2,352**
	-	**56,438**	**10,385**	**66,823**

2023/24 Comparative

	Level 1 £000	Level 2 £000	Level 3 £000	Fair Value as at 31/3/24 £000
Industrial	-	6,807	-	**6,807**
Land	-	44,303	7,683	**51,986**
Residential	-	655	-	**655**
Smallholding	-	2,285	107	**2,392**
Commercial	-	-	1,655	**1,655**
	-	**54,050**	**9,445**	**63,495**

Transfers between levels of the Fair Value Hierarchy

There were no assets which transferred between levels 1 and 2 of the hierarchy during the year.

Valuation techniques used to determine Fair value

The fair value has been derived using either the market approach or investment method, predominantly the latter. The market approach applies current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. The investment method uses expected cashflows to establish the present value of the net income stream. This approach uses existing lease terms and data relating to rent growth and occupancy levels to derive a fair value. There is no reasonably available information to indicate that market participants would use different assumptions.

If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorised within Level 3. If the inputs are categorised in different levels of the hierarchy, the asset is categorised on the same level as the lowest level input significant to the entire measurement.

In estimating the fair value of the Authority's investment property portfolio, the highest and best use of an asset is its current use, unless market or other factors suggest that a different use by market participants would maximise the value.

Reconciliation of Fair Value Measurements within Level 3

	2024/25 £000
Opening Balance	**9,445**
Transfers into Level 3	-
Transfers out of Level 3	(335)
Total gains (or losses) for the period included in Surplus or Deficit on Provision of Services resulting from changes in Fair Value	1,275
Additions	-
Disposals	-
Closing Balance	**10,385**

14. Intangible Assets

The Authority accounts for its software as Intangible Assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment.

All software is given a finite useful life, based on assessment of the period that the software is expected to be of use to the Authority. The useful lives assigned to the major software suites used by the Authority are from three to five years.

Intangible Assets are held at depreciated historic cost as a proxy for fair value where useful lives are low and/or values are immaterial.

The carrying amount of Intangible Assets is amortised on a straight-line basis. The amortisation of £3.0m in 2024/25 (£2.7m in 2023/24) was charged to the CIES.

The movement on Intangible Asset balances during the year is as follows:

	2023/24 Purchased Software Licences £000	2024/25 Purchased Software Licences £000
Balance at start of year		
Gross carrying amounts	14,666	17,165
Accumulated amortisation	(5,863)	(7,099)
Net carrying amount at start of year	**8,803**	**10,066**
Purchases	3,928	3,736
Disposals	-	-
Amortisation for the period	(2,665)	(2,990)
Net carrying amount at end of year	**10,066**	**10,812**
Comprising		
Gross carrying amounts	17,165	20,901
Accumulated amortisation	(7,099)	(10,089)
	10,066	**10,812**

Fully amortised assets with a gross value of £2.2m were disposed of in year.

15. Heritage Assets

Heritage Assets are measured at Open Market Value, or, under certain circumstances, at Historic Cost and depreciated where appropriate.

	2023/24 £000	2024/25 £000
Balance at 1 April	420	420
Additions	-	-
Revaluations	-	-
Balance at 31 March	**420**	**420**

<u>Further Information on Heritage Assets</u>

Savile of Rufford Abbey estate records

These documents relate to estates built up by the family in the West Riding of Yorkshire from the Middle Ages to the 17th century. In 1626 the Rufford estate passed to Sir George Savile and his first wife, Lady Mary, who was a sister to the 7th and 8th Earls of Shrewsbury. The records were removed from Rufford Abbey prior to the Second World War and subsequently catalogued by the National Register of Archives in London in the 1940s and 1950s. They were deposited in the Nottinghamshire Archives in 1958, with subsequent additional deposits added in 1960, 1974 and 1982. These were supplemented by smaller acquisitions made in 1982. The collection consists of 394 boxes of documents.

Architectural drawings of Rufford and elsewhere by James Gibbs, 17th-18th centuries

The collection consists of 35 documents: 22 architectural drawings of Rufford Abbey, Ollerton Hall and Ollerton Church with one drawing possibly of Osberton Hall, together with 17th and 18th century news cuttings reporting on Rufford Abbey and the Savile family, prints of Mr Henry Savile, Sir Henry Savile and Rufford landscapes.

The drawings were passed down to the present Lord Savile by descent. They were purchased at Sotheby's auction by Nottinghamshire Archives in July 2010, with the assistance of then Museums Libraries and Archives Council (now Arts Council), Victoria and Albert Museum Purchase Grant Fund and the Friends of the National Libraries.

Ceremonial Regalia and Art Collection

The ceremonial regalia and art collection includes ceremonial items, paintings (both oil and watercolour), sketches, sculptures, glass and silverware acquired over a number of years. The majority of the collection is on display at County Hall with the remainder held in secure storage.

16. Assets Held for Sale

	Current Assets	
	2023/24	**2024/25**
	£000	**£000**
Balance at start of year	**33,799**	**7,862**
Assets newly qualified as Held for Sale:		
Property, Plant and Equipment	5,813	4,979
Revaluation losses	(43)	(335)
Revaluation gains	-	-
Declassified		
Property, Plant and Equipment	(31,207)	-
Assets sold	(500)	(4,800)
Balance at end of year	**7,862**	**7,706**

17. Capital Expenditure and Financing

	2023/24	**2024/25**
	£000	**£000**
Opening Capital Financing Requirement (CFR)	**786,727**	**777,062**
Adjustments arising from implementation of IFRS 16		
IFRS16 Application - PFI Adjustment	-	41,261
IFRS16 Application - Right of Use Asset Recognition	-	11,723
Capital Investment		
Property, Plant and Equipment	79,874	116,757
Intangible Assets	3,928	3,736
Amounts treated as revenue expenditure in accordance with the Code but which are classified as capital expenditure under statute	48,567	30,993
Additions/(Reductions) to lease liability	1,496	3,933
Sources of finance		
Capital receipts	(913)	(10,285)
Government grants and other contributions	(110,331)	(81,100)
Sums set aside from revenue (Inc. MRP)	(24,750)	(31,968)
Repayment of PFI finance liability	(7,529)	(10,683)
Repayment of IFRS16 lease liability	-	(1,701)
Finance lease payments	(7)	-
Closing Capital Financing Requirement (CFR)	**777,062**	**849,728**
Movement in year		
Change in underlying need to borrow (unsupported by Government financial assistance)	(9,665)	72,666
	(9,665)	**72,666**

The increase in the Authority's Lease Liability, resulting from the implementation of IFRS16 and as explained in Notes 11 and 12, has contributed £53.0m towards the increase in the 2024/25 Capital Financing Requirement

The estimated commitments for capital expenditure in future years for schemes that had started and for which a legal contract had been entered into by 31 March 2025 are:

	2024/25
	£000
2025/26	52,247
2026/27	755
2027/28	774
2028/29	-
	53,776

The committed projects for 2025/26 are:

	£000
School Projects	39,169
Top Wighay Development - Homes England	383
Building and Office Rationalisation Programme	5,675
Other	7,020
	52,247

18. Debtors and Long-Term Debtors

Debtors less than one year	2023/24	2024/25
	£000	£000
Central government bodies	23,732	14,629
Other local authorities	7,210	12,209
NHS bodies	11,714	9,364
Public corporations and trading funds	34	42
Other entities and individuals	93,226	130,819
	135,916	167,063
Less impairment allowance:		
NCC	(15,315)	(13,151)
Council Tax (CT)	(17,376)	(17,898)
Non Dometsic Rates (NNDR)	(541)	(555)
Total	102,684	135,459

Long term debtors	2023/24	2024/25
	£000	£000
PFI prepayment	2,515	2,236
Other	22	445
Total	2,537	2,681

Analysis of impairment allowance	2023/24	2024/25
	£000	£000
Opening impairment allowance	29,163	33,232
Amounts paid	(2,641)	(4,217)
Amounts written off	(996)	(787)
Allowance adjustment	6,297	2,841
Collection Fund Impairments:		
Council Tax (CT)	1,463	521
Non Dometsic Rates (NNDR)	(54)	14
Closing impairment allowance	33,232	31,604

19. Pensions – Contributions

Teachers

In 2024/25, the Authority paid £24.5m to the Teacher's Pension Agency (£20.8m in 2023/24) in respect of teachers' pension costs, which represents 28.68% of teachers' pensionable pay (23.68% in 2023/24).

In addition the Authority is responsible for all pension payments relating to added years it has awarded together with the related inflation increases. In 2024/25, this was £6.7m (£6.4m in 2023/24), representing 7.76% of pensionable pay (7.30% in 2023/24). The Authority is allowed to enhance lump sum retirement payments to teachers. However, in 2024/25 no payments were made (nil in 2023/24).

Other Employees

During 2024/25, the net cost of pensions and other benefits amounted to £52.7m (£51.8m in 2023/24), which represented 20.60% of pensionable pay (21.50% in 2023/24).

The Actuarial report upon which the 2024/25 accounts are based is for a 3 year period commencing 1 April 2023. The report indicated rates that will provide the cost for 100% of pension funding in accordance with IAS19.

This is a combined rate of 19.8% and an additional amount to be contributed is as follows:

	Additional contribution £000
2023/24	3,880
2024/25	2,050
2025/26	60

The Authority is responsible for all pension payments relating to historical, discretionary added years benefits it has awarded, together with the related inflation increases. In 2024/25 these amounted to £1.9m (£1.8m in 2023/24), representing 0.8% of pensionable pay (0.8% in 2023/24). The Authority also paid £0.2m into the Pension Fund in 2024/25 (£0.3m for 2023/24) to fund the non-discretionary additional strain on the Pension Fund of early retirements.

20. Pensions – IAS19

The IAS19 position as at 31 March 2025 was a net liability as set out in the table below :

	2023/24 £000	**2024/25 £000**
Local Government Pension Scheme	(108,833)	(12,512)
Teachers Unfunded Defined Benefit Scheme	(55,547)	(48,595)
Total Net Liability	**(164,380)**	**(61,107)**

Assets have been valued using the market value at 31 March 2025. Liabilities have been valued using the projected unit method which assesses the future liabilities of the fund discounted to their present value. This work was undertaken by Barnett Waddingham LLP, an independent firm of actuaries, based upon the estimated position at 31 March 2025 provided by the Authority during February/March 2025.

A ruling has been made regarding age discrimination arising from public sector pension scheme transition arrangements put in place when moving from final salary to average salary scheme arrangements. The Court of Appeal judgements were made in cases affecting judges' pensions (the McCloud Judgement) and firefighter pensions (the Sergeant Judgement). The ruling may have implications for the Local Government Pension Scheme which also moved from a final salary to a career average salary scheme.

The Government Actuary's Department has undertaken a scheme level review for England and Wales to assess the impact on the Local Government Pension Scheme in respect of the potential impact on scheme liabilities and service cost and the IAS19 figures included in the accounts reflect the estimated impact of the McCloud and Sergeant Judgements.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. The Authority are monitoring developments, including the Governement's anouncement on 5th June 2025, in terms of whether there is expected to be any impact on LGPS Funds and will consider if there are any implications for the LGPS scheme. As a result, the Authority are monitoring developments in terms of whether there is expected to be any impact on LGPS Funds and consider if there are any implications for the LGPS scheme. As a result, the Council does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

Local Government Pension Scheme

The Authority recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Authority is required to make against Council Tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement during the year:

	2023/24 £000	2024/25 £000
Comprehensive Income and Expenditure Statement		
Cost of Services		
- Current service cost	(57,253)	(43,587)
- Past service cost (including curtailments)	(390)	(419)
- Liabilities (assumed) / extinguished on settlements	5,535	14,107
- Settlement Prices received / (paid)	(4,392)	(13,050)
Other Operating Expenditure		
- Administration Expenses	(1,025)	(1,125)
Financing and Investment Income and Expenditure		
- Net interest on the defined (liability) / asset	(12,643)	2,393
Net Charge to the Comprehensive Income and Expenditure Statement	**(70,168)**	**(41,681)**
Movement in Reserves		
- Reversal of net charges made for retirement benefits in accordance with IAS19	70,168	41,681
Actual amount charged against the General Fund Balance for pensions in the year:		
- Employers contributions payable to the Pension Fund and retirement benefits payable directly to pensioners	53,302	55,970

In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Statement, the following actuarial gains/losses were included within Other Comprehensive Income and Expenditure.

	2023/24 £000	2024/25 £000
Actuarial gains / (losses)	143,030	81,082

Assets and liabilities in relation to retirement benefits

Reconciliation of present value of the scheme liabilities:

	2023/24 £000	2024/25 £000
At 1 April	**2,331,764**	**2,343,342**
Current service cost	57,253	43,587
Interest cost	107,350	114,290
Change in Financial Assumptions	(43,472)	(305,834)
Change in Demographic Assumptions	(32,648)	(6,091)
Experience loss/(gain) on Defined Benefit Obligation	12,561	998
Past service costs/(gain)	390	419

Liabilities extinguished on settlements	(5,535)	(14,107)
Benefits paid	(98,191)	(110,731)
Contributions by scheme participants	15,701	16,532
Unfunded pension payments	(1,831)	(1,861)
At 31 March	**2,343,342**	**2,080,544**

Reconciliation of fair value of the scheme assets:

	2023/24 £000	2024/25 £000
At 1 April	**2,094,039**	**2,234,509**
Interest on assets	94,707	116,753
Return on assets less interest	80,861	(33,213)
Other actuarial gains/(losses)	(1,390)	-
Administration expenses	(1,025)	(1,125)
Employer contributions	56,030	56,920
Contributions by scheme participants	15,701	16,532
Estimated benefits paid	(100,022)	(112,592)
Settlement prices received/(paid)	(4,392)	(13,050)
At 31 March	**2,234,509**	**2,264,734**

Reconciliation of the asset ceiling

	2023/24 £000	2024/25 £000
At 1 April	**-**	**(1,390)**
Interest on assets	-	(70)
Actuarial gains/(losses)	(1,390)	(196,632)
At 31 March	**(1,390)**	**(198,092)**
Opening Net Position	**(237,725)**	**(110,223)**
Closing Net Position	**(110,223)**	**(13,902)**

The expected return on scheme assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 April 2024 for the year to 31 March 2025). The returns on gilts and other bonds are assumed to be gilts yields and corporate bond yields (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is then assumed to be a margin above gilts yields.

Scheme History

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Present value of liabilities	(3,484.1)	(3,426.8)	(2,331.8)	(2,343.3)	(2,080.5)
Fair value of scheme assets	2,039.7	2,183.7	2,094.0	2,235.9	2,264.7
Impact of the asset ceiling	-	-	-	(1.4)	(198.1)
Surplus/(deficit) in the scheme	(1,444.4)	(1,243.1)	(237.7)	(108.8)	(13.9)
Cumulative actuarial gain/(loss)	**(693.4)**	**(401.8)**	**700.3**	**843.3**	**924.4**

The total contributions expected to be made to the Local Government Pension Scheme by the Authority in the year to 31 March 2026 is £53.7m

The actuarial assumptions used to calculate the position in accordance with IAS19 were as follows:

		31 March 2024	31 March 2025
Rate of inflation - CPI Increases		2.9%	2.9%
Rate of increase in salaries		3.9%	3.9%
Rate of increase in pensions		2.9%	2.9%
Discount rate		4.9%	5.8%
Mortality assumptions:			
Longevity at 65 for current pensioners:			
Men	(years)	20.4	20.4
Women	(years)	23.3	23.3
Longevity at 65 for future pensioners:			
Men	(years)	21.7	21.7
Women	(years)	24.7	24.7

The Authority's estimated asset allocation, which is 31% of the whole fund is as follows:

	31 March 2024		31 March 2025	
	£000	%	£000	%
Assets				
Equities	1,350,762	61	1,174,735	52
Gilts	53,541	2	188,178	8
Other Bonds	110,920	5	145,783	7
Property	237,691	11	232,306	10
Cash	134,613	6	123,409	6
Inflation-linked pooled fund	113,732	5	156,762	7
Infrastructure	161,647	7	166,060	7
Private Equities	71,603	3	78,891	3
Total	**2,234,509**	**100**	**2,266,124**	**100**

The Authority publishes a Pension Fund Annual Report which is available upon request. A copy is also available on the pension fund website (www.nottspf.org.uk).

Sensitivity analysis

This table shows the assumption change and the impact upon present value of total obligation and projected Service Cost:

	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	(0.1%)
Present Value of Total Obligation	2,052,027	2,080,544	2,109,730
Projected Service Cost	35,913	37,141	38,407
Adjustment to long term Salary Increase	+0.1%	0.0%	(0.1%)
Present Value of Total Obligation	2,082,518	2,080,544	2,078,586
Projected Service Cost	37,141	37,141	37,141
Adjustment to pensions Increase and Deferred revaluation	+0.1%	0.0%	(0.1%)
Present Value of Total Obligation	2,108,561	2,080,544	2,053,163
Projected Service Cost	38,461	37,141	35,861
Adjustment to mortality age rating assumption	+1 Year	None	-1 Year
Present Value of Total Obligation	2,156,402	2,080,544	2,007,747
Projected Service Cost	38,422	37,141	35,888

<u>Teachers</u>

Under IAS19, the Teachers added years scheme is classed as an unfunded defined benefit scheme. The Authority recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Authority is required to make against Council Tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement during the year:

	2023/24 £000	2024/25 £000
Comprehensive Income and Expenditure Statement		
Cost of Services		
- Past service (cost) / gain	-	-
- Gains / (losses) on curtailments	-	-
Financing and Investment Income and Expenditure		
- Interest cost	(2,704)	(2,508)
Net Charge to the Comprehensive Income and Expenditure Statement	**(2,704)**	**(2,508)**

Movement in Reserves	2023/24 £000	2024/25 £000
- Reversal of net charges made for retirement benefits in accordance with IAS19	2,704	2,508
Actual amount charged against the General Fund Balance for pensions in the year:		
- Employers contributions payable to the Pension Fund and retirement benefits payable directly to pensioners	6,433	6,655

In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Statement, the following actuarial gains/losses were included within other comprehensive income and expenditure.

	2023/24 £000	2024/25 £000
Actuarial gains / (losses)	229	2,805

Liabilities in relation to retirement benefits

Reconciliation of present value of the scheme liabilities:

	2023/24 £000	2024/25 £000
Deficit at 1 April	**59,505**	**55,547**
Interest cost	2,704	2,508
Actuarial (gains) / losses	342	(2,567)
Change in demographic assumptions	(931)	(161)
Experience loss / (gain)	360	(77)
Unfunded pension payments	(6,433)	(6,655)
Deficit at 31 March	**55,547**	**48,595**

Scheme History

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Present value of liabilities	(80.2)	(74.0)	(59.5)	(55.5)	(48.6)
Fair value of scheme assets	-	-	-	-	-
Surplus/(deficit) in the scheme	**(80.2)**	**(74.0)**	**(59.5)**	**(55.5)**	**(48.6)**

The actuarial assumptions used to calculate the position in accordance with IAS19 were as follows:

	31 March 2024	31 March 2025
Rate of inflation - CPI Increases	3.0%	3.0%
Rate of increase in pensions	3.0%	3.0%
Discount rate	4.8%	5.6%

Mortality assumptions:
Longevity at 65 for current pensioners

		31 March 2024	31 March 2025
Men	(years)	20.4	20.4
Women	(years)	23.3	23.3

21. Creditors and Long-Term Creditors

Creditors less than one year	2023/24	2024/25
	£000	£000
Central government bodies	21,661	19,470
Other local authorities	5,449	5,087
NHS bodies	4,537	2,370
Public corporations and trading funds	239	217
Other entities and individuals	130,522	134,989
Total	**162,408**	**162,133**

Long Term Creditors	2023/24	2024/25
	£000	£000
Other entities and individuals	4,454	5,230

22. General Provisions

Where events have happened, which are likely to result in future costs to the Authority, an estimate of the likely impact is made and a provision is set aside. The provisions made are set out below:

Short Term Provisions	2023/24	Movement	2024/25
	£000	£000	£000
General Insurance Claims prior to 1/4/98	329	(38)	291
General Insurance Claims from 1/4/98	670	(16)	654
Corporate Redundancy Provision	111	(111)	-
NDR provision for backdated appeals	360	(87)	273
Comcare Provision	-	831	831
Provisions below £200,000	36	(36)	-
Total	**1,506**	**543**	**2,049**

Long Term Provisions	2023/24	Movement	2024/25
	£000	£000	£000
General Insurance Claims prior to 1/4/98	2,946	(348)	2,598
General Insurance Claims from 1/4/98	6,033	(150)	5,883
NDR provision for backdated appeals	1,440	(345)	1,095
Total	**10,419**	**(843)**	**9,576**

23. Contingent Liabilities

Insurance

In 1992, Municipal Mutual Insurance (MMI) ceased to trade and now exists solely to discharge its responsibilities under policies that it had previously issued. These responsibilities relate mainly to legal liability claims, which will take many years to materialise and finalise. On 13 November 2012, the Board of MMI triggered the previously agreed Scheme of Arrangement and EY LLP became responsible for the management of MMI's business, affairs and assets. In February 2013 the proposed levy or clawback rate was initially set at 15%. On 16 March 2016, MMI wrote to all scheme creditors and proposed that the levy was increased to 25%. This was agreed by the Scheme Creditors Committee and the balance of 10% was to be applied to claims payments made under the Scheme of Arrangement since the 30 September 1993. MMI has collected the original 15% levy and the additional 10% levy and as a result, members of the Scheme of Arrangement are now self-insured to the extent of 25% of any future claim payments. Depending on MMI's future claims experience, these levies may be adjusted so that the scheme is able to meet its obligations to the creditors. If the Authority were to pay an additional levy of 25% the Authority would have a potential liability of £1.5m.

24. Specific Revenue Grants

The value of revenue grants included as income within the cost of services is as follows:

Portfolio Segments	2023/24 £000	2024/25 £000
Children & Families	14,879	19,220
Education & SEND	41,140	28,073
Schools	380,840	415,973
Adult Social Care	66,335	69,797
Communities & Public Health	75,042	69,368
Finance & Resources	216	305
Economic Development & Asset Management	3,652	3,583
Transport & Environment	6,101	9,814
	588,205	**616,133**
Grants		
Dedicated Schools Grant (DFE)	338,537	384,425
Pupil Premium (DFE)	13,447	12,758
Public Health Grant (DOH)	44,567	47,166
Better Care Fund (MHCLG)	39,495	30,920
Market Sustainability/Discharge Grants (MHCLG)	13,623	22,656
Contain Outbreak Management Fund (DOH)	6,839	4,084
Various (DFE)	83,510	51,360
Homes for Ukraine	10,923	2,326
Household Support Grant	11,293	11,358
Other Grants	25,971	49,080
	588,205	**616,133**

Analysis of Revenue Receipts in Advance		
Ministry of Housing, Communities & Local Government	623	169
Department for Education	316	161
Department of Health & Social Care	4,556	-
Department for Transport	6,321	7,507
Other Grants & Contributions	779	862
	12,595	**8,699**

25. General Government Grants Income and Taxation

The Authority set the 2024/25 Council Tax for a Band D property at £1,807.08 including the Adult Social Care Precept (£1,723.66 in 2023/24). This was suitably adjusted for other bands of property and a precept was issued to the District Councils to recover the relevant amounts. Any variances in the amounts actually collected by the District Councils on behalf of the Authority will be adjusted in the amounts payable in the following year.

The figure for income from Council Tax includes accruals for the year-end position for the Authority's share of the various District Council Collection Funds. The value of the accrual in 2024/25 decreased by £0.9m (£1.0m decrease in 2023/24) which is reversed out of the General Fund in the Movement in Reserves Statement and held in the Balance Sheet in the Collection Fund Adjustment Account.

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement during the financial year:

Credited to Taxation & Non Specific Grant Income	**2023/24 £000**	**2024/25 £000**
Department for Education	34,466	27,254
Department for Transport	29,437	13,226
Other Grants & Contributions	5,445	9,991
Recognised Capital Grants & Contributions	**69,348**	**50,471**

	2023/24 £000	**2024/25 £000**
Revenue Support Grant	8,098	8,634
PFI	14,377	14,377
Social Care Support Grant	55,409	72,402
Services Grant	4,404	760
New Homes Bonus	1,094	1,034
General Government Grants	**83,382**	**97,207**

The Authority has received a number of capital grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that, if not fulfilled, will require the monies or property to be returned to the donor.

Capital Grants Received in Advance	**2023/24 £000**	**2024/25 £000**
Department for Education	46	46
Department for Health	357	357
Department for Transport	17,217	22,093
Other Grants & Contributions (including Section 106 Contributions)	43,595	53,394
Total	**61,215**	**75,890**

26. Financial Instruments Balance

The financial assets and financial liabilities disclosed in the Balance Sheet are made up of the following categories of Financial Instruments:

	Borrowings		**Creditors**	
	2023/24 £000	**2024/25 £000**	**2023/24 £000**	**2024/25 £000**
Long term financial liabilities at amortised cost	545,319	533,273	4,454	5,230
Short term financial liabilities at amortised cost	25,849	71,343	125,318	128,133
Total Financial Liabilities	**571,168**	**604,616**	**129,772**	**133,363**

	Investments		**Debtors**	
	2023/24 £000	**2024/25 £000**	**2023/24 £000**	**2024/25 £000**
Long term financial assets at amortised cost	7,884	8,043	22	445
Short term financial assets at amortised cost	132,200	71,044	75,601	109,438
Cash and cash equivalents	108,940	92,883	-	-
Total Financial Assets	**249,024**	**171,970**	**75,623**	**109,883**

The Authority does not hold any financial liabilities at fair value through profit and loss or at fair value through other comprehensive income.

The Authority's borrowings include finance leases associated with PFI schemes, borrowings with the Public Works Loans Board (PWLB) and with UK and European banks through 'Lender's Option, Borrowers' Option' loans (LOBOs). These are classed as 'other liabilities' and measured at amortised cost.

Financial liabilities at amortised cost

Long term

	2023/24 £000	2024/25 £000
(a) Long Term Borrowing		
Amounts still owed on loans received from external sources to acquire capital assets such as roads, buildings & equipment. Long Term Borrowing for repayment after 1 year	463,362	413,026
(b) Other Long Term Liabilities		
Amounts still owed on finance leases taken with external sources to acquire capital assets for PFI Schemes and long term finance leases for repayment after 1 year	81,957	120,247
Total Long Term Borrowing at 31 March	**545,319**	**533,273**

	2023/24 £000	2024/25 £000
(c) Long Term Creditors	4,454	5,230

Short term

	2023/24 £000	2024/25 £000
(d) Borrowing		
Long term borrowing for repayment within 1 year	17,546	56,799
Other long term liabilities related to PFI schemes and long term finance leases for repayment within 1 year	8,303	14,544
Total Borrowing at 31 March	**25,849**	**71,343**

	2023/24 £000	2024/25 £000
(e) Trade Creditors	125,318	128,133

Financial Assets at amortised cost

Long Term Investments

	2023/24 £000	2024/25 £000
(a) Long term Investments		
Long term investments with other local authorities, local authority subsidiary and financial institutions	5,025	5,025

Long Term Advances	2023/24 £000	2024/25 £000
(b) Long term Advances		
Nottinghamshire County Cricket Club	1,676	1,513
Adult Care Property Debt - Deferred Payment Scheme	999	1,325
Other Long Term Advances	184	180
	2,859	**3,018**

On 19 September 2007 the Authority approved a loan of £1.23m for 20 years to Nottinghamshire County Cricket Club to help fund the £8.2m development plans for the Trent Bridge ground. In addition to enhancing the reputation of the Cricket Club and helping it to retain Trent Bridge as a test match venue there are benefits to the economy and wider community. Consequently, the loan was offered at a discounted rate with a capital repayment holiday for the first 5 years. Security has been set by way of a charge against the fixed assets of the Club to safeguard the interests of the Authority. Since the loan was

offered at less than the prevailing rate the figure in the Balance Sheet represents the fair value of the loan carried at its amortised cost. The balancing figure appears in the Financial Instruments Adjustment Account.

On 7 October 2015, the former Policy Committee approved a further loan in conjunction with Nottingham City Council and Rushcliffe Borough Council. The loan allowed the club to invest £8.1m in a media facility, refurbish the Pavilion, and enhance the William Clarke Stand and Lady Bay development. The loan is over 20 years with no holiday periods for capital repayment and is secured by way of a charge against the fixed assets of the Club. The loan has been drawn upon as required, and the interest rate is fixed at the 20 year annuity PWLB rate plus 2%.

Adult Care Property Debt under the deferred payment scheme (Section 35 of the Care Act 2014) consists of loans to those with insufficient income and capital, excluding their property, to meet their care home fees. Repayment of such loans is deferred until the residents die or their property is sold.

	2023/24	**2024/25**
	£000	**£000**
(c) Long Term Debtors	22	445

Short term

(d) Temporary investments	**2023/24**	**2024/25**
	£000	**£000**
Temporary investments with other local authorities and financial institutions	132,200	71,044

The Authority manages its cash in line with its approved Treasury Management Policy and in accordance with prevailing statutory requirements. The amount invested at the year-end depends on the cash flow position at that date.

Short term Trade Debtors	**2023/24**	**2024/25**
	£000	**£000**
(e) Trade Debtors (less impairment allowance)	75,601	109,438
(f) Cash and Cash Equivalents	108,940	92,883

Financial Assets - unquoted equity investment at cost

Economic Development: There are equity holdings amounting to £0.1m (£0.1m in 2023/24) that have been written off to the Comprehensive Income and Expenditure Account to reflect the high risk of the investment. Consequently, their fair value has been assessed as nil on the Balance Sheet.

Interests in Companies - Joint Ventures, Subsidiaries and Divested Organisations

The Authority holds a share in the Local Authority controlled SCAPE Group Ltd (17% share). The value of this holding is small and there are conditions on the shares that prevent them being traded on the open market. Consequently, since the fair value cannot be measured reliably, no value is carried on the Balance Sheet.

ARC Property Services Partnership Ltd began trading in June 2016. It is a Joint Operation with SCAPE Group where both parties share 50% risk. The company is contracted to deliver property services to the Authority and the predominant place of business is Nottinghamshire. More information is available at the ARC website. https://www.arc-partnership.co.uk/

Via East Midlands Ltd began trading in July 2016. It is a subsidiary of Nottinghamshire County Council. The company is contracted to deliver highways services to the Authority and the predominant place of business is Nottinghamshire. More information is available at the Via website: https://www.viaem.co.uk/

The Authority has a 50% interest in Futures Advice Skills and Employment Limited (formerly Nottingham and Nottinghamshire Futures Limited). The Company transferred into Local Authority control from the Learning and Skills Council at 1 April 2008 at no cost and consequently, this is reflected at an immaterial investment cost in the Authority's accounts.

The East Midlands Development Company (EM DevCo) was established as an interim organisation which will take forward propositions for a new era of growth across the regional economy. This vehicle was incorporated on 4 May 2021 and was funded initially by contributions from Nottinghamshire County Council and four other Local Authorities. It has now ceased trading.

27. Financial Instruments Gains/Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Account in relation to financial instruments are made up as follows:

	2023/24			2024/25		
	Financial Liabilities	Financial Assets	Total	Financial Liabilities	Financial Assets	Total
	£000	£000	£000	£000	£000	£000
Interest expense	(33,190)	-	(33,190)	(32,801)	-	(32,801)
Interest payable and similar charges	**(33,190)**	**-**	**(33,190)**	**(32,801)**	**-**	**(32,801)**
Interest income	-	14,305	14,305	-	11,373	11,373
Interest and investment income	**-**	**14,305**	**14,305**	**-**	**11,373**	**11,373**

The average cost of external borrowing was 3.77% in 2024/25 (3.84% in 2023/24).

The interest expense figure includes the cost of administration fees. For most of the transactions entered into by the Authority the transaction costs are negligible. For example, the PWLB charges an administration fee when advancing new loans at the current rate of 35p per £1,000 and LOBO loans taken out through brokers have incurred fees of £24,000 on borrowings of £10m. Administration fees below 0.5% of the amount borrowed are considered not material and are charged directly to the Comprehensive Income and Expenditure Statement.

Following the comprehensive local government re-organisation in 1974, the Authority took over assets from other local authorities on which there were repayments of advances still outstanding. These debts are administered by the other authorities and the amounts recharged to the Authority are included in the above figures.

The balance outstanding on these deferred liabilities is as follows:

	2023/24	2024/25
	£000	£000
Loan taken over from District Councils when the responsibility for services was transferred to the Authority on local government reorganisation in 1974.	628	551

28. Fair Value of Assets and Liabilities carried at amortised cost

Financial liabilities and financial assets are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- no early repayment or impairment is recognised
- where an instrument will mature in the next 12 months, the carrying amount is assumed to approximate to fair value
- the fair value of trade and other receivables is taken to be the invoiced or billed amount.

For long term borrowings and investments, fair values have been calculated by reference to relevant interest rates in force as at 31 March 2024 and 2025 as follows:

- for PWLB loans, the relevant PWLB rate in force
- for LOBO loans, the relevant PWLB rate applicable to loans in excess of 50 years
- for long term investments, the market rate for a loan of similar value and profile
- for leases and Salix loans, the PWLB rate for an annuity commencing on 31 March of equal length to the remaining scheduled length
- for long term advances, the PWLB rate for an annuity commencing on 31 March of length equal to the remaining scheduled length of the relevant instrument, plus 1% to recognise risk on loans and receivables.

	2023/24		2024/25	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial Liabilities	**£000**	**£000**	**£000**	**£000**
Public Works Loan Board	387,847	295,572	377,097	302,290
External Bonds and Loans	91,190	68,673	91,187	73,057
Leases related to PFI and other schemes	90,260	114,344	134,790	161,939
Salix Loan	1,871	1,795	1,542	1,474
Trade Creditors	125,318	125,318	128,133	128,133
Long Term Creditors	4,454	4,454	5,230	5,230
Total Financial Liabilities	**700,940**	**610,156**	**737,979**	**672,123**

The fair value is different from the carrying amount because the Authority's portfolio of loans and leases includes a number of fixed rate loans and leases where the interest rate payable is different to the rates available for similar loans at the Balance Sheet date. A commitment to pay interest above current market rates increases the amount that the Authority would have to pay if the lender agreed to early repayment of the loans

	2023/24		2024/25	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial Assets at amortised cost	**£000**	**£000**	**£000**	**£000**
Short Term Investments	132,200	132,200	71,044	71,044
Trade Debtors (less credit loss allowance)	75,601	75,601	109,438	109,438
Long Term Investments	5,025	5,025	5,025	5,025
Long Term Advances	2,859	2,686	3,018	2,831
Long Term Debtors	22	22	445	445
Cash	108,940	108,940	92,883	92,883
Total	**324,647**	**324,474**	**281,853**	**281,666**

The fair value is different from the carrying amount because the Authority's portfolio of investments included a number of fixed rate loans where the interest rate receivable is different from the rates available for similar loans at the Balance Sheet date. Where the agreed interest is above current market rates, the Authority would have to accept higher repayment if it negotiated early repayment of the loans; where the interest rate is lower then a lower repayment.

Fair Value Hierarchy

The financial liabilities, loans and receivables have been assessed in reference to the Fair Value Hierarchy as per the requirements of IFRS13 (see Statement of Accounting Policies for further detail).

	Level 1 £000	Level 2 £000	Level 3 £000	Fair Value as at 31/3/25 £000
Financial liabilities	-	672,123	-	672,123
Financial Assets at amortised cost	92,883	183,758	5,025	281,666

	Level 1 £000	Level 2 £000	Level 3 £000	Fair Value as at 31/3/24 £000
Financial liabilities	-	610,156	-	610,156
Financial Assets at amortised cost	108,940	210,509	5,025	324,474

Transfers between levels of the Fair Value Hierarchy

There were no assets which transferred between levels 1 and 2 of the hierarchy during the year.

Valuation techniques used to determine Fair Value

Significant Observable Inputs - Level 2

Assets and liabilities at Level 2 are those where the quoted market prices are not available. The prices used in calculating the fair values are based upon inputs from observable market data - see above for relevant rates used.

Significant Unobservable Inputs - Level 3

Assets and liabilities at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

29. Disclosure of nature and extent of risks arising from financial instruments

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

- credit risk – the risk of failure by a counterparty to meet its contractual obligations under an investment, borrowing, capital, project or partnership financing

- liquidity risk – the risk that cash will not be available when it is needed, thereby causing additional unbudgeted costs with consequent impact on the Authority's business/service objectives

- market risk – the risk that, through adverse market fluctuations in the value of the principal sums the Authority borrows and invests, its stated Treasury Management policies are compromised.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. In 2002, the Authority adopted the CIPFA Code of Practice on Treasury Management. In accordance with this Code of Practice, the Authority sets an annual Treasury Management Strategy by March each year. This contains a number of measures to control the key financial instrument risks above including:

- treasury management practices
- prudential indicators for borrowing and investment
- approved counterparties for lending purposes.

The Authority also receives regular reports measuring the performance of the treasury management function. A copy of the Authority's Treasury Management Policy and Strategy is available upon request.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposure to the Authority's debtors. Deposits are restricted to institutions that meet the Authority's minimum credit rating criteria being:

Institutions that meet the following criteria from at lease 2 rating agencies:

	Long Term	Short Term	GBP MMF
Fitch	A-	F1	AAAmmf
Moodys	A3	P-1	Aaamf
Standard & Poors	A-	A-1	AAAm

Within this selection the following minimum criteria will apply, dependent on the terms of the deposit, from at least 2 ratings agencies:

	Fitch Long Term	Fitch Support	Moodys Long Term	S&P Long Term
Instant access	A-	-	A3	A-
Up to 3 months	A-	-	A3	A-
Up to 364 days	AA-	-	AA3	AA-
365 days and over	A	1 or 2	A2	A

No credit limits were exceeded during the reporting period and the Authority does not expect any losses from non-performance by any of its counterparties in relation to deposits.

Customers are assessed, taking into account their financial position, past experience and other factors. The Authority's policy is to set aside an impairment allowance for outstanding debts in order to minimise the effect of default. As at 31 March 2025, the Authority had an outstanding balance of short-term debtors of £135.5m (£102.5m in 2023/24) including government grants and the Authority's share of Council Tax and Business Rates debtors. In line with the Expected Credit Loss Model set out in Accounting policy 17, an impairment allowance of £31.6m has been calculated (£33.4m in 2023/24). It is not certain that this impairment will be sufficient as the Authority cannot assess with certainty which debts will be collected or not. Debtors will however continue to be monitored regularly and should general debtors rise in 2025/26 the Authority may consider raising the impairment allowance.

The Authority does not generally allow credit for customers, such that £23.1m (£22.5m in 2023/24) of the £42.2m (£44.4m in 2023/24) balance is past its due date for payment. The past due amount can be analysed by age as follows:

	£000
Less than three months	3,544
Three to six months	3,177
Six months to one year	4,408
More than one year	12,013
	23,142

Liquidity risk

As the Authority has ready access to borrowings from the Public Works Loans Board, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that a significant proportion of borrowings will mature at a time of unfavourable interest rates. Current borrowings are spread over 50 years with a maximum of any one year's maturity around 11.8% of the total. However, since the Authority's future borrowing requirement is fairly sizeable in relation to current debt, the prudential indicator for debt maturity has been set as part of the annual Treasury Management Strategy. The strategy for new loans is to borrow each year close to the lowest rate available and, where economic circumstances make it favourable, early repayment of fixed rate loans will be considered.

In addition, the Authority has a number of finance lease liabilities that relate to PFI and other schemes.

The maturity analysis of financial liabilities is as follows:

	2023/24 £000	%	2024/25 £000	%
Maturity date				
Within 1 year	25,849	4.5	71,344	11.8
1 year and up to 2 years	21,196	3.7	33,302	5.5
2 years and up to 5 years	67,765	11.9	78,152	12.9
5 years and up to 10 years	85,366	14.9	94,985	15.7
10 years and up to 15 years	50,122	8.8	52,467	8.7
15 years and up to 20 years	40,003	7.0	31,107	5.1
20 years and up to 25 years	30,004	5.3	40,452	6.7
25 years and over	250,863	43.9	202,807	33.6
	571,168	**100.0**	**604,616**	**100.0**

	2023/24 £000	2024/25 £000
Source of Borrowing		
Public Works Loan Board	387,847	377,097
External Bonds and Loans	91,190	91,187
Finance Leases related to PFI and other schemes	90,260	134,790
Salix Loan	1,871	1,542
	571,168	**604,616**

All trade and other payables are due to be paid in less than one year.

Market risk

Interest rate risk

The Authority is exposed to risk in terms of interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority. For instance, a rise in interest rates would have the following effects:

- borrowings at fixed rates – the fair value of the borrowings will fall.
- investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise.
- investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Statement. However, changes in interest receivable on variable rate investments will be posted to the Comprehensive Income and Expenditure Statement and affect the General Fund Balance pound for pound. Movements in the fair value of fixed rate investments will be reflected in other comprehensive income and expenditure.

The Authority has a number of strategies for managing interest rate risk. The policy for borrowing rates is to achieve a managed decline in the average rate and to borrow each year close to the lowest rate available. During periods of falling interest rates, and where economic circumstances make it favourable, early repayment of fixed rate loans will be considered to limit exposure to losses. The risk of loss is ameliorated by the fact that a proportion of Government grant payable on financing costs will normally move with prevailing interest rates or the Authority's cost of borrowing and provide compensation for a proportion of any higher costs. The Treasury Management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget. The strategy is used to advise investment and borrowing decisions and also whether new borrowing taken out should be fixed or variable. This allows any adverse changes to be accommodated.

The Authority has no variable rate borrowings and minimal variable rate investments. A 1% change in interest rates would therefore have no material impact on the Comprehensive Income and Expenditure Statement. If interest rates had been 1% higher at 31 March 2025, with all other variables held constant, the fair value of fixed rate borrowings would be lower but with no impact on the Comprehensive Income and Expenditure Statement.

Price risk

The Authority does not hold any equity shares that can be measured and consequently is not exposed to losses from movements in the prices of shares.

Foreign exchange risk

The Authority has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to movements in exchange rates.

30. Related Parties

The Authority is required to disclose material transactions with related parties, bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority.

Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central Government

Central Government has effective control over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides a significant part of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. Council Tax bills). Grants received from Government Departments are set out in the subjective analysis in Notes 24 and 25.

Members

Members of the Authority have direct control over the Authority's financial and operating policies. The total of Members allowances paid in 2024/25 is shown in Note 46. During 2024/25, £0.0m (£0.0m in 2023/24) was paid to companies for works or services commissioned in which Members declared an interest.

Grants of £3,216.33 were paid to three organisations in which two Members had a position on the governing body (2023/24 £56,931.47 to two organisations, six Members). No material grants were made to organisations whose senior management included close members of the families of a Member or Senior Officer. In all instances, the grants were made with proper consideration of declarations of interest. The relevant members did not take part in any discussion or decision relating to the grants. Details of all these transactions are recorded in the Register of Members Interests which is open to public inspection and is also available on the Authority's website at this address:
http://www.nottinghamshire.gov.uk/council-and-democracy/councillors/allowances-expenses-conduct

There are two Members on the board of Culture, Learning and Libraries (Midlands) trading as "Inspire" and the transactions with the Authority have been examined. There were no material direct grants paid to Inspire.

Senior Employees

In accordance with section 117 of the Local Government Act 1972, senior employees must declare their interest in any organisations which have received grant payments or entered into any works that constitute a related party. During 2024/25, one senior employee declared being on the board of EM Dev Co (now ceased trading) (2023/24 one senior employee). Two senior employees declared a domestic partner with two organisations where no material transactions beyond usual supplies and services were made during the financial year. (2023/24 two senior employees' partners)

Other Public Bodies (subject to common control by Central Government)

The Authority has a pooled budget arrangement with the Integrated Community Equipment Loan Service (ICELS). The Authority has also entered into a pooled budget arrangement with NHS bodies called the Better Care Fund (BCF). Balances are detailed in Note 44.

The Authority is the administering body for the Local Government Pension Scheme (LGPS). Details of the Accounts of the Pension scheme can be found after the notes to the Authority's accounts.

Entities Controlled or Significantly Influenced by the Authority

These organisations are deemed to be influenced significantly or controlled by the Authority through its representation on the board or ownership of shares.

SCAPE Group Ltd - See note 26.

ARC Property Partnership Ltd

	Audited 2023/24 £000	Unaudited 2024/25 £000
Revenue	55,339	70,732
Profit / (loss)	650	1,149
Total Assets	16,267	15,688
Total Liabilities	(9,130)	(8,784)
Equity and Reserves	7,137	6,904

Nottinghamshire County Council had the following transactions with ARC:

	2023/24 £000	2024/25 £000
Purchases of works and services	50,494	71,025
Service Level Agreements	(60)	(71)
Debtors	12	8
Creditors	(1,345)	(4,591)

Via East Midlands Ltd

	Audited 2023/24 £000	Unaudited 2024/25 £000
Revenue	70,773	87,687
Profit / (loss)	680	651
Total Assets	23,256	19,548
Total Liabilities	(20,932)	(17,174)
Equity and Reserves	2,324	2,374

Nottinghamshire County Council had the following transactions with Via:

	2023/24 £000	2024/25 £000
Purchases of works and services	67,047	74,000
Service Level Agreements	(1,253)	(1,808)
Debtors	534	922
Creditors	(9,465)	(9,217)

Futures Advice, Skills & Employment Ltd (Futures)

	Audited 2023/24 £000	Unaudited 2024/25 £000
Revenue	14,610	14,030
Profit / (loss)	(691)	107
Total Assets	7,746	6,278
Total Liabilities	(3,453)	(1,860)
Equity and Reserves	4,293	4,418

Nottinghamshire County Council had the following transactions with Futures and its Subsidiaries:

	2023/24 £000	2024/25 £000
Purchases of works and services	1,664	1,240
Service Level Agreements	-	-
Debtors	-	-
Creditors	(403)	(82)

Culture, Learning and Libraries (Midlands), trading as Inspire

Culture, Learning and Libraries (Midlands), trading as Inspire, is an independent Community Benefit Society launched by the Authority. Although the Authority does not control this entity, it does exercise power due to contract volume, being lessor of most of the properties. However, it has been agreed that the value does not meet the Authority's group accounts materiality threshold.

The total Authority expenditure with Inspire is £18.6m (£17.0m in 2023/24) and income is £1.3m (£1.2m in 2023/24). The Authority's year-end creditor with Inspire is £0.3m (£1.0m at 31 March 2024) and year-end debtor is £0.2m (£0.2m at 31 March 2024).
More information can be found on the Inspire website https://www.inspireculture.org.uk/

East Midlands Development Company Ltd (EM DevCo)

East Midlands Development Company (EM DevCo) is owned by five Local Authorities in the East Midlands and this has now ceased trading. The total Authority contribution to EM DevCo costs is £0.0m (£0.5m in 2023/24) and income is £0.1m (£0.3m in 2023/24).

More information can be found on the EM DevCo website https://www.emdevco.co.uk/about-us/

31. Movement on Usable Reserves

	2022/23 £000	Transfers Out £000	Transfers In £000	2023/24 £000	Transfers Out £000	Transfers In £000	2024/25 £000
General Fund Balance	36,861	-	-	36,861	(953)	-	35,909
Schools Statutory Reserves	41,924	(331)	836	42,429	(19,959)	-	22,470
General Insurance Reserve	41,445	(117)	1,961	43,289	(95)	1,263	44,457
Capital Grants Unapplied Reserve	3,762	(681)	5,562	8,643	(5,995)	733	3,381
Corporate Reserves							
Earmarked Reserves	16,149	(124)	-	16,025	(762)	-	15,263
Capital Projects Reserve	14,059	(2,150)	5,122	17,031	(8,190)	2,118	10,959
NDR Pool Reserve	15,330	(416)	4,671	19,585	(3,000)	5,282	21,867
Strategic Technology Reserve	-	-	7,875	7,875	(481)	2,770	10,164
East Leake PFI Schools	2,797	(172)	132	2,757	(253)	126	2,630
Bassetlaw PFI Schools	2,081	-	317	2,398	-	190	2,588
Waste PFI Reserve	24,959	(2,791)	1,140	23,308	(5,387)	984	18,905
Workforce Reserve	7,276	-	231	7,507	(7)	-	7,500
Strategic Development Fund	17,915	-	-	17,915	(2,770)	-	15,145
Highways & Environment Reserve	8,266	(6,033)	4,000	6,233	(5,933)	-	300
Business Rates Equalisation Reserve	8,658	-	-	8,658	(118)	3,487	12,027
Council Tax Equalisation Reserve	1,175	(1,175)	-	-	-	-	-
Traders Resilience Reserve	4,000	-	-	4,000	(400)	-	3,600
Section 256 Grants	4,993	(1,762)	350	3,581	(924)	110	2,767
Earmarked for Services Reserves							
Trading Activities	807	(152)	-	655	-	160	815
Departmental Reserves	7,529	(1,019)	1,267	7,777	(2,527)	591	5,841
Revenue Grants	26,018	(14,228)	20,063	31,853	(7,615)	7,966	32,204
Section 256 Grants	24,330	(6,392)	1,072	19,010	(13,661)	1,533	6,882
Total Other Earmarked Reserves	**186,342**	**(36,414)**	**46,240**	**196,168**	**(52,028)**	**25,317**	**169,457**
Total Usable Reserves	**310,334**	**(37,543)**	**54,600**	**327,391**	**(79,030)**	**27,314**	**275,674**

General Fund Balance comprises reserves available for use by the Authority as a contingency**.**

Schools Statutory Reserves - See note 33

General Insurance Reserve - See note 32

Capital Grants Unapplied Reserve - holds capital grant balances that have been received but not utilised.

Corporate Reserves

Earmarked Reserves hold year-end underspends where approval has been given to be carried forward for future spending commitments. This reserve also contains reserves previously classified under earmarked for services which are no longer required for their original purpose.

Capital Projects Reserve supports the Medium Term Financial Strategy as well as current and future capital commitments.

NDR Pool Reserve holds the Authority's share of the Non Domestic Rates pool surplus. The pool was established 1 April 2013 when the funding mechanism was introduced with the seven District and Borough Councils. It also holds the Authority's share of growth and renewable energy.

Strategic Technology Reserve has been created to fund investment in corporate systems upgrades and exploration of opportunities to improve efficiency by use of emerging technology.

East Leake, Bassetlaw and Waste PFI Reserves are surplus funding amounts set aside during the early years of the PFI contracts. These are contributions from Central Government and the Authority will be required in later years to finance the unitary charge.

Strategic Development Fund will support future year costs associated with the Authority's Transformation agenda.

Business Rates Equalisation Reserve has been established to offset any potential deficits created by additional rate reliefs awarded by Central Government which will compensate for correspondingly lower income from the Collection Fund.

Earmarked for Services Reserves

Revenue Grants and Section 256 Grants are grants without specific conditions that remain unspent at the year-end are transferred into usable reserves, in accordance with the Code.

32. Insurance Reserve and Account

The Authority operates a self-insurance scheme and covers each kind of risk up to set limits which are reviewed annually. External insurers cover risks in excess of the internally insured amounts. The major areas where significant risks are covered externally are Fire, Liability and Motor. The insurance provision covers known liabilities. Amounts are also set aside in the Insurance Reserve to cover possible insurance claims losses that are not yet known about.

The total of the Insurance Provision and Reserve as at 31 March 1998 has been ring-fenced for liabilities arising up to that date. The balance and the liabilities are being shared by the County and City Councils in the proportion of 23.55% City and 76.45% County.

The amount set aside in the Insurance Provision is detailed in Note 22. The Insurance Reserve is shown below:

General Insurance Reserve	**Note**	**2023/24**	**2024/25**
		£000	**£000**
General Insurance Reserve		43,289	44,457

Insurance Account	**Note**	**2023/24**	**2024/25**
		£000	**£000**
Premiums paid		1,274	1,690
Claims made		1,407	2,274
Contribution (from)/to Provision		(421)	(553)
Contribution to Closed Fund from County Council		-	-
Miscellaneous charges		37	69
		2,297	3,480
Less charges to Departments	1	(4,258)	(4,743)
Future Liabilities of Nottm City Council Adjustment		117	95
Total Expenditure		**(1,844)**	**(1,168)**

	2023/24	**2024/25**
	£000	**£000**
External Premiums	-	-
Contribution to Closed Fund from City and County Council's	-	-
Total Income	**-**	**-**
Net (surplus)/deficit	**(1,844)**	**(1,168)**

Note 1. Classed as expenditure to avoid double counting in the net cost of services.

33. Schools Statutory Reserves

Surplus and deficit balances relating to schools must be carried forward from one financial year to the next in accordance with the requirements of Section 48 of the School Standards and Framework Act 1998. The Schools Statutory Reserves are committed to be spent on schools and are not available to the Authority for general use.

During 2024/25 the overall reserve has decreased by £20.0m to £22.4m. Within the total reserve schools accumulated balances decreased by £2.0m to £21.3m; of this, £3.2m is to fund capital schemes.

The reserves also includes £1.1m relating to the non-ISB (Individual Schools Budget) element of the Schools Budget.

Part of the reserves are used to finance a school loan scheme, whereby schools are advanced funding for major capital items and then repay this over a three year period.

School Balances	**2023/24**	**Movement in year**	**2024/25**
	£000	**£000**	**£000**
Balances held by schools	23,351	(2,005)	21,346
Non ISB Balances	19,084	(17,932)	1,152
School Loan Scheme	(6)	(22)	(28)
School Statutory Reserves Total	**42,429**	**(19,959)**	**22,470**

34. Unusable Reserves

	Restated 2023/24	**2024/25**
	£000	**£000**
Capital Adjustment Account	505,190	413,892
Revaluation Reserve	343,989	264,587
IAS 19 Pensions Reserve	(164,380)	(61,107)
Financial Instruments Adjustment Account	(2,428)	(2,370)
Collection Fund Adjustment Account	(629)	(1,611)
Deferred Capital Receipts	-	32,209
Employee Benefits Account	(8,048)	(7,817)
Total Unusable Reserves	**673,694**	**637,783**

Revaluation Reserve

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

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation
- disposed of and the gains are realised.

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

	Restated 2023/24	**2024/25**
	£000	**£000**
Balance at 1 April	**335,731**	**343,989**
Changes due to adoption of IFRS16	-	(3,566)
Upward revaluation of assets	24,241	45,307
Downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on the Provision of Services	(8,092)	(77,325)
Surplus/(deficit) on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	16,149	(32,018)
Difference between fair value depreciation and historic cost depreciation	(3,955)	(4,986)
Accumulated gains on assets sold or scrapped	(3,936)	(38,832)
Amount written off to the Capital Adjustment Account	(7,891)	(43,818)
Balance at 31 March	**343,989**	**264,587**

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historic cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

	Restated 2023/24 £000	2024/25 £000
Balance at 1 April	**470,634**	**505,190**
Changes due to adoption of IFRS16	-	(36,013)
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation on non-current assets	(51,069)	(51,056)
Revaluation and Impairments on PPE	(6,117)	(71,077)
Amortisation of intangible assets	(2,665)	(2,990)
Revenue expenditure funded from capital under statute	(48,567)	(32,777)
Amounts of non-current assets written off on disposal or sale as part of the gain/(loss) on disposal to the Comprehensive Income and Expenditure Statement	(11,967)	(71,459)
	(120,385)	**(229,360)**
Adjusting amounts written out of the Revaluation Reserve	7,891	43,818
Net written out amount of the cost of non-current assets consumed in the year	**(112,494)**	**(185,542)**
Capital financing applied in the year:		
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	-	1,330
Application of grants to capital financing from the Capital Grants Unapplied Account	110,331	81,100
Statutory provision for the financing of capital investment charged against the General Fund	20,063	23,967
Capital expenditure charged against the General Fund	12,224	20,257
	142,618	**126,654**
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	4,475	3,938
Movement in the fair value of Non Current Assets Held for Sale credited to the Comprehensive Income and Expenditure Statement	(43)	(335)
Balance at 31 March	**505,190**	**413,892**

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments.

	2023/24	2024/25
	£000	**£000**
Balance at 1 April	**(2,226)**	**(2,428)**
Premiums incurred in the year and charged to the Comprehensive Income and Expenditure Statement	(261)	-
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	59	58
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(202)	58
Balance at 31 March	**(2,428)**	**(2,370)**

IAS19 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2023/24	2024/25
	£000	**£000**
Balance at 1 April	**(297,230)**	**(164,380)**
Actuarial gains / (losses) on pensions assets and liabilities	143,246	83,887
Other gains / (losses)	631	950
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provisions of Services in the Comprehensive Income and Expenditure Statement	(72,859)	(44,189)
Employer's pensions contributions and direct payments to pensioners payable in the year	61,832	62,625
Balance at 31 March	**(164,380)**	**(61,107)**

Collection Fund Adjustment Account

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

	2023/24	2024/25
	£000	**£000**
Balance at 1 April	**540**	**(629)**
Amount by which Council Tax income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax income calculated for the year in accordance with statutory requirements	(989)	(886)
Amount by which NNDR income credited to the Comprehensive Income and Expenditure Statement is different from NNDR income calculated for the year in accordance with statutory requirements	(180)	(96)
Balance at 31 March	**(629)**	**(1,611)**

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve is an unusable reserve that holds the value of capital receipts that the Authority has recognised as disposal income in the Comprehensive Income and Expenditure Statement but where the consideration is to be paid in future years.

	2023/24 £000	2024/25 £000
Balance at 1 April	**-**	**-**
Movement in Deferred Capital Receipts held	-	32,209
Balance at 31 March	**-**	**32,209**

Employee Benefits Account

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

	2023/24 £000	2024/25 £000
Balance at 1 April	**(8,543)**	**(8,048)**
Settlement or cancellation of accrual made at the end of the preceding year	8,543	8,048
Amounts accrued at the end of the current year	(8,048)	(7,817)
Amount by which the officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accrual basis is different from remuneration chargeable in the year in accordance with statutory requirements	495	231
Balance at 31 March	**(8,048)**	**(7,817)**

35. Cash and Cash Equivalents

The Authority monitors cash balances on a daily basis to make maximum use of the funds available and invests any surplus cash identified. The bank account balance at 31 March will consist of an overdraft with the Authority’s main bank, amounts held in call accounts or money market funds and school deposits either with the Authority's main bank or held with other banks.

The analysis of cash and cash equivalents is as follows:

	2023/24 £000	2024/25 £000
Amounts held in call accounts and money market funds	98,338	83,673
Main Bank accounts:		
Main Authority account	(24,208)	(22,772)
Schools Accounts	35,096	32,311
Other bank accounts	(286)	(330)
	108,940	**92,882**

36. Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

	2023/24 £000	2024/25 £000
Interest received	11,526	11,049
Interest paid	(33,403)	(33,068)
Dividends received	1,600	1,600
	(20,277)	**(20,419)**

37. Cash Flow Statement - Investing Activities

	2023/24 £000	2024/25 £000
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	81,944	120,444
Purchase of short and long-term investments	120,000	90,000
Other payments for investing activities	1,713	1,633
Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(597)	(10,195)
Capital Grants and contributions received	(90,484)	(64,245)
Proceeds from short-term and long-term investments	(115,000)	(150,000)
Net other receipts from investing activities	(1,679)	(1,474)
Net cash flows from investing activities	**(4,103)**	**(13,837)**

38. Cash Flow Statement - Financing Activities

	2023/24 £000	2024/25 £000
Cash receipts of short and long term borrowing	-	(750)
Cash payments for the reduction of the outstanding liabilities relating to leases and on-balance sheet PFI contracts	7,537	12,257
Repayments of short and long-term borrowing	12,026	11,643
Net cash flows from financing activities	**19,563**	**23,150**

39. Reconciliation of Liabilities Arising from Financing Activities

	Long and short term borrowings £000	Lease liabilities £000	PFI liabilities £000	Deferred liabilities £000	Total £000
Balance as at 1 April 2024	480,908	876	89,384	628	571,796
Financing Cash flows	(10,816)	(1,572)	(10,684)	(77)	(23,149)
Non Cash items					
IFRS 16 restatement	-	11,723	41,261	-	52,984
Acquisition of leases	-	1,328	2,605	-	3,933
Disposal of leases	-	(129)	-	-	(129)
Interest accrual movement	(267)	-	-	-	(267)
Balance as at 31 March 2025	**469,825**	**12,226**	**122,566**	**551**	**605,168**

	Long and short term borrowings £000	Lease liabilities £000	PFI liabilities £000	Deferred liabilities £000	Total £000
Balance as at 1 April 2023	493,071	883	95,418	705	590,077
Financing Cash flows	(11,950)	(7)	(7,530)	(77)	(19,564)
IFRS 16 restatement	-	-	-	-	-
Acquistion of leases	-	-	1,496	-	1,496
Interest accrual movement	(213)	-	-	-	(213)
Balance as at 31 March 2024	**480,908**	**876**	**89,384**	**628**	**571,796**

40. Minimum Revenue Provision (MRP)

Regulations require local authorities to calculate a prudent MRP charge each year to provide for the redemption of outstanding debt. Depreciation charged to the Comprehensive Income and Expenditure Statement is reversed out of General Fund balances through the Movement in Reserves Statement and replaced by the calculated MRP charge.

The amount required under the MRP regulations for 2024/25 is £24.0m (£20.1m for 2023/24) of which £12.3m (£7.5m for 2023/24) relates to repayments of the PFI and finance lease liabilities. The amount of depreciation and amortisation charged was £54.0m (£52.1m for 2023/24).

41. Audit Fees

The Authority has been advised (or estimated) of the following fees payable for 2024/25.

	2023/24 £000	2024/25 £000
External Audit Fees	264	290
Teachers Pension Agency Grant	9	9
S31 Transport Grant	10	10
	283	**309**

42. Employee Remuneration

The table below shows the number of staff employed by the Authority whose remuneration, taxable expenses and severance (if applicable) amounted to £50,000 or more in the financial year. The table includes the senior staff separately identified in the subsequent tables.

Pay Band		Number of Staff					
		2023/24			2024/25		
		Exc Redundancy		Inc. Redundancy	Exc Redundancy		Inc. Redundancy
		Schools	Non Schools	Total	Schools	Non Schools	Total
£200,000	£205,000	-	-	-	-	1	1
£195,000	£199,999	-	1	1	-	-	-
£190,000	£194,999	-	-	-	-	-	-
£185,000	£189,999	-	-	-	-	-	-
£180,000	£184,999	-	-	-	-	-	-
£175,000	£179,999	-	-	-	-	-	-
£170,000	£174,999	-	-	-	-	-	-
£165,000	£169,999	-	-	-	-	-	-
£160,000	£164,999	-	-	-	-	1	1
£155,000	£159,999	-	1	1	-	2	2
£150,000	£154,999	-	-	-	-	-	-
£145,000	£149,999	-	-	-	-	-	-
£140,000	£144,999	-	2	2	-	-	-
£135,000	£139,999	-	-	-	-	-	-
£130,000	£134,999	-	-	-	-	-	-
£125,000	£129,999	-	-	-	-	-	-
£120,000	£124,999	-	-	-	-	-	1
£115,000	£119,999	-	-	-	-	-	-
£110,000	£114,999	-	3	3	-	4	4
£105,000	£109,999	-	-	-	1	4	5
£100,000	£104,999	2	3	5	-	1	1
£95,000	£99,999	3	3	6	1	6	7
£90,000	£94,999	2	4	6	1	3	4
£85,000	£89,999	4	5	9	5	5	10
£80,000	£84,999	7	5	12	20	6	26
£75,000	£79,999	19	13	32	31	18	49
£70,000	£74,999	29	11	40	39	19	59
£65,000	£69,999	41	30	71	43	26	69
£60,000	£64,999	48	26	74	49	29	77
£55,000	£59,999	65	41	106	69	80	148
£50,000	£54,999	91	143	235	149	248	397
		311	**291**	**603**	**408**	**453**	**861**

The tables below show the remuneration of the Authority's Senior Employees as defined by the Accounts and Audit (England) Regulations 2015.

2024/25

Post Holder information (Post title and name (where applicable))	Note	Salary (including fees & allowances) £	Expenses £	Compen-sation for Loss of Office £	Employer Pension contri-butions* £	Total Remuneration £
Chief Executive - A Smith		201,664	1,067	-	41,543	244,273
Executive Director of Children & Families - C Pettigrew		160,458	-	-	33,054	193,512
Executive Director of Adult Social Care & Health - M Williams	3	157,411	132	-	32,427	189,969
Executive Director of Place - D Higton	4	157,411	-	-	32,427	189,838
Service Director (Customers, Governance and Employees)		112,924	-	-	23,262	136,186
Service Director (Finance, Infrastructure & Improvement)		112,924	138	-	23,262	136,324
Director of Public Health	2	104,731	-	-	20,539	125,270
Service Director of Public Service Reform	1	70,066	-	-	14,434	84,500
Service Director (Transformation)	5	66,322	-	58,257	12,302	136,881

*Pension Contributions to LGPS are estimated at 20.6% to account for the pensions deficit (see note 20).

One officer is part of the NHS scheme at 20.0%

1. The Director for Public Service Reform became a member of CLT from 08.07.24. Annual Salary is £95,826.
2. The Director of Public Health annual salary is £106,293 with a market supplement of £12,076. These payments are effective from 03/12/2025 . On 01/04/2024 the Interim Director was paid an annual salary of £102,014 and received another increment on 27/08/2024.
3. The annual salary for the Executive Director of Adult Social Care & Health is £160,458. This salary was effective from 10/06/2024.
4. The annual Salary for the Executive Director of Place is £160,458. This salary was effective from 10/06/2024.
5. The Service Director of Transformation was part of CLT and following a review of management structure left the Authority on 23/10/2024 on the grounds of redundancy.

2023/24

Post Holder information (Post title and name (where applicable))	Note	Salary (including fees & allowances) £	Expenses £	Compen-sation for Loss of Office £	Employer Pension contri-butions* £	Total Remuneration £
Chief Executive - A Smith		196,745	1,600	-	42,300	240,645
Corporate Director of C&F - C Pettigrew		156,544	-	-	33,657	190,201
Corporate Director of ASC & PH		141,035	690	-	30,323	172,047
(Interim) Corporate Director of Place		141,035	-	-	30,323	171,358
Director of Public Health	1	94,173	-	-	19,739	113,912
Service Director (Finance, Infrastructure & Improvement)		110,170	319	-	23,687	134,175
Service Director (Customers, Governance and Employees)		110,170	-	-	23,687	133,857
Service Director (Transformation)		103,700	-	-	22,296	125,996
(Interim) Director of Public Health	2	7,912	-	-	1,336	9,248

*Pension Contributions to LGPS are estimated at 21.5% to account for the pensions deficit (see note 19). One officer is part of the NHS scheme at 16.9%

1. The Director for Public Health retired 31/01/24. Their annual salary was £110,170.
2. An interim Director for Public Health took up position on 27/02/24 . Their annual salary is £94,550.

The table below includes all exits from the Authority, including school based staff and takes into account the cost of pension contributions that would have been paid had a retiring employee not left the Authority early. It may therefore differ from other published information (see note 45).

Payment Ranges	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total Number of Exit Packages		Total Cost of Exit Packages £	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
£0 - £20,000	28	32	3	13	31	45	109,259	245,141
£20,001 - £40,000	4	2	-	3	4	5	105,517	139,642
£40,001 - £60,000	5	3	-	-	5	3	245,379	157,161
£60,001 - £80,000	1	1	-	1	1	2	74,807	134,084
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	1	-	-	-	1	-	112,205
	38	**39**	**3**	**17**	**41**	**56**	**534,962**	**788,232**

43. Deployment of Dedicated Schools Grant

The Authority's expenditure on schools is funded primarily by grant monies provided by the Department for Education (DFE), the Dedicated Schools Grant (DSG). An element of DSG is recouped by the DFE to fund Academy schools in the Authority's area. The DSG is ringfenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance (England) Regulations 2023. The Schools Budget includes elements for a range of educational services provided on an Authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable for 2024/25 are as follows:

Schools Budget Funded by Dedicated Schools Grant

	Central Expenditure £000	Individual Schools Budget (ISB) £000	Total £000
Final DSG for 2024/25 before Academy recoupment			875,612
Academy figure recouped for 2024/25			(489,726)
Total DSG after Academy recoupment for 2024/25			385,886
Brought Forward from 2023/24			19,460
Carry Forward to 2025/26 agreed in advance			-
Agreed initial budgeted distribution for 2024/25	**136,993**	**268,353**	**405,346**
In year adjustments	(1,461)	-	(1,461)
Final budgeted distribution for 2024/25	135,532	268,353	403,885
Actual central expenditure	(135,770)	-	(135,770)
Actual ISB deployed to schools	-	(266,963)	(266,963)
Plus Local Authority contribution for 2024/25	-	-	-
Carried forward to 2025/26	**(238)**	**1,390**	**1,152**

Details of the deployment of DSG receivable for 2023/24, these are restated after the SOA 23/24 were published in agreement with the DFE:

	Central Expenditure £000	Restated Individual Schools Budget (ISB) £000	Total £000
Final DSG for 2023/24 before Academy recoupment			792,939
Academy figure recouped for 2023/24			(448,081)
Total DSG after Academy recoupment for 2023/24			344,858
Brought Forward 2022/23			18,285
Carry Forward to 2024/25 agreed in advance			-
Agreed initial budgeted distribution for 2023/24	**130,841**	**232,302**	**363,143**
In year adjustments	821	-	821
Final budgeted distribution for 2023/24	131,662	232,302	363,964
Actual central expenditure	(112,799)	-	(112,799)
Actual ISB deployed to schools	-	(231,705)	(231,705)
Plus Local Authority contribution for 2023/24	-	-	-
Carried forward to 2024/25	**18,863**	**597**	**19,460**

44. Pooled Budgets

Under Section 31 of the Health Act 1999, Nottinghamshire County Council has entered into the following Pooled Budget Arrangements with the partners set out below. The County Council is the host authority for the pooled budget and has responsibility for its financial management. The current contract began on 1 April 2023.

Integrated Community Equipment Loan Service (ICELS) - Nottinghamshire

Nottinghamshire County Council (Host)
Nottingham City Council
Nottingham City ICB
Mid Notts and South Notts ICB
North Notts ICB

Pooled Budgets Memo Account	**2023/24 £000**	**2024/25 £000**
Net (surplus) / deficit brought forward	**(1,886)**	**(1,639)**
Funding provided to the pooled budget:		
Nottinghamshire County Council ASC	(1,650)	(1,393)
Nottinghamshire County Council C&F	(641)	(641)
Nottingham City Council ASC	(488)	(888)
North Notts ICB	(1,049)	(1,007)
Nottingham City ICB	(2,191)	(2,460)
Mid Notts and South Notts ICB	(4,347)	(5,129)
Other	(31)	(111)
Total Funding	**(10,397)**	**(11,629)**

Expenditure met from the pooled budget:	**2023/24 £000**	**2024/25 £000**
Partnership Management and Administration Costs	1,182	1,369
Contract Management Fee	1,307	1,423
Equipment	7,843	8,815
Minor Adaptations	312	297
Total Expenditure	**10,644**	**11,904**
Net (surplus) / deficit carried forward	**(1,639)**	**(1,364)**

Better Care Fund

Nottinghamshire County Council and the current Integrated Care Boards Nottinghamshire have entered into a framework agreement under Section 75 of the National Health Service Act 2006. This is a pooled budget arrangement known as the Better Care Fund (BCF). This Fund enables the Local Authority and the NHS to better deliver local health and social care services.

Pooled budgets occur where a number of partners agree to set aside funds for a specific purpose that they will pursue jointly, to address common objectives or realise benefits from working together. Whilst partners collectively agree the services to be provided, the agreed services are commissioned by the respective partners via their own contracts with end providers, with the commissioning entity holding end providers to account for the services they provide. On this basis, the Authority has determined that the transactions of these pools are not reflected in the Authority's financial statements, except for expenditure incurred on agreed services commissioned by the Authority via its own contracts with end providers, and the income it receives from the Pools to pay for these services.

Assessment of the operation of the BCF pooled fund identified that it does not constitute a joint arrangement and therefore requirements of IFRS11 (Joint Arrangements) are not met.

Pooled Budgets Memo Account	**2023/24**	**2024/25**
	£000	**£000**
Net (surplus) / deficit brought forward	**(3,640)**	**(3,695)**
Funding provided to the pooled budget:		
Nottinghamshire County Council ASC	(70,427)	(74,850)
Reserves	(55)	(324)
Integrated Care Board (ICB)	(45,694)	(50,992)
Total Funding	**(116,176)**	**(126,166)**

Expenditure met from the pooled budget:	**2023/24** **£000**	**2024/25** **£000**
Nottinghamshire County Council ASC	35,172	36,706
iBCF (various projects)	30,920	30,920
Use of Reserves	-	618
ASC Discharge Fund - Integrated Care Board (ICB)	4,335	7,225
ASC Discharge Fund Notts	3,778	6,703
Integrated Care Board (ICB)	41,916	44,288
Total Expenditure	**116,121**	**126,460**
Net (surplus) / deficit carried forward	**(3,695)**	**(3,401)**

45. Termination Benefits

The Authority terminated the contracts of a number of employees in 2024/25, with a net value of £0.6m (£0.2m in 2023/24). These figures include accounting entries required by The Code. This does not include the cost of pension strain as this is not paid to the employee.

46. Members Allowances

The Authority makes payments to Councillors for work undertaken in the course of their duties. The cost during the financial year was £1,881,226 (£1,851,686 in 2023/24). In addition to this, Members were reimbursed a total of £51,624 (£48,362 in 2023/24) for expenses incurred on Authority business.

NOTTINGHAMSHIRE COUNTY COUNCIL PENSION FUND

FUND ACCOUNT

	Notes	2023/24 £000	2024/25 £000
Employer contributions		(208,435)	(216,451)
Member contributions		(61,577)	(63,874)
Contributions	3	(270,012)	(280,325)
Transfers in from other pension funds		(16,005)	(12,862)
Pensions		221,114	244,415
Commutation of pensions and lump sum retirement benefits		38,722	50,265
Lump sum death benefits		6,933	7,587
Benefits	4	266,769	302,267
Payments to and on account of leavers		7,945	15,594
Net (additions)/withdrawals from dealings with members		**(11,303)**	**24,674**
Management expenses	5	26,509	28,406
Net (additions)/withdrawals after fund management expenses		**15,206**	**53,080**
Investment Income	6	(92,709)	(94,172)
(Profits)/losses on disposal of investments & changes in value		(483,520)	(193,941)
Taxes on income		335	354
Net Returns on Investments		**(575,894)**	**(287,759)**
Net (increase)/decrease in net assets available for benefits during the year		**(560,688)**	**(234,679)**
Opening net assets of the Fund		6,466,514	7,027,202
Closing net assets of the Fund		**7,027,202**	**7,261,881**

NET ASSETS STATEMENT FOR THE YEAR ENDED

	Notes	31 March 2024 £000	31 March 2025 £000
Investment Assets	7 & 8	7,023,222	7,261,231
Investment liabilities		(4,433)	(5,070)
Net Investment Assets		**7,018,789**	**7,256,161**
Current assets		21,746	21,237
		7,040,535	7,277,398
Current liabilities		(13,333)	(15,517)
Net assets of the Fund		**7,027,202**	**7,261,881**

The net assets of the Fund are available to fund benefits at the end of the reporting period. The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is shown at note 2n.

NOTES TO THE ACCOUNTS

1. Accounting Policies

(a) Basis of Preparation

The Pension Fund accounts have been prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2024/25* (the Code). On issues where there is no clear guidance in the Code, reference has been made under the hierarchy of standards to *Financial Reports of Pension Schemes: a Statement of Recommended Practice 2018* (the Pensions SORP) or to individual International Accounting Standards (IAS). Disclosures required by IFRS 9 and 15 have been reflected in the accounts where material.

The accounts have been prepared on a going concern basis, ie. the functions of the Pension Fund will continue in operational existence for the foreseeable future.

(b) Debtors and Creditors

The accruals concept is applied to these accounts in compliance with the Code.

(c) Investments

Pension Fund investments are carried at fair value in accordance with the Code. Fair value is defined as 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'. Where an active market exists, the quoted market price is used. Where there is no active market, fair value is established by using valuation techniques.

Specific details on the valuation methods for particular classes of assets are listed below:

- Equities traded through a stock exchange are valued at the latest quoted price. Where more than one price is quoted the 'bid' price is used.
- Unit Trusts and managed funds are valued at the closing single price or the bid price where applicable. These reflect the market value of the underlying investments.
- Unquoted securities and pooled private equity investments are valued at fair value by the fund managers based on earnings, revenues and comparable valuations in accordance with industry accepted guidelines. Where these valuations are not available at the time of compiling the financial statements, the most recent valuation is used as an estimate as adjusted for any cash flows before year end as a best estimate of year end valuation.
- The market value of fixed interest investments is based on the 'clean price', i.e. excludes income accrued at 31 March but not yet due for payment.
- Property investments are stated at open market value based on a quarterly independent external valuation in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards at the Net Assets Statement date based on lease terms, nature of tenancies, covenant strength, vacancy levels, estimated rental growth and discount rate.

Transaction costs arising on all investment purchases and sales are included in the Fund Account against ‘Profits & losses on disposal of investments & changes in value’ by adding to purchase costs and netting against sale proceeds, as appropriate, for all investment types. This achieves consistency between asset classes and ensures all transaction costs are charged to the Fund Account. It also ensures that the financial statements faithfully represent the economic substance of the transactions. The economic substance of purchases and sales of all asset types is to generate returns for the Fund to help mitigate the cost to employers of providing pensions. Transaction costs are ancillary to this purpose.

The change in fair value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value.

(d) **Investments Income**

Income is accounted for on an accruals basis for the following:

- interest on cash deposits and fixed interest securities is accrued on a daily basis.
- dividends from equities are accrued when the stock is quoted ex-dividend.
- rental income from operating leases on properties owned by the Fund is recognised on a straight line basis over the term of the lease. Any lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(e) Taxes on Income

UK equity dividends are quoted and accounted for at the net rate. The tax credit, which the Fund is unable to recover, is not recognised (in accordance with the Pensions SORP). Overseas equity dividends are accounted for gross of withholding tax, where this is deducted at source. Partial reclaims of withholding tax, where allowed, are adjusted at the year end by outstanding claims.

(f) Foreign Currencies

Assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at the year-end, as shown in the table below. Purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. Surpluses and deficits arising on conversion or translation are dealt with as part of the change in market value of investments.

(g) Contributions

Normal contributions, both from the employees and employers, are accounted for in the payroll month to which they relate. The employee rates are determined by statute and vary according to the employee's amount of pensionable pay. Employer contribution rates (and adjustments) differ from employer to employer. These rates are calculated by the Fund's actuary, based on the the overall funding level determined at the triennial valuation when the actuarial present value of promised retirement benefits is compared to the value of the Fund's investments. The most recent actuarial valuation took place in 2022, and the report covering this calculation can be found on the Fund's website at www.nottspf.org.uk/about-the-fund/aims-and-purpose/

(h) Benefits Payable

The scheme provides all members and their nominated beneficiaries with a secure future income, independent of share prices and stock market fluctuations. Pensions paid out also receive an annual cost of living increase. Under the rules of the scheme, members can opt to receive a lump sum retirement grant in addition to a reduced annual pension. Lump sum retirement grants are accounted for from the date of retirement. Where a member can choose whether to take a greater retirement grant in return for a reduced pension these lump sums are accounted for on an accruals basis from the date the option is exercised. Other benefits are accounted for on the date the member leaves the scheme or on death.

(i) Transfers to and from Other Schemes

Transfer values represent the capital sums either receivable (in respect of members from other pension schemes of previous employers) or payable (to the pension schemes of new employers for members who have left the scheme). They take account of transfers where the trustees (or administering authority) of the receiving scheme have agreed to accept the liabilities in respect of the transferring members before the year end, and where the amount of the transfer can be determined with reasonable certainty.

(j) Other Expenses

Management expenses are accounted for on an accruals basis. Expenses are recognised net of any recoverable VAT. Nottinghamshire County Council charges the Fund with the costs it incurs in administering the Fund. Fees and charges within pooled investment vehicles have the effect of reducing the fair value of those investments. These embedded costs are disclosed at note 5.

(k) Property related income

Property related income consists primarily of rental income. Rental income from operating leases on properties owned by the Fund is recognised on a straight line basis over the term of the lease. Any lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(l) Additional Voluntary Contributions

The amount of separately invested Additional Voluntary Contributions (“AVCs”) paid by members during the year and their value at the net assets statement date are not included in the Pension Fund financial statements in accordance with Regulation 4 (1)(b) of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. Members’ AVCs are disclosed in Note 9 of these accounts.

(m) Cash and cash equivalents

Cash comprises cash in hand and on-demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

(n) Actuarial Present Value of Promised Retirement Benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the Fund actuary in accordance with the requirements of IAS19 and relevant actuarial standards, with an actuarial annual roll forward of the value carried out. As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits in Note 2d of these accounts.

(o) Accounting standards that have been issued but not yet adopted

The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 requires disclosure of the expected impact of accounting standards that have been issued but not yet adopted. The standards introduced by the 2025/26 Code where disclosures are required in the 2024/25 financial statements are:

IAS 21 – The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability): Clarifies how to assess whether a currency is exchangeable and how to determine a spot exchange rate when exchangeability is lacking. This is not expected to have a material impact on the Fund.

IFRS 17 – Insurance Contracts: Introduces a comprehensive framework for accounting for insurance contracts. This is not expected to apply to the Fund.

Changes to the measurement of non-investment assets: These include adaptations of IAS 16 and IAS 38, introducing new revaluation and indexation requirements. These changes are not expected to have a material impact on the Fund’s financial statements.

(p) Major sources of estimation uncertainty

In applying these accounting policies, the Administering Authority has had to make certain estimates about complex transactions or those involving uncertainty about future events. Estimates and assumptions are made taking into account historical experience, current trends and other relevant factors. However, the nature of estimation means that the actual results could differ from the assumptions and estimates.

Property Investments - Valuation techniques are used to determine the carrying amount of pooled property funds and directly held freehold and leasehold property. Where possible these valuation techniques are based on observable data but where this is not possible management uses the best available data, eg. comparable sales, market trends, zoning, physical condition, location, and environmental factors. The impact of a variation of 10% on valuation is shown in Note 8b.

Level 3 Investments - Private equity, property, infrastructure, and credit funds are valued at fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines (2022). Such investments are not publicly listed and there is therefore a degree of estimation - surrounding discounted cashflow forecasts, comparable companies, or precedent transactions - involved in the valuation. The impact of a variation of 20% on valuation is shown in Note 8b.

2. Operation of the Fund

(a) General

Nottinghamshire County Council is the Administering Authority for the Local Government Pension Scheme (LGPS) within Nottinghamshire. The scheme is governed by the Public Service Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

- the Local Government Pension Scheme Regulations 2013 (as amended)
- the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

The LGPS is a statutory scheme administered by individual local authorities. The benefits within the scheme are determined by regulation and are guaranteed by statute. The Pension Fund exists to help defray the cost of paying the pension benefits. Members make contributions to the Fund as specified in the regulations and employers make contributions as determined by the Fund's actuary as part of the triennial valuation of the Fund. All new employees are brought into the scheme automatically, unless a positive election not to participate is received from the employee.

The Authority administers the Pension Fund for over 320 participating employers and over 160,000 members. The employers include Nottinghamshire County Council, Nottingham City Council, District Councils and organisations which used to be part of local government (such as Nottingham Trent University, Colleges, Police civilian staff and Academies). They also include organisations which satisfy the conditions to participate in the LGPS and have been admitted to the Fund by the Authority. In general, these organisations are non-profit making, or are undertaking a service which was, or could be, carried out by a local authority.

The operation of the Fund is set out in a number of published policy statements. Under the Nottinghamshire County Council Constitution, the functions as administering authority of the Fund are delegated to the Nottinghamshire Pension Fund Committee.

The Funding Strategy Statement sets out the aims and purpose of the Fund and details the responsibilities of the administering authority as regards funding the scheme.

The Investment Strategy Statement sets out more detailed responsibilities relating to the overall investment strategy of the Fund including the proposed asset allocation, restrictions on investment types, the type of investment management used and performance monitoring. It also states the Fund's approach to responsible investment and corporate governance issues.

The Communications Strategy Statement details the overall strategy for involving stakeholders in the Fund. A key part of this strategy is a dedicated Fund website (available at www.nottspf.org.uk).

A separate annual report for the Fund is also produced and this, along with previous years' reports, will be accessible via the pension fund website. The annual report includes the accounts and the published policies as well as information on the performance of the Fund.

The accounts of the Fund are set out in these pages. The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 requires:

- a Fund Account showing the changes in net assets available for benefits;
- a Net Assets Statement showing the assets available at the year end to meet benefits;
- supporting notes.

(b) Contributions and Solvency

With effect from 1 April 2008 The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 were introduced. The principal changes from the 1997 regulations were: the replacement, for future service, of the existing benefits structure (based on a pension of 1/80th of pensionable pay for each year of pensionable service plus an automatic lump sum of three times this amount) by one based on 1/60th of pensionable pay for each year of pensionable service and no automatic lump sum. Under the 2008 scheme, employees were required to make percentage contributions by deduction from earnings at a rate between 5.5% and 7.5% depending on salary.

From 1 April 2014 the new Local Government Pension Scheme was introduced for service accruing after that date. This is a career average revalued earnings (CARE) scheme with an accrual rate of 1/49th of pensionable pay and a retirement age linked to the state retirement age. Employee contribution rates in the new scheme range from 5.5% to 12.5% depending on salary.

Employers are required to make such balancing contributions, determined by the Actuary, as will maintain the Fund in a state of solvency, having regard to existing and prospective liabilities.

(c) Actuarial Valuations

As required by the Regulations an Actuarial Valuation of the Fund was carried out as at 31 March 2022. The smoothed market value of the Fund’s assets at the valuation date was £6,498 million. The Actuary has estimated that the value of the Fund is sufficient (at Fund level) to meet 100% of its expected future liabilities in respect of service completed to 31 March 2022. The full actuarial valuation report is available on the Fund's website at www.nottspf.org.uk.

The key assumptions used in the Actuarial Valuation are shown below:

	31 March 2022 % pa
Expected investment returns:	
Equities	6.9
Gilts	2.0
Property and Infrastructure	6.4
Discount Rate	4.7
Consumer price inflation (CPI)	2.9
Long term pay increases	3.9
Pension Increases	2.9

The 2022 valuation produced an average employer contribution rate of 21.0%. Employer contributions were certified by the actuaries for the years 2023/24 to 2025/26. For the majority of employers, the rate for future service accrual was certified as a percentage of salary with an additional cash amount specified for deficit recovery.

(d) Actuarial Present Value of Promised Retirement Benefits

The actuarial present value of promised retirement benefits has been calculated by the Fund's actuaries in accordance with IAS 26. To do this, the actuaries rolled forward the value of the Employers' liabilities calculated for the Triennial valuation as at 31 March 2022 allowing for the different financial assumptions required under IAS 26. The assumptions used for the purposes of the IAS 26 calculations (which are consistent with IAS 19) are as follows:

		31 March 2024		31 March 2025
	% pa	**Real % pa**	**% pa**	**Real % pa**
CPI increases	2.90	-	2.90	
Salary Increases	3.90	1.00	3.90	
Pension Increases	2.90	-	2.90	
Discount Rate	4.90	2.00	5.85	
Mortality assumptions:				
Longevity at 65 for current pensioners				
Men (years)		20.4		20.4
Women (years)		23.3		23.3
Longevity at 65 for future pensioners				
Men (years)		21.7		21.7
Women (years)		24.7		24.7
Estimated return on assets		8.46%		3.78%

Members will exchange half of their commutable pension for cash at retirement.

The net liability under IAS 26 is shown below.

	31 March 2023 £000	31 March 2024 £000	31 March 2025 £000
Present value of funded obligation	6,972,910	7,104,275	6,295,803
Net assets of the fund available to fund benefits	6,466,514	7,018,789	7,256,161
Net Liability/(Assets)	**506,396**	**85,486**	**(960,358)**

The present value of vested obligations is £6,233.7m (£7,027.4m in 2023/24), and of non-vested obligations is £62.1m (£76.8m in 2023/24).

A ruling has been made regarding age discrimination arising from public sector pension scheme transition arrangements put in place when moving from final salary to average salary scheme arrangements. Court of Appeal judgements were made in cases affecting judges' pensions (the McCloud Judgement) and firefighter pensions. The ruling will have implications for the Local Government Pension Scheme which also moved from a final salary to a career average salary scheme. The IAS 26 figures included in the accounts reflect the estimated impact of the McCloud Judgement.

These figures are presented only for the purposes of IAS 26. They are not relevant for calculations undertaken for funding purposes or for other statutory purposes under UK pensions legislation.

Virgin Media Court Case

We have made no adjustment to the accounting balance sheet in respect of the June 2023 legal judgement concerning Section 37 certificates. This decision reflects the fact that the ruling currently applies only to a named private sector pension scheme. Although the judgement was appealed, the Court of Appeal upheld the original decision in July 2024.

At present, it is unclear whether Section 37 certificates exist for all historic amendments to public service pension schemes, including the LGPS. It is also unknown whether any remedy will be required, or what the financial implications of such a remedy might be. In response to these uncertainties, pension bodies have asked the Department for Work and Pensions (DWP) to consider pragmatic solutions, such as enabling retrospective certification.

On 5 June 2025, the government confirmed its intention to introduce legislation to address the issues raised by the judgement. The proposed legislation will allow affected schemes to retrospectively obtain actuarial confirmation that historic benefit changes met the necessary standards, while affirming that scheme obligations will otherwise remain unchanged.

Nottinghamshire County Council Pension Fund management will continue to monitor developments and will assess any implications for the Fund as further guidance becomes available.

(e) Investment Strategy

The investment strategy of the Fund is designed to maximise growth within acceptable risk parameters to help meet the future liabilities. The powers of investment are governed by the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. The current investment policy is set out in the Fund's Investment Strategy Statement, a copy of which is available on the Pension Fund website.

The Nottinghamshire Pension Fund Committee is responsible for determining the investment strategy of the Fund and the type of investment management to be used. The Committee consists of eleven elected County Councillors (voting members), three representatives of Nottingham City Council, two representatives of the District Councils, two representatives of the Trade Unions, a representative elected by the other scheduled and admitted bodies, and two appointed pensioner representatives (non-voting members). Meetings are also attended by an independent adviser and representatives of the Chief Financial Officer.

The investments were managed by officers of the Authority or by organisations specialising in the management of pension fund assets. The Nottinghamshire Pension Fund Committee was responsible for monitoring performance of the fund and met on a quarterly basis to review the Fund's main investment managers and their performance.

(f) Critical Judgements

The Fund’s investment portfolio includes a number of directly owned properties which are leased commercially to various tenants. The Fund has determined that these contracts all constitute operating lease arrangements under the classifications permitted by the Code, therefore the properties are retained on the net asset statement at fair value. Rental income is recognised in the fund account on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. if there is a premium paid at the inception of the lease).

(g) External Audit

A separate fee is payable to Forvis Mazars LLP for audit of the Pension Fund. All fees have been included in the accounts for the period to which they relate. The fee for 2024/25 is £105,427 (£94,120 for 2023/24).

3. Analysis of Contributions

	Employers		Members		Total	
	2023/24	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Administering Authority						
Normal	47,601	50,097	14,970	15,682	62,571	65,779
Deficit Recovery	3,880	2,050	-	-	3,880	2,050
Other	288	216	24	20	312	236
	51,769	52,363	14,994	15,702	66,763	68,064
Scheduled Bodies						
Normal	132,753	139,043	43,839	45,535	176,592	184,578
Deficit Recovery	13,646	11,735	-	-	13,646	11,735
Other	2,370	5,842	423	417	2,792	6,259
	148,769	156,620	44,261	45,951	193,031	202,571
Admitted Bodies						
Normal	6,815	6,510	2,319	2,221	9,134	8,730
Deficit Recovery	1,076	86	-	-	1,076	86
Other	6	872	2	1	8	873
	7,896	7,468	2,321	2,222	10,218	9,690
Total	**208,435**	**216,451**	**61,577**	**63,874**	**270,012**	**280,325**
Transfers in			433	447		
Transfers out			(436)	(393)		

4. Analysis of Benefits

	2023/24	**2024/25**
	£000	**£000**
Pensions	221,114	244,415
Commutation and lump sum	38,722	50,265
Lump sum death benefits	6,933	7,587
	266,769	**302,267**
Comprising of:		
Administering Authority	95,976	106,710
Scheduled Bodies	157,526	180,657
Admitted Bodies	13,267	14,901
	266,769	**302,267**

5. Management Expenses

	2023/24 £000	2024/25 £000
Administering Authority Costs	2,781	3,042
Other external fees	361	447
Legal fees	13	38
Printing and stationery	9	4
Administration expenses	3,164	3,532
External Governance fees	1,288	1,370
Administering Authority Costs	398	426
Audit fees	94	153
Subscriptions and membership fees	62	65
Actuarial fees	24	44
Training & conferences	8	5
Legal fees	1	-
Oversight and governance expenses	1,875	2,064
Custody fees	256	304
Investment management fees	5,051	4,400
Estimated embedded costs within pooled investment funds	16,112	18,058
Other external fees	22	26
Administering Authority Costs	28	22
Investment Management Expenses	21,470	22,811
Total Management Expenses	**26,509**	**28,406**

The investment management fees shown above are those fees attributable to external managers and charged directly to the Fund. Additional fees and charges are incurred through pooled investment vehicles, which reduce the fair value of the investments. The estimated embedded costs within pooled investment vehicles were £18.1 million or 0.56% of the associated assets in 2024/25 (£16.1 million or 0.56% in 2023/24). These embedded costs are not charged separately to Management Expenses but are disclosed here for transparency, in line with the Accounting Policy.

6. Investment Income

Analysis by type of investment	**2023/24 £000**	**2024/25 £000**
Interest from fixed interest securities	(4,659)	(8,430)
Interest from index-linked securities	(44)	(192)
Dividends from equities	(47,646)	(47,767)
Income from pooled investment vehicles	(3,962)	(2,746)
Income from pooled property vehicles	(6,277)	(5,923)
Net rents from property	(18,966)	(20,656)
Interest on cash deposits	(9,188)	(8,082)
Other	(1,967)	(376)
	(92,709)	**(94,172)**
Analysis of property rents:		
Rental income	(21,201)	(22,431)
Less operating expenses	2,235	1,775
Net rents from property	**(18,966)**	**(20,656)**

The future minimum lease payments receivable by the Fund are as follows:

	2023/24 £000	2024/25 £000
Within one year	21,416	23,236
Between one and five years	77,256	79,880
Later than five years	155,089	142,704
Future lease payments due under existing contracts	**253,761**	**245,820**

7. Investments

(a) Investment Analysis

	31 March 2024 £000	31 March 2025 £000
Fixed Interest Securities		
UK Public Sector	134,148	250,097
UK Other	26,809	129,560
Index Linked Securities		
Public Sector	33,922	352,450
Equities		
UK	814,653	725,588
Overseas	1,035,154	845,219
Unlisted	2,000	2,000
Pooled Investment Vehicles		
Unit Trusts	1,579,678	1,723,219
Other Managed Funds	2,487,762	2,357,817
Pooled Vehicles Invested in Property		
Property Unit Trusts	127,199	116,067
Other Managed Funds	201,606	185,796
Property	396,300	421,525
Cash and Currency	163,995	130,979
Total Investments	**7,003,226**	**7,240,317**

(b) Reconciliation of Opening and Closing Values of Investments 2024/25

	Value at 31 March 2024 £000	Purchases at Cost £000	Proceeds of Sales £000	Embedded Fees £000	Change in Market Value £000	Value at 31 March 2025 £000
Fixed Interest Securities	160,957	333,005	(111,163)		(3,142)	379,657
Index Linked Securities	33,922	344,437	-		(25,909)	352,450
Equities	1,851,807	809,864	(1,157,668)		68,804	1,572,807
Pooled Investment Vehicles	4,067,441	381,274	(505,458)	(18,058)	155,836	4,081,036
Property Pooled Vehicles	328,804	7,387	(13,378)		(20,950)	301,863
Property	396,300	5,923	-		19,302	421,525
	6,839,231	**1,881,890**	**(1,787,667)**	**(18,058)**	**193,941**	**7,109,338**
Cash deposits	163,995					130,979
	7,003,226					**7,240,317**

Reconciliation of Opening and Closing Values of Investments 2023/24

	Value at 31 March 2023 £000	Purchases at Cost £000	Proceeds of Sales £000	Embedded Fees £000	Change in Market Value £000	Value at 31 March 2024 £000
Fixed Interest Securities	220,346	15,696	(75,089)		4	160,957
Index Linked Securities	-	30,012	-		3,910	33,922
Equities	1,663,353	465,313	(461,009)		184,150	1,851,807
Pooled Investment Vehicles	3,695,952	99,038	(28,578)	(16,112)	317,141	4,067,441
Property Pooled Vehicles	354,310	28,909	(31,334)		(23,080)	328,804
Property	394,825	80	-		1,395	396,300
	6,328,786	**639,048**	**(596,010)**	**(16,112)**	**483,520**	**6,839,231**
Cash deposits	107,288					163,995
	6,436,074					**7,003,226**

Transaction costs are included in the cost of purchases and sale proceeds. The costs charged directly to the Fund, such as fees, commissions and stamp duty, amounted to £2.1 million in 2024/25 (£1.9 million in 2023/24). In addition, indirect costs are incurred through the bid-offer spread on investments. This amount is not separately provided. All net gains and losses on financial instruments relate to financial assets held at fair value through profit and loss. In 2024/25, the net gain on financial assets and financial liabilities measured at fair value was £193.9m (£483.5m in 2023/24).

(c) Management Arrangements

The assets of the Fund are managed within six portfolios and a breakdown of these as at the Net Assets Statement date is shown below:

	31 March 2024 £000		31 March 2025 £000	
Core Index (LGIM)	1,462,071	20.9%	1,269,602	17.5%
Schroder Active Equities	2,037,769	29.0%	1,657,819	22.9%
LGPS Central	1,383,991	19.8%	1,987,593	27.5%
Fixed Interest (Aegon)	26,809	0.4%	134,966	1.9%
Property (abrdn)	523,630	7.5%	530,388	7.3%
Specialist (In house)	1,568,957	22.4%	1,659,950	22.9%
Total	**7,003,226**	**100.0%**	**7,240,317**	**100.0%**

The following investments represent over 5% of the net assets of the Fund.

	Market Value 31 March 2024 £000	% of Fund	Market Value 31 March 2025 £000	% of Fund
Aegon Diversified Growth Fund	357,020	5.4%	501,956	6.9%
Legal & General UK Equity Index	486,877	7.0%	454,260	6.3%

(e) Property

Direct property is shown at the open market value as at 31 March 2025 (as defined by the International Valuation Standards Committee) as determined by Knight Frank LLP.

The analysis of property is:

	31 March 2024 £000	31 March 2025 £000
Freehold	369,225	390,650
Leasehold more than 50 years	27,075	30,875
	396,300	**421,525**

Details of movements on directly owned properties are as follows:-

	31 March 2024 £000	31 March 2025 £000
Opening balance	**394,825**	**396,300**
Additions:		
Purchases	(21)	3,933
New construction	-	1,956
Subsequent expenditure	101	34
Net increase/(decrease) in market value	1,395	19,302
Closing balance	**396,300**	**421,525**

Note that final cash adjustments to property purchases made in a prior year may appear as a negative figure in the year in which they are reported.

(g) Private Equity, Infrastructure and Credit Funds

Commitments to these funds are drawn over time as underlying investments are made. Total undrawn commitment as at 31 March 2025 was £271.8m (£384.6m at 31 March 2024).

8. Financial Instruments and Property Investments

(a) The various financial instruments held by the Fund are valued at fair value or amortised cost. The following tables analyse the value of financial assets and liabilities by asset class.

Property assets are not included in this table as they are not financial instruments. The table is otherwise consistent with the figures in note 7.

	Financial assets measured at Fair Value through profit and loss	**Financial assets at amortised cost**	**Financial liabilities at amortised cost**	**Totals**
	£000	**£000**	**£000**	**£000**
		31 March 2025		
Financial Assets				
Fixed Interest Securities	379,657	-	-	379,657
Index Linked Securities	352,450	-	-	352,450
Equities	1,572,807	-	-	1,572,807
Pooled Investment Vehicles	4,081,036	-	-	4,081,036
Property Pooled Vehicles	301,863	-	-	301,863
Cash deposits	-	130,979	-	130,979
Other investment balances	-	20,914	-	20,914
	6,687,813	**151,893**	**-**	**6,839,706**
Financial Liabilities				
Investment Liabilities	-	-	(5,070)	(5,070)
	6,687,813	**151,893**	**(5,070)**	**6,834,636**
		31 March 2024		
Financial Assets				
Fixed Interest Securities	160,957	-	-	160,957
Index Linked Securities	33,922	-	-	33,922
Equities	1,851,807	-	-	1,851,807
Pooled Investment Vehicles	4,067,440	-	-	4,067,440
Property Pooled Vehicles	328,805	-	-	328,805
Cash deposits	-	163,995	-	163,995
Other investment balances	-	19,996	-	19,996
	6,442,931	**183,991**	**- -**	**6,626,922**
Financial Liabilities				
Investment Liabilities	-	-	(4,433)	(4,433)
	6,442,931	**183,991**	**(4,433)**	**6,622,489**

No financial assets were reclassified during the accounting period.

(b) The valuation of investments has been classified into three levels according to the quality and reliability of information used to determine fair values.

Level 1 Fair values derived from quoted market price.
- this includes all quoted equity, fixed interest and index linked instruments and quoted funds.

Level 2 Fair values derived from valuation techniques based significantly on observable inputs.
- this includes unquoted funds containing equity, fixed interest and index linked instruments and unquoted property funds which are regularly traded.

Level 3 Fair values derived from valuation techniques where at least one significant input is not based on observable market data.
- this includes unquoted securities and investments in private equity funds.
- following IFRS13 guidance property and property funds are generally classified as level 3.

In the table below all private equity, infrastructure, credit, and property funds are considered level 3 (except for the Aegon (Kames) Active Beta Property Fund which, since it is 'active', is level 2). All listed securities are level 1, except for listed funds that hold underlying unquoted funds and so are considered level 2.

The basis of valuation, inputs and key sensitivities for level 2 and 3 investments are described below.

Description of asset	Basis of valuation	Observable inputs	Unobservable inputs	Key sensitivities affecting the valuations provided
Unquoted pooled fund investments (Level 2)	Average of broker prices	Evaluated price feeds		Not required
Funds where regular trading takes place (Level 2)	Closing bid price	NAV-based pricing set on a forward pricing basis		Not required
Pooled property funds where no regular trading takes place (Level 3)	Property fund valuations are based on an independent external valuation at the Net Assets Statement date.	• lease terms • vacancy levels • discount rate	• nature of tenancies • covenant strength • estimated rental growth	General changes to market prices affecting specific sectors of the property rental market.
Freehold and leasehold properties (Level 3)	Property investments are stated at open market value based on a quarterly independent external valuation in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards at the Net Assets Statement date.	• lease terms • vacancy levels • discount rate	• nature of tenancies • covenant strength • estimated rental growth	Significant changes in rental growth, vacancy levels or the discount rate could affect valuations as could more general changes to market prices
Unquoted Private Equity securities (Level 3)	Pooled private equity investments are valued at fair value by the fund managers in accordance with industry accepted guidelines.	• earnings • revenues	Valued in accordance with International Private Equity and Venture Capital Valuation Guidelines (2022)	Valuations could be affected by post balance sheet events, changes to expected cashflows, or by any differences between audited and unaudited accounts
Unquoted Infrastructure securities (Level 3)	Pooled infrastructure investments are valued at fair value by the fund managers in accordance with industry accepted guidelines.	• earnings • revenues	• comparable valuations	Changes in regulation, revision of cost assumptions, post balance sheet events, changes to expected cashflows, or by any differences between audited and unaudited accounts
Unquoted Credit securities (Level 3)	Pooled credit investments are valued at fair value by the fund managers in accordance with industry accepted guidelines.	• earnings • revenue	• comparable valuations • credit worthiness assessments	Post balance sheet events, changes to expected cashflows, or by any differences between audited and unaudited accounts

As at 31 March 2025	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial Assets				
Fair value through profit and loss				
Financial instruments	2,302,914	3,181,178	1,203,721	6,687,813
Non Financial Assets				
Fair value through profit and loss				
Freehold and leasehold property	-	-	421,525	421,525
Total	**2,302,914**	**3,181,178**	**1,625,246**	**7,109,338**

As at 31 March 2024	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial Assets				
Fair value through profit and loss				
Financial instruments	2,328,309	2,936,471	1,178,151	6,442,931
Non Financial Assets				
Fair value through profit and loss				
Freehold and leasehold property	-	-	396,300	396,300
Total	**2,328,309**	**2,936,471**	**1,574,451**	**6,839,231**

Reconciliation of Fair Value measurements within Level 3

	Freehold and leasehold property £000	Unquoted securities £000
Market value 1 April 2024	**396,300**	**1,178,151**
Purchases during the year	5,923	10,866
Sales during the year	-	(8,926)
Unrealised gains / (losses)	22,468	14,704
Realised gains / (losses)	(3,166)	8,926
Market value 31 March 2025	**421,525**	**1,203,721**
Market value 1 April 2023	**394,825**	**1,000,676**
Purchases during the year	80	10,254
Sales during the year	-	(3,536)
Unrealised gains / (losses)	4,561	147,941
Realised gains / (losses)	(3,166)	22,816
Market value 31 March 2024	**396,300**	**1,178,151**

Sensitivity of assets valued at level 3

	Assessed valuation range (+/-)	Value at 31 March 2025 £000	Value on increase £000	Value on decrease £000
Freehold and leasehold property	10%	421,525	463,678	379,373
Unquoted securities	20%	1,203,721	1,444,465	962,977
Total		**1,625,246**	**1,908,143**	**1,342,350**

	Assessed valuation range (+/-)	Value at 31 March 2024 £000	Value on increase £000	Value on decrease £000
Freehold and leasehold property	10%	396,300	435,930	356,670
Unquoted securities	20%	1,178,151	1,413,781	942,521
Total		**1,574,451**	**1,849,711**	**1,299,191**

The potential movement of 20% for unquoted securities is derived from changes in the underlying profitability of component companies/partnerships noting that the components are forward priced.

(c) Nature and extent of risks arising from financial instruments

The aims of the Fund are to:

- manage employers' liabilities effectively
- ensure that sufficient resources are available to meet all liabilities as they fall due
- maximise the returns from investments within reasonable risk parameters
- enable employer contribution rates to be kept as nearly constant as possible and at reasonable cost to the taxpayers, scheduled, resolution and admitted bodies.

The key risks to the achievement of these aims, as well as measures to mitigate those risks, are set out in the various Fund policies (available at www.nottspf.org.uk) including:

- Investment Strategy Statement
- Funding Strategy Statement
- Governance Compliance Statement
- Risk Management Strategy and Risk Register

The Risk Register identifies the highest risks as arising from:

- Inadequate resources are available to manage the Pension Fund
- Fund assets are assessed as insufficient to meet long term liabilities
- Standing data and permanent records are not accurate
- Significant variations from assumptions used in the actuarial valuation

Actions have been agreed to mitigate these risks.

The Fund's primary risk is that its assets fall short of its long term liabilities. The Funding Strategy Statement states that the funding objectives are to:

- Set levels of employer contribution rates to target a 100% funding level over an appropriate time period and using appropriate actuarial assumptions, while taking into account the different characteristics of participating employers.
- Build up the required assets in such a way that employer contribution rates are kept as stable as possible, with consideration of the long-term cost efficiency objective.

The most significant effect on the funding level arises from changes in the discount rate used by the actuaries. The Fund was assessed at the last triennial valuation as being fully funded.

The Fund continues to receive significant investment income and is therefore unlikely to need to sell assets in order to meet pension benefits in the near future. This allows the Fund to implement a long term investment strategy and minimise the impact of short term fluctuations in investment and currency markets. The strategy, and the assumptions that underpin it, are reviewed on a regular basis and cash flows are monitored closely to ensure there is sufficient liquidity to meet forecast cash flows.

The investment strategy is aimed at achieving best returns in line with the requirements of the triennial valuation whilst minimising risk and overall variability in future employers' contribution rates. Specific risks arising from financial instruments include market risk, interest rate risk, currency risk, credit risk and liquidity risk (described in more detail below). These risks are managed within the Fund through diversification of assets, careful selection of managers and counter parties, and prudent treasury management. The level of risk in the equities block is managed by a balance between passive and active management.

Policies are reviewed regularly to reflect changes in activity and in market conditions. Responsibility for reviewing and revising the policies rests with the Nottinghamshire Pension Fund Committee.

Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix. The objective of the fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, while optimising investment return.

In consultation with its advisers, the Fund has determined that the following movements in market price risk are reasonably possible in 2025/26. Data is provided on the basis of a 1 standard deviation move, which might be expected to happen either up or down approximately one year in three. It is assumed that all other variables, in particular foreign exchange rates and interest rates, remain the same. The same table from the previous year is shown as a comparator.

Asset type	Value as at 31 March 25 £000	Potential market movements (+/-)	Value on increase £000	Value on decrease £000
Fixed interest bonds	716,897	11.2%	797,189	636,605
Index Linked Securities	352,450	13.3%	399,326	305,574
UK Equities	1,081,389	17.6%	1,271,713	891,065
Overseas equities	2,678,133	18.3%	3,168,231	2,188,035
Property	743,846	10.7%	823,438	664,254
Private Equity	254,609	22.9%	312,914	196,304
Infrastructure	531,726	15.7%	615,207	448,245
Credit	248,332	8.9%	270,434	226,230
Multi-asset	501,956	12.1%	562,693	441,219
Total	7,109,338		8,221,145	5,997,531

Asset type	Value as at 31 March 24 £000	Potential market movements (+/-)	Value on increase £000	Value on decrease £000
UK Fixed interest	160,957	10.7%	178,179	143,735
Global Fixed interest	321,386	8.0%	347,097	295,675
Index Linked Securities	33,922	15.9%	39,316	28,528
UK Equities	1,201,156	16.6%	1,400,548	1,001,764
Overseas equities	3,041,433	17.3%	3,567,601	2,515,265
Property	746,145	10.0%	820,760	671,531
Private Equity	226,769	21.5%	275,524	178,014
Infrastructure	507,432	14.6%	581,517	433,347
Credit	243,011	10.1%	267,555	218,467
Multi-asset	357,020	10.0%	392,722	321,318
Total	6,839,231		7,870,819	5,807,643

Interest rate risk

The fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Long-term average rates are expected to move less that 1% from one year to the next.

A 1% increase in interest rates will not affect the interest received on fixed interest assets but will reduce their fair value, and vice versa. Changes in interest rates do not impact on the value of cash balances but they will affect the interest income received on those balances.

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 1% change in interest rates. Comparator tables from the previous year are also shown.

Exposure to interest rate risk from directly held investments	Asset values as at 31 March 25	Impact of 1% decrease	Impact of 1% increase
	£000	£000	£000
Cash	130,979	130,979	130,979
Fixed interest bonds	716,897	946,769	487,025
Total	847,876	1,077,748	618,004

Exposure to interest rate risk from directly held investments	Asset values as at 31 March 24	Impact of 1% decrease	Impact of 1% increase
	£000	£000	£000
Cash	163,995	163,995	163,995
Fixed interest bonds	160,957	226,923	94,991
Total	324,952	390,918	258,986

The Fund is also indirectly exposed to interest rate risk within some pooled investments.

Exposure to interest rate risk	Interest receivable 2024/25	Value on 1% increase	Value on 1% decrease
	£000	£000	£000
Cash	(8,082)	(9,702)	(6,462)
Fixed interest bonds	(8,430)	(8,430)	(8,430)
Total	(16,512)	(18,132)	(14,892)

Exposure to interest rate risk	Interest receivable 2023/24	Value on 1% increase	Value on 1% decrease
	£000	£000	£000
Cash	(9,188)	(11,004)	(7,372)
Fixed interest bonds	(4,659)	(4,659)	(4,659)
Total	(13,847)	(15,663)	(12,031)

Currency risk

Currency risk represents the risk that future cash flows will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on any cash balances and investment assets not denominated in sterling. The Fund considers the likely volatility associated with foreign exchange movements to be not more than 15%. A 15% strengthening/weakening of the pound against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows.

Assets directly exposed to currency risk	Asset value as at 31 March 25	Potential market movement	Value on increase	Value on decrease
	£000	£000	£000	£000
Overseas equities	845,219	126,783	972,002	718,436
Overseas pooled funds	326,866	49,030	375,896	277,836
Foreign currency	0	0	0	0
Total change in assets available to pay benefits	1,172,085	175,813	1,347,898	996,272

Assets directly exposed to currency risk	Asset value as at 31 March 24	Potential market movement	Value on increase	Value on decrease
	£000	£000	£000	£000
Overseas equities	1,035,154	155,273	1,190,427	879,881
Overseas pooled funds	264,508	39,676	304,184	224,832
Total change in assets available to pay benefits	1,299,662	194,949	1,494,611	1,104,713

The Fund is also indirectly exposed to currency risk within other investments.

Credit risk

Credit risk represents the risk that the counterparty to a financial transaction will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities. The selection of high-quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure of third parties to settle transactions in a timely manner. The Fund has also set limits as to the maximum sum placed on deposit with individual financial institutions. Money market funds chosen all have AAA rating.

The Pension Fund has experienced no defaults from fund managers, brokers or bank accounts over the past five years.

Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The pension fund therefore takes steps to ensure that it always has adequate cash resources to meet its commitments through its daily treasury management processes. This cashflow planning and management ensures that the Fund's liquidity risk is low. The Fund's cash holding under its treasury management arrangements at 31 March 2025 was £125.5m (the holding on 31 March 2024 was £164.0m).

9. Members Additional Voluntary Contributions

The Nottinghamshire Fund provides an additional voluntary contribution (AVC) scheme to enable members to purchase additional benefits. Contributions are paid over to, and invested separately by, the two scheme providers: Prudential and Scottish Widows. The contributions are not included in the Fund's accounts in accordance with regulation 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. The value of the separately invested AVCs is shown below.

	31 March 2024 £000	31 March 2025 £000
Prudential		
AVCs paid by members	1,988	3,305
Values of separately invested AVCs	19,916	21,399
Scottish Widows		
AVCs paid by members	not provided	not provided
Values of separately invested AVCs	not provided	not provided

10. Related Party Transactions

Under IAS 24, a party is related to an entity if:
- the party is a member of the key management personnel
- the party is a post-employment benefit plan for the benefit of employees of the entity.

The purpose of related party disclosures is to provide information on transactions and balances that could have an effect on the operations or financial position of an entity. For example, related parties may enter into transactions that unrelated parties would not and transactions between related parties may not be made at the same amounts as between unrelated parties.

Disclosures are required for:
- the nature of the related party relationship.
- key management personnel compensation.
- information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on the financial statements.

Nottinghamshire County Council is the administering authority for the Local Government Pension Scheme (LGPS) within Nottinghamshire and is one of the major employers within the scheme. During the reporting period, the Council incurred costs of £3.5m (£3.2m in 2023/24) in relation to the administration and management of the Fund and was reimbursed by the Fund for these expenses.

Information regarding key management personnel is provided within the main accounts of Nottinghamshire County Council. The proportion recharged to the Pension Fund for 2024/25 is as follows:-

Post Holder information (Post title and name (where applicable))	Note	Salary (including fees & allowances) £	Expenses £	Compen- sation for Loss of Office £	Employer Pension contri- butions* £	Total Remun-eration £
Service Director (Customers, Governance and Employees)	1	16,939	-	-	2,796	19,735
Service Director (Finance, Infrastructure & Improvement)	2	28,231	35	-	4,660	32,926

*Pension Contributions are estimated at 20.6% to account for the pensions deficit and are adjusted in accordance with IAS19

1. The Service Director for Customers, Governance and Employees has the statutory responsibility of the Monitoring Officer.

2. The post of Service Director (Finance, Infrastructure and Improvement) has the statutory responsibility of S151 Officer.

Comparitive costs from 2023/24 are as follows:

Post Holder information (Post title and name (where applicable))	Note	Salary (including fees & allowances)	Expenses	Compen- sation for Loss of Office	Employer Pension contri- butions*	Total Remun-eration
		£	£	£	£	£
Service Director (Customers, Governance and Employees)		16,525	-	-	7,552	24,077
Service Director (Finance, Infrastructure & Improvement)		22,034	64	-	10,069	32,167

Members and officers of the Council involved in managing the Fund are allowed to be members of the LGPS. All transactions between Nottinghamshire County Council and the Fund and all benefit payments from the Fund are in accordance with the regulations governing the LGPS. There are no transactions therefore that are made on a different basis from those with non-related parties.

LGPS Central Ltd has been established to manage investment assets on behalf of eight LGPS funds across the Midlands. It is jointly owned in equal shares by the eight administering authorities participating in the Pool and is a joint venture in accordance with IFRS 11. Control of LGPS Central Ltd is primarily through the Shareholders Forum, governed by a Shareholders Agreement and operating under company law, which has formal decision making powers. Nottinghamshire Pension Fund has equal voting rights alongside the other participating funds and unanimous decisions are required on key strategic matters. These are specified in the Shareholders Agreement and Articles of Association, and include the appointment and dismissal of the company's senior executives, approval of the company's strategic plan and any significant financial transactions, such as major acquisitions, lending or borrowing.

£1,315k has been invested in share capital and £685k in a loan to LGPS Central Ltd. This is held at historic cost (as a suitable approximation of fair value) and are the balances at year end, unchanged from 2023/24. The Fund earned £65k in interest during the year (£65k in 2023/24). Interest is paid in April but recognised in the appropriate year.

LGPS Central Ltd charged £1,690k in respect of Governance, Operator and Product Development costs during the year (£1,597k in 2023/24).

Nottinghamshire County Council as the Administering Authority of the Nottinghamshire Pension Fund has guaranteed a share of the pension liability relating to employees of LGPS Central Ltd that transferred into the company on creation. If this guarantee is called this will be funded by the Pension Fund.

Over time, LGPS Central Ltd will manage an increasing proportion of the Pension Fund's investments. At 31 March 2025 investments worth £1,987m (31 March 2024 £1,384m) were managed by LGPS Central Ltd.

11. Post Balance Sheet Events

No significant post balance sheet events have been identified.

Independent auditor’s report to the members of Nottinghamshire County Council

Report on the audit of the financial statements

Opinion on the financial statements of Nottinghamshire Pension Fund

We have audited the financial statements of Nottinghamshire Pension Fund (‘the Pension Fund’) for the year ended 31 March 2025, which comprise the Fund Account, the Net Assets Statement for the year ended, and notes to the financial statements, including a summary of material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion the financial statements:

- give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2025, and the amount and disposition of the Pension Fund’s assets and liabilities as at 31 March 2025; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the financial statements” section of our report. We are independent of the Council, as administering authority for the Pension Fund, in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Service Director (Finance, Infrastructure and Improvement)’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Pension Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Service Director (Finance, Infrastructure and Improvement) with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor’s report thereon. The Service Director (Finance, Infrastructure and Improvement) is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Service Director (Finance, Infrastructure and Improvement) for the financial statements

As explained more fully in the Statement of Responsibilities, the Service Director (Finance, Infrastructure and Improvement) is responsible for the preparation of the Statement of Accounts, which includes the Pension Fund's financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and for being satisfied that they give a true and fair view. The Service Director (Finance, Infrastructure and Improvement) is also responsible for such internal control as the Service Director (Finance, Infrastructure and Improvement) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Service Director (Finance, Infrastructure and Improvement) is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and prepare the financial statements on a going concern basis, unless the Council is informed of the intention for dissolution of the Pension Fund without transfer of services or function to another entity. The Service Director (Finance, Infrastructure and Improvement) is responsible for assessing each year whether or not it is appropriate for the Pension Fund to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Pension Fund's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Pension Fund, we identified that the principal risks of non-compliance with laws and regulations related to the Public Service Pensions Act 2013, the Local Government Pension Scheme Regulations 2013 (as amended) and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, and we considered the extent to which non-compliance might have a material effect on the financial statements.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- gaining an understanding of the legal and regulatory framework applicable to the Pension Fund, the environment in which it operates, and the structure of the Pension Fund, and considering the risk of acts by the Pension Fund which were contrary to the applicable laws and regulations, including fraud;
- inquiring with management and the Governance and Ethics Committee, as to whether the Pension Fund is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;

- inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- reviewing relevant meeting minutes in the year;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Pension Fund which were contrary to applicable laws and regulations, including fraud.

In addition, we evaluated the Service Director (Finance, Infrastructure and Improvement)'s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Governance and Ethics Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by testing journal entries, significant accounting estimates and significant one-off or unusual transactions.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud, rests with both management and the Governance and Ethics Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Service Director (Finance, Infrastructure and Improvement)'s use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom, (Revised 2024) and Supplementary Guidance Note 01, issued by the National Audit Office in November 2024.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the members of Nottinghamshire County Council, as a body and as administering authority for the Nottinghamshire Pension Fund, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

Alastair Newall, Key Audit Partner
For and on behalf of Forvis Mazars LLP (Local Auditor)

One St Peter's Square,
Manchester
M2 3DE

GLOSSARY OF TERMS

Accruals	The concept that income and expenditure are recognised as they are earned or incurred, not as money happens to be received or paid.
Actuary	An actuary is an expert on pension scheme assets and liabilities. The Local Government Pension Scheme actuary reassesses the rate of employer contributions to the Pension Fund every three years.
Added Years	Additional years of service awarded to increase benefits of employees taking early retirement.
Amortisation	The process of charging asset consumption in relation to Intangible Assets to the Comprehensive Income & Expenditure Statement over a suitable period of time.
Balance Sheet	The accounting statement which sets out the Authority's total net assets and how they were financed.
Budget	The Authority's statement of spending plans and policies for a financial year, expressed in financial terms.
Capital Adjustment Account (CAA)	This account absorbs the timing differences between the consumption of non-current assets and the financing arrangements in respect of their acquisition, creation or enhancement throughout their useful life.
Capital Financing Requirement (CFR)	The Capital Financing Requirement is a measure of the capital expenditure incurred historically by the Authority that has yet to be financed.
Capital Grants Receipts in Advance	Under the Code, grants and contributions for capital schemes are recognised as income when they become receivable unless conditions apply to the grant/contribution, in which case the grant/contribution is classified as Capital Grants Receipts in Advance on the Balance Sheet.
CIPFA	Chartered Institute of Public Finance and Accountancy.
Comprehensive Income and Expenditure Statement (CI&ES)	Consolidates all the gains and losses experienced during the financial year.
Community Assets	Assets such as historical structures and artefacts that the Authority intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal.
Creditors	Persons or bodies owed monies by the Authority that have not been paid by the end of the financial year.
Debtors	Persons or bodies owing sums to the Authority that have not been paid by the end of the financial year.

Depreciation	A charge to reflect the consumption of benefits in relation to tangible fixed assets.
Expenditure and Funding Analysis (EFA)	A statement to show the net expenditure in the Comprehensive Income & Expenditure Statement highlighting the adjustment between funding and accounting basis.
Earmarked Reserves	Reserves set aside for a specific purpose.
Financial Instruments	A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of another. For instance, financial assets could be bank deposits, loans receivable, shares etc, whilst financial liabilities could be borrowings, financial guarantees etc.
General Fund	The account which absorbs the accumulated balances for the cost of providing services funded from Council Tax and Government Grants.
IAS	International Accounting Standard.
ICB	Integrated Care Board – taken over form CCG's June 22
IFRS	International Financial Reporting Standard.
IFRIC	The International Financial Reporting Interpretations Committee provides interpretations of IFRS.
Infrastructure Assets	Assets such as roads and bridges, expenditure on which is recoverable only by continued use of the asset. These assets, by their nature, have no practical prospect of being decommissioned and sold or applied to alternative uses.
Impairments	An impairment or loss of value may arise on an asset upon revaluation. Assets which may be impaired are those in the categories of Property, Plant and Equipment and Intangible Assets.
Intangible Assets	Identifiable assets that lack physical substance and are expected to yield benefits to the Authority and the services it provides, e.g. software.
LASAAC	Partnership between CIPFA (England, Northern Ireland and Wales) and the Local Authority (Scotland) Accounts Advisory Committee.
LOBO	Loans which have a fixed primary period at a relatively beneficial interest rate followed by a higher rate for the remaining period which can be changed by the lender at agreed intervals. The Authority, as a borrower, would be able to opt to repay the loan at agreed intervals if the lender chooses to change the quoted rates.
Leasing	A method of financing capital expenditure in which a rental charge for an asset is paid for a specific period.

Local Government Pension Scheme (LGPS)	Nottinghamshire County Council is the administrating authority for the LGPS within Nottinghamshire.
Minimum Revenue Provision (MRP)	The minimum amount which must be charged to revenue in the year for the repayment of debt (credit liabilities and credit arrangements). An authority may voluntarily set aside amounts in excess of the minimum required.
NDR	Non-Domestic Rates.
PFI	Private Finance Initiative.
PPE	Property, Plant and Equipment.
Precept Income	County Councils obtain part of their income from precepts levied on the District Councils in their area. Precepts, based on the 'Council Tax bases' of the District Councils, are levied on each District's 'collection fund'.
PWLB	Public Works Loans Board.
Provisions	Sums of money set aside to meet specific expenses which are likely or certain to be incurred, but where the amounts cannot be accurately determined or dates on which they will arise. The sums set aside are charged to the appropriate service revenue accounts.
Reserves	Sums of money set aside to cover future eventualities. The sums set aside are charged to the General Fund and not to service revenue accounts.
Revaluation Reserve	Represents the difference between the revalued amount of Property, Plant and Equipment as shown in the accounts and the historic cost.
Revenue Expenditure Financed from Capital Under Statute (REFfCUS)	Legislation permits certain expenditure to be funded by capital resources even though no fixed asset is carried on the Balance Sheet. Examples include works on property not owned by the Authority and grants provided for economic development purposes.
Right of Use assets (RoU)	Right of Use assets are property, plant and equipment assets which the Authority lease in from external lessors or landlords.