

# **Broadland District Council**

## **Statement of Accounts**

### **2025/26**

# STATEMENT OF ACCOUNTS TABLE OF CONTENTS

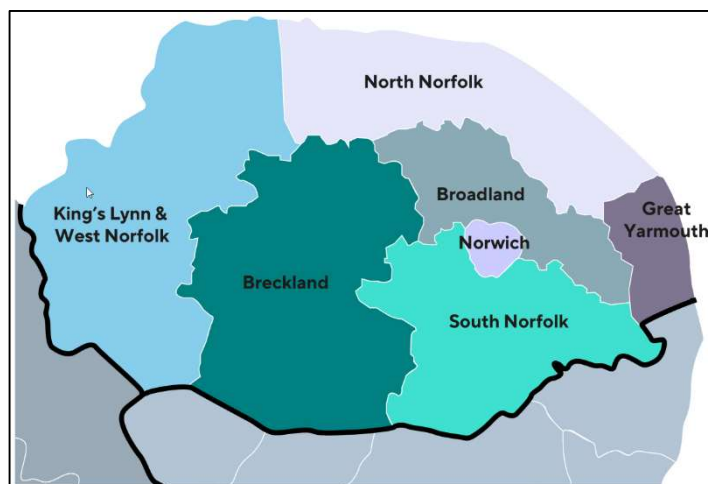
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# NARRATIVE REPORT

## 1. About Broadland District Council

Broadland District Council is one of 7 district councils in Norfolk and is home to approximately 138,157 people. It is equally divided between urban and rural locations and comprises 65 parishes of varying sizes.

There are large urban areas on the borders of Norwich City including, Catton, Hellesdon, Thorpe St Andrew and Sprowston. The three market towns of Acle, Aylsham and Reepham provide vital amenities for residents and visitors and are employment centres for many residents. Other large and small settlements play a vital role in supporting the local economy and providing key facilities for residents including North Walsham, Reedham, Blofield, Brundall and Taverham. Wroxham Broad and the River Bure are tourist attractions and contribute to the local economy.



We anticipate significant growth over the next five years from a strong and diverse business base, which is home to leading innovation centres and enterprises. Key local business clusters are:

- Agri-food and Life Sciences
- Manufacturing and Engineering
- Visitor Economy and Cultural Sectors
- Finance, Insurance and Professional Services
- Clean Energy and Technology.

Broadland has excellent transport connections, by air through Norwich International Airport and by sea through the East Coast ports of Felixstowe, Great Yarmouth, Harwich, and Lowestoft. There are also mainline train connections, including an express service to London. Road links South are good, and work has been undertaken to strengthen routes westwards, to the Midlands and beyond.

The Council delivers services including:

- Waste and recycling
- Street cleansing
- Car parking
- Electoral registration
- Planning
- Housing benefit payments
- Council Tax assistance
- Leisure and Tourism
- Open spaces.

The Council is made up of 47 councillors representing 27 wards. As of 31st March 2026, there were 14 Liberal Democrat Members, 7 Labour Members, 4 Green Party Members, 19 Conservative Members, 1 Reform UK Member, 1 Independent Conservative and 1 Independent. The Cabinet consisted of 3 portfolio members of the Liberal Democrat Group, 2 portfolio members from the Labour Group and 1 portfolio member from the Green group.

Broadland District Council is headed by a Corporate Management Leadership Team consisting of a Managing Director, 3 Directors and 8 Assistant Directors. Each Assistant Director has overall responsibility for their service areas.

Broadland District Council's Band D Council tax for 2025/26 (excluding special expenses) was £134.91.

## **2. Format of Accounts**

The financial statements are prepared on an accruals basis and follow best practice recommended by the Code of Practice on Local Authority Accounting. The various statements include, where relevant, comparative figures relating to the previous financial year and supporting notes.

The statements summarise the overall financial position of the Authority and include the following:

**Comprehensive Income and Expenditure Statement** – This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices and shows how that cost has been financed from Council Taxpayers, Business Rate income and Government grants.

**Movement in Reserves Statement** – This statement shows the movement in the year of 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 other reserves.

**Balance Sheet** – This statement shows the assets and liabilities of all the activities of the Authority and the balances and reserves at the Authority's disposal.

**Cash Flow Statement** – This statement shows the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

**Collection Fund** – This statement reflects a statutory requirement to maintain a separate Collection Fund, which shows the transactions of the Authority as a billing authority in relation to Council Tax and Non-Domestic Rates, and the way in which the total amount collected has been distributed to the precepting authorities and central Government.

## **3. Joint Working Arrangement with South Norfolk Council**

On 12 July 2018, Broadland District Council and South Norfolk Council agreed collaborative working arrangements. This included the proposal to form one joint officer team across the two autonomous Councils. Consequently, the authorities shared a Corporate Management Team throughout 2019/20, and the remainder of the workforce from 1<sup>st</sup> January 2020.

However, the authorities remain sovereign independent bodies, and keep their separate identities, retain their own Councillors and budgets, and set their own council taxes.

In September 2022, the Council jointly purchased with South Norfolk Council the Horizon building at Broadland Business Park in Norwich. Following refurbishment and the installation of a Council Chamber, full occupation by both Councils started on 30 May 2023.

#### 4. Strategic Plan 2024-2028

The Council in February 2024 adopted a Strategic Plan for 2024-2028 which outlines our vision to **create the best place for everyone now and for future generations**, alongside our key priority areas and ambitions for the next four years.



Alongside the Strategic Plan, more regular Delivery Plans are produced setting out key service delivery and major projects / programmes of work.

The following table sets out a summary of our performance against our 2025/26 targets.

##### Latest Performance Against Target

<b>GREEN</b>	<b>18</b>
<b>AMBER</b>	<b>9</b>
<b>RED</b>	<b>2</b>

##### Longer-Term Assurance

Consistently meeting targets	14
Inconsistently meeting targets	13
Consistently not meeting targets	2

#### 5. Other Matters to Report

We also report to you the following matters:

- The 2025/26 Code of Practice on Local Authority Accounting has introduced a change to the measurement of Property, Plant and Equipment. In essence, indexation is now applied to PPE in the intervening years between five yearly formal valuations. This change has been applied prospectively, with no restatement of prior year figures.
- There are no significant contingencies or material write offs to report.
- Apart from the matters disclosed in the Narrative Report, there are no other significant factors affecting the Accounts that require highlighting in 2025/26.

## 6. Financial Outturn

### Revenue Income and Expenditure

The table below summarises the Authority's revenue income and expenditure and compares this to the budget for the year. It also shows how the overall Authority expenditure was funded by income from Council Taxpayers, Business Rates Income, and Government Grants. The numbers here differ to the figures shown on the Comprehensive Income and Expenditure Statement as some items of expenditure, such as depreciation, are presented differently.

	Budget	Actual	Variance
	£'000	£'000	(Bud-Act) £'000
<b>COST OF SERVICES</b>			
Chief of Staff	2,847	2,592	255
Finance & Corporate Costs	2,296	2,155	141
Local Government Reorganisation Costs	76	74	2
Transformation & ICT / Digital	2,665	2,318	347
Economic Growth	1,161	1,291	(130)
Regulatory	536	538	(2)
Planning & Business Support	793	338	455
Nutrient Mitigation Work	646	447	199
Individuals & Families	2,309	2,153	156
Housing Benefit Payments	337	348	(11)
Community Services	3,085	3,062	23
Opportunity Revenue Projects	57	57	0
<b>OTHER INCOME &amp; EXPENDITURE</b>			
Precepts - Parish Councils	5,295	5,295	0
Precepts - Internal Drainage Boards	355	352	3
Interest Payable	50	193	(143)
Minimum Revenue Provision (MRP)	0	9	(9)
Investment Income	(1,550)	(1,515)	(35)
Investment Income - Nutrient Mitigation Funding	(646)	(873)	227
Investment Income – From Broadland Living Ltd	(67)	(32)	(35)
Council Tax Surplus	(17)	(17)	0
Revenue Financing of Capital Programme	4,246	4,246	0
<b>TRANSFERS TO / (FROM) RESERVES</b>			
Transfers to/(from) Earmarked Reserves	(919)	259	(1,178)
Transfers General Revenue Reserve	(2,665)	(875)	(1,790)
<b>BUDGET REQUIREMENT</b>			
Council Tax	(12,074)	(12,074)	0
NNDR (Business Rates)	(5,204)	(6,573)	1,369
Revenue Support Grant	(211)	(211)	0
New Homes Bonus	(822)	(822)	0
Government Grant - Other	(2,578)	(2,734)	156
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

The following table then reconciles the above figures to the figures in the Statement of Accounts.

Deficit on Provision of Services	(2,171)
Adjustments between Accounting Basis and Funding Basis	1,555
Net Transfer to Earmarked Reserves	(259)
Increase in General Fund Reserve	875
<b>TOTAL</b>	<b>0</b>

## **Movement in Reserves**

The Movement in Reserves Statement shows the movement in the year of the different reserves held by the Authority.

The key movements in the Authority's usable reserves are as follows.

- The General Fund Balance decreased by £0.9m to £10.2m.
- Earmarked Reserves increased by £0.3m to £11.3m.
- The Authority's Capital Receipts Reserve increased by £2.8m to £4.3m.
- The Authorities Unusable Reserves increased by £2.6m.

## **Capital Expenditure**

Capital expenditure during 2025/26 amounted to £26.01m. Of this sum, £4.06m was spent as capital grants to external organisations and individuals and did not result in the acquisition of assets on the Authority's balance sheet.

## **Financial Position at Year End**

The Balance Sheet shows the Authority's assets and liabilities as of 31 March and the following table provides a summary of the Authority's key assets and liabilities.

	Value 31 March 2025 restated £m	Value 31 March 2026 £m
<b>Assets</b>		
Property, Plant and Equipment	34.9	35.5
Long Term Debtors	2.7	2.7
Investments	27.5	19.7
Short Term Debtors	20.6	36.5
Cash and Bank Holdings	20.1	12.7
<b>Liabilities</b>		
Short Term Creditors	(27.6)	(29.9)
Pension (Liability) / Asset	(1.7)	(7.8)

The Authority, as part of the terms and conditions of employment, offers retirement benefits to staff. Although these benefits will not be payable until employees retire, the Authority has a commitment to make the payments and this needs to be disclosed at the time that employees earn their future entitlement.

This pension liability has been accounted for under International Accounting Standard 19 Employee Benefits (IAS19). For Broadland the pension asset value is £88.4m, the liability is £64.3m and the effect of the asset ceiling is £31.9m, giving a net deficit of £7.8m as of 31 March 2026.

## **Cash Flow**

The Cash Flow Statement shows the inflows and outflows of cash arising from transactions with third parties.

It shows that in 2025/26 the amount of cash and cash equivalents held by the Authority decreased by £7.5m to £12.7m.

## **Collection Fund**

The Collection Fund Statement shows the transactions of the Authority, as a billing authority, in relation to council tax and non-domestic rates.

In 2025/26 BDC raised £116.3m in Council Tax. Council Tax income is paid over to the precepting bodies (Norfolk County Council, Office of the Police & Crime Commissioner and BDC) and the amount paid over in 2025/26 (£115.9m) equals the amount that was requested as part of the 2025/26 budget setting process.

In 2025/26 BDC raised £35.4m in business rates. Business rate income is generally shared as follows: Central Government 50%; BDC 40%, Norfolk County Council 10%.

## **7. Future Plans**

Looking forward our Delivery Plan 2024 - 2026 sets out some of the key projects and initiatives we will be delivering to help drive economic growth, and support and empower our communities.

## **Financial Outlook**

On 9<sup>th</sup> February 2026, the Government issued the Final 2026/27 Local Government Finance Settlement. This was the first multi-year settlement in a decade, and covers the three-year period 2026/27, 2027/28 and 2028/29.

The settlement sets out a reduction in the Authority's Core Spending Power from £16.8m in 2026/27 to £16.4m in 2027/28 to £16.3m in 2028/29. This represents a real funding reduction and will require either successful income generation schemes or additional efficiency savings to be made.

However, the Authority has consistently been able to deliver a balanced budget and has healthy levels of reserves and therefore remains in a strong sustainable financial position.

## **Local Government Reorganisation (LGR)**

On 25<sup>th</sup> March 2026, the Ministry of Housing, Communities and Local Government (MHCLG) announced plans for local government reorganisation in a number of areas including Norfolk.

Reorganisation in Norfolk is expected to take place on 1st April 2028 and will result in the creation of three new Unitary councils for Norfolk.

- Greater Norwich City Council,
- East Norfolk Council, and
- West Norfolk Council

These three new unitaries will replace Norfolk County Council and the 7 district councils in Norfolk.

All services / functions / contractual arrangements etc will novate to the new Unitary Councils so that services to residents will continue as normal throughout the transition to the new Unitary Councils.

## **8. Further Information**

Additional information relating to these accounts is available from:

Assistant Director – Finance  
Broadland District Council  
The Horizon Centre  
Peachman Way  
Norwich  
NR7 0WF

# 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 has the responsibility for the administration of those affairs. In this Authority, that officer is the Assistant Director of Finance.
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

## The Assistant Director of Finance's Responsibilities

The Assistant Director of Finance is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Assistant Director of Finance has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the local authority Code.

The Assistant Director of Finance has also:

- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I confirm that the Statement of Accounts gives a true and fair view of the financial position of the Authority at the reporting date and of its expenditure and income for the year ended 31 March 2026.

*R Fincham*

Assistant Director of Finance

Date: 30 June 2026

## COMPREHENSIVE INCOME AND EXPENDITURE ACCOUNT

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, which is likely to be different from the accounting cost.

	2024/25			2025/26		
	Gross expenditure	Gross income	Net expenditure	Gross expenditure	Gross income	Net expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Chief of Staff	3,474	(749)	2,725	2,796	(202)	2,594
Finance & Corporate Costs	1,962	(379)	1,583	1,834	(425)	1,409
Local Government Reorganisation Costs	25	0	25	74	0	74
Transformation & ICT / Digital	5,701	(478)	5,223	4,273	(928)	3,345
Economic Growth	4,619	(2,488)	2,131	4,043	(2,261)	1,782
Regulatory	891	(450)	441	1,021	(485)	536
Planning & Business Support	2,060	(1,626)	434	1,974	(1,745)	229
Nutrient Mitigation Work	600	(487)	113	357	0	357
Individuals & Families	11,102	(9,279)	1,823	9,457	(6,785)	2,672
Housing Benefit Payments	14,536	(13,822)	714	12,079	(11,731)	348
Community Services	7,849	(4,673)	3,176	12,391	(5,076)	7,315
Covid Support	0	(285)	(285)	0	0	0
Opportunity Projects	62	0	62	56	0	56
<b>Cost of Services</b>	<b>52,881</b>	<b>(34,716)</b>	<b>18,165</b>	<b>50,355</b>	<b>(29,638)</b>	<b>20,717</b>
<b>Other Operating Expenditure</b>						
Precepts - Parish Councils			4,901			5,295
Precepts - Internal Drainage Boards			323			352
(Gain) / loss on disposal non-current assets			146			1,378
<b>Financing and Investment Income and Expenditure</b>						
Interest Payable & similar charges (Note 14)			133			(31)
Pensions - Net Interest Cost (Note 28)			3,974			4,885
Pensions - Expected Return (Note 28)			(3,920)			(4,814)
Interest Receivable & similar income (Note 14)			(2,674)			(2,225)
<b>Taxation and Non-Specific Grant Income and Expenditure</b>						
Council Tax income			(11,678)			(12,051)
Business Rates income & expenditure			(7,491)			(5,860)
Revenue Support Grant			(189)			(211)
New Homes Bonus			(1,230)			(822)
Non-Service Related Grants			(580)			(2,734)
Capital Grants and Contributions			(9,300)			(1,708)
<b>(Surplus) or deficit on provision of services</b>			<b>(9,420)</b>			<b>2,171</b>
(Surplus) or deficit on revaluation of PPE assets (Note 11)			(3,467)			(1,401)
Remeasurement of the pensions net defined benefit liability/(asset) (Note 28)			770			6,905
<b>Other Comprehensive Income and Expenditure</b>			<b>(2,697)</b>			<b>5,504</b>
<b>Total Comprehensive Income and Expenditure</b>			<b>(12,117)</b>			<b>7,675</b>

## MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e., those that can be applied to fund expenditure or reduce local taxation) and other reserves.

The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Council'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. The Net Increase / Decrease before the Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Council Reserves
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Balance 1 April 2024</b>	<b>8,055</b>	<b>13,936</b>	<b>582</b>	<b>8,932</b>	<b>31,505</b>	<b>34,482</b>	<b>65,987</b>
Total Comprehensive Expenditure and Income	9,420				9,420	2,697	12,117
Adjustments between accounting & funding basis under regulations (Note 8)	(9,304)		928	4,193	(4,183)	4,183	0
Transfers from Earmarked Reserves	2,889	(2,889)			0		0
Increase / (Decrease) in Year	3,005	(2,889)	928	4,193	5,237	6,880	12,117
<b>Balance 31 March 2025</b>	<b>11,060</b>	<b>11,047</b>	<b>1,510</b>	<b>13,125</b>	<b>36,742</b>	<b>41,362</b>	<b>78,104</b>
Total Comprehensive Expenditure and Income	(2,171)				(2,171)	(5,504)	(7,675)
Historical Financing Error			130		130	(130)	0
Adjustments between accounting & funding basis under regulations (Note 8)	1,555		2,657	(12,406)	(8,194)	8,194	0
Transfers to Earmarked Reserves	(259)	259			0		0
Increase / (Decrease) in Year	(875)	259	2,787	(12,406)	(10,235)	2,560	(7,675)
<b>Balance 31 March 2026</b>	<b>10,185</b>	<b>11,306</b>	<b>4,297</b>	<b>719</b>	<b>26,507</b>	<b>43,922</b>	<b>70,429</b>

## BALANCE SHEET

The Balance Sheet shows the value, as at the Balance Sheet date, of 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.

	Note	1 April 2024 restated £'000	31 March 2025 restated £'000	31 March 2026 £'000
<b>Long Term Assets</b>				
Property, Plant & Equipment	11	29,506	34,880	35,499
Right of Use Assets	11	0	403	78
Intangible Fixed Assets		993	996	1,317
Long Term Investments	14	10	60	60
Long Term Debtors	16	939	2,678	2,708
		<b>31,448</b>	<b>39,017</b>	<b>39,662</b>
<b>Current Assets</b>				
Short Term Investments	18	24,080	27,504	19,675
Assets Held for Sale		4,316	1,737	1,737
Inventories		37	37	37
Short Term Debtors	17	24,177	20,560	36,544
Cash and Cash Equivalents		16,800	20,106	12,654
		<b>69,410</b>	<b>69,944</b>	<b>70,647</b>
<b>Current Liabilities</b>				
Short Term Creditors	19	(31,625)	(27,597)	(29,937)
Short Term Provisions	20	(929)	(575)	(1,244)
Capital Grants Receipts in Advance		(703)	(528)	(507)
		<b>(33,257)</b>	<b>(28,700)</b>	<b>(31,688)</b>
<b>Long Term Liabilities</b>				
Long Term Creditors		0	(220)	(57)
Pension Scheme Liability	28	(1,351)	(1,674)	(7,794)
Grants Receipts in Advance		(263)	(263)	(341)
		<b>(1,614)</b>	<b>(2,157)</b>	<b>(8,192)</b>
<b>Net Assets</b>		<b>65,987</b>	<b>78,104</b>	<b>70,429</b>
<b>Usable Reserves</b>				
General Fund Balance		8,055	11,060	10,185
Earmarked Reserves	10	13,936	11,047	11,306
Usable Capital Receipts Reserve		582	1,510	4,297
Capital Grants Unapplied		8,932	13,125	719
<b>Unusable Reserves</b>	21			
Capital Adjustment Account		27,643	31,911	40,769
Collection Fund Adjustment Account		621	102	(651)
Deferred Capital Receipts Reserve		60	60	29
Financial Instruments Adjustment Account		(158)	(151)	(346)
Pension Fund Reserve		(1,351)	(1,674)	(7,794)
Revaluation Reserve		9,028	12,351	12,958
Short Term Accumulated Absences Account		(326)	(197)	(231)
Pooled Investment Fund Adjustment Account		(1,035)	(1,040)	(812)
<b>Total Reserves</b>		<b>65,987</b>	<b>78,104</b>	<b>70,429</b>

*R Fincham*

Assistant Director of Finance

Date: 30 June 2026

## CASHFLOW 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 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.

	2023/24 Restated £'000	2024/25 Restated £'000	2025/26 £'000
Net (Surplus) / Deficit on Provision of Services	(11,595)	(9,420)	2,171
Adjustment for Non-cash Movements	5,235	(4,847)	(4,993)
Adjustment for Investment and Finance Activities	1,966	17,873	(1,808)
<b>Net Cash Flows from Operating Activities</b>	<b>(4,394)</b>	<b>3,606</b>	<b>(4,630)</b>
<b>Investing Activities</b>			
Purchase of Property, Plant, Equipment, and Intangible assets	7,443	6,054	7,533
Net Purchase of short-term and long-term investments	0	3,474	132
Other payments for investing activities	143	1	14,822
Proceeds from sale of Property, Plant, Equipment, and Intangible assets	0	(1,886)	(330)
Other receipts from investing activities	(5,625)	(15,810)	(10,936)
<b>Net Cash Flow from Investing Activities</b>	<b>1,961</b>	<b>(8,167)</b>	<b>11,221</b>
<b>Finance Activities</b>			
Cash payments for reduction of outstanding liabilities in relation to leases	0	182	23
Billing Authorities – Council Tax & NDR adjustments	(301)	1,073	838
<b>Net Cash Flows from Financing Activities</b>	<b>(301)</b>	<b>1,255</b>	<b>861</b>
<b>Net Cash Flow</b>	<b>(2,734)</b>	<b>(3,306)</b>	<b>7,452</b>
<b>Cash and Cash Equivalents at 1 April</b>	<b>14,066</b>	<b>16,800</b>	<b>20,106</b>
<b>Cash and Cash Equivalents at 31 March</b>	<b>16,800</b>	<b>20,106</b>	<b>12,654</b>

<b>Analysis of Cash &amp; Cash Equivalents</b>			
Cash held	1	1	1
Bank current accounts	2,367	3,340	(23)
Short Term Deposits with Banks and other institutions	14,432	16,765	12,676
	<b>16,800</b>	<b>20,106</b>	<b>12,654</b>

The cash flows for operating activities include the following items:

	<b>2024/25</b>	<b>2025/26</b>
	<b>£'000</b>	<b>£'000</b>
Interest received	(2,669)	(2,616)
Interest paid	97	193
	<b>(2,572)</b>	<b>(2,423)</b>

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

	<b>2024/25</b>	<b>2025/26</b>
	<b>£'000</b>	<b>£'000</b>
Depreciation	(1,380)	(1,317)
Impairment and downward valuations	(3,284)	(4,631)
Amortisation	(244)	(343)
Increase/(decrease) in creditors	3,170	(3,447)
(Increase)/decrease in debtors	(1,875)	6,337
Movement in pension liability	444	785
Carrying amount of non-current assets and non-current assets held for sale, sold, or derecognised	(2,033)	(1,708)
Other non-cash items charged to the net surplus or deficit on the provision of services	355	(669)
	<b>(4,847)</b>	<b>(4,993)</b>

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

	<b>2024/25</b>	<b>2025/26</b>
	<b>£'000</b>	<b>£'000</b>
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures, and subsidiaries)	0	(8,000)
Proceeds from the sale of property, plant and equipment and intangible assets	1,886	330
Any other items for which the cash effects are investing or financing cash flows	15,987	5,862
	<b>17,873</b>	<b>1,808</b>

#### Reconciliation of Liabilities Arising from Financing Activities

	<b>1 April</b>	Financing	Charges which are not		<b>31 March</b>
	<b>2025</b>	cash flows	financing cash flows		<b>2026</b>
	<b>£'000</b>	<b>£'000</b>	Acquisition	Other	<b>£'000</b>
			<b>£'000</b>	<b>£'000</b>	
Lease liabilities	421	(27)	7	(323)	78
<b>Total liabilities from financing activities</b>	<b>421</b>	<b>(27)</b>	<b>7</b>	<b>(323)</b>	<b>78</b>

# NOTES TO THE ACCOUNTS

## 1. Accounting Policies

### General principles

The Statement of Accounts summarises the Authority's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 supported by International Financial Reporting Standards (IFRS) and statutory guidance.

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.

### 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 in financing and investment income and expenditure for the income that might not be collected.

Exceptions to this principle relate to:

- Utility bills which are charged at the date of meter reading rather than being apportioned between financial years.
- Annual subscription/licence fees with an annual value of less than £10,000.
- Low value items less than £5,000.

This policy is consistently applied and does not have a material effect on the year's Accounts.

### Cash and Cash Equivalents

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

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

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

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless not material or otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Exceptionally, the 2025/26 Code provides that changes to the valuation of non-investment assets as set out in the Code will be applied prospectively, with no restatement of prior year figures.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

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

Services are charged with an accounting estimate of the cost of holding non-current assets during the year. This comprises:

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

The 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 (MRP), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### **Council Tax and Non-Domestic Rates**

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including Government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e., the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors, and central Government (for NDR) share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

## Accounting for Council Tax and NDR

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

The Balance Sheet includes the Authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

## **Employee Benefits**

### Benefits Payable during Employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense 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 that employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following financial year, being the period in which the employee takes the benefit. The accrual is charged to the surplus or deficit on the provision of services but then reversed out through the Movement in Reserves Statement to the Accumulated Absences Account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

### Termination Benefits

Termination benefits are amounts payable as a result of a decision by the 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 relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pension 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 the Local Government Pension Scheme, administered by Norfolk County Council.

This scheme provides defined benefits to members (retirement lump sums and pensions) earned as employees worked for the Authority.

The Local Government Pension 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 earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on a high-quality corporate bond.
- 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 pension's liability is analysed into the following components:

### Service cost, comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement.
- 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 change in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

### Re-measurements, comprising:

- The return on plan assets - excluding amounts included in net interest on the net defined benefit liability (asset). Charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Actuarial gains and losses – changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. Charged to the Pensions Reserve as Other Comprehensive Income & Expenditure.
- 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 transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with the debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. Any negative balance that arises on the Pension Reserve thereby measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

### Discretionary Benefits

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

### Events after the Reporting Period

Events after the Balance Sheet reporting period are those events, both favourable and unfavourable, that occur between the end of the Balance Sheet date 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.

### 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 (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

## Financial Assets

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

- amortised cost, and
- fair value through profit or loss (FVPL).

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 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.

Any gains and losses that arise on the derecognition of a financial 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.

### Financial Assets Measured at Fair Value through Profit or Loss (FVPL)

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the surplus or deficit on the provision of services.

However, in December 2019 the Government issued guidance allowing local authorities to mitigate the effect of these gains and losses by means of a statutory override whereby any gains or losses can be reversed, so as not to effect General Fund Balances, and held in an unusable reserve. The statutory override has been extended and is in place until 31 March 2029.

## Fair Value Measurement of Financial Assets

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the Authority's financial assets are based on the following techniques.

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

The inputs to the measurement techniques are categorised in accordance with the following three levels.

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

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

## 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 and 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 in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

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

When 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.

## Community Infrastructure Levy

The Authority has elected to charge a Community Infrastructure Levy (CIL). The levy is charged on new builds (chargeable developments for the Authority) with appropriate planning consent. The council charges for and collects the levy, which is a planning charge. The income from the levy is pooled with other Norfolk authorities and will be used to fund a number of infrastructure projects to support the development of the area.

The CIL is recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement as a contribution without outstanding conditions. CIL charges will be largely used to fund capital expenditure. However, a small proportion of the charges may be used to fund revenue expenditure.

## Heritage Assets

The Authority's heritage assets consist of bridges, culverts, and a tunnel along a stretch of the Bure Valley Railway line.

The Authority values its Heritage assets at historical cost, which is nil (the original cost to the Authority). A valuation based on open market price or replacement cost would not be appropriate, as the Authority does not intend to either sell the bridges or to rebuild them in their current style or location if the need should arise. The valuation will be reconsidered at least every five years.

## 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. Thereafter they are carried at cost less accumulated depreciation and any accumulated impairment loss. The depreciable amount of an Intangible Asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an Intangible Asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

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

## **Interest in Companies and Other Entities**

The Authority has the following interests.

- The Authority controls Broadland Growth Limited and Broadland Living Limited through 100% ownership of the share capital in each company. The arrangements with each company have been classified as a subsidiary in accordance with the guidelines set down in CIPFA's codes of best practice in group accounting and would therefore be consolidated by the equity accounting method if transactions are material enough to require group accounts to be prepared.
- Norse Environmental Waste Limited (NEWS) has contracted to provide recycling sorting and processing and garden waste composting to seven second tier Norfolk councils, with voting arrangements that give 7% influence to each minor body (including Broadland) and 51% to Norse Group. This relationship has been assessed as a joint venture, as the Authority has neither significant influence nor control.
- The Authority is a founding member of Norfolk Environmental Credits Ltd. This company was registered on 5 January 2023 to help source mitigation, to offset the adverse nutrient impacts of development on the River Wensum Special Area of Conservation and the Broads Special Area of Conservation. The company is limited by guarantee and has been assessed as a joint venture, as the Authority has neither significant influence nor control.

Group accounts have not been prepared as the overall change between the single entity and the group statements is not material.

## **Inventories**

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

## **Joint Operations**

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the Authority in conjunction with other joint operators involve the use of the assets and resources of those joint operators.

In relation to its interest in a joint operation, the Authority as a joint operator recognises:

- its assets, including its share of any assets held jointly.
- its liabilities, including its share of any liabilities incurred jointly.
- its revenue from the sale of its share of the output arising from the joint operation.
- its share of the revenue from the sale of the output by the joint operation.
- its expenses, including its share of any expenses incurred jointly.

Broadland District Council and South Norfolk Council recharge income and expenditure incurred on jointly owned assets and overheads.

## 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 IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

### Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, 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 fair value model. The Authority considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

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

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

### Low value and short lease exemption

As permitted by the Code, the Authority excludes leases:

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

### Lease expenditure

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

Depreciation and impairments are not charges against council tax, as the cost of non-current assets are 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

#### Finance Leases

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statements also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset as at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable is 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. 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.

### Overheads and Support Services

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

### Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

#### Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accrual's basis, provided 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.

Schemes that cost less than £10,000 are generally classified as de minimis, and these schemes are classed as revenue rather than capital expenditure.

## Measurement

Assets are initially measured at cost, comprising:

- the purchase price.
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The cost of assets acquired other than by purchase is deemed to be its fair value.

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

- Infrastructure, Community Assets and Assets Under Construction – depreciated historical cost.
- Dwellings – current value, determined using the basis of existing use value.
- Council offices – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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

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

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant, and equipment. In accordance with the Code, assets are now subject to a full revaluation on a five-year cycle, with annual indexation applied to assets during the four intervening years.

Where appropriate indices cannot be obtained without undue cost or effort, the Authority will revalue those assets using a quinquennial revaluation, with a desktop revaluation in year three.

Increases in valuations are matched by credits to the Revaluation Reserve to reflect unrealised gains. Exceptionally gains might be credited to the surplus or deficit on the provision of services where they arise from the reversal of a loss previously charged to a service.

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

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

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

## Impairment

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

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

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or 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 subsequently reversed, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

## Depreciation

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

Depreciation is calculated on the following bases:

- Dwellings and other buildings - straight-line allocation over the useful life of the property.
- Vehicles, plant, furniture, and equipment - straight line allocation over the useful economic life.
- Infrastructure – straight- line allocation.

Where an item of Property, Plant and Equipment has major component parts whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

## Componentisation Policy

Where an item of property or plant has more than one major component, the Code states that the Authority needs to apply the principles of component accounting and depreciate it separately over that major component's remaining useful economic life. Any asset deemed to be of sufficient value, in line with this Authority's componentisation policy, shall be depreciated separately in accordance with the Code, unless the componentisation makes no material difference to the overall depreciation charge.

It is the Authority's componentisation policy to account separately for any major class of component, in respect of enhancement expenditure, disposal or valuation, where the following criteria are met:

- Firstly, the major component value must be more than 20% of the property value as a whole.
- Secondly, the value of the major component must be above a £200,000 de minimis level.
- Thirdly, the separate depreciation of the major component will make a material difference to the overall depreciation charge against the Council's assets.

Where a component is an integral part of a property, it is only accounted for separately from the main structure where it satisfies all of the above criteria.

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 historic cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

### Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is re-valued immediately before reclassification and then carried at the lower of this amount and the 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 Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the surplus or deficit on the provision of services. Depreciation is not charged on Assets Held for Sale.

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

Assets that are abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as Capital Receipts. The Capital Receipt is transferred to the Capital Receipts Reserve and can then only be used for new capital investment. Receipts are appropriated to the Capital Receipts Reserve from the General Fund Balance in the Movement in Reserves Statement.

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

### Provisions, Contingent Liabilities and Contingent Assets

#### Provisions

Provisions are made where an event has taken place on or before the Balance Sheet Date:

- that gives the Authority a present obligation.
- that probably requires settlement by a transfer of economic benefits or service potential, and
- where 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.

If it is not clear whether an event has taken place on or before the Balance Sheet date, it is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the Balance Sheet date. The present obligation can be legal or constructive.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Authority has an obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking account relevant risks and uncertainties.

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.

### 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 disclosed in a note to the accounts.

### 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 disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

### Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance.

When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund Balance so that there is no net charge against council tax for the expenditure.

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

## **Revenue Expenditure funded from Capital under Statute**

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset (i.e., capital grants to third parties) 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.

## **VAT**

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

## **Fair Value Measurement of Non-Financial Assets**

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

- in the principal market for the asset, or
- in the absence of a principal market, in the most advantageous market for the asset.

The Authority measures the fair value of an asset using the assumptions that market participants would use when pricing the asset, 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 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 that the Authority can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 – unobservable inputs for the asset.

## **2. Accounting Standards that have been issued but have not yet been adopted**

The Code 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 following relevant changes are being introduced in the 2026/27 Code of Practice on Local Authority Accounting:

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024.
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024.
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024.
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

None of these changes are expected to have any impact on the Authority.

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

In applying the accounting policies set out in Note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgments made in this Statement of Accounts are:

- There is a high degree of uncertainty about future funding levels for local government. However, the Authority has determined that this uncertainty is not sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to reduce levels of service provision.
- Judgement is applied to decisions concerning the Authority's property, plant, and equipment in matters such as determining the classification of each asset and the appropriate basis for valuation. Assets are classified according to their characteristics, after comparing them to the guidelines set out within the Code, with these classifications kept under review. Valuations are made by a professional with appropriate and relevant qualifications at five yearly intervals.
- Appeals lodged against Business Rates assessments may succeed, resulting in the need to refund all or part of the Business Rates paid by the business concerned. The Authority has considered the potential effect of the appeals outstanding as at 31 March 2026 and has made a reasoned judgement of the potential effect of these appeals.
- The Authority has considered the nature of its relationships with the companies in which it holds interests and has classified them according to proper accounting practice. Although there is a requirement to produce group accounts where an entity has interests in subsidiaries, associates or joint arrangements, the Authority has considered the effect of the transactions as at 31 March 2026 and has concluded that group statements would not differ materially from the single entity statements.

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

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for the revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from these estimates. The key judgements and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities in the next financial year are as follows.

##### **Property, Plant and Equipment**

Property, Plant and Equipment 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.

If the Council was unable to sustain its current spending on repairs and maintenance, this would bring into doubt the useful lives assigned to assets.

If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets fall. Details of useful lives can be found in Note 11. The net book value of Property Plant and Equipment at 31 March 2026 was £35.6m.

Assets are valued on a five-year rolling basis, supported by indexation adjustments in years where assets are not valued. Where the authority is unable to obtain a suitable index, a desktop revaluation of the asset is carried out in year three of the five-year cycle.

Based on the assets that were valued in the year as part of the five-year rolling revaluation programme, the average decrease in the value of assets was -11.93%. For those assets where indexation was applied, the average increase in the value of assets was 4.75%.

If the valuation percentage was applied to the assets valued using indices, this would decrease the Balance Sheet value by £191k, compared to an indexation increase of £76k.

##### **Pensions Liability**

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. Currently these assumptions are calculated for Broadland District Council by expert actuaries, Hymans Robertson LLP. They provide Broadland District Council with expert advice about the assumptions that need to be applied. The Pensions liability at 31 March 2026 was £7.8m. Further details can be found in Note 28.

##### **Business Rates Appeals Provision**

Billing authorities are required to estimate and make provision for the liabilities likely to arise from successful appeals against NNDR (Business Rates) bills issued as at 31 March each year. The Authority has made a provision for these appeals that can be found in Note 20 and total £1.2m.

## **5. Events after the Reporting Period**

The Statement of Accounts were issued by the Assistant Director of Finance on 30 June 2026. Events taking place after this date are not reflected in the financial statement or notes.

Where events taking place before this date provided information about the conditions existing at 31 March 2026, the figures in the financial statements and notes would be adjusted in all material respects to reflect the impact of this information.

The financial statement and notes would not be adjusted for events which took place after 31 March 2026 if they provide information that is relevant to an understanding of the Authority's financial position, but do not relate to conditions at that date. However, where a category of events would have a material effect, disclosure would be made in the notes of the nature of the events and their estimated financial effect.

## **6. Material Items of Income and Expense**

There are no Material items of income and expense to report, that are not already disclosed separately on the face of the Comprehensive Income and Expenditure Statement.

## 7. Expenditure and Funding Analysis

This note reconciles the **Funding Presentation** (i.e., the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure) to the **Accounting Presentation** (i.e., the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice).

2025/26	Net Expend Chargeable to the General Fund	RoUA Accounting	Adjustments for Capital Purposes	Net Change for Pension Adjustments	Net Change for Employee Absences	Net Change for Pooled Investments	Other Differences (Eg internal recharges)	Net Expenditure in the CIES
	Funding £'000	£'000	£'000	£'000	£'000	£'000	£'000	Accounting £'000
Chief of Staff	2,592	0	0	(16)	5	0	13	2,594
Finance & Corporate Costs	2,155	0	0	(760)	4	0	10	1,409
Local Government Reorganisation Costs	74	0	0	0	0	0	0	74
Transformation & ICT / Digital	2,588	0	770	(13)	0	0	0	3,345
Economic Growth	1,291	0	497	(9)	4	0	(1)	1,782
Regulatory	538	0	2	(8)	4	0	0	536
Planning & Business Support	171	0	0	(14)	4	0	68	229
Nutrient Mitigation Work	447	0	0	(1)	1	0	(90)	357
Individuals & Families	2,153	(26)	572	(34)	6	0	1	2,672
Housing Benefit Payments	348	0	0	0	0	0	0	348
Community Services	2,959	0	4,354	(2)	4	0	0	7,315
Opportunity Revenue Projects	57	0	0	(1)	0	0	0	56
<b>Net Cost of Services</b>	<b>15,373</b>	<b>(26)</b>	<b>6,195</b>	<b>(858)</b>	<b>32</b>	<b>0</b>	<b>1</b>	<b>20,717</b>
Other income & expenditure from the Expenditure & Funding Analysis	(14,757)	4	(4,390)	73	0	(228)	752	(18,546)
<b>(Surplus)/Deficit for the year</b>	<b>616</b>	<b>(22)</b>	<b>1,805</b>	<b>(785)</b>	<b>32</b>	<b>(228)</b>	<b>753</b>	<b>2,171</b>
Opening General Fund (including Earmarked Reserves)	(11,060)							
(Surplus)/Deficit on General Fund Balance for the Year	616							
Transfers to / (from) Earmarked Reserves	259							
<b>Closing General Fund Balance (including Earmarked Reserves)</b>	<b>(10,185)</b>							

2024/25	Net Expend Chargeable to the General Fund	RoUA Accounting	Adjustments for Capital Purposes	Net Change for Pension Adjustments	Net Change for Employee Absences	Net Change for Pooled Investments	Other Differences (e.g. internal recharges)	Net Expenditure in the CIES
	Funding £'000	£'000	£'000	£'000	£'000	£'000	£'000	Accounting £'000
Chief of Staff	2,736	0	0	(2)	(27)	0	18	2,725
Finance & Corporate Costs	2,110	0	0	(485)	(17)	0	0	1,608
Transformation & ICT / Digital	2,168	0	3,070	(1)	(15)	0	1	5,223
Economic Growth	1,070	0	1,098	(1)	3	0	(39)	2,131
Regulatory	457	0	2	(1)	(17)	0	0	441
Planning & Business Support	430	0	15	(3)	(15)	0	8	435
Nutrient Mitigation Work	145	0	0	(0)	2	0	(35)	112
Individuals & Families	1,922	(214)	108	(4)	(34)	0	46	1,824
Housing Benefit Payments	714	0	0	0	0	0	0	714
Community Services	2,508	0	678	(1)	(10)	0	0	3,175
COVID Support	(285)	0	0	0	0	0	0	(285)
Opportunity Revenue Projects	62	0	0	(0)	0	0	0	62
<b>Net Cost of Services</b>	<b>14,037</b>	<b>(214)</b>	<b>4,971</b>	<b>(498)</b>	<b>(130)</b>	<b>0</b>	<b>(1)</b>	<b>18,165</b>
Other income & expenditure from the Expenditure & Funding Analysis	(14,153)	32	(14,043)	54	0	5	520	(27,585)
<b>(Surplus)/Deficit for the year</b>	<b>(116)</b>	<b>(182)</b>	<b>(9,072)</b>	<b>(444)</b>	<b>(130)</b>	<b>5</b>	<b>519</b>	<b>(9,420)</b>
Opening General Fund	(8,055)							
(Surplus)/Deficit on General Fund Balance for the Year	(116)							
Transfers to / (from) Earmarked Reserves	(2,889)							
<b>Closing General Fund Balance</b>	<b>(11,060)</b>							

## 8. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments to the total Comprehensive Income and Expenditure Statement recognised by the Council in the year in accordance with generally accepted accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

	2024/25				2025/26			
	General Fund / Earmarked Reserves £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	Movement In Unusable Reserves £'000	General Fund / Earmarked Reserves £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	Movement In Unusable Reserves £'000
<b>Adjustments Primarily involving Capital Adjustment Account</b>								
Amortisation of Intangible Assets	244	0	0	(244)	343	0	0	(343)
Depreciation of Property, Plant and Equipment	1,380	0	0	(1,380)	1,317	0	0	(1,317)
Gain / (Loss) on Revaluation / Impairment of PPE	3,284	0	0	(3,284)	4,631	0	0	(4,631)
Revenue Expenditure funded from Capital Under Statute	6,750	0	0	(6,750)	4,058	0	0	(4,058)
Grants & Contributions	(11,767)	0	0	11,767	(5,765)	0	0	5,765
Disposals - Amounts of Non-Current Assets written off	146	0	0	(146)	1,378	0	0	(1,378)
Capital Expenditure financed from Revenue	(4,884)	0	0	4,884	(4,246)	0	0	4,246
Minimum Revenue Provision	0	0	0	0	(9)	0	0	9
Loan repayment relating to Right of Use Assets	(182)	0	0	182	(22)	0	0	22
	(5,029)	0	0	5,029	1,684	0	0	(1,684)
<b>Adjustments Primarily involving Capital Receipts Reserve</b>								
Use of Capital Receipts Reserve to finance Capital Expenditure	0	(981)	0	981	0	(2,470)	0	2,470
New Capital Receipts - Grants Repaid	(26)	26	0	0	(97)	97	0	0
New Capital Receipts - Parish Loans Repaid	0	(3)	0	3	0	0	0	0
New Capital Receipts - Disposals - Transfer of Sale Proceeds	0	1,886	0	(1,886)	0	330	0	(330)
New Capital Receipts - NMF Loan Repayments	0	0	0	0	0	4,700	0	(4,700)
New Capital grants unapplied	(4,193)	0	4,193	0	0	0	0	0
Capital grants unapplied now applied	0	0	0	0	0	0	(12,406)	12,406
	(4,219)	928	4,193	(902)	(97)	2,657	(12,406)	9,846
<b>Adjustments Primarily involving Pensions Reserve</b>								
Net charges made for retirement benefits	1,334	0	0	(1,334)	1,041	0	0	(1,041)
Employers pension contribution	(1,778)	0	0	1,778	(1,826)	0	0	1,826
	(444)	0	0	444	(785)	0	0	785
<b>Other Adjustments</b>								
Collection Fund Adjustment Account	519	0	0	(519)	753	0	0	(753)
Short Term Accumulated Absences	(130)	0	0	130	32	0	0	(32)
Pooled Investment Fund Adjustment Account	5	0	0	(5)	(228)	0	0	228
Financial Instruments Adjustment Account	(7)	0	0	7	195	0	0	(195)
	387	0	0	(387)	752	0	0	(752)
<b>Net Additional amount charged / (credited) to the General Fund</b>	(9,304)	928	4,193	4,183	1,555	2,657	(12,406)	8,194

## 9. Income and Expenditure Analysed by Nature

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

	<b>2024/25</b>	<b>2025/26</b>
	<b>£'000</b>	<b>£'000</b>
<b>Income</b>		
Fees, charges, and other income	(9,877)	(10,403)
Interest and investment income	(2,670)	(2,453)
Interest payments - Relating to Pension Fund	(3,920)	(4,814)
Income from Council Tax & Non-Domestic Rates	(26,292)	(25,583)
Government grants & contributions	(40,275)	(27,787)
<b>Total income</b>	<b>(83,034)</b>	<b>(71,040)</b>
<b>Expenditure</b>		
Employee benefits expenses	11,617	12,111
Depreciation, amortisation, impairment & REFCUS	11,659	10,340
Precepts and levies	5,224	5,647
Gain/loss on disposal of assets	146	1,378
Interest payments - General	128	197
Interest payments - Pension Fund Interest Cost	3,974	4,885
Other expenditure	40,866	38,653
<b>Total expenditure</b>	<b>73,614</b>	<b>73,211</b>
<b>(Surplus)/Deficit on Provision of Services</b>	<b>(9,420)</b>	<b>2,171</b>

## 10. Transfers to / from Earmarked Reserves

	Movements in 2024/25				Movements in 2025/26				
	Balance at 31 March 2024 £'000	Transfers In £'000	Capital Funding £'000	Transfers Out £'000	Balance at 31 March 2025 £'000	Transfers In £'000	Capital Funding £'000	Transfers Out £'000	Balance at 31 March 2026 £'000
Repairs & Renewals (General)	215	0	(215)	0	0	0	0	0	0
Repairs & Renewals (Street Lighting)	149	78	(2)	(22)	203	48	0	0	251
Spend Equalisation (Elections)	200	40	0	0	240	40	0	0	280
Spend Equalisation (Planning)	55	0	0	0	55	0	0	0	55
Developer Contributions (Adopted Land)	296	14	0	(15)	295	12	0	(18)	289
Developer Contributions (Play Areas)	186	0	0	(13)	173	0	0	0	173
Community Infrastructure Levy	556	0	0	(339)	217	46	0	(232)	31
Waste MRF Reserve	0	0	0	0	0	261	0	0	261
Broadland Growth	6,701	0	(1,339)	0	5,362	0	(223)	0	5,139
Bure Valley Railway	20	20	(40)	0	0	20	0	0	20
Marriott's Way Bridges	24	0	(24)	0	0	0	0	0	0
Refuse Services	0	500	(500)	0	0	500	(500)	0	0
Food Innovation Centre (Revenue)	323	0	0	(189)	134	3	0	0	137
COVID 19 Reserve	524	0	0	(524)	0	0	0	0	0
Environmental Projects	590	0	0	0	590	0	0	(85)	505
Compulsory Purchase Order	400	0	0	0	400	0	0	0	400
Opportunities	2,240	0	0	(62)	2,178	0	(900)	(76)	1,202
Planning Appeals & Enforcement	100	0	0	0	100	250	0	0	350
Capital Funding Reserve	742	250	(992)	0	0	50	(50)	0	0
Nutrient Neutrality Reserve	615	484	0	0	1,099	428	0	0	1,527
Planning Referendum	0	0	0	0	0	26	0	0	26
Licensing	0	0	0	0	0	295	0	0	295
EPR Reserve	0	0	0	0	0	365	0	0	365
<b>Total Earmarked Reserves</b>	<b>13,936</b>	<b>1,386</b>	<b>(3,112)</b>	<b>(1,164)</b>	<b>11,047</b>	<b>2,343</b>	<b>(1,673)</b>	<b>(411)</b>	<b>11,306</b>

## 11. Property, Plant and Equipment, and Heritage Assets

### Movements in Property, Plant & Equipment

	Other Land & Buildings	Vehicles, Plant & Equipment	Infrastructure	Surplus Assets	Assets Under Construction	Right of Use Asset	Total Property, Plant & Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Valuation as at 1 April 2025</b>	<b>20,184</b>	<b>7,894</b>	<b>1,298</b>	<b>6,709</b>	<b>3,307</b>	<b>603</b>	<b>39,995</b>
Reclassifications *	4,329	0	0	0	(4,329)	0	0
Additions	3,083	1,734	0	0	2,046	7	6,870
Revaluation increase/(decrease) recognised in the Revaluation Reserve	1,464	0	0	(208)	0	0	1,256
Revaluation increase/(decrease) recognised in the (Surplus) / Deficit on Provision of Services	(4,750)	0	0	(62)	0	0	(4,812)
De-recognition - disposals	(1,724)	(2,092)	0	0	0	(491)	(4,307)
<b>Value as at 31 March 2026</b>	<b>22,586</b>	<b>7,536</b>	<b>1,298</b>	<b>6,439</b>	<b>1,024</b>	<b>119</b>	<b>39,002</b>
<b>Accumulated Depreciation as at 1 April 2025</b>	<b>(59)</b>	<b>(4,037)</b>	<b>(416)</b>	<b>0</b>	<b>0</b>	<b>(200)</b>	<b>(4,712)</b>
Depreciation charge	(272)	(961)	(62)	0	0	(22)	(1,317)
Depreciation written out to the Revaluation Reserve	145	0	0	0	0	0	145
Depreciation written out to the Comprehensive Income & Expenditure Statement	181	0	0	0	0	0	181
De-recognition - disposals	5	2,092	0	0	0	181	2,278
<b>At 31 March 2026</b>	<b>0</b>	<b>(2,906)</b>	<b>(478)</b>	<b>0</b>	<b>0</b>	<b>(41)</b>	<b>(3,425)</b>
<b>Net Book Value at 31 March 2025</b>	<b>20,125</b>	<b>3,857</b>	<b>882</b>	<b>6,709</b>	<b>3,307</b>	<b>403</b>	<b>35,283</b>
<b>Net Book Value at 31 March 2026</b>	<b>22,586</b>	<b>4,630</b>	<b>820</b>	<b>6,439</b>	<b>1,024</b>	<b>78</b>	<b>35,577</b>

\* The Asset under Construction reclassification to Other Land & Building (£4,328,834.10) is for Frettenham Depot which completed major refurbishment works.

	Other Land & Buildings £'000	Vehicles, Plant & Equipment £'000	Infrastructure £'000	Surplus Assets £'000	Assets Under Constructio n £'000	Right of Use Asset £'000	Total Property, Plant & Equipment £'000
<b>Valuation as at 1 April 2024</b>	<b>18,243</b>	<b>7,684</b>	<b>1,223</b>	<b>6,218</b>	<b>0</b>	<b>0</b>	<b>33,368</b>
<b>Take on Right of Use Assets</b>	0	0	0	0	0	393	393
<b>Revised Valuation as at 1 April 2024</b>	<b>18,243</b>	<b>7,684</b>	<b>1,223</b>	<b>6,218</b>	<b>0</b>	<b>393</b>	<b>33,761</b>
Reclassifications	(274)	0	0	0	274	0	0
Additions	2,329	354	75	0	3,033	210	6,001
Revaluation increase/(decrease) recognised in the Revaluation Reserve	2,871	0	0	491	0	0	3,362
Revaluation increase/(decrease) recognised in the (Surplus) / Deficit on Provision of Services	(966)	0	0	0	0	0	(966)
De-recognition - disposals	(2,019)	(144)	0	0	0	0	(2,163)
<b>Value as at 31 March 2025</b>	<b>20,184</b>	<b>7,894</b>	<b>1,298</b>	<b>6,709</b>	<b>3,307</b>	<b>603</b>	<b>39,995</b>
<b>Accumulated Depreciation as at 1 April 2024</b>	<b>(252)</b>	<b>(3,258)</b>	<b>(353)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,863)</b>
Depreciation charge	(220)	(896)	(63)	0	0	(200)	(1,379)
Depreciation written out to the Revaluation Reserve	105	0	0	0	0	0	105
Depreciation written out to the Comprehensive Income & Expenditure Statement	271	0	0	0	0	0	271
De-recognition - disposals	37	117	0	0	0	0	154
<b>At 31 March 2025</b>	<b>(59)</b>	<b>(4,037)</b>	<b>(416)</b>	<b>0</b>	<b>0</b>	<b>(200)</b>	<b>(4,712)</b>
<b>Net Book Value at 31 March 2024</b>	<b>17,991</b>	<b>4,426</b>	<b>870</b>	<b>6,218</b>	<b>0</b>	<b>393</b>	<b>29,898</b>
<b>Net Book Value at 31 March 2025</b>	<b>20,125</b>	<b>3,857</b>	<b>882</b>	<b>6,709</b>	<b>3,307</b>	<b>403</b>	<b>35,283</b>

## Analysis of Assets

	No. of Assets	Net Book Value as at 31 March 2025 £'000	Net Book Value as at 31 March 2026 £'000
<b>Operational</b>			
<b>Land &amp; Buildings</b>			
Car Parks	6	178	182
Depot	1	0	1,481
Hostel/ Homelessness	31	5,058	7,063
Office	2	3,954	3,940
Food Innovation Centre	1	5,535	5,610
Public Conveniences	6	208	304
Shared Equity Properties	3	170	220
Quayside	1	428	185
Country Park	0	1,416	0
Bure Valley Railway	1	2,988	3,467
Other	2	190	132
<b>Land &amp; Buildings Total</b>		<b>20,125</b>	<b>22,586</b>
<b>Vehicles, Plant &amp; Equipment</b>			
Vehicles		2,455	3,195
Wheeled Bins		914	1,009
Other		487	426
<b>Vehicles, Plant &amp; Equipment Total</b>		<b>3,857</b>	<b>4,630</b>
<b>Infrastructure assets</b>			
Infrastructure		882	820
<b>Right of Use (ROU) Assets</b>			
ROU- Hostel/ Homelessness		399	71
ROU- Vehicles		4	7
<b>ROU Assets Total</b>		<b>403</b>	<b>78</b>
<b>Operational Total</b>		<b>25,267</b>	<b>28,114</b>
<b>Non-Operational</b>			
<b>Surplus Assets</b>			
Land Awaiting Development		6,709	6,439
<b>Surplus Assets Total</b>		<b>6,709</b>	<b>6,439</b>
<b>Assets Under Construction</b>			
Assets Under Construction		3,307	1,024
<b>Assets Under Construction Total</b>		<b>3,307</b>	<b>1,024</b>
<b>Non-Operational Total</b>		<b>10,016</b>	<b>7,463</b>
<b>Total Property, Plant &amp; Equipment (Including RoU)</b>		<b>35,283</b>	<b>35,577</b>

In addition to the above the Council owns areas of amenity land which have little or no value. They consist of general amenity land, woodland and play areas.

## Valuations

The Council ensures that all Property, Plant and Equipment required to be measured at current value is subject to a rolling programme of revaluations over a five-year-cycle, with annual indexation applied to assets during the four intervening years. Where indices cannot be obtained without undue cost or effort, we revalue those assets using a quinquennial revaluation with a desktop revaluation in year three.

The significant assumptions applied in estimating the current values of property, plant and equipment are:

- Indexation has been applied as an approximation to reflect movements in asset values between formal revaluations and does not constitute a valuation of individual assets.
- The selection of indices is based on professional judgement, with reference to appropriate published cost indices, rental data, and market transaction evidence, to provide a reasonable estimate of changes in value over the financial year
- For specialised assets, indexation reflects movements in construction costs consistent with a Depreciated Replacement Cost valuation basis, while for non-specialised assets it reflects movements in market values consistent with Existing Use Value or Fair Value
- Indices have been applied consistently across asset classes and, where appropriate, separately to land and building elements in line with the underlying valuation methodology.
- The indices used are based on regional and national market evidence and are considered representative of the Authority's asset portfolio.
- The indexation exercise does not involve a detailed review of individual assets and is based on general movements in market conditions for each asset class.
- It is assumed that there have been no material changes, impairment indicators or other events during the year that would require a full revaluation outside the indexation process.
- Where suitable indices are not available for certain asset types, indexation has not been applied, and alternative valuation approaches are required in accordance with the Code
- The estimates are subject to inherent uncertainty, as they rely on market data and conditions at the reporting date, and actual values may differ from those determined at the next full revaluation.

Index	Average Change %	Valuation Change £'000
Other Indices	4.75%	76
<b>Total Indexation applied</b>		<b>76</b>

	Land and Buildings	Vehicles, Plant & Equipment	Infrastructure Assets	Assets Under Construction	Surplus Assets	Right of Use Assets- L&B	Right of Use Assets- VPE	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Historical Cost	293	4,630	820	1,024	0	71	7	<b>6,845</b>
Current Value in:								
Year ended 31 Mar 26	20,726	0	0	0	6,439	0	0	<b>27,164</b>
Year ended 31 Mar 25	1,439	0	0	0	0	0	0	<b>1,439</b>
Year ended 31 Mar 24	0	0	0	0	0	0	0	<b>0</b>
Year ended 31 Mar 23	15	0	0	0	0	0	0	<b>15</b>
Year ended 31 Mar 22	37	0	0	0	0	0	0	<b>37</b>
Indexation applied to valuations above	76	0	0	0	0	0	0	<b>76</b>
<b>Total</b>	<b>22,586</b>	<b>4,630</b>	<b>820</b>	<b>1,024</b>	<b>6,439</b>	<b>71</b>	<b>7</b>	<b>35,577</b>

## **Depreciation**

Depreciation is provided for on all Property, Plant and Equipment assets with a finite useful.

	<b>Remaining Useful Life (years)</b>
Vehicles, plant, and machinery	5
Domestic waste bins	10
Buildings	25 – 56
Street lighting columns	10
Land drainage structures	40
Bridges	120
ICT Equipment	4 -5

## **Capital Commitments**

As of 31 March 2026, the Council has a commitment of £1.2m to develop Broadland Country Park.

## **Fair Value Hierarchy**

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the Authority's financial assets are based on the following techniques.

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

The inputs to the measurement techniques are categorised in accordance with the following three levels.

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

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

## **Valuation Techniques Used to Determine Fair Values for Surplus Assets**

### Significant Observable Inputs – Level 2

The valuation technique applied was the market approach. This uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets. The level 2 inputs used took the form of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date.

There has been no change in the valuation techniques used during the year for Surplus Assets.

In estimating the fair value of the Council's Surplus Assets, the highest and best use of the assets is their current use.

## Heritage Assets

The Authority owns twenty-three bridges, seven culverts and one tunnel along a nine-mile section of the Bure Valley Railway line. These structures were built in the 1870's as part of the East Norfolk Railway line and were transferred to the Authority at no cost in 1989 by the British Railways Board to hold in trust and to maintain in a safe condition. The bridges have been considered on the basis of their background history and the Authority's intentions in acquiring the asset, and it was concluded that, as they were acquired purely for their value as historical artefacts, they fulfilled the definition of Heritage Assets.

Heritage assets are carried at valuation rather than at fair value, reflecting the fact that historical assets rarely change ownership. Valuations may be made on any basis that is appropriate and relevant. The Authority is unlikely to replace the structures with exact replicas of the originals in the event that one or all of the structures are destroyed or severely damaged, so a valuation on depreciated replacement cost is not appropriate. The Authority would not seek to sell the bridges and has considered that if it were to attempt to do so, the purchaser would require the Authority to pay to offset the obligation of maintaining the bridges in a safe condition. After careful consideration, the Authority has opted to value the structures at historical cost. This is defined in the Code as the carrying amount of the asset as of 1 April 2007 or at the date of acquisition if later, adjusted for depreciation or impairment if appropriate. As the structures were transferred to the Authority at nil cost in 1989 and held at nil value on the Authority's balance sheet as of 31 March 2007, their historical cost valuation has been deemed to be nil. Capital expenditure undertaken to rectify damage and deterioration will be written off against the impairment to value that the damage represents.

The Authority has built a path for walkers and cyclists along the length of the line which is open to public access at any time, from which the bridges and culverts can be seen. The path is classified as an infrastructure asset within Property, Plant and Equipment on the balance sheet and is valued separately. There is also a building capitalised that is not a heritage asset.

## 12. Leases

### **Authority as lessee**

The authority's lease contracts comprise leases of operational land and buildings and motor vehicles. These are individually immaterial.

### Right-of-use assets

This table shows the change in the value of right-of-use assets held under leases by the authority:

	<b>Land and Buildings £'000</b>	<b>Vehicles £'000</b>	<b>Total £'000</b>
<b>Balance as at 1 April 2024</b>	<b>594</b>	<b>9</b>	<b>603</b>
Depreciation and Amortisation	(195)	(5)	(200)
<b>Balance as at 31st March 2025</b>	<b>399</b>	<b>4</b>	<b>403</b>
Depreciation and Amortisation	(18)	(4)	(22)
Additions	0	7	7
Disposals	(310)	0	(310)
<b>Balance as at 31st March 2026</b>	<b>71</b>	<b>7</b>	<b>78</b>

### Transactions under leases

The authority incurred the following expenses and cash flows in relation to leases:

	<b>2024/25</b> <b>£'000</b>	<b>2025/26</b> <b>£'000</b>
<b>Comprehensive income and expenditure statement</b>		
Interest expense on lease liabilities	32	4
<b>Cash flow statement</b>		
Minimum lease payments	214	27

### Maturity analysis of lease liabilities

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

	<b>2024/25</b> <b>£'000</b>	<b>2025/26</b> <b>£'000</b>
Less than one year	222	25
One to five years	236	61
<b>Total undiscounted liabilities</b>	<b>458</b>	<b>86</b>

The total undiscounted receivables for finance leases reconcile to the net investment in leases as follows:

	<b>2024/25</b> <b>£'000</b>	<b>2025/26</b> <b>£'000</b>
Total undiscounted lease receivables	458	86
Unearned finance income	(38)	(7)
<b>Lease liability as at 31 March 2026</b>	<b>420</b>	<b>79</b>

### **Authority as lessor**

The authority's operating lease contracts comprise leases of property.

### Transactions under leases

	<b>2024/25</b> <b>£'000</b>	<b>2025/26</b> <b>£'000</b>
Operating leases: Total lease income	319	334

### Maturity analysis of lease receivables

	<b>Operating Leases</b>	
	<b>2024/25</b> <b>£'000</b>	<b>2025/26</b> <b>£'000</b>
Less than one year	356	330
One to two years	336	285
Two to three years	291	229
Three to four years	236	128
Four to five years	90	119
More than five years	2,540	2,526
<b>Total undiscounted receivables</b>	<b>3,849</b>	<b>3,617</b>

## **13. Investments in Joint Ventures and Subsidiaries**

### **Broadland Growth**

The Council owns 100% of the shares in its subsidiary, Broadland Growth Limited. The company was formed in December 2013 to undertake housing development in the district.

The Authority contributed £10,000 initial capital to the company, and this is shown within the Long-Term Investments line in the Balance Sheet.

The company had a pre-tax loss in 2025/26 of £20,500 (2024/25 £33,746 restated pre-tax loss).

As at the end of March 2026 no new developments were underway.

### **Broadland Living**

The Council owns 100% of the shares in its subsidiary, Broadland Living Limited. The company was formed in October 2023 to undertake management of real estate.

The Authority contributed £50,000 initial capital to the company, and this is shown within the Long-Term Investments line in the Balance Sheet.

The company had a pre-tax profit in the period to 31st March 2026 of £5,342 (2024/25 £52,182 pre-tax loss).

### **Norfolk Environmental Credits**

Norfolk Environmental Credits Limited is a company limited by guarantee, and Broadland District Council is one of the 5 local authority members of the company.

The accounts of Norfolk Environmental Credits share the same year end of 31st March and have been prepared using similar accounting policies and practices to that of the reporting authority. The results for the year show a profit of £222,549 (2024/25: loss of £236,451).

## 14. Financial Instruments

### Categories of Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

Financial Assets	Non-Current				Current			
	Investments		Debtors		Investments		Debtors	
	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000
Amortised cost								
- Soft loan on shared equity properties	0	0	355	160	0	0	0	0
- Simple Deposits	0	0	0	0	22,527	14,338	0	0
- Cash and cash equivalents	0	0	0	0	3,341	(22)	0	0
- Financial assets carried at contract amount	60	60	1,784	2,029	0	0	12,587	23,096
Fair value through profit and loss	0	0	0	0	7,294	7,522	0	0

Financial Liabilities	Non-Current				Current			
	Borrowings		Creditors		Borrowings		Creditors	
	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000
Amortised cost - Carried at contract amount	0	0	0	0	0	0	(14,738)	(15,058)

The fair values of the items in the table above are equal to the carrying amounts shown within the table.

The soft loan consists of deferred capital receipts arising from a 25% share in a total of five shared equity properties built by the Authority's subsidiary housing development company, Broadland Growth Limited. The value must be paid over to the Authority on or before the 25<sup>th</sup> anniversary of each property's purchase. The calculation of the loss in value arising from the delay in payment – effectively, an interest-free loan – has been made by discounting the estimated value of the receipt by 2.09% (Carrowbreck site) and 1.49% (Rosebery Road site).

Financial assets and financial liabilities represented by loans and receivables are carried in the balance sheet at amortised cost. Their fair value is assessed by calculating the present value of the cash flows that are expected to take place over the remaining life of the instruments, with the following assumptions:

- No early repayment or impairment is recognised.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.
- The fair value of an instrument due to mature within the next 12 months is taken to be the carrying amount.

### Income Expense Gains and Losses

	2024/25		2025/26	
	Surplus or Deficit on the Provision of Services £'000	Other Comprehensive Income and Expenditure £'000	Surplus or Deficit on the Provision of Services £'000	Other Comprehensive Income and Expenditure £'000
Interest revenue:				
Financial assets measured at amortised cost	(2,336)	0	(2,022)	0
Financial assets measured at fair value through profit or loss	(338)	0	(203)	0
<b>Total interest revenue</b>	<b>(2,674)</b>	<b>0</b>	<b>(2,225)</b>	<b>0</b>
<b>Interest expense</b>	<b>133</b>	<b>0</b>	<b>(31)</b>	<b>0</b>

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

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

### Credit Risk

Credit risk is the possibility that other parties might fail to pay amounts due to the Council. Credit risk arises from deposits with banks and financial institutions as well as credit exposures to the Council's customers.

The risk is minimised through the Treasury Management Strategy. The Treasury Management Strategy for 2025/26, approved by members at Council on 20 February 2025, set the criteria determining the counterparties regarded as suitable for investment purposes.

The policy set a limit for internal investments of £12.5 million on the amount that can be invested with a single counterparty at the highest rating quality, with the exception of the Debt Management Office (unlimited).

The Council has the following exposure to credit risk. The table below categorises outstanding investments by their current credit rating as determined by Fitch Long Term Issuer Default.

	<b>Credit Rating</b>	<b>Gross carrying amount at 31 March 2026 £'000</b>
<b>12 month expected credit losses -</b>		
Banks	A	(5,090)
	A+	(9,248)
Less: Investments made on behalf of third parties	n/a	2,185
Pooled Funds	AAA	(7,522)
Money Market Funds	AAA	(5,583)
		<b>(25,258)</b>
<b>Simplified Approach -</b>		
Debtors	n/a	(24,413)
		<b>(24,413)</b>
		<b>(49,671)</b>

### Amounts Arising from Expected Credit Losses

The Council has had no historical experience of default; this in part guides the estimation techniques that have been used in calculating impairment loss allowances. For those instruments classified as being held at amortised cost the 12-month expected credit loss model (ECL) has been applied by use of Historical Default Tables. These are produced by combining multi-year historic default rate data from the three main credit rating agencies, Fitch, Moody's, and Standard and Poor's.

The Council's investments with banks are rated at A+. The expected credit loss is 0.02% of the total invested and is therefore immaterial (approximately £2,450 overall).

The remainder of the Council's investments are with externally managed pooled funds (classified as revenue, measured at fair value through profit and loss) and current market prices are considered to be an appropriate reflection of credit risk with all movements in fair value impacting on the carrying amount and being posted to the Surplus or Deficit on the Provision of Services when they arise.

The Council does not generally allow credit to its customers. A provision is made in the accounts for bad or doubtful debts based on historical experience of collection using the simplified approach permissible, automatically based on lifetime expected credit losses. The risk of default has therefore been accounted for in the balance sheet.

### **Liquidity Risk**

Liquidity Risk is the possibility that the Council might not have funds available to meet its commitments to make payments.

As the Council has ready access to borrowings from the Public Works Loan Board, there is no significant risk that it will be unable to raise finance to meet its commitments.

### **Market Risk**

Market Risk is the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

### **Interest Rate Risk**

The Council is exposed to risk in terms of its exposure to interest rate movements on its investments. Movements in interest rates have a complex impact on the Council.

For example, an increase in interest rates would have the following effect:

- 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.

### **Price Risk**

The Council does not invest in equity shares traded on the open market, so is not exposed to price risk.

### **Foreign Exchange Risk**

The Council has no financial assets or liabilities denominated in foreign currencies so has no exposure to losses arising from movements in exchange rates.

## 16. Long Term Debtors

	<b>31 March 2025 £'000</b>	<b>31 March 2026 £'000</b>
Housing Advances for former council house stock	29	29
Transferred Debt (1)	85	65
Broadland Living Loan	1,670	1,935
Housing benefit overpayment debt	539	519
Deferred capital receipt on shared equity properties (2)	355	160
<b>Total Long-Term Debtors</b>	<b>2,678</b>	<b>2,708</b>

(1) The transferred debt is held on behalf of Great Yarmouth Borough Council - an obligation dating back to the 1974 Local Government Reorganisation.

(2) The deferred capital receipt refers to an agreement to take a 25% interest in shared equity properties on the Carrowbreck Meadow development (six properties) and the Rosebery Road development (three properties).

The purchasers of these properties have signed a legal agreement to pay the Authority for the remaining equity within 25 years. As the Authority will not receive any interest on this deferred payment this has been classified as a soft loan.

The £88,625 value as at 31 March 2026 (Carrowbreck) has been discounted to a fair value of £63,653.90 using a rate of 2.09%

The £127,250 value as at 31 March 2026 for the Rosebery Road properties has been discounted to a fair value of £96,076 using a rate of 1.49%.

The impairment in value is held within the Financial Instruments Adjustment Account and is reversed in instalments each year until the payment is received.

## 17. Short Term Debtors

	<b>31 March 2025 Restated £'000</b>	<b>31 March 2026 £'000</b>
Trade debtors	398	256
Community Infrastructure Levy	1,630	4,558
DLUHC Business Rates Debtor	200	43
Local ratepayers - Council Tax and Business Rates (Council share)	4,516	5,077
Council owned companies (non-trade transactions)	4,800	14,250
Housing benefit overpayment debt	95	130
Other Entities and Individuals	9,011	12,273
Less: Provision for Debt Impairment	(90)	(43)
<b>Total Short-Term Debtors</b>	<b>20,560</b>	<b>36,544</b>

The past due but not impaired amount for local taxation (council tax and non-domestic rates) can be analysed by age as follows:

	<b>NNDR Debtors</b>		<b>Council Tax Debtors</b>	
	<b>31 March 2025 £'000</b>	<b>31 March 2026 £'000</b>	<b>31 March 2025 £'000</b>	<b>31 March 2026 £'000</b>
Less than three months	443	694	383	624
Three to six months	33	4	29	3
Six months to one year	75	10	65	9
More than one year	22	2	19	2
<b>Totals</b>	<b>573</b>	<b>710</b>	<b>496</b>	<b>638</b>

## 18. Short Term Investments

The following investments were held on 31 March, valued at bid price in line with current local authority practice. The figures below include accrued interest.

	<b>31 March 2025 £'000</b>	<b>31 March 2026 £'000</b>
Banks/Building Societies	22,527	14,338
Externally Managed Pooled Funds	7,294	7,522
Gross Funds Invested	29,821	21,860
Less: Investments made on behalf of third parties	(2,317)	(2,185)
	<b>27,504</b>	<b>19,675</b>

## 19. Short Term Creditors

	<b>31 March 2025 £'000</b>	<b>31 March 2026 £'000</b>
Community Infrastructure Levy	(2,179)	(6,059)
Advance Maintenance Fees (s106 monies)	(6,145)	(5,565)
DLUHC Business Rates Creditor	(931)	(1,507)
Grants received in advance	(876)	(629)
Other Entities and Individuals	(17,466)	(16,177)
<b>Total Short-Term Creditors</b>	<b>(27,597)</b>	<b>(29,937)</b>

## 20. Provisions

	<b>NDR Appeals Provision £'000s</b>	<b>Total Provisions £'000s</b>
Balance as at 1 April 2025	575	575
Increase in provision	669	669
<b>Balance as at 31 March 2026 (all short term)</b>	<b>1,244</b>	<b>1,244</b>

The Provisions figure relates to an estimate of the outcome of appeals against Business Rates assessments. This is classified as being due within 1 year.

The Council's share of the NDR appeals provision totals £1,243,709. The total movement in provision for appeals can be found in the Collection Fund Statement.

## 21. Unusable Reserves

Unusable reserves are those reserves which cannot be used to fund expenditure or to reduce Council Tax.

### Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council 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, or
- Disposed of and the gains are realised.

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

	<b>2024/25</b>	<b>2025/26</b>
	<b>£'000</b>	<b>£'000</b>
<b>Balance at 1 April</b>	<b>9,028</b>	<b>12,352</b>
Upward Revaluation of Assets	4,174	1,670
Downward Revaluation of Assets and Impairment losses not charged to the Provision of Services	(707)	(269)
Surplus or (Deficit) on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	3,467	1,401
Difference between fair value depreciation and historical cost depreciation	(39)	(113)
Balances written out of Reserve on disposal of assets	(104)	(682)
Amount written off to the Capital Adjustment Account	(143)	(795)
<b>Balance at 31 March</b>	<b>12,352</b>	<b>12,958</b>

### Pension Fund Reserve

The Pensions Fund Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-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 Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pension Reserve therefore shows a shortfall in the benefits earned by past and current employees and the resources the Council has available to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits are due to be paid.

	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>
<b>Balance at 1 April</b>	<b>(1,351)</b>	<b>(1,674)</b>
Actuarial Gains / (Losses) on pensions assets and liabilities	(767)	(6,905)
Reversal of items relating to retirement benefits debited or credited to The Surplus or Deficit on the Provision of Services in the CIES	(1,334)	(1,041)
Employer's pension contributions & direct payments to pensioners in the year	1,778	1,826
<b>Balance at 31 March</b>	<b>(1,674)</b>	<b>(7,794)</b>

### **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 or enhancement of those assets under statutory provisions.

The account is charged 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 historical cost basis). The account is credited with the amounts set aside by the Council as finance for the costs of acquisition and enhancement.

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.

	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>
<b>Balance as at 1 April</b>	27,643	31,911
Historical Financing Error	0	(99)
<u>Capital Financing applied in the year</u>		
Capital receipts	981	2,470
Application of grants from the capital Grants Unapplied account	11,244	12,406
Capital expenditure charged against General Fund balances	4,883	4,246
Government Grants and Contributions	523	5,765
Capital Loans	3	(4,700)
<b>Subtotal</b>	<b>45,277</b>	<b>51,999</b>
<u>Reversal of capital items debited or credited to the Comprehensive Income &amp; Expenditure Statement</u>		
Depreciation charge		
- Charge for the year	(1,624)	(1,660)
- Difference between fair value depreciation and historical cost depreciation	39	113
IFRS16 Lease Additions	182	0
Revaluation Reserve Balance Written Out on Disposal	104	682
Disposals	(2,033)	(1,708)
Revaluations	(3,284)	(4,631)
Revenue expenditure funded from capital under statute	(6,750)	(4,058)
Statutory provision for financing of capital investment against the General Fund	0	32
<b>Balance at 31 March</b>	<b>31,911</b>	<b>40,769</b>

### **Collection Fund Adjustment Account**

The Collection Fund Adjustment Account manages the differences arising from the recognition of local taxation income in the Comprehensive Income and Expenditure Statement as it falls due from taxpayers compared with the statutory arrangements for paying amounts to the General Fund from the Collection Fund.

	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>
<b>Balance at 1 April</b>	<b>621</b>	<b>102</b>
Amount by which Council Tax and Business Rates income credited to the Comprehensive Income and Statement is different from Council Tax and Business Rates income calculated for the year in accordance with statutory requirements.	(519)	(753)
<b>Balance at 31 March</b>	<b>102</b>	<b>(651)</b>

### **Financial Instruments Adjustment Account**

The Financial Instruments Adjustment Account absorbs the timing differences between the value of a financial instrument according to accounting practices and statutory requirements. The balance relates to the impairment in value to a soft loan resulting from the deferred capital receipt on six shared equity properties.

	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>
<b>Balance at 1 April</b>	<b>(158)</b>	<b>(151)</b>
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	7	(195)
<b>Balance at 31 March</b>	<b>(151)</b>	<b>(346)</b>

### **Accumulated Absences Account**

The Accumulated Absences Account absorbs the timing 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.

	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>
<b>Balance at 1 April</b>	<b>(326)</b>	<b>(197)</b>
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	129	(34)
<b>Balance at 31 March</b>	<b>(197)</b>	<b>(231)</b>

## Pooled Investment Funds Adjustment Account

The Pooled Investment Funds Adjustment Account absorbs net capital appreciation / depreciation on pooled investment funds that would be charged to the general fund balance under IFRS9, but which are subject to a statutory override.

	<b>2024/25</b> <b>£'000</b>	<b>2025/26</b> <b>£'000</b>
<b>Balance at 1 April</b>	<b>(1,035)</b>	<b>(1,040)</b>
Amount by which capital appreciation/depreciation on pooled funds charged to the Comprehensive Income and Expenditure Statement is different from that chargeable in the year in accordance with statutory requirements.	(5)	228
<b>Balance at 31 March</b>	<b>(1,040)</b>	<b>(812)</b>

## 22. Members Allowances

Payments to members for allowances and committee attendance expenses were £373,337 (2024/25 £374,129) and are included within the 'Chief of Staff' line of the Comprehensive Income & Expenditure Statement.

## 23. Officers Remuneration

The following tables show the remuneration of senior employees whose salaries are more than £50,000 per year. Senior employees are those that have the power to direct or control the major activities of the Council. No bonuses have been paid to any senior officer in either year.

South Norfolk Council (SNC) and Broadland District Council (BDC) share a joint Senior Management Team. The employees detailed below therefore work across the two authorities and the costs are shared.

<b>2025/26</b>	Employing Authority	Salary incl. fees, allowances & performance related pay  £	Employers pension contributions  £	Total remuneration including employers' pension contributions  £	BDC Share Total remuneration including employers pension contributions  £
Managing Director	BDC	191,454	28,718	220,172	99,077
Director - Resources	SNC	110,409	16,561	126,970	57,137
Director - Place	BDC	113,659	17,049	130,708	58,819
Director - People and Communities	SNC	110,409	15,697	126,106	56,748
Assistant Director - Transformation and Innovation	SNC	82,590	12,388	94,978	42,740
Assistant Director – Regulatory (left 31/07/25)	SNC	57,077	2,913	59,990	26,996
Assistant Director – Regulatory (from 01/10/25)	BDC	40,195	6,029	46,224	20,801
Assistant Director - Planning	SNC	82,590	12,388	94,978	42,740
Assistant Director - Individuals and Families (from 05/05/25)	SNC	75,167	11,275	86,442	38,899
Assistant Director - Finance	BDC	85,020	12,753	97,773	43,998
Assistant Director - Economic Growth	BDC	82,590	12,388	94,978	42,740
Assistant Director - Community Services	BDC	82,590	12,388	94,978	42,740
Assistant Director - Chief of Staff (left 31/12/25)	SNC	71,872	10,815	82,687	37,209

<b>2024/25</b>	Employing Authority	Salary incl. fees, allowances & performance related pay  £	Employers pension contributions  £	Total remuneration including employers' pension contributions  £	BDC Share Total remuneration including employers pension contributions  £
Managing Director	BDC	185,518	27,828	213,346	96,006
Director - Resources	SNC	103,125	15,469	118,594	53,367
Director - Place	BDC	103,125	15,469	118,594	53,367
Director - People and Communities	SNC	103,125	14,432	117,557	52,901
Assistant Director - Transformation and Innovation	SNC	77,676	11,651	89,327	40,197
Assistant Director – Regulatory	SNC	77,676	11,651	89,327	40,197
Assistant Director - Planning	SNC	77,676	11,651	89,327	40,197
Assistant Director - Individuals and Families (left 01/12/24)	SNC	51,784	7,768	59,552	26,798
Assistant Director - Finance	BDC	80,029	12,004	92,033	41,415
Assistant Director - Economic Growth	BDC	77,676	11,651	89,327	40,197
Assistant Director - Community Services	BDC	77,676	11,651	89,327	40,197
Assistant Director - Chief of Staff	SNC	84,738	12,711	97,449	43,852

The number of employees whose total remuneration (excluding employer's pension contributions) was £50,000 or more in bands of £5,000 are in the table below:

<b>Remuneration Band</b>	<b>2024/25</b>	<b>2025/26</b>
£50,000 - £54,999	5	7
£55,000 - £59,999	4	5
£60,000 - £64,999	1	3
£65,000 - £69,999	1	2
£75,000 - £79,999	2	0
£80,000 - £84,999	1	2
£85,000 - £89,999	0	1
£90,000 - £94,999	0	0
£100,000 - £104,999	1	0
£110,000 - £114,999	0	1
£185,000 - £189,999	1	0
£190,000 - £194,999	0	1
<b>Total</b>	<b>16</b>	<b>22</b>

Remuneration bands are shown by employing Authority, before recharges, and are exclusive of Compensation for Loss of Office.

## Exit Packages

The number of exit packages with total cost per band, and the total cost of the compulsory and other redundancies are set out in the tables below.

<b>2025/26</b>	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band £'000
Under £50,000	0	3	3	29
Total cost included in bandings				29
Total cost included in CIES in 2025/26				29

<b>2024/25</b>	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band £'000
Under £50,000	2	0	2	8
Total cost included in bandings				8
Total cost included in CIES in 2024/25				8

## 24. External Audit Costs

Ernst & Young LLP have been appointed by Public Sector Audit Appointments (PSAA) as the Council's external auditors and PSAA sets a scale for external audit fees.

Without the distortions of payments to auditors falling in different financial years, the proposed scale level of audit fees payable is as follows.

	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>
External audit services carried out by the appointed auditor (scale fee)	143	147

## 25. Grant Income

	<b>2024/25</b> <b>£'000</b>	<b>2025/26</b> <b>£'000</b>
<b>Revenue Grants Credited to Taxation and Non-Specific Grants</b>		
Business Rates Retention Scheme	(4,156)	(3,068)
Revenue Support Grant	(189)	(211)
New Homes Bonus Scheme	(1,230)	(822)
Services Grant (2024/25 was the last year for this)	(20)	0
Funding Guarantee Grant	(524)	(546)
Extended Producer Responsibility (EPR) Funding	0	(1,925)
National Insurance Contribution (NIC) Grant	0	(107)
Other	(36)	(155)
	<b>(6,154)</b>	<b>(6,836)</b>
<b>Capital Grants Credited to Taxation and Non-Specific Grants</b>		
Local Authority Housing Fund (LAHF)	(307)	(638)
Nutrient Mitigation Capital Grant	(8,850)	0
Business Rates Pooling Grant	0	(866)
Other	(143)	(203)
	<b>(9,300)</b>	<b>(1,708)</b>
<b>Revenue Grants Credited to Services</b>		
Housing Benefit Subsidy	(13,499)	(11,530)
Housing Benefit Admin Grant	(184)	(182)
Homelessness Grants	(522)	(663)
Household Support Fund	(220)	(99)
Business Rates Cost of Collection	(143)	(144)
Shared Prosperity Fund	(716)	(353)
People From Abroad Support Funding	(328)	(139)
Nutrient Mitigation Revenue Grant	(487)	0
Other Grants	(533)	(593)
	<b>(16,631)</b>	<b>(13,702)</b>
<b>Capital Grants Credited to Services</b>		
Disabled Facilities Grants	(1,438)	(1,181)
Shared Prosperity Fund	(593)	(142)
Green / Warm Home Grants	(3,556)	(1,739)
Other Capital Grants	(1,100)	(1,093)
	<b>(6,687)</b>	<b>(4,155)</b>
<b>Total Grant Income</b>	<b>(38,771)</b>	<b>(26,401)</b>

## **26. Related Party Transactions**

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

### **Central Government**

Central Government has effective control over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates, provides funding in the form of grants, and prescribes the terms of the many transactions that the Council has with other parties (e.g., council tax bills, housing benefits). Grant receipts outstanding are shown within the debtors listed in Note 17.

### **Members & Chief Officers**

Members of the Council have direct control over the Council's financial and operating policies. Members Allowances paid during the year to 31st March 2026 are disclosed in Note 22.

The Council is collaborating with South Norfolk Council with all officers now serving both Councils and sharing a single officer structure.

Forms were sent to all Members of the Council and those Officers in key management posts to declare any related party transactions existing during the year.

The following related party transactions existed during the year to 31 March 2026:

- Members are provided with individual Ward Member budgets of £1,000 annually to spend within their ward.
- The Leader of the Council, the Portfolio Holder for Planning, and the Managing Director of the Council were Directors of Broadland Growth Ltd. Further details of Broadland Growth Ltd.'s transactions with Broadland District Council are provided in Note 13. None of the three Directors received financial rewards from the company.
- The Leader of the Council, the Deputy Leader, and the Director of People and Communities of the Council were Directors of Broadland Living Ltd. None of the three Directors received financial rewards from the company.
- The Director of Place, and the Director of Resources of the Council were Directors of Norfolk Environmental Credits Ltd. Neither of the two Directors received financial rewards from the company.

In all instances, grants and contributions were made with proper consideration of the declarations of interest. The relevant Members and Officers did not take part in any discussion or decision relating to them.

The Authority formed Broadland Growth Limited in December 2013 in partnership with NPS Group to undertake housing development within the district. Broadland Growth bought out the NPS shares on 31st March 2025 and the company transferred into the sole ownership of Broadland District Council. Details of the company's trading results are set out within Note 13.

The Authority formed Broadland Living Limited in October 2023 to act as a focal point for its accommodation property activities, particularly the management of its portfolio of accommodation assets.

In October 2014, Broadland District Council entered into a joint venture agreement with Norse Environmental Waste Services Limited (NEWS), a subsidiary of Norse Group, to provide recycling sorting and processing. The company provides services to the seven second tier Norfolk councils and Norfolk County Council Household Waste Recycling Centres. Payments to NEWS for the year amounted to £1,170,057 (£1,363,337 in 2024/25). The joint venture is set up to allow the districts a 7% income from any profit the company makes and potential income from the sale of materials once a set amount of income is made.

In April 2023, Broadland District Council entered a joint venture with other local authorities and initially Anglian Water to form Norfolk Environmental Credits Ltd, to source the mitigation of the constraints from Natural England in respect of nutrient neutrality. Loans of £14,250,000 were owed from the company to the Council at 31st March 2026.

Broadland District Council works in partnership with Norwich City Council, South Norfolk Council and Norfolk County Council as the Greater Norwich Development Partnership to deliver large-scale projects that transcend authority boundaries. Contributions are made from the Authority's Community Infrastructure Levy (CIL) income into the Infrastructure Investment Fund to support the Greater Norwich Growth Board's Strategic Infrastructure Programme. A total of £1,039,860 was paid during 2025/26, of which £305,442 related to activity taking place during 2024/25. A further £1,159,017 was paid in April 2026 in respect of CIL due for 2025/26 activities.

### **Other Public Bodies**

The Authority derives most of its funding from the UK Government. The Authority's relationships with central Government and other local government bodies fall within the scope of usual activities between such organisations.

Broadland District Council pays levies to three Internal Drainage Boards (IDB's) in the district; Waveney, Lower Yare and Lothingland IDB, Broads IDB and Norfolk Rivers IDB. These levies are determined by the boards of these organisations. Although members of the Council represent the Authority on these boards, they do not have a controlling influence on their decisions, and the Authority is compelled under statute to pay the levy demanded. The total levies paid to the IDB's in 2025/26 amounted to £351,966 (2024/25 £323,060).

## 27. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it.

	<b>2024/25</b>	<b>2025/26</b>
	<b>£'000</b>	<b>£'000</b>
<b>Opening Capital Financing Requirement</b>	0	889
Right of Use Liabilities recognised on transition to IFRS16	393	0
<u>Capital Investment</u>		
Property, Plant & Equipment	5,802	6,863
Right of Use Assets	210	7
Intangible Assets	271	669
Long - Term Debtors	6,470	14,415
Long - Term Debtors Acquisition of Shares	50	0
Revenue Expenditure funded from Capital under Statute	6,751	4,058
<b>Total capital investment</b>	<b>19,947</b>	<b>26,011</b>
<u>Sources of Finance</u>		
Capital Receipts	(2,225)	(2,470)
Grants and Contributions	(6,968)	(5,765)
Grants and Contributions - From CGUA	(4,801)	(12,406)
Revenue Contributions	(4,882)	(4,246)
Loan repayments relating to Right of Use Assets	(182)	(22)
<b>Disposal of Right of Use Assets</b>	0	(327)
<b>Minimum Revenue Provision (MRP)</b>	0	(9)
<b>Total financed in the year</b>	<b>(19,058)</b>	<b>(25,246)</b>
<b>Closing Capital Financing Requirement</b>	<b>889</b>	<b>1,654</b>

### Revenue Expenditure Funded from Capital Under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources, 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.

	<b>2025/26</b>		
	<b>Expenditure</b>	<b>Grants Received</b>	<b>Expenditure funded from other sources</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Disabled Facilities Grants	1,084	(1,084)	0
Green Homes Grants - HUG2	10	(10)	0
Rural Prosperity Fund	142	(142)	0
Broadland Living Financing	265	0	265
Nutrient Neutrality Loan	14,150	(12,406)	1,744
Norfolk Warm Homes - WHLG	1,729	(1,729)	0
Buckenham Woods	72	(72)	0
Broadland County Park Expansion	850	(850)	0
Social Housing Capital Grants	12	(12)	0
Temporary Accommodation	160	(160)	0
	<b>18,473</b>	<b>(16,463)</b>	<b>2,009</b>

## 28. Retirement Benefits

As part of the terms and conditions of employment of its officers and other employees, the Authority offers retirement benefits. Although these benefits will not be payable until employees retire, the Authority has a commitment to make payments that needs to be disclosed at the time that employees earn their future entitlement.

Employees may participate in the Norfolk Pension Fund. The fund is administered by Norfolk County Council in accordance with the Local Government Pension Scheme Regulations 1997 as amended and is a defined benefit salary scheme. The scheme is a funded scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension fund's liabilities with investment assets. Contributions to the scheme are determined by the Fund's actuary on a triennial basis.

### Transactions Relating to Retirement Benefits

The cost of retirement benefits is recognised in the net cost of services within the Income and Expenditure account when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge to council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have appeared in the core financial statements.

	2024/25 £'000	2025/26 £'000
<b><u>Comprehensive Income and Expenditure Statement</u></b>		
<b>Service Cost:</b>		
<i>Cost of Services</i>		
Current service cost	1,280	970
(Gain)/loss from settlements		
Past service costs/(gain)	0	0
<i>Financing and Investment Income and Expenditure</i>		
Net interest expense	54	71
<b>Total Post-employment Benefits charged to the Surplus or (Deficit) on the Provision of Services</b>	<b>1,334</b>	<b>1,041</b>
<i>Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</i>		
Remeasurement of the new defined benefit liability comprising:		
Actuarial gains and losses arising on changes in demographic assumptions	(124)	(997)
Actuarial gains and losses arising on changes in financial assumptions	(11,110)	(1,494)
Effect of limiting the net defined benefit asset to the asset ceiling	11,506	7,317
Other experience	(683)	4,788
Return on plan assets (excluding the amount included in the net interest expense)	1,178	(2,709)
<b>Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>	<b>767</b>	<b>6,905</b>
<b><u>Movement in Reserves Statement</u></b>		
Reversal of net changes made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the Code	1,334	1,041
Employers' contributions payable to the scheme	(1,778)	(1,826)
<b><u>Pensions Assets and Liabilities Recognised in the Balance Sheet</u></b>		
Present value of the defined benefit obligation	(61,632)	(64,261)
Effect of the asset ceiling	(23,314)	(31,982)
Fair value of plan assets	83,272	88,449
<b>Net liability arising from defined benefit obligation</b>	<b>(1,674)</b>	<b>(7,794)</b>

## **Assets and Liabilities in Relation to Post-Employment Benefits**

Reconciliation of present value of the scheme assets:

	<b>2024/25</b>	<b>2025/26</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value	81,224	83,272
Interest Income	3,920	4,814
Remeasurement gain / (losses): Return on assets, excluding amounts included in net interest	(1,178)	2,709
Other experience gains / (losses)	0	(1,785)
Employer contributions	1,697	1,748
Contributions from scheme participants	452	495
Benefits Paid	(2,843)	(2,804)
<b>At 31 March</b>	<b>83,272</b>	<b>88,449</b>

Reconciliation of fair value of the scheme liabilities:

	<b>2024/25</b>	<b>2025/26</b>
	<b>£'000</b>	<b>£'000</b>
Opening Balance	(71,313)	(61,632)
Current Service Cost	(1,280)	(970)
Interest Cost	(3,428)	(3,534)
Contributions from scheme participants	(452)	(495)
Actuarial gains / (losses) arising from changes in demographic assumptions	124	997
Actuarial gains / (losses) arising from changes in financial assumptions	11,110	1,494
Other experience gains / (losses)	683	(3,003)
Benefits Paid	2,924	2,882
<b>At 31 March</b>	<b>(61,632)</b>	<b>(64,261)</b>

The initial calculation of the pension position as at 31 March 2026 resulted in a net asset of £24.2million. However, when the calculation results in an asset for the Council, the asset must be recognised at the lower of that asset and the asset ceiling.

### **Calculation of the Pension Asset Ceiling**

Under IAS19 if the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a surplus. When an entity has a surplus in a defined benefit plan, it shall measure the net defined benefit asset at the lower of; a) the surplus in the defined benefit plan and b) the asset ceiling.

The Pension Asset Ceiling is calculated by working out the difference of the present value (PV) of future employer's contributions and the present value (PV) of employer's future costs. If the PV of future service costs is less than future contributions, then the Asset Ceiling is set at £0.

	<b>2024/25</b>	<b>2025/26</b>
	<b>£'000</b>	<b>£'000</b>
Calculation		
PV Future employer's cost	40,348	38,720
PV Future employer's contributions	64,636	46,107
Amount by which future contributions exceed future costs	(24,288)	(7,387)
Asset ceiling	0	0
PV of past service contributions	993	7,182
PV of net assets	22,321	24,800
<b>Pension Asset Ceiling Adjustment</b>	<b>23,314</b>	<b>31,982</b>

This Pension Asset Ceiling adjustment appears in the Comprehensive Income and Expenditure Statement and is included under Other Comprehensive Income and Expenditure in the Remeasurement of the pensions net defined liability/(asset) line.

The pension scheme assets consist of the following:

	Period ended 31 March 2025			Period ended 31 March 2026		
	Active markets £'000	Not in active markets £'000	Percentage of total assets	Active markets £'000	Not in active markets £'000	Percentage of total assets
Debt Securities - UK Government	1,578.3	0	2%	2,107.6	0	2%
Private Equity	0	10,653.6	13%	0	11,548.7	13%
Real Estate						
UK Property	0	5,308.1	6%	0	4,591.0	5%
Overseas Property	0	780.1	1%	0	803.5	1%
Investment Funds and Unit Trusts						
Equities	46,513.8	0	56%	35,896.8	0	41%
Bonds	6,286.5	0	8%	17,832.6	0	20%
Infrastructure	0	9,305.0	11%	0	10,387.0	12%
Derivatives	47.9	0	0%	(64.3)	0	0%
Cash and Cash Equivalents	2,798.7	0	3%	5,346.1	0	6%
Total	57,225	26,047	100%	61,119	27,330	100%

### **Basis for Estimating Assets and Liabilities**

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The scheme has been assessed by Hymans Robertson, an independent firm of actuaries. Estimates are based on the latest full valuation of the scheme as at 31 March 2026.

The principal financial assumptions are summarised below:

	31 March 2025 % per annum	31 March 2026 % per annum
Inflation / Pension Increases (CPI)	2.75	3.00
Salary Increases	3.45	3.70
Discount Rate	5.80	6.20

Mortality rates are based on recent analyses of actual case histories to determine a reasonable estimate of life expectancy. The average future life expectancies at age 65 are summarised below:

	Men	Women
Current Pensioners	22.9 years	25.0 years
Future Pensioners	23.1 years	26.2 years

A commutation allowance is included for future retirements to elect to take 55% of the maximum additional tax-free cash up to HMRC limits.

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

policies for the scheme, i.e., on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Change in Assumptions at year ended 31 March 2026	Approximate % increase to Employer Liability	Approximate Monetary Amount £'000
0.1% increase in the Salary Increase Rate	0%	35
1 year increase in member life expectancy	4%	2,570
0.1% increase in the Pension Increase Rate	1%	960
0.1% decrease in Real Discount Rate	2%	996

### **Impact on the Council's Cash Flows**

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2016. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The Council is anticipated to pay £1,562,000 expected contributions to the scheme in 2026/27.

Further information can be found in the Norfolk Pension Fund Annual Report, which is available on request from: Department of Finance & Information, Norfolk County Council, County Hall, Martineau Lane, Norwich, NR1 2DW.

### **Virgin Media Judgement upheld by Court of Appeal**

In June 2023, the UK High Court (*Virgin Media Limited v NTL Pension Trustees II Limited*) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment has now been upheld by the Court of Appeal.

The Local Government Pension Scheme is a contracted out defined benefit scheme, and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. Until this analysis is complete, we are unable to conclude whether there is any impact to the liabilities or if it can be reliably estimated. As a result, Broadland District Council does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

## **29. Contingent Assets and Liabilities**

### **Contingent Assets**

There are no material contingent assets.

### **Contingent Liabilities**

The Planning Guarantee under the Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) Regulations 2012 requires that certain planning application fees must be refunded to an applicant where a valid application has not been determined within 26 weeks, unless an extension of time has been agreed in writing by the applicant and the local authority.

However, in most cases, the cause of the delay is due to issues with the application and extensions of time are required, as otherwise the applications would need to be refused and resubmitted.

As such we do not believe that there are many cases where applicants would ask for the fee to be returned, however this is a potential liability.

A recent Valuation Office decision has established that for multi-phase developments, Community Infrastructure Levy (CIL) payments should be calculated based on the index rates at the time of outline planning permission, rather than the later date of reserved matters.

This will require the Authority to refund a number of historic CIL payments.

However, CIL income is shared between the Authority, the relevant Parish, and a Pooled fund held by Norfolk County Council.

The current expectation is that the pooled fund will cover the full cost of any refunds, and thus a provision for potential repayment is not included in the Accounts. If the Authority does need to cover its share of the repayment this could amount to approximately £166,000.

## **30. Community Infrastructure Levy (CIL)**

Broadland District Council, Norwich City Council and South Norfolk Council have adopted and implemented their own Community Infrastructure Levy (CIL) schemes and agreed to pool a significant proportion of their CIL income.

On 21 October 2015, an agreement including Norfolk County Council was signed to pool the CIL income (excluding the neighbourhood element and the proportion retained to cover administrative costs) to support the Greater Norwich Growth Board's Strategic Infrastructure Programme.

Norfolk County Council, designated the accountable body in the agreement, established the Infrastructure Investment Fund from the CIL income it has received from each of the authorities.

At 31 March 2026, the Infrastructure Investment Fund had a cash balance of £33.344m, which will be used to support projects.

### **31. Going Concern**

The Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The Accounts have been prepared on the going concern basis.

In carrying out its assessment that this basis is appropriate, made for the going concern period to 31 March 2027, management of the Council have undertaken forecasting of both income and expenditure, the expected impact on reserves, and cashflow forecasting.

Our most recent year-end balances are reported in the Movement in Reserves Statement.

Our expected General Fund and Earmarked Reserve position is predicted to remain above the minimum level set by the Council's Assistant Director of Finance (s151 officer) throughout the going concern period.

Our cash flow forecasting and assessment of the adequacy of our liquidity position demonstrates positive cash balances throughout the going concern period, and no expectation of external borrowing (except as planned for to fund the capital programme).

The key assumptions within this forecast included for example, that central Government funding remains in line with current published levels. We have considered a downside scenario where central Government funding falls, and the above projections would not be significantly affected with both minimum levels of reserves and liquidity remaining through the same period.

On this basis, the Council has a reasonable expectation that it will have adequate resources to continue in operational existence throughout the going concern period maintaining the provision of its services. For this reason, alongside the statutory guidance, we continue to adopt the going concern basis in preparing these financial statements.

### 32. Disclosure of the Impact of an Error (Prior Period Adjustment)

The Council discovered an error in the statement of Cash and Cash Equivalents from 2021/22 which required a correction to Short Term Debtors. In order to correct this error, the Council has restated the prior year information in its main statements as at 1st April 2024 as follows:

#### Effect of the line items in the Balance Sheet as at 1st April 2024

	1 April 2024 As originally stated £'000s	1 April 2024 As restated £'000s	Restatement £'000s
Short Term Debtors	20,730	24,177	3,447
Cash and Cash Equivalents	20,247	16,800	(3,447)
<b>Net Assets</b>	<b>65,987</b>	<b>65,987</b>	<b>0</b>

These balances flow through the 2024/25 and 2025/26 figures in the accounts

### 33. Authorised for Issue

The Statement of Accounts was authorised for issue by the Assistant Director of Finance on 30 June 2026. This is the date up to which events after the balance sheet date were considered.

Where events taking place before this date provided information about conditions existing at 31 March 2026, the figures in the financial statements and notes would be adjusted in all material respects to reflect the impact of this information.

No events have occurred that require changes to the accounting statements.

## COLLECTION FUND

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund.

The statement shows the transactions of the billing authority in relation to the collection of council tax and business rates, and the distribution of this income.

	2024/25		2025/26	
	Council Tax £'000s	Business Rates £'000s	Council Tax £'000s	Business Rates £'000s
<b>Income</b>				
Council Taxpayers	110,052	0	116,260	0
Council Tax Benefits	17	0	12	0
Business Ratepayers (Non-Domestic Rates)	0	31,279	0	35,422
	110,069	31,279	116,272	35,422
<b>Expenditure</b>				
Precepts and Demands				
Central Government	0	16,012	0	17,781
Norfolk County Council	81,927	3,202	87,411	3,556
Office of the Police and Crime Commissioner	15,478	0	16,423	0
Broadland District Council	11,610	12,809	12,074	14,224
Costs of Collection Allowance	0	143	0	148
Interest Charged to Collection Fund	0	45	0	84
Transitional Protection Payable	0	(321)	0	(217)
Increase/(decrease) in allowance for impairment of debts/appeals	647	21	343	303
Provision for Appeals (Non-Domestic Rates)	0	(980)	0	1,766
Disregarded Amounts (Renewable Energy)	0	213	0	240
Distribution of Previous Year's Surplus/(Deficit)				
To/(From) Central Government	0	695	0	(61)
To/(From) Broadland DC General Fund	56	556	17	(48)
To/(From) Office of Police & Crime Commissioner	75	0	23	0
To/(From) Norfolk County Council	397	139	120	(12)
	110,190	32,534	116,411	37,764
Surplus/(Deficit) for the Year	(121)	(1,255)	(139)	(2,342)
Surplus/(Deficit) Brought Forward	527	1,889	406	34
<b>Surplus/(Deficit) for the Year</b>	<b>406</b>	<b>634</b>	<b>267</b>	<b>(1,708)</b>

## NOTES TO THE COLLECTION FUND

### 1. Income from Business Rates

The total non-domestic Rateable Value (RV) of hereditaments in Broadland, as reported to central Government on the NNDR1 return, for 2025/26 was £88.03 million (2024/25 £87.38 million).

The rateable value of a business is multiplied by the relevant specified multiplier to produce the business rates due.

	<b>2024/25</b>	<b>2025/26</b>
Non-domestic rating multiplier	54.6p	55.5p
Small business non-domestic rating multiplier	49.9p	49.9p

### 2. Income from Council Tax

The average total Band D Council Tax for the year was £2,327.99 (2024/25 £2,224.97).

The Council's council tax base is calculated by multiplying the number of dwellings estimated to be in each valuation band (adjusted for dwellings where discounts apply) by a proportion to obtain the equivalent number of band D dwellings.

Band	Total Number of Chargeable Dwellings Adjusted for Discounts	Relevant Proportion	Relevant Number
A (Disabled)	5	5/9	3
A	2,902	6/9	1,935
B	12,747	7/9	9,915
C	18,945	8/9	16,840
D	10,251	9/9	10,251
E	5,287	11/9	6,462
F	2,214	13/9	3,198
G	830	15/9	1,384
H	87	18/9	174
			50,162
Less adjustment for losses on collection and for anticipated changes during the year for successful appeals against valuation banding, new properties, demolition, and exempt properties with the addition of 1 Band D equivalent (contributions in lieu of Ministry of Defence)			(373)
			49,789

# ANNUAL GOVERNANCE STATEMENT

## 1. Scope of responsibility

Broadland District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It must ensure that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively. Broadland District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

In discharging this overall responsibility, Broadland District Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and making proper arrangements for the management of risk.

As part of its Constitution, Broadland District Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework “Delivering Good Governance in Local Government.” In May 2024, the Council adopted a revised Code of Corporate Governance which has been updated to reflect the latest best practice guidance. This Annual Governance Statement is reflective of the Code.

A copy of the Code is available on our website, within the Constitution, and can be downloaded [here](#).

This statement explains how Broadland District Council has complied with the code and also meets the requirements of regulation 6 (1) of the Accounts and Audit (England) Regulations 2015 in relation to the publication of a statement on internal control and accompanies the 2025/26 Statement of Accounts of the Council. The Annual Governance Statement is subject to detailed review and approval by the Audit Committee.

## 2. The purpose of the Governance Framework

The governance framework comprises the systems and processes for the direction and control of the authority and its activities through which it accounts to, engages with, and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Broadland District Council’s policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically.

The governance framework has been in place at Broadland District Council for the year ending 31 March 2026 and up to the date of approval of the statement of accounts.

### 3. The Governance Framework

An annual review of the Governance Framework at Broadland District Council was completed prior to the preparation of the Annual Governance Statement, with key officers completing full assurance statements for their area of responsibility, and these being signed off by the relevant member of the Corporate Leadership Team (CLT). These are in place to ensure the governance arrangements across the Council are adequate, and to also recognise where any further work needs to be done.

The Code of Corporate Governance has been in place for the 2025/26 financial year. This Code is the framework of policies, procedures, behaviours, and values which determine how the Council will achieve its priorities and is based upon the seven principles of the International Framework for Corporate Governance in the Public Sector.

#### The Council's Vision and Ambitions:

For the year 2025/26, Broadland District Council's vision and priorities were set out in the Strategic Plan 2024-2028:

**THE VISION:** Supporting our residents to lead happy, healthy, and fulfilled lives.

#### **OUR KEY PRIORITIES:**

1. Sustainable, resilient local economy
2. Empowering individuals and communities
3. Providing the right homes in the right places
4. Cleaner, greener Broadland
5. A modern, caring Council safeguarding our future.

The Strategic Plan is a digital and interactive document which acts as a gateway for more in-depth details of the priorities and work of the Council and can be found [here](#).

The vision and priorities are communicated through the Delivery Plan, plus regular briefings, press releases, website, and the Broadland News magazine, which is delivered twice a year to every household and business in the District.

The Delivery Plan describes our intended activities for the 12 months from April to March each year to support the priorities set out in the Strategic Plan. This Plan is produced as an integrated process with the Council's annual budget setting and Medium-Term Financial Plan revision. The 2026-2028 Plan can be accessed [here](#).

From 1 April 2024, the Council adopted a new Strategic Plan covering the period 2024-2028 and a Delivery Plan covering 2024-2026. The Delivery Plan has since been updated and agreed by Council in February 2026.

#### Review of the Council's Governance Arrangements:

The Council regularly reviews its organisational structure as part of aligning resources with demand to deliver the priorities above. In addition, the Council's collaboration with South Norfolk Council resulted in the establishment of one team across the two Councils. This includes a Corporate Leadership Team (CLT), consisting of the Managing Director, three Directors, the Monitoring Officer and the Section 151 Officer. CLT is also supported by eight Assistant Directors.

## Measuring the Quality of Services for Users and ensuring they are delivered in accordance with the Council's objectives and best use of resources:

The 4-year Strategic Plan sets out our priorities together with targets for success over this time. The Delivery Plan 2026-2028 outlines the proposed activities needed to achieve the Council's strategic aims set out in the Strategic Plan and sets delivery measures to track performance against achieving key ambitions. The delivery measures are tracked and reported regularly to Cabinet as part of the Council's Performance Framework.

Between February and March, staff personal objectives are set for the year and reflect the proposed activities they will be working on from the Delivery Plan. These personal objectives are reviewed regularly during the year and are normally assessed as part of annual staff performance reviews in March/April each year.

## Defining and Documenting Roles and Responsibilities of Councillors and Officers and how decisions are taken:

The Council's Constitution, Scheme of Delegation, Codes of Conduct, Protocol on Member / Officer relations, Contract Procedure Rules, Financial Procedure Rules, and Council Procedure Rules set the framework in which the organisation makes decisions.

## Codes of Conduct Defining Standards of Behaviour for Councillors and Officers:

The Council operates Codes of Conduct for Councillors and Officers, with clear processes embedded to respond to any concerns raised regarding the standards of behaviour. The Council has adopted the Local Government Association Model Councillor Code of Conduct, which provides a robust framework for standards amongst members. Regular training is provided to ensure a clear understanding of expectations under both codes.

## The Council conforms to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016):

The Rules for Financial Governance explain the statutory duties of the Section 151 Officer including the responsibility for the proper administration of the Council's financial affairs. The Council's governance arrangements allow the Section 151 Officer to bring influence to bear on all material business decisions. The Section 151 Officer supports the CLT and has the authority to bring matters directly to the attention of the Managing Director if required. Regular specific meetings are also held to discuss matters relating to the Section 151 role with the Head of Paid Service and the Monitoring Officer.

## CIPFA Financial Management Code:

The Council has assessed itself against the CIPFA Financial Management code and has concluded that it complies with the key requirements therein.

## The Audit Committee

The Audit Committee met regularly during the year. Its key tasks are to monitor the work of Internal and External Audit, support risk management, to approve the statutory accounts, and to oversee the internal and external audit work that supports the production of this Annual Governance Statement.

### Ensuring Compliance with Laws and Regulations, Internal Policies and Procedures:

Responsibilities for statutory obligations are formally established. The Head of Paid Service disseminates statutory instruments to Managers responsible for acting on them. The relevant professional officers are tasked with ensuring compliance with appropriate policies and procedures to ensure all Officers work within them.

Decisions to be taken by Councillors are subject to a rigorous scrutiny process by the Monitoring Officer, Section 151 Officer and in most cases CLT before Overview & Scrutiny, Cabinet and/or Full Council considers them.

Assistant Directors have completed an Assurance Statement covering key governance aspects with their area of responsibility. The outcomes of these Assurance Statements are described under *Managers' Assurance within Governance Issues*.

### Whistle-blowing Policy and Investigating Complaints:

Employees, councillors, and others who deal with the Council are often the first to spot things that may be wrong or inappropriate at the Council. A Whistleblowing Policy is in place to provide help and assistance with such matters. There is also a formal complaints procedure operated as part of the Council's performance management framework.

### Tackling Fraud and Corruption:

The Council has a Counter Fraud, Corruption and Bribery Strategy in place to ensure that we can deliver against our priorities whilst minimising losses to fraud, corruption, and bribery.

Each Internal Audit undertaken recognises fraud risks and assesses the adequacy and effectiveness of the controls in place to mitigate such risks and an Annual Assurance Return is provided to the External Auditor that summarises the Head of Internal Audit's views on risk of fraud at the Authority. In addition, the Monitoring Officer, the Section 151 Officer and the Chair of the Audit Committee complete such statements on an annual basis.

### Development Needs of Councillors and Officers:

#### **Members**

There is a 4-year Member training programme in place aimed at supporting Councillors in their role, ensuring they can take on all aspects of their role confidently and legally. Training is provided through a mixture of service delivery, via internal staff, experts in the field and external trainers such as Richard Wills Training Associates and Link Support Services. In 2025/26, the following Member sessions took place:

- A session to demonstrate to AI Co-Pilot
- Licensing Training
- A briefing session on Local Government Reorganisation
- A briefing session on Regulatory Services
- Planning Training (3 separate sessions) and a number of "bite-sized" sessions
- Shareholder Committee Training
- Operation Ford – A session provided by the Norfolk Constabulary
- Several "bite- sized" training sessions relating to the work of the Audit Committee
- Leadership Training for Cabinet members
- Cyber Security Training
- A range of training on Skillgate (the Council's internal learning platform)

## Officers

The Council has made extensive investment in training in line with its Learning and Development Strategy for staff. Staff Training is delivered in various ways including via our digital learning platform that allows staff to undertake learning remotely at a time that is convenient for them, and at “in person” training events.

An extensive onboarding programme is in place to ensure that officers have the best possible start with the Council and understand the culture and values of working within a local authority setting.

A management development programme remains in place and has been further improved through engagement with existing managers who have helped shape the programme. The programme includes a mix of internal and externally led subject areas and includes the opportunity for aspiring managers to take part in the programme and develop future skills. Myers Briggs Type Indicator (MBTI) development is also available to teams and managers to enable officers to better understand themselves and in turn work more effectively with colleagues and teams across the Councils.

The Councils have also developed a “Match Fit” programme, which provides training for all staff to ensure they are as prepared as possible for the opportunities and challenges Local Government Reorganisation will bring.

Investment has also been made in the Council’s Apprenticeship and Graduate schemes ensuring that we are investing in future skills and providing a development pathway to colleagues at the early stages of their career or in the process of retraining.

### Establishing Communication with all Sections of the Community and Other Stakeholders:

The Council works with Norfolk County Council, other Norfolk District Councils, the Police, NHS, Central Government departments, businesses, and voluntary and community groups.

The Council consults with members of the public through a number of avenues from workshops, telephone calls, social media channels, and the website, to gauge public opinion on a number of issues such as shaping the budget and the development of the Local Plan. The Council, alongside South Norfolk Council, has established a ‘Customer Insights Group,’ which is made up of residents and those who work in the districts. This Panel provides valuable feedback on services with a view to ensure continued improvement and a first-class customer experience.

### Good Governance Arrangements with Partnerships:

Partnership arrangements take the form of Service Level Agreements. These are reviewed as part of the budget setting process and in advance of the date of cessation. The Council maintains a formal protocol on how it enters into funding arrangements with voluntary and third sector organisations.

The CIPFA Framework for Corporate Governance places a high degree of emphasis on partnership working. In practice, the Council takes a collaborative approach to working, recognising that there are a variety of means to engage with third parties.

#### Governance of project/programme delivery:

The Council has further embedded the project and programme management approach via the Project Management Office, with transformation projects and programmes being governed through a portfolio approach. Staff have been trained in project management and work within services to deliver projects.

### **4. Roles in assessing the effectiveness of the Councils' governance arrangements**

#### The Role of the Council

Broadland District Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Managers and Councillors within the authority who have responsibility for the development and maintenance of the governance environment, Internal Audit's annual report, and by comments made by the External Auditors and other review agencies. Full Council approves the Revenue and Capital Budget and the Treasury Management Strategy annually.

#### The Role of the Cabinet

The Cabinet agreed a range of strategies and policies during the year, including the Treasury Management Strategy, and recommending the Revenue and Capital Budget. Cabinet regularly received reports on performance, risk, projects, and their financial implications. Policy development is considered by Policy Development Panels with Cabinet making the final decisions or making recommendations to Council if appropriate.

#### The Role of the Audit Committee

The activity of the Committee during the financial year is outlined at part 3 of this statement. The Committee has also ensured that it is satisfied that the control, governance, and risk management arrangements have operated effectively. The work of the Audit Committee is summarised in an Annual Report to Council.

#### The Role of the Overview & Scrutiny Committee

The Overview & Scrutiny Committee can undertake any work relating to the four key principles of scrutiny as follows:

- Hold the Executive to account (Call-In of decisions made but not implemented and routine pre-scrutiny of items of the cabinet agenda)
- Performance monitoring
- Service reviews
- Internal and external scrutiny

The work of the Overview & Scrutiny Committee is summarised to Council in an Annual Report.

## Role of the Monitoring Officer

As of January 2026, the Council appointed a new Monitoring Officer. The Monitoring Officer has the specific duty to ensure that the Council, its officers, and its elected Councillors, maintain the highest standards of conduct in all they do. The Monitoring Officer's legal basis is found in Section 5 of the Local Government and Housing Act 1989, as amended by Schedule 5 paragraph 24 of the Local Government Act 2000. The Monitoring Officer has three main roles:

- To report on matters they believe are, or are likely to be, illegal or amount to maladministration (such a report has not been required).
- To be responsible for matters relating to the conduct of Councillors and officers.
- To be responsible for the operation of the Council's Constitution.

The Monitoring Officer is supported in their role by the Council's legal service, which is provided by nplaw, and the Deputy Monitoring Officers.

## The Role of the Chief Financial Officer

The Assistant Director Finance is designated as the Section 151 Officer for the purposes of Section 151 of the Local Government Act 1972 and is responsible for the proper administration of the Council's financial affairs. This statutory responsibility cannot be overridden. Responsibilities include:

- Setting and monitoring compliance with financial management standards
- Advising on the corporate financial position and on the key financial controls necessary to secure sound financial management.

Section 114 of the Local Government Finance Act 1988 requires the Section 151 Officer to report to the full Council, Cabinet and External Auditor if the authority or one of its officers:

- Has made, or is about to make, a decision which involves incurring unlawful expenditure
- Has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the authority
- Is about to make an unlawful entry in the authority's accounts.

The Section 151 Officer has not been required to make such a report.

## The Role of Internal Audit

All audits are performed in accordance with the good practice contained within the Public Sector Internal Audit Standards (PSIAS) 2013. Internal Audit report to the Audit Committee and provides an opinion on the system of internal control, which is incorporated in the Head of Internal Audit's Annual Report and Opinion 2025/26.

Internal Audit is arranged through a consortium, Eastern Internal Audit Services, which comprises Breckland, Broadland, North Norfolk, Norwich City, South Norfolk, and Great Yarmouth Borough Councils, and the Broads Authority. South Norfolk Council employs the Head of Internal Audit, and the operational and field management staff are employed by an external provider, TIAA Ltd. Over the last year some of the audit fieldwork and reporting has also been provided by BDO and Hertfordshire County Council as the service explores different delivery models.

In addition, the Head of Internal Audit role only is provided to the Borough of Kings Lynn and West Norfolk Council.

The Internal Audit Service assesses itself annually to ensure conformance against the Global Internal Audit Standards and it is also required to have an external assessment every five years. The most recent external assessment in January 2023, concluded that the internal audit service conforms to the professional standards and the work has been performed in accordance with the International Professional Practices Framework.

### The Role of External Review Bodies

Ernst & Young LLP were appointed by Public Sector Audit Appointments (PSAA) as the Council's external auditors. The auditors give their opinion on whether the financial statements of the Council give a true and fair view of the financial position as at the year end and of the income and expenditure for the year then ended; and they also provide an opinion on the Council's arrangements to secure economy, efficiency and effectiveness (Value for Money). The Council takes appropriate action where improvements need to be made.

### Effectiveness of Risk Management

A risk management policy is in place, which has recently been revised and approved by Cabinet for adoption. The Audit Committee has oversight of the strategic risks, which are also considered by the Cabinet on a quarterly basis and committee members continued to ask challenging questions and raise issues on matters before it.

### Effectiveness of Other Organisations

#### **Broadland Growth Ltd**

Broadland Growth Limited was a jointly owned company with NORSE. However, on 31 March 2025 Norse withdrew so that Broadland Growth Limited is now a wholly owned company. The company has delivered two developments to date. However currently, the company has no live sites.

#### **Broadland Living Ltd**

Broadland Living Limited is a wholly owned company by the Council. The Council has a designated shareholder representative to act on behalf of the shareholder's interests, with significant reserved matters built into the shareholder agreement. The company is constituted with three directors, currently one officer and two members, with an allowance of up to seven directors. The Board meets at least four times a year, including an annual general meeting to consider and agree its rolling three-year business plan.

#### **Norfolk Environmental Credits Ltd**

In March 2022 Natural England imposed constraints on the building of dwellings due to the nutrients in waterways and rivers. One of the most significantly affected areas is Norfolk where multiple Districts were unable to grant planning permission for new homes, leading to a backlog of approximately 16,000 new homes.

A number of Norfolk Authorities agreed to the establishment of a Joint Venture, initially with Anglian Water, to provide a solution that would assist in unlocking the halt on development. Norfolk Environmental Credits was incorporated in January 2023 as a company limited by guarantee to provide a range of environmental credits, initially focussing on nutrient neutrality.

Breckland, Broadland, North Norfolk, Norwich City and South Norfolk District Councils are members of the Joint Venture.

Governance arrangements for the Joint Venture were developed with the advice and assistance of Birketts. The Directors of the Company are made up of officers from each Council, and the Board of Directors must meet a minimum of four times a year, although currently this is monthly. A Member Group consisting of a Shareholder Representative from each Council has also been established and meets as required to discharge matters reserved to the Members. The Company started trading nutrient neutrality credits in February 2024.

## **Governance of Companies**

It is critical that the Council ensures that good governance is in place from a client side (i.e. the Council). A review of the companies is planned for 2026/27 against the Local Partnerships “Local Authority Company Review Guidance”.

## **5. Our assessment of effectiveness**

### **How the review was conducted**

The annual review of governance was coordinated by the Monitoring Officer and considered by the Corporate Leadership Team. It drew on:

- Quarterly Assurance Statements from Assistant Directors and senior managers (including evidence and actions), with quarterly updates on partial compliance. The Assurance Statement asked specific questions about policy and procedure, effectiveness of key controls, alignment of services with the Delivery Plan, human resources, finance, risks and controls, health and safety, procurement, insurance, information technology, data protection, freedom of information, business continuity, partnerships, and equalities. A yes / partial / no response was required, with evidence and action needed to be noted. Each Assistant Director also needed to note any issues that they felt represented a significant control item or governance issue.
- The Council’s risk management framework and reporting to Cabinet and the Audit Committee.
- Internal Audit’s work during 2025/26 and the Head of Internal Audit’s annual opinion (once finalised).
- External audit conclusions and other external review activity relevant to governance.
- The effectiveness of governance across significant partnerships and companies (including Broadland Living and Norfolk Environmental Credits governance arrangements).

### **Results of the review**

The review considered whether governance arrangements were adequately aligned to support delivery of planned outcomes in the Council Plan and Delivery Plan, and whether they supported the Council’s responsibilities for value for money/best value. The review also considered whether the Council’s governance arrangements (as set out in the Code of Corporate Governance) were operating effectively in practice and continued to support the principles of good governance. Where arrangements were not operating as effectively as intended, these have been reflected in the AGS action plan. Crucially, the AGS has highlighted that there are ***no significant governance issues*** and governance arrangements are mainly consistent across the Council.

## Where our governance needs to improve

### How we improved our governance arrangements in 2025/26 -

In 2025/26 the Council progressed governance improvements identified in the previous year's AGS and strengthened arrangements in the following areas:

**Procurement (actions now closed)** – Procurement was raised by a number of services as an issue in both 2022/23 and 2023/24. The service was being overseen through a procurement consortium; however, the support arrangements were not working effectively. In response to this, the Council moved to a new Procurement partner in January 2025 (East Suffolk Procurement Service), and training has been provided to those officers involved in procurement. No significant issues have since been reported by services; therefore, this is now closed.

**Budget monitoring (actions now closed)** – In addition to the action taken and reported upon in the previous year, there have been further improvements made over recent months, with tools (such as new Teams channel) and training in place to increase the understanding and increase awareness of the role of budget managers and Finance Business Partners. No significant issues have since been reported by services; therefore, this is now closed.

### Issues that will continue to be monitored (through AGS action plan) -

**Delegated Decisions** – A review of the recording of delegated decisions has taken place and has resulted in new processes being put in place. Officers have been informed and whilst awareness has increased and the recording of decisions has improved; it is felt necessary to continue to closely monitor this issue.

**Outstanding Internal Audit Recommendations** – Some managers highlighted this is an area whereby recommendations were not always implemented in line with the agreed timeline. This is something that the Section 151 Officer and Monitoring Officer have kept a close eye on and in year improvements have been realised. This will continue to be monitored.

### New issues identified in 2025/26 to be addressed (through AGS action plan) -

**Equality Impact Assessments** - It has been identified that Equality Impact Assessments are not always completed consistently or at an early enough stage in the development of new policies and projects. While this has not resulted in any significant issues to date, it is important that assessments are undertaken in a timely and proportionate way to ensure that the Council is meeting its Public Sector Equality Duty and fully considering the impact of its decisions on all communities.

**Governance of Companies** – A formal review of the Council's client-side governance arrangements for its companies has not yet been undertaken. Given the importance of effective oversight, transparency, and risk management in relation to Council-owned or associated companies, it is important that these arrangements are periodically reviewed to ensure roles, responsibilities and reporting mechanisms remain clear, robust, and fit for purpose.

## Annual Governance Statement Action Plan for 2025/26

The review identified the following areas where governance needs to improve or where continued focus is required. These actions will be monitored through quarterly assurance updates, reported to Management.

<b>Code of Corporate Governance Principle</b>	<b>Governance area</b>	<b>Issue</b>	<b>Action to be taken</b>	<b>Lead</b>	<b>Timeline</b>
Implementing good practices in transparency, reporting, and audit to deliver effective accountability.	Recording of delegated decisions.	Further improvement and consistency required.	Embed updated process further into the organisation. Continued communication and training. Implement periodic compliance checks.	Monitoring Officer and Corporate Leadership Team collectively.	Ongoing with periodic checks.
Implementing good practices in transparency, reporting, and audit to deliver effective accountability.	Implementation of internal audit recommendations.	Timeliness of implementation is not always achieved.	Strengthen tracking and escalation; management accountability for overdue actions.	Director of Resources and Corporate Leadership Team collectively.	Ongoing with periodic checks.
Implementing good practices in transparency, reporting, and audit to deliver effective accountability.	Equality Impact Assessments.	Equality Impact Assessments are not always being completed in a timely way or consistently for relevant new projects and policies. This is not considered a major risk, but arrangements need tightening up.	Reinforce expectations and guidance for completing Equality Impact Assessments, ensure they are considered early for relevant new projects and policies, and introduce management oversight to improve timeliness and consistency.	Corporate Leadership Team collectively	Ongoing through 2026/27
Implementing good practices in transparency, reporting, and audit to deliver effective accountability.	Governance of companies.	No review has yet taken place of the Council's client-side governance arrangements for its companies.	Internal Audit to complete a review of client-side governance arrangements for companies and identify any actions required.	Director of Resources	2026/27

## **External Audit**

The 2024/25 Accounts were signed off on 30 January 2026.

Like many local authorities affected by the national backlog of local authority external audits, these Accounts received disclaimed opinions as EY did not have the required resources available to complete all the detailed audit procedures that would be needed to obtain sufficient appropriate audit evidence to issue an unmodified audit opinion before the statutory backstop dates.

## **Internal Audit**

To be completed following completion of the internal audit plan for 2025/26 and the approval of the Head of Internal Audit Report & Opinion by the Audit Committee for 2025/26.

## **6. Assurance statement**

The review, as detailed above, provides strong evidence of good overall assurance of the Council's system of internal control and that the arrangements are fit for purpose in accordance with the governance framework.

## **7. Review and approval of the Annual Governance Statement**

The annual review of governance is coordinated by the Head of Governance & Monitoring Officer, involving senior managers across the Council and reviewed by the Corporate Leadership Team. This Annual Governance Statement is considered in draft by the Audit Committee and amended to reflect the Committee's considerations and the views of the external auditor. The (revised) Annual Governance Statement is published with the Council's annual accounts.

## **8. Certification**

We are satisfied that appropriate arrangements are in place to address improvements in our review of effectiveness. Progress on these improvements and mitigation of risks will be monitored through the year and considered at our next annual review.

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Trevor Holden, Managing Director

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Sue Holland, Leader of the Council

# INDEPENDENT AUDITOR'S REPORT

To be added once audit complete.

## GLOSSARY

### **Accounting Period**

The period of time covered by the accounts, normally 12 months commencing on 1 April for local authorities.

### **Accruals**

Income and Expenditure are recognised as they are earned or incurred, not as money is received or paid.

### **Amortisation**

The writing off of intangible assets to provision of services over an appropriate period of time.

### **Accounting Policies**

Those principles, bases, conventions, rules, and practices applied by an entity that specify how the effects of transactions and other events are to be reflected in its financial statements.

### **Assets Held for Sale**

Asset category for those where it is probable that the carrying amount will be recovered principally through a sale transaction rather than through continued use (classified as a current asset).

### **ACOP**

Accounting Code of Practice - A code of accountancy good practice published by CIPFA.

### **Actuarial Gains and Losses**

For a defined benefit pension scheme, the changes in deficits or surpluses that arise because either events have not coincided with the assumptions made by the actuary for the last valuation (experience gains and losses), or the assumptions themselves have changed.

### **Billing Authority**

An authority which issues demands to local residents for payment of Council Tax on their residences, usually in respect of its own services and as an agent for other authorities serving the property.

### **Capital Charges**

Charges made to provision of services based on the value of the assets they use.

### **Capital Expenditure**

Expenditure on new assets such as land and buildings, or on enhancements to existing assets which significantly prolong their useful life or increase their value.

### **Capital Receipts**

The money received from the sale of assets.

### **Carrying Value**

See 'Net Book Value' below.

### **Capital Financing**

Resources used to meet the capital expenditure incurred in accordance with statutory controls.

### **Cash Equivalents**

Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**CIPFA**

Chartered Institute of Public Finance & Accountancy - the main public sector accounting body.

**Collection Fund**

A statement of transactions relating to Council Tax and NNDR (National Non-Domestic Rates).

**Community Infrastructure Levy**

The levy is charged on new builds (chargeable developments for the Council) with appropriate planning consent. The Council charges for and collects the levy, which is a planning charge.

**Creditors**

Amounts incurred by the Council but not yet paid.

**Contingency**

A condition exists at the balance sheet date where the outcome will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

**Contingent Liability**

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

**Current Assets**

Assets which can be expected to be consumed or realised during the next accounting period.

**Current Liabilities**

Amounts which will become due or could be called upon during the next accounting period.

**Current Value**

The amount that would be paid for an asset in its current condition and use.

**Debtors**

Amounts due to the Council but not yet received.

**Deferred Capital Receipts**

Amounts due to the Council from the sale of non-current assets which are not receivable immediately on sale e.g., repayments on mortgages granted on the sale of Council Houses.

**Defined Benefit Scheme**

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

**Depreciation**

The estimated losses in value of an asset, owing to age, wear and tear, deterioration, or obsolescence.

**Direct Revenue Financing**

A method of financing capital expenditure from revenue resources in the year of account instead of spreading the cost over a period of years.

**Fixed Asset**

Assets that yield benefits to the local authority and the services it provides for a period of more than one year.

**Fair Value**

The amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's-length transaction.

**Finance Lease**

A lease that transfers substantially all of the risks and rewards of ownership of an asset to the lessee.

**General Fund**

The main account of the Council which records the cost of services.

**Government Grants**

Payments by central government towards local authority expenditure. They may be specific, for example Housing Benefit Subsidy, or general such as the Revenue Support Grant.

**Gross Book Value**

The gross value of an asset prior to depreciation.

**Intangible Asset**

Non-current assets that do not have physical substance but are identifiable and are controlled by the entity through custody or legal rights, e.g., software licences.

**IFRS**

International Financial Reporting Standard – one of the standards by which a body reporting their financial results in accordance with accepted international accountancy practices must abide.

**Impairment**

A reduction in the value of a fixed asset due to physical damage or detrimental changes in the local environment.

**Infrastructure Asset**

Fixed assets that are useful only in the location in which they have been constructed, such that expenditure is recoverable only by continued use of the asset created. Examples of infrastructure assets include cycle tracks, footpaths, and street lighting columns.

**Market Value**

The amount that would be paid for an asset in its highest and best use.

**Materiality**

An assessment of how much influence a figure or disclosure may have on a reader's judgement. This is not a set amount; rather, it is judged by the size of the figure in relation to related amounts within the authority's accounts, or the extent of the activity in relation to the authority's other operations.

**Minimum Revenue Provision (MRP)**

This is the minimum amount which must be charged to an authority's revenue account each year and set aside as provision for repayment of external debt.

**Net Book Value**

Also known as the carrying value, this is the value at which the authority carries an asset on its balance sheet. It is equal to the cost of the asset minus accumulated depreciation.

**Net Realisable Value**

The estimated selling price of an asset in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

**Non-Current Assets (formerly Fixed Assets)**

Assets which can be expected to be of use or benefit the Council in providing its service for more than one accounting period.

**Operating Lease**

A lease under which the ownership of the asset remains with the lessor.

**Operational Assets**

Non-current assets held and occupied, used, or consumed by the local authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

**Precept**

Formal instructions issued to a billing authority to collect local taxation on behalf of the instructor and pay it to them. Norfolk County Council, the Office for the Police and Crime Commissioner and town and parish councils within the area issue precepts to the Council each year for the total amount of Council Tax to be collected from local residents in respect of their services.

**Present Value**

The value of an asset at the balance sheet date, discounting for future inflation.

**Prior Period Adjustment**

Where an authority discovers a misstatement, error or omission considered to be material in a set of accounts published in a previous financial year, the authority is obliged to make a prior period adjustment to correct the statements. This involves publishing the corrected statements for the previous financial year, together with a corrected opening balance sheet for the start of that previous year. Prior period adjustments require an explanatory note disclosing the reason for the adjustment and all amounts which have been affected in the restated statements.

**Provisions**

Monies set aside for liabilities which are likely to be incurred but where exact amounts or dates are uncertain.

**Related Party**

Corporate bodies or individuals that have the potential to control or influence the Council's decisions, or to be controlled by or influenced by the Council.

**Related Party Transaction**

The transfer of assets or liabilities or the performance of services by, to or for a related party.

**Remuneration**

All amounts paid to or received by a person, and includes sums due by way of expenses, allowances (as far as those sums are chargeable to UK income tax), and the estimated money value of any other benefits received by an employee otherwise than in cash.

**Reserves**

Accumulated balances built up or set aside in the accounts for the purpose of meeting particular future expenditure.

**Residual Value**

The estimated amount that the authority would currently obtain from disposal of an asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

**Revenue Expenditure Funded from Capital under Statute**

Capital expenditure for which the Council either never had or no longer holds a capital asset.

**Restated**

This word in the statements or notes to the accounts indicates that some of the figures have been changed from those shown in the same statement or note published in the previous year. This is usually as a result of either:

A change to the Code, requiring the previous year's accounts to be changed in the same way to provide an accurate comparison between the years, or

The correction of a material error or retrospective reclassification involving material amounts, as described in 'Prior Period Adjustments' above.

**Revenue Expenditure**

Recurring expenditure on day-to-day expenses such as salaries, electricity, and telephones.

**Revenue Support Grant**

Paid by central government to assist in the provision of local government services.

**Right of Use Assets**

Assets that represent an organisation's legal right to use an underlying asset (such as property, equipment, or vehicles) for a specified period under a lease agreement.

**Support Service Costs**

The cost of certain departments that provide professional and administrative services to the Council e.g., human resources and accountancy.

**Temporary Loan**

Money borrowed on a short-term basis. Funds deposited with this Council by other organisations for treasury purposes are treated as temporary loans.

## LIST OF ABBREVIATIONS

CIL	Community Infrastructure Levy
CIPFA	Chartered Institute of Public Finance and Accountancy
DFG	Disabled Facilities Grant
DHC	Depreciated Historical Cost
DRC	Depreciated Replacement Cost
EUV	Existing Use Value
FTE	Full time equivalent
IAS	International Accounting Standard
IFRS	International Financial Reporting Standards
MRP	Minimum Revenue Provision
NNDR	National Non-Domestic Rates
PWLB	Public Works Loan Board
REFCUS	Revenue Expenditure Funded from Capital Under Statute
RSG	Revenue Support Grant
SOLACE	Society of Local Authority Chief Executives