

The Arc
High Street
Clowne
S43 4JY

To: Chair & Members of the
Audit Committee

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Wednesday 17th September 2025

Dear Councillor

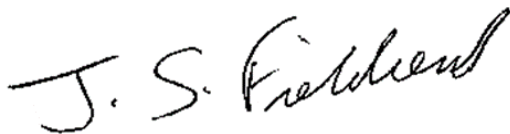
AUDIT COMMITTEE

You are hereby summoned to attend a meeting of the Audit Committee of the Bolsover District Council to be held in the Council Chamber, The Arc, Clowne on Thursday 25th September 2025 at 10:00 hours.

Register of Members' Interests - Members are reminded that a Member must within 28 days of becoming aware of any changes to their Disclosable Pecuniary Interests provide written notification to the Authority's Monitoring Officer.

You will find the contents of the agenda itemised on page 3.

Yours faithfully

A handwritten signature in blue ink, appearing to read "J. S. Fieldhead".

Solicitor to the Council & Monitoring Officer

Equalities Statement

Bolsover District Council is committed to equalities as an employer and when delivering the services it provides to all sections of the community.

The Council believes that no person should be treated unfairly and is committed to eliminating all forms of discrimination, advancing equality and fostering good relations between all groups in society.

Access for All statement

You can request this document or information in another format such as large print or **language** or contact us by:

- **Phone:** [01246 242424](tel:01246 242424)
- **Email:** enquiries@bolsover.gov.uk
- **BSL Video Call:** A three-way video call with us and a BSL interpreter. It is free to call Bolsover District Council with Sign Solutions, you just need Wi-Fi or mobile data to make the video call, or call into one of our Contact Centres.
- Call with [Relay UK](#) - a free phone service provided by BT for anyone who has difficulty hearing or speaking. It's a way to have a real-time conversation with us by text.
- **Visiting** one of our [offices](#) at Clowne, Bolsover, Shirebrook and South Normanton

AUDIT COMMITTEE AGENDA

*Thursday 25th September 2025 at 10:00 hours taking place in the Council Chamber,
The Arc, Clowne*

Item No.		Page No.(s)
1.	Apologies For Absence	
2.	Urgent Items of Business	
	To note any urgent items of business which the Chairman has consented to being considered under the provisions of Section 100(B) 4(b) of the Local Government Act 1972.	
3.	Declarations of Interest	
	Members should declare the existence and nature of any Disclosable Pecuniary Interest and Non Statutory Interest as defined by the Members' Code of Conduct in respect of:	
	a) any business on the agenda	
	b) any urgent additional items to be considered	
	c) any matters arising out of those items	
	and if appropriate, withdraw from the meeting at the relevant time.	
4.	Minutes	4 - 10
	To consider the minutes of the last meeting held on 7 th July 2025	
5.	Strategic Risk Register and Partnership Arrangements	Verbal Update
	<u>REPORTS OF THE COUNCIL'S EXTERNAL AUDITOR MAZARS</u>	
6.	Audit Strategy Memorandum Year Ending 31st March 2025	11 - 55
	<u>REPORT OF THE SECTION 151 OFFICER</u>	
7.	Statement of Accounts 2024/25	56 - 184
8.	Assessment of Going Concern Status	185 - 192
9.	Audit Committee Annual Report 2024/25	193 - 196
	<u>REPORT OF THE DIRECTOR GOVERNANCE, LEGAL SERVICE & MONITORING OFFICER</u>	
10.	Annual Governance Report 2024/25	197 - 253

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee of the Bolsover District Council held in the Council Chamber, The Arc, Clowne, on Monday 7th July at 1000 hours.

PRESENT:-

Members:-

Councillor Catherine Tite in the Chair

Councillors:- Steve Fritchley, Cathy Jeffery, Tom Kirkham (From AUD10-25/26) and Ruth Jaffray (Coopted Member).

Officers:- Theresa Fletcher (Section 151 Officer), Jim Fieldsend (Monitoring Officer), Steve Brunt (Strategic Director of Services), Jenny Williams (Head of Internal Audit Consortium), Katie Walters (Property Services Manager) and Alison Bluff (Senior Governance Officer).

AUD01-25/26.

APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillors Rob Hiney-Saunders and Carol Wood.

AUD02-25/26.

URGENT ITEMS OF BUSINESS

There were no urgent items of business to consider.

AUD03-25/26.

DECLARATIONS OF INTEREST

There were no declarations of interest.

AUD04-25/26.

MINUTES – 22nd JANUARY 2025

Moved by Councillor Cathy Jeffery and seconded by Councillor Catherine Tite

RESOLVED that the Minutes of an Audit Committee held on 22nd January 2025 be approved as a true record.

AUD05-25/26.

EXTRAORDINARY MINUTES – 20th FEBRUARY 2025

Moved by Councillor Cathy Jeffery and seconded by Councillor Catherine Tite

RESOLVED that the Minutes of an Audit Committee held on 20th February 2025 be approved as a true record.

AUDIT COMMITTEE

AUD06-25/26.

MINUTES - 9TH APRIL 2025

Moved by Councillor Cathy Jeffery and seconded by Councillor Catherine Tite

RESOLVED that the Minutes of an Audit Committee held on 9th April 2025 be approved as a true record.

REPORT OF THE PORTFOLIO HOLDER FOR GROWTH

AUD07-25/26.

**HOMES ENGLAND: COMPLIANCE AUDIT REPORT
2024/25**

Committee considered a detailed report which advised Members of an audit outcome carried out by Homes England in compliance with their funding requirements regarding Bolsover Homes new build properties at Moorfield Lane, Langwith.

The Council had received funding of £355,205 from Homes England which had contributed towards building the Bolsover Homes development of seven homes at Moorfield Lane, Langwith, as shown on the layout plan attached at appendix 1 to the report.

Homes England had carried out an audit to ensure that the funding requirements were complied with. The audit had been awarded 'green' status which meant that it had met their grant criteria - this was the highest status that could be awarded. The audit report was attached at appendix 2 to the report for Members information.

Members welcomed the report.

Moved by Councillor Cathy Jeffery and seconded by Councillor Catherine Tite

RESOLVED that the report be noted.

REPORTS OF THE INTERNAL AUDIT CONSORTIUM MANAGER

AUD08-25/26.

**SUMMARY OF PROGRESS ON THE 2024/25 INTERNAL
AUDIT PLAN**

Committee considered a detailed report which provided progress on the 2024/25 Internal Audit Plan and the audit reports issued to date.

During the January 2025 to June 2025 period, seven reports had been issued; three with substantial assurance, three with reasonable assurance, and one with limited assurance. A summary of these reports was attached at appendix 1. In addition to this, two reports had been issued in respect of Dragonfly, both with reasonable assurance. No issues arising relating to fraud were identified.

As previously requested by Members, a full copy of the limited assurance sundry debtors report was attached at appendix 2. The recommendations had been agreed, and action was being taken to improve the controls and processes in place.

AUDIT COMMITTEE

This was the final progress report in respect of the 2024/25 Internal Audit Plan and not all of the plan had been completed, however, 74% had been completed and this was sufficient for the Head of Internal Audit Consortium to provide an opinion on governance, risk and control arrangements. The areas not completed had been rolled forward to future years and the annual report, which was the next item on the agenda, provided more detail.

With regard to staffing, the BDC Senior Auditor had recently left, and the role advertised twice, however, it had not been possible to recruit. CIPFA PENNA were now in the process of running a recruitment campaign on behalf of the Consortium and in the meantime, an Interim Senior Auditor from the Consortium had been recruited for a period of 6 months. In addition, there were two further vacancies: a full time BDC Auditor and a part time BDC Auditor. These posts were in the process of being advertised.

In response to a Member's query, the Head of Internal Audit Consortium noted that as the sundry debtor report had been completed on time, there was no link between the limited assurance issued and the current shortage of auditors. In response to another Member's query, the Head of Internal Audit Consortium noted there was a national shortage of qualified auditors due to a number of factors and from attending the Local Authorities Chief Auditors network meetings, all local authorities were struggling to recruit.

Members thanked the Head of Internal Audit Consortium for the work carried out on the plan and the report.

Moved by Councillor Steve Fritchley and seconded by Councillor Cathy Jeffery
RESOLVED that the report be noted.

Councillor Kirkham entered the meeting at this point.

AUD9-25/26. INTERNAL AUDIT CONSORTIUM ANNUAL REPORT 2024/25

Committee considered a detailed report in relation to the Internal Audit Consortium Annual Report and the Head of Internal Audit's opinion on the adequacy of the Council's arrangements for governance, risk management and control.

The Public Sector Internal Audit Standards (PSIAS) (applicable for the 2024/25 financial year) required that the Head of Internal Audit Consortium delivered an annual internal audit opinion and report that could be used by the organisation to inform its Annual Governance Statement.

The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and internal control. The work of internal audit over the year allowed the Head of Internal Audit to form the annual internal audit opinion as required by the PSIAS. The opinion was also derived from other assurances such as the work of the Risk Management Group and Public Sector Network compliance.

AUDIT COMMITTEE

The Head of Internal Audit's opinion for 2024/25 was set out in the annual report and was:

In my opinion reasonable assurance can be provided on the overall adequacy and effectiveness of the Council's framework for governance, risk management and control for the year ended 2024/25. In terms of Dragonfly Management (Bolsover) Ltd reasonable assurance can also be provided. In respect of Dragonfly Development Ltd the Council is placing reliance on the assurance received from the company's external auditors. The governance arrangements between the Council and the companies have not been assessed by internal audit during the year as the Council have commissioned a review by the Local Partnerships commencing in April 2025.

In this context "reasonable assurance" means that arrangements are in place to manage key risks and to meet good governance principles but there are some areas where improvements are required. Assurance can never be absolute.

The annual report also provided a summary of the work undertaken by Internal Audit in 2024/25, information on the performance of the Internal Audit service, an assessment of conformance against the PSIAS and the results of the Quality Assurance and Improvement Programme (QAIP). A progress update in respect of the action plan to achieve full compliance with the Global Internal Audit Standards was also included.

In response to a Member's query, the Head of Internal Audit Consortium advised that when the Audit Plan was formulated, all areas of the Council were covered and also the risk and value of transactions. High risk areas were looked at every one to two years and low risk impact was looked at around every five years.

In response to a Member's queries regarding the non-decent homes audit, the Head of Internal Audit Consortium advised that this was a special project Internal Audit were asked to complete to see if non decent homes data was being submitted accurately. The Section 151 Officer added that if the stock condition survey data showed that certain work needed carrying out which was different to what was being carried out under the capital programme for the HRA, then the capital programme work would be changed to address the stock condition survey requirements, however, this could be carried out over a number of years and would be approved within the Medium Term Financial Plan.

Moved by Councillor Steve Fritchley and seconded Councillor Cathy Jeffery
RESOLVED that the 2024/25 Internal Audit Consortium Annual Report and the overall assurance opinion on the Council's governance, risk management and control arrangements, be accepted.

AUD10-25/26.

IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS

Committee considered a detailed report which provided information regarding a summary of the internal audit recommendations made and implemented for the financial years 2021/22 - 2024/25 to date.

AUDIT COMMITTEE

Internal Audit made recommendations to improve the governance, risk and control processes in place and it was important to monitor the implementation of these recommendations to improve the control environment and to reduce the risk of fraud and error.

The appendix to the report provided an analysis of the number of recommendations made and implemented for the financial years 2021/22 – 2024/25 to date. The tables contained in the appendix summarised the number of recommendations that had been implemented and those which were outstanding, along with the relevant managers latest update on progress made.

There were five outstanding recommendations of which one was high risk, one medium risk and three low risk.

Moved by Councillor Steve Fritchley and seconded by Councillor Cathy Jeffery
RESOLVED that the report be noted.

AUD11-25/26. INTERNAL AUDIT CHARTER

Committee considered a report which provided information and sought Members' approval of the new Internal Audit Charter that reflected the requirements of the Global Internal Audit Standards (GIAS) in the UK Public Sector. The proposed Internal Audit Charter was attached as appendix 1 to the report.

The current Internal Audit Charter met the requirements of the Public Sector Internal Audit Standards (PSIAS), however, from 1st April 2025, the GIAS in the UK Public Sector replaced the PSIAS. The new Charter had been developed to meet the requirements of the GIAS.

In accordance with the GIAS, the Head of Internal Audit Consortium must develop and maintain an Internal Audit Charter that specified, as a minimum, the internal audit functions:

- Purpose of internal auditing
- Commitment to adhering to the GIAS
- Mandate, including scope and types of service to be provided, and the audit committee's responsibilities and expectations regarding management's support of the internal audit function
- Organisational position and reporting relationships

In response to a Member's query regarding cyber security risk and the number of audit days, the Head of Internal Audit Consortium advised that Internal Audit had just completed an audit of cyber governance arrangements, and this had been done over 20 days in 2024/25 and would not be revisited until 2026/27, however, any recommendations made in 2024/25, would be followed up to ensure implementation. As Internal Audit were not IT technical experts, reliance was put on being compliant with the public sector network assurance and part of this was that external penetration testing was carried out to ensure firewalls were in place etc.

Moved by Councillor Tom Kirkham and seconded by Councillor Cathy Jeffery
RESOLVED that 1) the Internal Audit Charter be agreed,

AUDIT COMMITTEE

2) the Internal Audit Charter be reviewed annually or sooner in the event of any significant changes to the Internal Audit function or the GIAS.

AUD12-25/26.

INTERNAL AUDIT PLAN 2025/26

Committee considered a report which sought Members approval for the 2025/26 Internal Audit Plan. The plan was attached as an appendix to the report and had been reviewed by the Section 151 Officer and Senior Leadership Team.

The GIAS required the Head of Internal Audit Consortium to create an internal audit plan that supported the achievement of the Council's objectives, based on the strategies and risks of the Council and the Head of Internal Audit's understanding of the governance, risk management and control processes in place. The GIAS also required that the Audit Committee (highest level body charged with governance) approve the plan.

A summary of the internal audit plan for 2025/26 was shown in a table in the report and in detail in appendix 1.

Resource availability had been based on the Consortium Business Plan approved by the Joint Board on 26th March 2025. 483 days were allocated in total, and it was intended to allocate 73 days to Dragonfly this year.

The plan was ambitious and reliant upon having a full staffing complement and fully trained staff. However, as reported above at Minute Number AUD09 - 25/26, regarding a shortage of internal auditors, an interim Senior Auditor had been employed for 6 months and in addition to this, staff members based at NEDDC and CBC would also spend time working on audits from the BDC plan.

A Member queried if the Audit Consortium had yet considered the future implications of local government reform. The Head of Internal Audit Consortium advised that she was part of the local authority chief auditors' network and current discussions were around areas that would need to be considered and risks, however, in relation to what would happen to Audit in Derbyshire, it was still early days.

In response to queries raised by the Chair, the Head of Internal Audit Consortium advised that it was a requirement of the standards that any changes in relation to the internal audit plan would be brought to the Audit Committee for approval. With regard to resources, the Head of Internal Audit Consortium would be required to approach the Joint Board for further funding if this were necessary.

Moved by Councillor Steve Fritchley and seconded by Councillor Tom Kirkham
RESOLVED that 1) the internal audit plan for 2025/26 be approved,

2) that the plan was provisional and may require adjusting and prioritising in the light of any changes in the Council's business, risk operations, programs, systems, controls and organisational culture, be noted.

AUDIT COMMITTEE

AUD13-25/26.

WORK PROGRAMME 2025/26

Committee considered their work programme 2025/26. The Section 151 Officer noted that the self-assessment of the audit committee would need adding the programme for the meeting in April 2026

Moved by Councillor Catherine Tite and seconded by Councillor Cathy Jeffery
RESOLVED that the work programme 2025/26 be noted.

The meeting concluded at 1024 hours.



11

Audit Strategy Memorandum

Bolsover District Council – Year ending 31 March 2025

September 2025

Agenda Item 6

Audit Committee
Bolsover District Council
The Arc,
High Street
Clowne
S43 4JY

September 2025

Forvis Mazars

The Corner
Bank Chambers
26 Mosley Street
Newcastle Upon Tyne
NE1 1DF

Dear Audit Committee Members,

Audit Strategy Memorandum – Year ending 31 March 2025

We are pleased to present our Audit Strategy Memorandum for Bolsover District Council for the year ending 31 March 2025.

This report summarises our audit approach, including the significant audit risks and areas of key judgement we have identified, and provides details of our audit team. In addition, as it is a fundamental requirement that an auditor is, and is seen to be, independent of an audited entity, the section of the report titled '*Confirmation of our independence*' summarises our considerations and conclusions on our independence as auditors.

Two-way communication with you is key to a successful audit and is important in:

- Reaching a mutual understanding of the scope of the audit and our respective responsibilities;
- Sharing information to assist each of us to fulfil our respective responsibilities;
- Providing you with constructive observations arising during the audit process; and
- Ensuring that we, as external auditors, gain an understanding of your attitude and views in respect of the internal and external operational, financial, compliance, and other risks facing Bolsover District Council which may affect the audit, including the likelihood of those risks materialising and how they are monitored and managed.

With that in mind, this report, which has been prepared following our initial planning discussions with management, facilitates a discussion with you on our audit approach. We welcome any questions, concerns, or input you may have on our approach or role as auditor.

This report also contains appendices that outline our key communications with you during the audit, and forthcoming accounting issues and other issues that may be of interest to you.

Providing a high-quality service is extremely important to us and we strive to provide technical excellence with the highest level of service quality, together with continuous improvement to exceed your expectations. If you have any concerns or comments about this report or our audit approach, please contact me on +44 (0)788283527.

This report was prepared solely for the use and benefit of Audit Committee and to the fullest extent permitted by law Forvis Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

Yours faithfully


James Collins

Forvis Mazars

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- 08 Confirmation of our independence

- 1 Appendix A – Key communication points
- Appendix B – Current year updates, forthcoming accounting and other issues

This document is to be regarded as confidential to Bolsover District Council. It has been prepared for the sole use of Audit Committee as the appropriate sub-committee charged with governance. No responsibility is accepted to any other person in respect of the whole or part of its contents.

01

Engagement and responsibilities summary

Engagement and responsibilities summary

We are appointed to perform the external audit of Bolsover District Council (the Council) for the year to 31 March 2025. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: [Statement of responsibilities of auditors and audited bodies from 2023/24](#). Our responsibilities are principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO), as outlined below.

Audit opinion

We are responsible for forming and expressing an opinion on whether the financial statements are prepared, in all material respects, in accordance with the Code of Practice on Local Authority Accounting.

Our audit does not relieve management or Audit Committee, as those charged with governance, of their responsibilities.

The Section 151 Officer is responsible for the assessment of Bolsover District Council's ability to continue as a going concern. As auditors, we are required to obtain sufficient, appropriate audit evidence regarding, and conclude on:

- a) whether a material uncertainty related to going concern exists, and
- b) the appropriateness of the Section 151 Officer's use of the going concern basis of accounting in the preparation of the financial statements.

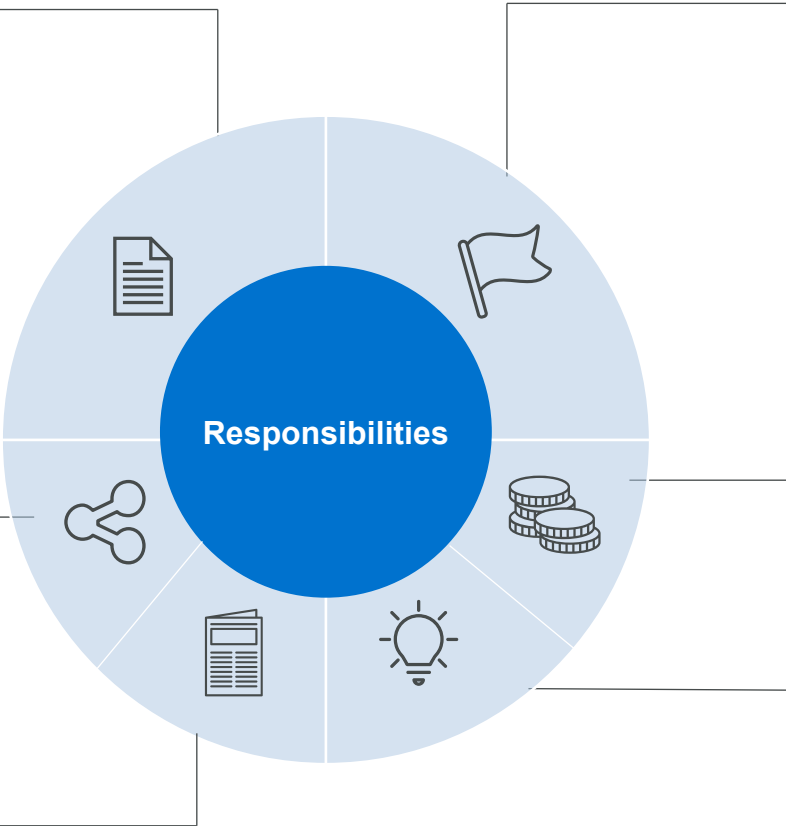
15 Internal control

Management is responsible for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

We are responsible for obtaining an understanding of internal control relevant to our audit and the preparation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bolsover District Council's internal control.

Whole of Government Accounts

We report to the NAO on the consistency of the Bolsover District Council's financial statements with its Whole of Government Accounts (WGA) submission.



Fraud

The responsibility for safeguarding assets and for the prevention and detection of fraud, error, and non-compliance with law or regulations rests with both you and management. This includes establishing and maintaining internal controls over asset protection, compliance with relevant laws and regulations, and the reliability of financial reporting.

As part of our audit procedures in relation to fraud, we are required to inquire of you and key management personnel internal audit and other key individuals, where relevant, on their knowledge of instances of fraud, and their views on the risks of fraud and on internal controls that mitigate those risks. In accordance with International Standards on Auditing (UK), we plan and perform our audit to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error. However, our audit should not be relied upon to identify all such misstatements.

Value for money

We are also responsible for forming a view on the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources. We discuss our approach to Value for Money work further in the 'Value for Money' section of this report.

Wider reporting and electors' rights

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounts of the Council and consider objections made to the accounts. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom.

02

Your audit team

Your audit team



James Collins

Engagement Director

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Garima Garg

Audit Manager

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Reena Tanna

Audit Assistant Manager

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03

Audit scope, approach, and timeline

Backstop update

Background

The statutory backstop established a date in legislation by which local authorities were required to publish their financial statements irrespective of whether their external auditor had obtained sufficient appropriate audit evidence to issue a non-disclaimed audit opinion. The introduction of the backstop led to many local authority audits being disclaimed. Bolsover District Council received disclaimed audit opinion on the 2023/24 financial statements.

Audit suppliers have worked with the National Audit Office (NAO) and the Financial Reporting Council (FRC) to develop guidance to support local audit suppliers to rebuild assurance after previous audits have been disclaimed. In June 2025, the NAO issued its guidance to auditors on the special considerations for rebuilding assurance. The Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06 was published with the endorsement of the Financial Reporting Council (FRC). The NAO issued its suite of LARRIGs to support auditors in meeting the requirements of the Government's backstop arrangements included in the Accounts and Audit (Amendment) Regulations 2024. LARRIG 06 makes clear the work required to rebuild assurance following a disclaimer of opinion may be significant and will vary between authorities.

The LARRIG emphasises the timely delivery of audited financial statements is a collective enterprise where both accounts preparers and auditors have important responsibilities. Effective governance and internal controls, allied to accurate and timely financial reporting, are essential conditions to support a return to the timely delivery of unqualified audited financial statements.

You can access the NAO's suite of LARRIGs here: www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/

Rebuilding following a disclaimer of opinion

Under normal circumstances and following a financial year where the auditor has given an unmodified opinion on the financial statements, auditors would usually rely on assurance obtained in the prior period to be satisfied that the opening balances in the current year are free from material error. Following the completion of audit procedures on in-year transactions, the auditor would usually be able to form an opinion on the current year's financial statements.

When a disclaimer of opinion has been issued in the prior periods, no such assurance can be taken and the auditor must design alternative audit procedures to be able to form a position on the current year's financial statements.

Risk assessment process

The guidance requires auditors to consider the facts and circumstances impacting the financial statements and the different classes of transactions and account balances, and to apply professional judgement in determining the appropriate level of audit work to rebuild assurance. In general, the greater the number of financial years subject to a disclaimed opinion, the greater risk of material misstatement that auditors need to address when determining the most appropriate way to rebuild assurance. Even in circumstances where only one year's financial statements have been subject to a disclaimed opinion, the inherent risk of material misstatement will inevitably be higher than would ordinarily be the case.

Backstop update

LARRIG 06 places an emphasis on the risk assessment procedures auditors should undertake. We will conduct a comprehensive risk assessment which considers:

- the Council's system of internal control for the periods subject to disclaimed audit opinions; and
- a detailed assessment of the potential risks for each account balance.

We will conduct a detailed assessment of risk at the account balance level and will focus particularly on the potential risks of material misstatement in prior periods for individual reserve balances.

Although we are yet to complete our detailed risk assessment work, it is likely that we will be reporting to you that there are additional risks associated with prior period disclaimed opinions and the additional work that we must complete to rebuild assurance.

Respond to identified risks

ISA (UK) 330 requires the auditor to design and perform further audit procedures based on, and responsive to, the assessed risks of material misstatement at either the financial statement level, or the assertion level. The ISA requires the auditor to obtain more persuasive evidence as the assessment of risk increases.

Following the completion of our risk assessment work, we will design audit procedures to respond to those risks in the most efficient and effective manner. It is important to note that the work we will undertake to address identified risks relating to a prior period disclaimer of opinion is in addition to the work that we will be undertaking, and would ordinarily undertake, to obtain assurance over the current year's transactions, closing balances and disclosures.

At this early stage we anticipate that we will undertake additional procedures (over and above those which we would usually undertake) on group balances, and most usable and unusable reserve balances.

Timeline and further reporting

We report to you the outcome of our detailed risk assessment procedures and intended audit response to identified risks once detailed risk assessment procedures have been concluded. We anticipate that we will have completed our risk assessment work in September and will discuss the identified risks and our intended approach to responding to those risks with the Director of Finance and their team in advance of presenting an update report to the Audit Committee later in the year.

Implications for audit fees

PSAA have yet to determine the impact of the auditor's procedures for rebuilding assurance on the scale audit fee for 2024/25 and beyond. It will deal with this through its scale fee variation approval process. We will be transparent in communicating with the Section 151 officer any additional audit costs arising from our work on rebuilding assurance and will update the Committee in due course.

Audit scope, approach, and timeline

Risk-based Approach



Audit scope, approach, and timeline

Audit scope

Our audit approach is designed to provide an audit that complies with all professional requirements.

Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit methodology, and in accordance with Code of Audit Practice. Our work is focused on those aspects of your business which we consider to have a higher risk of material misstatement, such as those impacted by management judgement and estimation, application of new accounting standards, changes of accounting policy, changes to operations, or areas found to contain material errors in the past.

Audit approach

Our audit approach is risk-based, and the nature, extent, and timing of our audit procedures are primarily driven by the areas of the financial statements we consider to be more susceptible to material misstatement. Following our risk assessment where we assess inherent risk factors (subjectivity, complexity, uncertainty, change and susceptibility to misstatement due to management bias or fraud), we develop our audit strategy and design audit procedures to respond to the risks we have identified.

If we conclude that appropriately-designed controls are in place, we may plan to test and rely on those controls. If we decide controls are not appropriately designed, or we decide that it would be more efficient to do so, we may take a wholly substantive approach to our audit testing where, in our professional judgement, substantive procedures alone will provide sufficient appropriate audit evidence. Substantive procedures are audit procedures designed to detect material misstatements at the assertion level and comprise tests of detail (of classes of transaction, account balances, and disclosures), and substantive analytical procedures. Irrespective of our assessed risks of material misstatement, which takes account of our evaluation of the operating effectiveness of controls, we are required to design and perform substantive procedures for each material class of transaction, account balance, and disclosure.

Our audit has been planned and will be performed to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. The concept of materiality and how we define a misstatement is explained in the *'Materiality and misstatements'* section of this report.

The diagram on page 12 outlines the procedures we perform at the different stages of our audit.

Reliance on internal audit

Where possible, we will use the work performed by internal audit when designing the nature, extent, and timing of our audit procedures. We will discuss with internal audit the progress of their work and their findings prior to commencing our controls evaluation procedures.

Where we intend to rely on the work on internal audit, we will evaluate the work performed by them and perform our own procedures to determine the adequacy of that work for our audit.

Audit scope, approach, and timeline

Management’s and our experts

Management makes use of experts in specific areas when preparing the Council’s financial statements. We also use experts to assist us to obtain sufficient appropriate audit evidence on specific items of account.

Item of account	Management’s expert	Our expert
Defined benefit liability	Hymans Robertson	National Audit Office’s (NAO’s) Consulting Actuary
Property, plant and equipment valuation	Internal valuer from the Council	We will consider available market data including the National Audit Office’s expert, Montague Evans.
Financial Instruments	Arlingclose	None identified at planning.
Business Rates Appeals Valuations	InformCPI Ltd	None identified at planning.

Service organisations

International Auditing Standards (UK) (ISAs) define service organisations as third party organisations that provide services to the Council that are part of its information systems relevant to financial reporting. We are required to obtain an understanding of the services provided by service organisations as well as evaluating the design and implementation of controls over those services.

We have not identified any service organisation used by the Council.

Audit scope, approach, and timeline

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Audit scope, approach, and timeline

Group audit approach

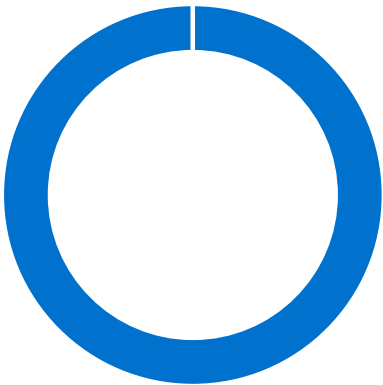
The preliminary scope of our group audit is based on our analysis of the risks we have identified at group level. When scoping our audit, we have considered quantitative criteria (the contribution of each of the group’s consolidated components to the group financial statements); qualitative criteria (the risks of material misstatement of the group financial statements that consolidated components may present individually at component level); and we have assessed the risk of material misstatement across the group’s consolidated components in aggregate.

The nature and extent of audit work we plan to perform on the consolidated components is set out below.

Component name	% of Gross Expenditure	Location	Auditor	Scope
Bolsover District Council	72%	Clowne	Forvis Mazars LLP	Full Scope Audit
Dragonfly Development Limited	12%	Clowne	Hewittcard Chartered Certified Accountants	Full Scope Audit
Dragonfly Management (Bolsover) Limited	17%	Clowne	Hewittcard Chartered Certified Accountants	Full Scope Audit

23-24 – Initial % of group

Gross Expenditure



- Full audit
- Audit of specific account balance(s) and/ or disclosure(s)
- Group engagement team instructed engagement procedures

Audit scope, approach, and timeline

Follow up on significant deficiencies in internal control

Set out below are the significant deficiencies in internal control that we identified during our prior period audit. During the course of the audit, we will request that you and management provide us with evidence of the progress made to address these deficiencies. We will report an update on the progress made for each significant deficiencies in internal control detailed below in our Audit Completion Report.

- **Journals** - During our testing of Journals, we identified 55 journals posted by the Section 151 Officer. The Council confirmed this was due to Dragonfly incorporation and lack of capacity in the finance team. If the Section 151 Officer is involved in the accounts preparation there is a risk the internal control checks are not effective as the S151 Officer could be reviewing their own work. This increases the risk material errors are missed in the accounts process.
- **PPE revaluations** - In our testing of the underlying data used to calculate the value of assets, there was a delay in the Council being able to find and provide data to validate the floor areas used to support the valuations. Without this information being saved in the Council working papers there is a risk that internal review of the valuations is not effective and may miss material errors
- **Payroll Reconciliation** - The Council did not prepare a reconciliation between the payroll system and the employee expenses in the general ledger and financial statements. There is a risk that payroll expenditure could be incomplete, or that items could be misclassified in the financial statements between employee expenses and other expenditure

Materiality and misstatements

Materiality and misstatements

Definitions

Materiality is an expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole.

Misstatements in the financial statements are considered to be material if they could, individually or in aggregate, reasonably be expected to influence the economic decisions of users based on the financial statements.

Materiality

We determine materiality for the financial statements as a whole (overall materiality) using a benchmark that, in our professional judgement, is most appropriate to entity. We also determine an amount less than materiality (performance materiality), which is applied when we carry out our audit procedures and is designed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Further, we set a threshold above which all misstatements we identify during our audit (adjusted and unadjusted) will be reported to the Audit Committee.

Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on a consideration of the common financial information needs of users as a group and not on specific individual users.

An assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:

- Have a reasonable knowledge of business, economic activities, and accounts;
- Have a willingness to study the information in the financial statements with reasonable diligence;
- Understand that financial statements are prepared, presented, and audited to levels of materiality;
- Recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement, and consideration of future events; and
- Will make reasonable economic decisions based on the information in the financial statements.

We consider overall materiality and performance materiality while planning and performing our audit based on quantitative and qualitative factors.

When planning our audit, we make judgements about the size of misstatements we consider to be material. This provides a basis for our risk assessment procedures, including identifying and assessing the risks of material misstatement, and determining the nature, timing and extent of our responses to those risks.

The overall materiality and performance materiality that we determine does not necessarily mean that uncorrected misstatements that are below materiality, individually or in aggregate, will be considered immaterial.

We revise materiality as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of that information at the planning stage.

Materiality and misstatements

Materiality (continued)

For the group financial statements, we consider that gross revenue expenditure at surplus/deficit on provision of services level is the key focus of users of the financial statements. We have therefore determined our initial materiality levels using gross revenue expenditure at surplus/deficit on provision of services level as the benchmark.

For the single entity financial statements, we consider that gross revenue expenditure at surplus/deficit on provision of services level is the key focus of users of the financial statements. We have therefore determined our initial materiality levels using gross revenue expenditure at surplus/deficit on provision of services level as the benchmark.

We expect to set a materiality of 2% of gross revenue expenditure at surplus/deficit on provision of services level for the group financial statements, and a materiality of 2% of gross revenue expenditure at surplus/deficit on provision of services level for the single entity.

As set out in the tables alongside, based on currently available information (2024-25 draft financial statements) we anticipate overall materiality for the year ended 31 March 2025 to be in the region of £1.430m, and performance materiality to be in the region of £1.001m.

For the single entity financial statements, we anticipate overall materiality for the year ended 31 March 2025 to be in the region of £1.370m and performance materiality to be in the region of £0.959m.

We will continue to monitor materiality throughout our audit to ensure it is set at an appropriate level.

Group financial statements

	2024-25 £'000s	2023-24 £'000s
Overall materiality	£1,430	£1,629
Performance materiality*	£1,001	£1,303
Clearly trivial	£43	£49

Council's single entity financial statements

	2024-25 £'000s	2023-24 £'000s
Overall materiality	£1,370	£1,399
Performance materiality	£959	£1,119
Clearly trivial	£41	£42
Specific materiality – Senior officers' remuneration	£5	£5

Materiality and misstatements

Misstatements

We will accumulate misstatements identified during our audit that are above our determined clearly trivial threshold.

We have set a clearly trivial threshold for individual misstatements we identify (a reporting threshold) for reporting to the Audit committee and management that is consistent with a threshold where misstatements below that amount would not need to be accumulated because we expect that the accumulation of such amounts would not have a material effect on the financial statements.

Based on our preliminary assessment of overall materiality, our proposed clearly trivial threshold is £0.041m, based on 3% of overall materiality. If you have any queries about this, please raise these with James Collins.

Each misstatement above the reporting threshold that we identify will be classified as:

- **Adjusted:** Those misstatements that we identify and are corrected by management.
- **Unadjusted:** Those misstatements that we identify that are not corrected by management.

We will report all misstatements above the reporting threshold to management and request that they are corrected. If they are not corrected, we will report each misstatement to the Audit Committee as unadjusted misstatements and, if they remain uncorrected, we will communicate the effect that they may have individually, or in aggregate, on the financial statements and on our audit opinion.

Misstatements also cover qualitative misstatements and include quantitative and qualitative misstatements and omissions relating to the notes of the financial statements.

Reporting

In summary, we will categorise and report misstatements above the reporting threshold to the Audit Committee as follows:

- Adjusted misstatements;
- Unadjusted misstatements; and
- Disclosure misstatements (adjusted and unadjusted).

Significant risks and other key judgement areas

Significant risks and other key judgement areas

Following the risk assessment approach set out in the *‘Audit scope, approach, and timeline’* section, we have identified the risks of material misstatement in the financial statements. These risks are categorised as significant, enhanced, or standard. The definitions of these risk ratings are set out below.

Significant risk

A risk that is assessed as being at or close to the upper end of the spectrum of inherent risk, based on a combination of the likelihood of a misstatement occurring and the magnitude of any potential misstatement. As required by auditing standards, a fraud risk is always assessed as a significant risk.

Enhanced risk

An area with an elevated risk of material misstatement at the assertion level, other than a significant risk, based on factors/ information inherent to that area. Enhanced risks require additional consideration but do not rise to the level of a significant risk. These include but are not limited to:

- Key areas of management judgement and estimation uncertainty, including accounting estimates related to material classes of transaction, account balances, and disclosures but which are not considered to give rise to a significant risk of material misstatement; and
- Risks relating to other assertions and arising from significant events or transactions that occurred during the period.

Standard risk

A risk related to assertions over classes of transaction, account balances, and disclosures that are relatively routine, non-complex, tend to be subject to systematic processing, and require little or no management judgement/ estimation. Although it is considered that there is a risk of material misstatement, there are no elevated or special factors related to the nature of the financial statement area, the likely magnitude of potential misstatements, or the likelihood of a risk occurring.

Significant risks and other key judgement areas

Audit risks and planned responses

In this section, we have set out the risks that we deem to be significant and enhanced, and our planned response. An audit is a dynamic process, and should we change our view of risk and/ or our approach to address those risks during our audit, we will report this to the Audit Committee.

Significant risks

	Risk name	Fraud	Error	Judgement	Risk description	Planned response
1	Management override of controls (Council and group).	●	○	●	Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.	In line with our methodology, we plan to address the management override of controls risk through performing audit work over: <ul style="list-style-type: none">• material accounting estimates;• journal entries testing meeting our risk criteria; and• significant transactions outside the normal course of business or otherwise unusual.

Significant risks and other key judgement areas

Significant risks

	Risk name	Fraud	Error	Judgement	Risk description	Planned response
2	Valuation of land, buildings and investment properties (Council) 2024-25 : £308.011m 2023-24 : £307.925m	○	●	●	<p>The financial statements contain material entries on the Balance Sheet as well as material disclosure notes in relation to the Council's holding of land, buildings and investment properties.</p> <p>Although the Council uses a valuation expert to provide information on valuations, there remains a high degree of estimation uncertainty associated with the revaluation of land, buildings and investment property due to the significant judgements and number of variables involved in providing revaluations.</p> <p>We have therefore identified the valuation of land, buildings and investment properties to be an area of significant risk.</p>	<p>We plan to address this risk by:</p> <ul style="list-style-type: none">• Critically assessing the Council's valuer's scope of work, qualifications, objectivity and independence to carry out the required programme of revaluations;• Considering whether the overall revaluation methodologies used by the Council's valuers are in line with industry practice, the CIPFA Code of Practice and the Council's accounting policies;• Assessing whether valuation movements are in line with market expectations by using third party information to provide information on regional valuation trends;• Critically assessing the approach that the Council adopts to ensure that assets not subject to revaluation in 2024/25 are materially correct, including considering the robustness of that approach in light of the valuation information reported by the Council's valuers

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Significant risks and other key judgement areas

Significant risks

	Risk name	Fraud	Error	Judgement	Risk description	Planned response
3	Net defined benefit valuation (Council and Group) 2024-25: Net pension liability £4.475m, Gross pension liability £121.079m 2023-24: Net pension liability £5.190m, Gross pension liability £118.428m	○	●	●	<p>The Council is an employer in the Local Government Pension Scheme, administered on a local level by the Derbyshire Pension Fund.</p> <p>The defined benefit assets and liabilities are significant items in the Council's balance sheet and the Council engages an actuary to perform an annual valuation in accordance with the requirements of IAS 19 Employee Benefits. Due to the high degree of estimation uncertainty associated with this valuation, we have identified a significant risk in this area.</p> <p>As part of our testing, procedures will be performed on the net defined liability held by Dragonfly Development Limited</p>	<p>We plan to address this risk by:</p> <ul style="list-style-type: none">• Critically assessing the competency, objectivity and independence of the Derbyshire Pension Fund's Actuary;• Liaising with the auditors of the Derbyshire Pension Fund to gain assurance over the design and implementation of the controls in place at the Pension Fund. This will include the processes and controls in place to ensure data provided to the Actuary by the Pension Fund for the purposes of the IAS19 valuation is complete and accurate;• Reviewing the appropriateness of the pension asset and liability valuation methodologies applied by the Pension Fund Actuary, and the key assumptions included within the valuation. This will include comparing them to expected ranges, utilising information by PwC and consulting actuary engaged by the National Audit Office; and• Agreeing the data in the IAS 19 valuation report provided by the Fund Actuary for accounting purposes to the pension accounting entries disclosures in the Council's financial statements. In the event of a pension surplus arising in 2024/25, its accounting treatment will require specific consideration under IFRIC 14.

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Significant risks and other key judgement areas

Significant risks

	Risk name	Error	Judgement	Risk description	Planned response
4	Application of IFRS 16 for the 2024-25 financial year. (Council)	●	●	<p>IFRS 16 is applicable from 1 April 2024, designed to report information that better shows lease transactions and provides a better basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases.</p> <p>The Council is required to account for its lease arrangements in line with this new standard for the first time in the 2024/25 accounts. This requires the Council to re-classify their leases and account for a right of use asset.</p> <p>Given this is a new standard which could result in significant movements and the need to identify previously unrecognised leases we have identified this as an area of significant risk for our 2024/25 audit</p>	<p>We will:</p> <ul style="list-style-type: none"> critically review the accuracy and completeness of the Council's assessment of leases under IFRS 16; reviewing management's year end journal postings to ensure proper accounting treatment; Review the accounting treatment for a sample of leases to test the valuation of the liability and right of use asset.
5 36	Group Consolidation	●	●	<p>Group Consolidation</p> <p>The Council is consolidates Dragonfly Group (Dragonfly Development Limited and Dragonfly Management) and produced group accounts for the first time in the 2023/24 financial statements. We reported in our disclaimer of opinion for the year ended 31 March 2024 that the Group financial statements included material errors and the Council was unable to provide sufficient, appropriate evidence to support the figures in the group financial statements were free from material misstatement.</p>	<p>We plan to address this risk by:</p> <ul style="list-style-type: none"> review and assess the controls and processes that the Council has in place to prepare group accounts; perform substantive procedures on the consolidation adjustments; perform recalculations on the consolidation schedules to ensure mathematical accuracy; and Complete risk based procedures required to rebuild assurance over group opening balances.

Significant risks and other key judgement areas

As detailed earlier in this report, The Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06 was issued by the NAO to support auditors in meeting the requirements of the Government's backstop arrangements included in the Accounts and Audit (Amendment) Regulations 2024. LARRIG 06 makes clear the work required to rebuild assurance following a disclaimer of opinion may be significant and will vary between authorities. We have yet to conclude our risk assessment procedures and consequently additional significant risks may be identified. Where necessary we will report any additional risks to Members in Progress Reports.

Other considerations

In consideration of ISA (UK) 260 *Communication with Those Charged with Governance*, we would like to seek your views/ knowledge of the following matters:

- Did you identify any other risks (business, laws & regulation, fraud, going concern etc.) that may result in material misstatements?
- Are you aware of any significant communications between Bolsover District Council and regulators?
- Are there any matters that you consider warrant particular attention during the course of our audit, and any areas where you would like additional procedures to be undertaken?

We plan to do this by formal letter to the Audit Committee which we will obtain prior to completing our audit.

Significant difficulties encountered during the course of audit

In accordance with ISA (UK) 260 *Communication with Those Charged with Governance*, we are required to communicate certain matters to you which include, but are not limited to, significant difficulties, if any, that are encountered during our audit. Such difficulties may include matters such as:

- Significant delays in management providing information that we require to perform our audit.
- An unnecessarily brief time within which to complete our audit.
- Extensive and unexpected effort to obtain sufficient appropriate audit evidence.
- Unavailability of expected information.
- Restrictions imposed on us by management.
- Unwillingness by management to make or extend their assessment of an entity's ability to continue as a going concern when requested.

We will highlight to you on a timely basis should we encounter any such difficulties (if our audit process is

unduly impeded, this could require us to issue a modified auditor's report).

Internal audit function

Based on our assessment of the extent to which the internal audit function's organisational status and relevant policies and procedures support the objectivity of the internal auditors, the level of competence of the internal audit function, and whether the internal audit function applies a systematic and disciplined approach, including quality control, we do not expect to use the work of the internal audit function for the purpose of our audit.

Nonetheless, we will obtain a copy of the reports issued by internal audit relating to the financial period under audit determine whether any findings will have an impact on our risk assessment and planned audit procedures.

06

Value for Money

Value for money

The framework for value for money work

We are required to form a view as to whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our view and sets out the overall criterion and sub-criteria that we are required to consider.

This will be the first audit year where we are undertaking our value for money (VFM) work under the full 2024 Code of Audit Practice (the Code). Our responsibility remains to be satisfied that the Council has proper arrangements in place, and to report in the auditor's report where we are not satisfied that arrangements are in place. Where we have issued a recommendation in relation to a significant weaknesses this indicates we are not satisfied that arrangements are in place. Separately we provide a commentary on the Council's arrangements in the Auditor's Annual Report.

A key change in the 2024 Code of Audit Practice is the requirement for us to issue our Auditor's Annual Report for the year ending 31st March 2025 to you in draft by the 30th November 2025. This is required whether our audit is complete or not. Should our work not be complete, we will report the status of our work and any findings to up to that point (and since the issue of our previous Auditor's Annual Report). Further information will be provided in Appendix A.

Specified reporting criteria

The Code requires us to structure our commentary to report under three specified criteria:

1. **Financial sustainability** – how the Council plans and manages its resources to ensure it can continue to deliver its services;
2. **Governance** – how the Council ensures that it makes informed decisions and properly manages its risks; and
3. **Improving economy, efficiency and effectiveness** – how the Council uses information about its costs and performance to improve the way it manages and delivers its services.

Our approach

Our work falls into three primary phases as outlined opposite. We gather sufficient evidence to support our commentary on the Council's arrangements and to identify and report on any significant weaknesses in arrangements. Where significant weaknesses are identified, we are required to report these to the Council and make recommendations for improvement. Such recommendations can be made at any point during the audit cycle, and we are not expected to wait until issuing our overall commentary to do so.

Planning	Obtaining an understanding of the Council's arrangements for each specified reporting criteria. Relevant information sources will include: <ul style="list-style-type: none">• NAO guidance and supporting information• Information from internal and external sources including regulators• Knowledge from previous audits and other audit work undertaken in the year• Interviews and discussions with staff and members
Additional risk based procedures and evaluation	Where our planning work identifies risks of significant weaknesses, we will undertake additional procedures to determine whether there is a significant weakness.
Reporting	We will provide a summary of the work we have undertaken and our judgements against each of the specified reporting criteria as part of our commentary on arrangements which forms part of the Auditor's Annual Report. Our commentary will also highlight: <ul style="list-style-type: none">• Significant weaknesses identified and our recommendations for improvement; and• Emerging issues or other matters that do not represent significant weaknesses but still require attention from the Council.

Identified risks of significant weaknesses in arrangements

The NAO’s guidance requires us to carry out work at the planning stage to understand the Council’s arrangements and to identify risks that significant weaknesses in arrangements may exist.

Although we have not fully completed our planning and risk assessment work, work completed to-date has not identified any additional risks of significant weaknesses in arrangements. As detailed on page 31, we reported a significant weakness in arrangements for the year ended 31 March 2024. We will complete audit procedures to determine if there remains a weakness for the year ended 31 March 2025.

We will report any identified risks to the Audit and Standards Committee, if any arise, as part of our continuous risk assessment.

Value for money

Our work to follow-up on previous recommendations

As part of our audit work in previous years we identified significant weaknesses in the Council’s arrangements. The table below sets out the significant weaknesses identified, our previous recommendations and the work we intend to carry out as part of our 2024/25 audit.

Previously identified significant weakness in arrangements	Relevant reporting criteria	Our 2023-24 recommendations	Planned procedures for 2024-25
<p>Accounting and Governance Arrangements of Dragonfly companies</p> <p>The Council published its draft statement of accounts for the 2023/24 financial year in July 2024, including group accounts. This is the first year that the Council has been required to prepare group accounts, incorporating the financial results of both the Council and its wholly-owned subsidiary companies (collectively referred to as "Dragonfly companies"). However, the draft group accounts contained material errors due to inconsistencies in the reporting periods for the year ended 31 March 2024 year and prior year balances (year ended 31 March 2023). Further, there were delays in obtaining the financial statements of Dragonfly Companies (Dragonfly Development Ltd and Dragonfly Management (Bolsover) Ltd) from their consultants and external auditors to enable the production of final group accounts. These delays meant the Council was not able to finalise the production of updated group accounts for the 2023/24 financial year until January 2025, a delay of 6 months over the expected timetable. As a result of the delay we were unable to complete our audit procedures before the backstop date of 28th February 2025, leading to the Council’s statement of accounts being disclaimed.</p> <p>Without proper arrangements to support the production of its draft statement of accounts (which incorporate full range of activities of the Council’s group) and the audit of those accounts, the Council risks a continuation of failure to meet the requirement to publish an audited statement of accounts.</p> <p>These matters, in our view, are evidence of a significant weakness in the Council’s governance arrangements, in particular how the body ensures its statutory financial reporting requirements for the financial year ended 31 March 2024.</p>	<p>Governance</p>	<p>The Council should ensure that proper arrangements are established to ensure the timely production of the group statement of accounts, aligning with statutory reporting deadlines. This timetable should be clearly articulated to all stakeholders within the Group.</p>	<p>We will monitor the Council’s implementation of improved arrangements for producing group accounts, including the establishment of a clear timetable and stakeholder coordination. These measures will be reviewed during 2024/25 to assess whether they effectively address the prior year’s delays and reporting failures.</p>

07

Audit fees and other services

Audit fees and other services

Fees for work as the Council’s appointed auditor

Our fees (exclusive of VAT) as the Council’s appointed for the year ended 31 March 2025 are outlined below.

Our fees are designed to reflect the time, professional experience, and expertise required to perform our audit.

At this stage of the audit, we anticipate an additional fee linked to the additional work required on the consolidation of the Dragonfly Companies. An additional fee was charged in 2023/24 in respect of the additional work required in relation to ISA315, based on the estimated cost by PSAA. The 2024/25 scale fee has been rebased by PSAA to include an additional amount in relation to ISA 315.

Area of work	2024-25 Proposed Fee	2023-24 Actual Fee
Code Audit Work	£160,368	£145,685
Additional fee in respect of ISA315	N/A	£9,410
Additional fee in respect of the Council preparing group account	TBC	Note 1
2024-25 Expected fee variations: <ul style="list-style-type: none">• Introduction of IFRS 16 Leases• Additional work caused by the introduction of ISA 600 Revised Group Audits• Additional work required to rebuild assurance (note 2)	Note 2	N/A

Note 1 – Fees have been submitted but require approval by Public Sector Audit Appointment (PSAA)

Note 2 – any fees will need to be approved by PSAA

Fees for non-PSAA work

In addition to the fees outlined above in relation to our appointment by PSAA, we have been separately engaged by the Council to carry out additional work as set out in the table below. Before agreeing to undertake any additional work we consider whether there are any actual, potential or perceived threats to our independence. Further information about our responsibilities in relation to independence is provided in section ‘Confirmation of our independence’.

Area of work	2024-25 Proposed Fee	2023-24 Actual Fee
Other services – Agreed upon procedures on housing pooling return	£TBC*	£6,000

* To be confirmed if we are engaged to complete this work. We expect a fee of £7,000 would be proposed.

08

Confirmation of our independence

Confirmation of our independence

Requirements

We comply with the International Code of Ethics for Professional Accountants, including International Independence Standards issued by the International Ethics Standards Board for Accountants together with the ethical requirements that are relevant to our audit of the financial statements in the UK reflected in the ICAEW Code of Ethics and the FRC Revised Ethical Standard.

Compliance

We are not aware of any relationship between Forvis Mazars and Bolsover District Council that, in our professional judgement, may reasonably be thought to impair our independence.

We are independent of Bolsover District Council and have fulfilled our independence and ethical responsibilities in accordance with the requirements applicable to our audit.


Non-audit and Audit fees

We have set out a summary of the non-audit services provided by Forvis Mazars (with related fees) to Bolsover District Council], together with our audit fees and independence assessment.

We are committed to independence and confirm that we comply with the FRC’s Revised Ethical Standard. In addition, we have set out in this section any matters or relationships we believe may have a bearing on our independence or the objectivity of our audit team.

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that in our professional judgement there are no relationships between us and any of our related or subsidiary entities, and you and your related entities, that create any unacceptable threats to our independence within the regulatory or professional requirements governing us as your auditors.

We have policies and procedures in place that are designed to ensure that we carry out our work with integrity, objectivity, and independence. These policies include:

- All partners and staff are required to complete an annual independence declaration.
-  All new partners and staff are required to complete an independence confirmation and complete annual ethical training.
- Rotation policies covering audit engagement partners and other key members of the audit team.
- Use by managers and partners of our client and engagement acceptance system, which requires all non-audit services to be approved in advance by the audit engagement partner.

We confirm, as at the date of this report, that the engagement team and others in the firm as appropriate, Forvis Mazars LLP are independent and comply with relevant ethical requirements. However, if at any time you have concerns or questions about our integrity, objectivity or independence, please discuss these with me in the first instance.

Prior to the provision of any non-audit services, I will undertake appropriate procedures to consider and fully assess the impact that providing the service may have on our independence as auditor.

Principal threats to our independence and the associated safeguards we have identified and/ or put in place are set out in Terms of Appointment issued by PSAA available from the PSAA website: [Terms of Appointment from 1 July 2021 - PSAA](#). Any emerging independence threats and associated identified safeguards will be communicated in our Audit Completion Report.

Appendices

A: Key communication points

B: Current year updates, forthcoming accounting and other issues

C: Consultations on measures to tackle the local government financial reporting and audit backlog

Appendix A: Key communication points


We value communication with the Audit Committee, as a two-way feedback process is at the heart of our client service commitment. The Code of Audit Practice as well as ISA (UK) 260 *Communication with Those Charged with Governance* and ISA (UK) 265 *Communicating Deficiencies In Internal Control To Those Charged With Governance And Management* specifically require us to communicate a number of matters with you. We meet these requirements, principally, through presenting the following documents to you:

- Our Audit Strategy Memorandum;
- Our Audit Completion Report; and
- Our Auditor's Annual Report.

These documents will be discussed with management prior to being presented to you and their comments will be incorporated as appropriate.

Relevant points that need to be communicated with you at each stage of the audit are outlined below.

Key communication points at the planning stage as included in this Audit Strategy Memorandum

-  Our responsibilities in relation to the audit of the financial statements;
- The planned scope and timing of the audit;
- Significant audit risks and areas of management judgement;
- Our commitment to independence;
- Responsibilities for preventing and detecting errors;
- Materiality and misstatements; and
- Fees for audit and other services.

Key communication points at the completion stage to be included in our Audit Completion Report

- Significant deficiencies in internal control;
- Significant findings from the audit;
- Significant matters discussed with management;
- Significant difficulties, if any, encountered during the audit;
- Qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures;
- Our conclusions on the significant audit risks and areas of management judgement;
- Summary of misstatements;
- Management representation letter;
- Our proposed draft audit report; and
- Independence.

Changes introduced by the 2024 Code of Audit Practice

The 2024 Code now requires the auditor to issue the draft Auditor's Annual Report by 30th November following each year end. For the 2024/25 audit, this means that we must issue our draft Auditor's Annual Report by 30 November 2025, whether our audit is complete or not.

In instances where our audit work is not complete by 30 November for any given year, the 2024 Code requires us to provide a summary of the status of the audit at the time of issuance and should reflect the work completed to date since we issued our previous Auditor's Annual Report. In such instances, we will issue an Interim Auditor's Annual Report to meet the 30 November deadline. On completion of any outstanding financial statement audit work or Value for Money arrangements work, we will re-issue the Auditor's Annual Report which will include an updated commentary on Value for Money arrangements.

Appendix A: Key communication points

ISA (UK) 260 *Communication with Those Charged with Governance*, ISA (UK) 265 *Communicating Deficiencies In Internal Control To Those Charged With Governance And Management* and other ISAs (UK) specifically require us to communicate the following:

Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and Those Charged with Governance.	Audit Strategy Memorandum
The planned scope and timing of the audit including any limitations, specifically including with respect to significant risks.	Audit Strategy Memorandum
<div> <div>48</div> <div> <div>With respect to misstatements:</div> <ul style="list-style-type: none"> Uncorrected misstatements and their effect on our audit opinion; The effect of uncorrected misstatements related to prior periods; A request that any uncorrected misstatement is corrected; and In writing, corrected misstatements that are significant. </div> </div>	Audit Completion Report
<div> <div>With respect to fraud communications:</div> <ul style="list-style-type: none"> Inquiries with Audit Committee to determine whether you have knowledge of any actual, suspected, or alleged fraud affecting the entity; Any fraud that we have identified or information we have obtained that indicates that fraud may exist; and A discussion of any other matters related to fraud. </div>	Audit Completion Report and discussion at Audit Committee meeting(s), audit planning meeting(s), and audit clearance meeting(s)

Appendix A: Key communication points

Required communication	Where addressed
<p>Significant matters arising during the audit in connection with the entity’s related parties including, when applicable:</p> <ul style="list-style-type: none">• Non-disclosure by management;• Inappropriate authorisation and approval of transactions;• Disagreement over disclosures;• Non-compliance with laws and regulations; and• Difficulty in identifying the party that ultimately controls the entity.	Audit Completion Report
<p>49 Significant findings from the audit including:</p> <ul style="list-style-type: none">• Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;• Significant difficulties, if any, encountered during the audit;• Significant matters, if any, arising from the audit that were discussed with management or were the subject of correspondence with management;• Written representations that we are seeking;• Expected modifications to the audit report; and• Other matters, if any, significant to the oversight of the financial reporting process or otherwise identified in the course of the audit that we believe will be relevant to Council or Audit Committee in the context of fulfilling your responsibilities.	Audit Completion Report

Appendix A: Key communication points

Required communication	Where addressed
Significant deficiencies in internal controls identified during the audit.	Audit Completion Report
Where relevant, any issues identified with respect to the Council to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.	Audit Completion Report
Audit findings regarding non-compliance with laws and regulations where the non-compliance is material and believed to be intentional (subject to compliance with legislation on tipping off) and inquiry of the Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements that the Audit Committee may be aware of.	Audit Completion Report and Audit Committee meeting(s)
<p>With respect to going concern, events or conditions identified that may cast significant doubt on the entity’s ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> Whether the events or conditions constitute a material uncertainty; Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements; and The adequacy of related disclosures in the financial statements. 	Audit Completion Report
<p>Communication regarding our system of quality management, compliant with ISQM (UK) 1, developed to support the consistent performance of quality audit engagements. To address the requirements of ISQM (UK) 1, our firm’s System of Quality Management team completes, as part of an ongoing and iterative process, a number of key steps to assess and conclude on our firm’s System of Quality Management:</p> <ul style="list-style-type: none"> Ensure there is an appropriate assignment of responsibilities under ISQM (UK) 1 and across Leadership Establish and review quality objectives each year, ensuring ISQM (UK) 1 objectives align with the firm’s strategies and priorities Identify, review, and update quality risks each quarter, taking into consideration the number of input sources (such as FRC / ICAEW review findings, internal monitoring findings, findings from our firm’s root cause analysis and remediation functions, etc.) Identify, design, and implement responses as part of the process to strengthen our firm’s internal control environment and overall quality Evaluate responses and remediate control gaps or deficiencies <p>We perform an evaluation of our system of quality management on an annual basis. Our first evaluation was performed as of 31 August 2023. Details of that assessment and our conclusion are set out in our 2022/2023 Transparency Report, which is available on our website here.</p> <p>The details of our evaluation of our system of quality management as of 31 August 2024, and our conclusion, set out in our 2023/24 Transparency Report, which is available on our website here.</p>	Audit Strategy Memorandum

Appendix A: Key communication points

Required communication	Where addressed
An overview of the work to be performed at the components of the group and the nature of our involvement in the work to be performed by component auditors.	Audit Strategy Memorandum and Audit Completion Report
Instances where our review of the work of the component auditor gave rise to a concern about the quality of the component auditor's work, and how we addressed that concern.	Audit Completion Report
Any limitations on the scope of the group audit, for example, significant matters related to restrictions on access to people or information.	Audit Strategy Memorandum and Audit Completion Report, as necessary
Fraud or suspected fraud involving group management, component management, employees who have significant roles in the group's system of internal control or others when the fraud resulted in a material misstatement of the group financial statements.	Audit Completion Report and discussion at Audit Committee meeting(s), audit planning meeting(s), and audit clearance meeting(s)

Appendix B: Current year updates, forthcoming accounting & other issues

Current and forthcoming accounting issues

New standards and amendments

Effective for accounting periods beginning on or after 1 January 2019

IFRS 16 Leases (Issued January 2016)

- IFRS 16 Leases (IFRS 16) will replace the existing leasing standard, IAS 17, and will introduce significant changes, particularly for lessees. The requirements for lessors will be largely unchanged from the position in IAS 17. Lessees will need to recognise right of use assets and associated lease liabilities for all leases (except short-life or low-value leases) as the distinction between operating leases and finance leases is removed. Subsequent to initial recognition, a service concession arrangement liability will subsequently be measured following the principles set out in IFRS 16. The introduction of this standard is likely to lead to significant work being required in order to identify all leases and service concession arrangements to which the Council are party to. There will also be consequential impacts upon capital financing arrangements at many authorities which will need to be identified and addressed. IFRS 16 was adopted by the Code of Practice on Local Authority Accounting in 2024/25.

Effective for accounting periods beginning on or after 1 January 2023

IFRS 18 Presentation and Disclosure in Financial Statements (Issued April 2024)

- IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) is a new standard that replaces IAS 1 Presentation of Financial Statements. The new standard aims to increase the comparability, transparency and usefulness of information about companies' financial performance. It introduces three key new requirements focusing on the presentation of information in the statement of profit or loss and enhancing certain guidance on disclosures within the financial statements. As IFRS 18 was only issued in April 2024 it has yet to be adopted by the Code of Practice on Local Authority Accounting in 2024/25 therefore the applicability to local government is to be determined.

Appendix B: Current year updates, forthcoming accounting & other issues

International Standard on Auditing (UK) 600 Revised - Special considerations - Audits of group financial statements (Including the work of component auditors)

ISA (UK) 600 deals with the special considerations that apply to audits of group financial statements, including those circumstances when component auditors are involved. The auditing standard has been revised. The revised standard is effective for audits of group financial statements for periods beginning on or after 15 December 2023. The revisions made to ISA (UK) 600 impact how we perform audits of group financial statements, and how we communicate our audit strategy and audit findings arising from audits of group financial statements, going forward. This page sets out the key changes made to ISA (UK) 600 and how Forvis Mazars will apply the requirements of the revised standard in practice.

Key changes

The previous ISA (UK) 600 included prescriptive requirements in respect of the audit procedures required over ‘significant components’ of a group, i.e., a ‘full scope’ audit of a significant component’s financial information relevant to the group financial statements was required. Forvis Mazars defined a ‘significant component’ as one that contributed to the group financial statements more than 15% of the materiality benchmark selected to determine group materiality, e.g., if we had determined materiality using a profit before tax benchmark, any component that contributed more than 15% of the group’s reported profit before tax would be classified as a significant component and a ‘full scope’ audit would be performed over that component’s financial information.

ISA (UK) 600 Revised eliminates the ‘significant component’ concept, opting instead for consideration of risks of material misstatement at the assertion level of the group financial statements that are associated with components. This results in a group audit that is better focused on the risks of material misstatement of the group financial statements and affords greater flexibility in how we classify components and how we may design the nature and extent of audit procedures to be performed over a component’s financial information, i.e., we can determine the nature and extent of the audit procedures to be performed over a component’s financial information based on the specific risks relevant to the group financial statements.

ISA (UK) 600 also, however, removed the option to limit the procedures performed over a ‘non-significant’ component’s financial information to desktop analytical procedures. We are now required to perform substantive audit procedures (or a combination of substantive audit procedures and tests of controls) over the group financial statements, including the financial information relating to components in the group, until the residual, untested balances, classes of transaction and disclosures in the group financial statements are below our group materiality. This is to ensure that aggregation risk (the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole) is addressed appropriately.

In combination, these changes may result in a change to the nature and extent of the audit procedures we perform over the financial information of components on a group audit compared to previous years and may result in components that were not previously in scope of our group audit being brought into scope going forward to ensure that we address aggregation risk appropriately.

To ensure consistency of approach, Forvis Mazars will apply the definitions set out below when performing audits of group financial statements going forward:

Key component	Material component	Non-material component
Any component: i. Which is greater or equal to 15% of the benchmark chosen for calculating group materiality (key by size); or ii. Where the specific nature or circumstance of its financial information make it likely to include significant risks of misstatement of the group financial statements (key by risk).	Any component, other than a key component, that contributes to one or more group financial statement areas an amount that is above group financial statement materiality.	A component, that is not a key component or a material component, that is scoped into a group audit to reduce the risk of material misstatement of the group financial statements to an acceptably low level (based on size or risk) in situations when, after assessing which components are key components and material components, the aggregate amount of a financial statement area related to un-scoped components is still above group financial statement materiality.

Appendix B: Current year updates, forthcoming accounting & other issues

International Standard on Auditing (UK) 600 Revised - Special considerations - Audits of group financial statements (including the work of component auditors)

Key changes (continued)

Definition of ‘component’ - The definition of ‘component’ has been revised to “an entity, business unit, function or business activity, or some combination thereof, determined by the group auditor for the purposes of planning and performing audit procedures in a group audit”.

This provides clarity on how components may be identified in a group audit and may result in a change to how we identify components on a group audit compared to previous years. For example, we may group separate legal entities (e.g., subsidiaries) in a group based on common characteristics (such as common management, common information systems, and common geographical locations) and treat those components as a single component, when appropriate to do so.

Common controls - The definition of ‘group-wide’ controls has been removed and we are instead required to consider ‘common controls’, being controls that operate in a common manner for multiple entities or business units.

This may assist us in grouping separate legal entities, business units, functions, or business activities in a group into a single component for the purposes of a group audit; or it may result in us grouping specific account balances or classes of transaction recorded by individual legal entities, business units, functions, or business activities into a single population for the purposes of our audit procedures.

For audits where we are adopting a controls-based audit strategy, this may result in efficiencies, as we can rely on a single control for the purposes of the audits of more than one component where that control is common to those components.

Definition of ‘engagement team’ - The definition of ‘engagement team’ has been revised to include component auditors. While this change may seem inconsequential, it forms part of the overall changes intended by ISA (UK) 600 Revised to enhance two-way communication between the group auditor and component auditors during a group audit. This will result in enhanced direction and supervision of component auditors by the group auditor during a group audit.

Calculation of component materiality - The requirement to set overall materiality for a component has been removed. We are now only required to determine component performance materiality.

Other changes - ISA (UK) 600 Revised includes new and revised requirements and application material that better aligns the standard with recently revised standards such as ISQM (UK) 1, ISA (UK) 220, and ISA (UK) 315. The new and revised requirements also strengthen our responsibilities related to professional scepticism, planning and performing a group audit, two-way communications between the group auditor and component auditors, and audit documentation. These changes are to encourage proactive management of quality at the group engagement level and the component level; reinforce the need for robust communication and interactions during a group audit; and foster an appropriately independent and challenging sceptical mindset.

Scope of audit work to be performed over a component’s financial information - Forvis Mazars will, going forward, determine the scope of work to be performed over a component’s financial information on a group audit using the definitions set out below:

Full scope	Specific scope	Group Engagement Team Instructed Procedures
Designing and performing audit procedures on the entire financial information of a component.	Designing and performing audit procedures on one or more specified account balances, classes of transaction, and/ or disclosures of a component.	Performing specified audit procedures, as designed and instructed by the group engagement team.

Contact

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Bolsover District Council

Meeting of the Audit Committee on 25th September 2025

Statement of Accounts 2024/25

Report of the Director of Finance & Section 151 Officer

Classification	This report is public
Contact Officer	Director of Finance & Section 151 Officer Theresa Fletcher

PURPOSE/SUMMARY OF REPORT

To update the Committee on the latest position regarding Local Audit Delays.

To present for the Committee's approval, the draft (unaudited) Statement of Accounts for 2024/25, circulated as **Appendix 1**.

REPORT DETAILS

1. Background

Local Audit Delays

- 1.1 Members may recall that the system of Local Authority financial statement audits is operating under a system of statutory backstop dates. The backstop dates are a nationwide measure to address the backlog of incomplete audits of financial statements across local government in England.
- 1.2 The dates have been introduced as a way to reset the system and assist a return to a regular process of timely audit and publication of financial statements. However, our financial statements have never been part of this backlog and only the latest years' financial statements are not yet audited.
- 1.3 The key dates are as follows:

Financial year	Statutory backstop date
2023/24	28 February 2025
2024/25	27 February 2026
2025/26	31 January 2027
2026/27	30 November 2027
2027/28	30 November 2028

- 1.4 The backstop date for the sign off of the 2023/24 financial statements was the 28th of February 2025. The Council received the Dragonfly audited financial statements from their auditors during February 2025.
- 1.5 The Council's auditors Forvis Mazars, 'were unable to complete the audit procedures necessary to obtain sufficient appropriate audit evidence on which to base an opinion before the date the Council had to publish the financial statements for 2023/24.'
- 1.6 Therefore, Forvis Mazars gave a disclaimer of opinion on the Council's financial statements for 2023/24, which included group accounts for the first time, on the 21st of February 2025. We are working with the auditors to rebuild assurance over the Council's group financial statements.

2024/25 Outturn

- 1.7 The outturn position for the Council for 2024/25 was reported to Members at Executive during July, and at the Finance and Corporate Overview Scrutiny Committee in September due to the July meeting not being quorate.
- 1.8 In summary, there was a net under spend on general fund of £1.575m. This was made up of a net under spend of expenditure and the over achievement of income.
- 1.9 The position on the HRA was a net cost of services under spend of £0.853m, adjusting to £0.810m under spend after interest and depreciation were taken into account.

2024/25 Statement of Accounts

- 1.10 **Appendix 1** to this report is the Council's draft (unaudited) Statement of Accounts for 2024/25. The statutory deadline for publishing our draft accounts for 2024/25 was the 30th of June 2025, on the 19th of June we published the Council's draft 2024/25 Statement of Accounts on our website.
- 1.11 Our external auditors Forvis Mazars started our 2024/25 audit at the beginning of September. It is therefore possible that changes to the attached Statement of Accounts will be requested.
- 1.12 Given the possibility that issues raised may require the Statement of Accounts to be amended, it is recommended that delegated powers be given to the Section 151 Officer in consultation with the Chair or Deputy Chair of this Committee to agree any final changes to the Council's Statement of Accounts 2024/25. It should be noted that the only changes made under these delegated powers will relate to amendments agreed with the Council's external auditors Forvis Mazars.

2. Reasons for Recommendation

- 2.1 The external audit process for 2024/25 commenced at the beginning of September 2025. It is anticipated that the outcome of the audit will be reported to those charged with governance by the external auditor in the first months of 2026.

3 **Alternative Options and Reasons for Rejection**

3.1 There are no alternative options for consideration.

RECOMMENDATION(S)

1. That the Committee approves the Statement of Accounts in respect of 2024/25.
2. That delegated powers are granted to the Section 151 Officer in consultation with the Chair or Deputy Chair of this Committee to agree any changes agreed with the Council's external auditors Forvis Mazars, which may be necessary to ensure the completion of the Statement of Accounts by 27th of February 2026.

Approved by Councillor Clive Moesby, Portfolio Holder for Resources

IMPLICATIONS.

Finance and Risk: Yes ☐ No ☒

Details:

There are no additional financial implications arising from this report.

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes ☐ No ☒

Details:

The process has been undertaken in accordance with the requirements of the Accounts and Audit Regulations. It should be noted that the Council is required to complete and approve the audited Statement of Accounts by the end of July under normal circumstances, but the deadline has been extended as discussed within the report.

On behalf of the Solicitor to the Council

Environment:

Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

Details:

Not applicable to this report.

Staffing: Yes ☐ No ☒

Details:

There are no human resource issues arising directly out of this report.

On behalf of the Head of Paid Service

DECISION INFORMATION

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards, or which results in income or expenditure to the Council above the following thresholds: Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? <i>(Only Key Decisions are subject to Call-In)</i>	No

District Wards Significantly Affected	All
Consultation: Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Details:

Links to Council Ambition: Customers, Economy, and Environment.

DOCUMENT INFORMATION	
Appendix No	Title
1	Bolsover District Council – Draft (unaudited) Statement of Accounts 2024/25

Background Papers <i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive, you must provide copies of the background papers).</i>
None



Statement of Accounts 2024/25

Running Order of the Statement of Accounts Document

Narrative Report

Introduction to the Statements

Statement of Responsibilities for the Statement of Accounts

Single Entity Financial Statements:

Movement in Reserves Statement

Expenditure and Funding Analysis

Comprehensive Income and Expenditure Statement

Balance Sheet

Cash Flow Statement

Notes to the Core Financial Statements

- 1 Accounting Policies
- 2 Accounting Standards Issued, Not Yet Adopted
- 3 Critical Judgements in Applying Accounting Policies
- 4 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty
- 5 Material Items of Income and Expense
- 6 Events After the Balance Sheet Date
- 7 Note to the Expenditure and Funding Analysis
- 8 Expenditure and Income Analysed by Nature
- 9 Analysis of the Movement in Reserves Statement - Adjustments Between Accounting Basis and Funding Basis
- 10 Movements in Earmarked Reserves
- 11 Property, Plant and Equipment
- 12 Investment Properties
- 13 Intangible Assets
- 14 Financial Instruments
- 15 Inventories
- 16 Capital Commitments
- 17 Debtors
- 18 Cash Flow Statement - Cash and Cash Equivalents
- 19 Assets Held for Sale
- 20 Creditors
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- 22 Usable Reserves
- 23 Unusable Reserves
- 24 Cash Flow Statement - Operating Activities
- 25 Cash Flow Statement - Investing Activities
- 26 Cash Flow Statement - Financing Activities
- 27 Cash Flow Statement - Reconciliation of Liabilities arising from Financing Activities
- 28 Agency Services

29	Members' Allowances
30	Officers' Remuneration
31	External Audit Costs
32	Grant Income
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34	Capital Expenditure and Capital Financing
35	Leases
36	Impairment Losses
37	Termination Benefits
38	Defined Benefit Pension Scheme
39	Contingent Liabilities/Assets
40	Interests in Other Entities
41	Shared Services/Joint Operations

HRA Income and Expenditure Statement

Movement on the HRA Statement

42	Housing Stock
43	Valuation of Assets
44	Depreciation
45	Major Repairs Reserve
46	Impairment (Including the reversal of previous years' revaluation decreases)
47	Capital Expenditure and Financing
48	Capital Receipts
49	Rent Income
50	Pension Reserve
51	Revenue Expenditure Funded from Capital Under Statute

The Collection Fund Accounting Statement

52	Income from Business Ratepayers
53	Council Tax
54	Allocation of Collection Fund Surpluses and Deficits
55	Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Group Accounts:

Group Movement in Reserves Statement

Group Comprehensive Income and Expenditure Statement

Group Balance Sheet

Group Cashflow

Notes to the Group Accounts

The Independent Auditor's Report

The Annual Governance Statement

NARRATIVE REPORT

Introduction

Bolsover District Council covers an area of 62 square miles on the edge of Derbyshire in the East Midlands. With a population of 79,000 people there are sixteen town and parish councils within the district.

Operating alongside Derbyshire County Council in providing local authority services to residents, District Council services provided include:

- benefits
- economic development
- elections
- environmental health
- housing
- leisure
- planning
- waste collection

Organisation and Governance

The Council operates some of its services with its wholly owned company Dragonfly Development Ltd, as a company limited by shares. Dragonfly Management (Bolsover) Ltd, is a management company which is a wholly owned subsidiary of Dragonfly Development Ltd, as a company limited by shares. These two entities form the Dragonfly Group and have been established by the Council to take advantage of the wider trading powers provided by the Localism Act 2011. The Council's Annual Governance Statement gives further details on how the group is governed.

The services are provided by Dragonfly Management (Bolsover) Ltd, and they consist of: Property Services and Estates, Housing Revenue Account - Repairs and Maintenance Services, and Economic Growth.

Dragonfly Development Ltd, is a property company that carries out work on the Council's capital programme as well as undertaking work for other Local Authorities.

The Council has 397 employees including 2 apprentices; The Dragonfly Group has 122 employees, including 4 apprentices. The Council and Dragonfly both pay an apprenticeship levy at 0.5% of the total pay bill. This money is used to pay for apprenticeship training for new recruits and existing employees.

The Council has 37 Elected Members who are democratically accountable to their residents. Elections are held every four years, the latest being May 2023. Members follow a Code of Conduct to ensure high standards in the way they carry out their duties. The Council has an Executive consisting of the Leader and seven Members who are supported and held to account by four Scrutiny committees. More information on the Council's Governance Framework and the specific governance arrangements between Bolsover District Council and the Dragonfly group is included in the Council's Annual Governance Statement which is available on our website.

The Council's Ambition 2020-2024 came to the end of its lifespan in 2024. A new strategic plan, 'Bolsover District - The Future 2024-2028' has been developed. The strategic plan will replace the Ambition, and it outlines the key areas that the Council will focus on over the next four years.

The Future sets out four main strategic aims - Customers, Economy, Environment and Housing. Beneath each of these are a number of priorities which will be considered in the delivery of services. A suite of performance indicators supports the Future.

Strategy and Resource Allocation

The Code of Practice on Local Authority Accounting in the United Kingdom requires reports of financial performance to be presented according to how the authority has been managed.

The Council's internal management reporting for decision making is shown per directorate. All the services of the Council fall into either the Community Services Directorate, the Corporate Resources Directorate or Dragonfly Services for 2024/25.

The statutory ring-fence that exists to prevent cross subsidisation between the general fund and housing revenue account means that the Council has to break down each of the Directorates to identify the separate elements.

In January 2024, following recommendation by Executive, the Council approved a budget for revenue and capital expenditure for the 2024/25 financial year.

General Fund

Before the council tax increase the original budget was balanced with neither a surplus nor deficit for the General Fund elements of the Community Services Directorate, Corporate Resources Directorate and services provided by Dragonfly Management (Bolsover) Ltd.

To finance these General Fund services were income from business rates of £7.311m; Revenue Support Grant £1.571m; New Homes Bonus Grant £0.361m, Services Grant of £0.019m; Funding Guarantee Grant of £0.392m and council tax income of £8.536m. The Council's element of the council tax bill for 2024/25 was increased by 2.99%. This resulted in a Band D council tax charge of £202.89 for services provided by Bolsover District Council and provided an additional £0.136m in revenue.

Between the original budget being set in January 2024 and the revised budget receiving approval in January 2025, the net cost of service increased by a net £2.795m. This was costs mainly due to inflation, largely on pay awards. In addition, grant funding from external sources for projects or schemes not spent in 2023/24, were also included in the net cost of services totalling £0.915m. Revisions were also made to income for increases in investment interest, council tax and business rates growth. A transfer to the NNDR growth protection reserve meant the General Fund was still predicted to have a balanced budget.

As detailed below, at net cost of service level the outturn position of £12.295m was £1.417m lower than the revised budget forecast:

	Current Budget 2024/25	Outturn Actual 2024/25	Variance 2024/25
Directorates:	£000	£000	£000
Community Services	9,159	8,259	(900)
Corporate Resources	1,666	1,455	(211)
Dragonfly Services	2,887	2,581	(306)
Net Cost of Services	13,712	12,295	(1,417)

The main under spends were: £0.683m net under spend on staff related budgets; £0.550m increased income from services and £0.184m increased costs from paying benefits. The balance was non-staff miscellaneous variances £0.368m.

The actual net cost of services shown above links to the net expenditure chargeable to the General Fund Balance in the Expenditure and Funding Analysis Note. The Expenditure and Funding Analysis Note provides a link between the funding basis that is reported for management decision making and the statutory accounting basis as reported in the Comprehensive Income and Expenditure Statement.

Housing Revenue Account (HRA)

The Housing Revenue Account is a legally separate account which ring-fences the income from council house rents. Rental income is then used to meet the costs of managing and maintaining the Council's housing stock, including the significant burden of debt which was assigned to the Council as part of the localisation of the HRA in March 2012.

When the original budget was proposed for the HRA the budget was balanced with a transfer to the HRA balance of £0.363m. For decision making the HRA falls part within the Community Services Directorate and part within the Dragonfly Services section.

During 2024/25 the Council continued to operate in accordance with Government rent policy which meant an average increase in rents to tenants of 7.7%. Rental income from dwelling rents was estimated as £25.075m with fees and charges income predicted to be £0.511m.

Movement in the HRA between original and revised budgets mirrored the General Fund position regarding expenditure. This was managed between budget lines with no effect on the bottom line which meant the HRA was predicted to remain at neither a surplus nor deficit by 31st March.

As detailed below, at net cost of service level the outturn position on the HRA was £1.078m more favourable than the revised budget forecast:

	Current Budget 2024/25	Outturn Actual 2024/25	Variance 2024/25
Directorates:	£000	£000	£000
Community Services	(15,622)	(15,715)	(93)
Dragonfly Services	7,061	6,075	(986)
Net Cost of Services	(8,561)	(9,640)	(1,079)

The main under spends were: £0.178m net under spend on staff related budgets; £0.401m increased income from services, and a combined saving of £0.275m against the stores issues and sub-contractor cost budget. The balance was non-staff miscellaneous variances £0.224m.

Again, the actual net cost of services shown above links to the net expenditure chargeable to the Housing Revenue Account Balance in the Expenditure and Funding Analysis Note, providing the link between management decision making and the Comprehensive Income and Expenditure Statement.

Capital Expenditure and Resources

The Council invested £21.662m on capital schemes in the year. This related to capital expenditure on Housing Revenue Account assets £13.548m, General Fund assets £7.460m and private sector housing improvement works £0.654m.

The following tables give an analysis of the expenditure and how it was financed:

<u>Main capital schemes delivered in year</u>	2024/25 £000
New Council houses	6,521
ICT schemes	247
Improvements to the Council's housing stock	5,997
Shirebrook crematorium	3,192
Combined heat and power unit	634
Replacement vehicles and plant	2,795
Private Sector Disabled Facilities Grants	654
Improvements to Council's own buildings	289
Parish Council capital loans	533
Shirebrook market place	326
Rural fund schemes	240
Small miscellaneous schemes	232
	<hr/> 21,662

<u>How schemes were paid for</u>	2024/25 £000
Prudential borrowing	6,431
Grants and other contributions	5,313
Major repairs allowance	5,371
Reserves and revenue contributions	2,007
Usable capital receipts from asset sales	2,540
	<hr/> 21,662

Treasury Management

At 31st March 2025, the Council had a total capital financing requirement (Council debt) of £129.961m. This is a net increase in the year of £5.981m. This reflects prudential borrowing undertaken in the year, offset by the provision for debt repayment. The Council's debt is funded from the Public Works Loan Board (P.W.L.B.), with no new loans raised and £7.2m principal repayment made to the PWLB, during the year. The Council has a general policy of not utilising leased assets to fund capital purchases. During the year the Council continued to operate within the limits agreed in its Treasury Management Strategy.

Assets

The last full valuation was undertaken as at 1st April 2023, however, an annual desk top review by the Council of all the assets it holds is undertaken at 31st March to ensure that the figures appearing in the accounts are up to date. This exercise ensures that the Statement of Accounts reflects the correct valuation of all the assets held by the Council. Adjustments are made within the Accounts to reflect these changes in asset values, but these accounting adjustments have no impact on the charges to our Council Tax payers or our housing tenants.

During 2024/25, the Council continued with its programme of building new homes. 15 new properties were built in the year, the properties are in Pinxton, Langwith and Hillstown.

During the year the Council sold 31 properties under the Right to Buy legislation, 4 sheltered flats were removed from the stock as they were converted into boiler rooms, and 49 properties were demolished in readiness for future capital schemes.

Reserves and Balances

The Council's total usable reserves and balances have increased by £3.678m to £53.370m. These include general reserves of £4.007m (General Fund and Housing Revenue Account balances). Additionally, the Council has £9.267m that relates to unapplied revenue and capital grants, earmarked general fund revenue reserves of £24.672m, earmarked HRA reserves of £3.397m, capital receipts reserve of £10.164m and £1.862m major repairs reserve at 31st March 2025.

Collection Fund

Business Rates

In 2024/25, £35.770m of Business Rates income was received from ratepayers. After taking account of appropriate charges to the collection fund, the balance is apportioned between the Government (50%), BDC (40%), Derbyshire County Council (9%) and Derbyshire Fire Authority (1%). During the year £33.440m was paid on account to the above parties with an amount of £0.886m being paid into the collection fund to repay the previous years' deficit. At 31st March 2025 there is a surplus of £6.328m. This amount will be paid to the various parties in 2025/26 and 2026/27. The Council's net share of this surplus is £2.531m.

Council Tax

In 2024/25 £54.667m of Council Tax income was raised. During the year £53.665m was precepted on the collection fund with £0.072m being paid out of the fund from the previous years' surplus. At 31st March 2025 there is a surplus of £0.463m. This surplus will be paid to the precepting authorities during 2025/26 and 2026/27. This Council's share of the surplus is £0.080m.

Pension Fund Liability

The value of what the Council owes across future years is offset by the value of assets invested in the pension fund. These figures are provided by the actuary to the Derbyshire County Council Pension Fund, Hymans Robertson LLP. The latest full valuation of the scheme was undertaken at 31st March 2022.

The Council's liabilities have increased by £2.651m with an increase in the fair value of assets of £3.366m. The net movement is a decrease in the liability of the fund of £0.715m. The pension liability of the Council is £4.475m at 31st March 2025.

Risks and Opportunities

The longer term sustainability of both our service delivery and the Council's financial position are protected by Corporate, Service and Financial Plans which cover a four year period. These are supported by a Risk Management Strategy and associated framework which identifies and mitigates the Strategic and Operational risks which could hinder or prevent our plans being achieved.

The Council has embedded risk management by the establishment of a Risk Management Group, Elected Member led and attended by senior officers, internal audit, health and safety, and Dragonfly. The group regularly reviews all risk registers, offering challenge to the assessment process. The group leads on the development and review of all risk related policies, plans and strategies across the Council. These are supported by a Risk Management Strategy which identifies and mitigates the Strategic and Operational risks. The Risk Management framework includes a quarterly reporting process to Audit Committee. The Council is risk aware rather than risk averse. The extent to which the Council is risk averse, will undoubtedly impact on its potential to progress available opportunities to secure benefits for local residents.

The risk management approach, both in the identification of risks and the action taken to address the risks, is flexible and has the ability to respond to change. National policies, service delivery arrangements, national and local circumstances, together with Council priorities have and will continue to change and evolve over time. The Council's risk management focus and arrangements are able to adjust in order to ensure that current threats and opportunities are effectively addressed and not stifled by inappropriate risk management arrangements.

Although the Council can do much to manage the risks it faces, it does need to be recognised that some of the major strategic risks are only partially within its direct influence. Key risks included in the Strategic Risk Register at present are:

- STR1 - The introduction of new, or changes to existing government legislation, which has an impact on the Council's budget or ability to carry out its statutory functions.
- STR2 - Failure to deliver a balanced budget in line with the Medium-Term Financial Plan (MTFP).
- STR3 - Operational failure which has a major impact upon the provision of services to residents, communities and/or businesses (for example ICT failure, utilities failure or building/depot failure).
- STR4 - Difficulty recruiting to professional posts (for example environmental health officers, planners, qualified lawyers and accountants).
- STR5 - Delivery of statutory services alongside the Council's Vision, initiatives, major projects and reforms, potentially overstretching limited resources.
- STR6 - Emergency planning and business continuity arrangements fail to meet required standards.
- STR7 - Lack of appropriate strategic direction.
- STR8 - Failure to meet required standards of governance.
- STR9 - Failure to have in place robust, comprehensive and up-to-date policies and procedures for safeguarding children and vulnerable adults.
- STR10 - Impact of pandemic upon the organisation, local economy and community.
- STR11 - Cyber security attack which severely impacts ICT systems and data. E.g. Ransomware attack rendering access to ICT unavailable for some time.
- STR12 - Significant increases to general cost of living which may impact on Council income including Council Tax, Business Rates, increased rent arrears and reduced leisure income.

- STR13 - Housing pressures: Homelessness and pressure on suitable housing provision across the District;
- Increases in the number of Section 21 Notices being issued by private sector landlords; Housing resettlement programmes.
- STR14 - The impact of Climate Change.
- STR15 - Failure of appropriate governance and financial management arrangements in relation to Dragonfly Development Ltd and Dragonfly Management (Bolsover) Ltd, wholly owned companies of the Council.
- STR16 - Risks associated with the use of Artificial Intelligence (AI) and generative Artificial Intelligence (AI).
- STR17 - Pleasley Vale Business Park and Outdoor Centre.
- STR18 - Impact of the English Devolution White Paper on the Council.
- STR19 - Impact of the new waste collection duties.
- STR20 - Introduction of the East Midlands County Combined Authority.

To facilitate the effective identification of risk there is an embedded culture of risk management in place across the Council. This will help mitigate the threat that those risks which materialise will prevent the achievement of Strategic Aims / Priorities or Key Targets.

Performance

Bolsover District - The Future 2024-2028 was developed to replace the previous Corporate Plan. This document sets out the Council's key objectives, with a number of priorities supporting each one.

The Council's overall vision is - 'To maximise our influence and opportunities within the East Midlands Combined County Authority to drive the continued delivery of excellent services, maximise local aspirations and drive economic prosperity for Bolsover District'.

The Future sets out four main strategic aims - Customer, Economy, Environment and Housing. Beneath each of these are a number of priorities which will be considered in the delivery of services. A suite of performance indicators supports the Future.

Customers - We are committed to:

- Continuous improvement to service delivery through innovation, modernisation and listening to customers.
- Improving the customer experience and removing barriers to accessing information and services.
- Having an agile working, responsive, skilled, and engaged workforce.
- Continuing to work with partners from all sectors, ensuring priorities are aligned to benefit the residents of Bolsover District.
- Promoting equality, diversity, and inclusion, and supporting and involving vulnerable and disadvantaged people.
- Improving health, wellbeing and increasing participation in sport, leisure, and social activities.

Economy - We are committed to:

- Actively working with partners to support enterprise, innovation, jobs and skills.
- Unlocking regeneration and development potential of long-term vacant land and buildings, and stalled sites, and deliver income-generating capital projects.
- Ensuring financial sustainability, increasing revenue streams, achieving best value, and making the best use of our assets.
- Promoting the District and working with partners to increase and support the creative, cultural and tourism sector.
- Maximising our influence and opportunities within the East Midlands County Combined Authority to collectively ensure our citizens have the opportunity to develop key skills and access opportunities to work well, and help create a strong and sustainable local economy.

Environment - We are committed to:

- Maximising our influence and opportunities within the East Midlands County Combined Authority to collectively lead the way in moving from fossil to fusion and play our part in achieving our national ambition to achieve net zero by 2050.
- Reducing our carbon footprint whilst supporting and encouraging residents and businesses to do the same.

- Increasing recycling.
- Enhancing biodiversity across the district.
- Working with stakeholders, regional and local partnerships to deliver shared strategies and priorities that support the local environment.
- Ensuring all areas, neighbourhoods, and streets in the district, irrespective of housing tenure or type, are places where people want to live, feel safe, and are proud to live.

Housing - we are committed to:

- Enabling housing growth by increasing the supply, quality, and range of housing to meet the needs of the growing population.
- Building more, good quality, affordable housing, and being a decent landlord.
- Preventing and responding to homelessness through early intervention and personalised solutions.
- Maintaining and improving property and housing management standards and ensuring that standards and living conditions in the district contribute towards better health outcomes for all.
- Maximising our influence and opportunities within the East Midlands County Combined Authority to create affordable, good quality housing options and to retrofit existing homes to be more environmentally sustainable.

The Council's Performance and Outcomes for Local Residents

The emphasis of the Statement of Accounts which follow this narrative report is upon the financial performance of the Council. Our financial performance however, needs to be considered in conjunction with our ability as a Council to provide a sustainable comprehensive range of value for money services that meet both our statutory obligations and the needs of our area. This narrative seeks to outline some of the services and projects which the Council has delivered during the course of 2024/25, linking these to our strategic objectives and plans for the future.

The Council's vision is to maximise our influence and opportunities within the East Midlands County Combined Authority to drive the continued delivery of excellent services, maximise local aspirations and drive economic prosperity for Bolsover District.

The Council has four aims designed to deliver this vision through priorities that cover the Bolsover District The Future 2024-2028. In order to better understand how the Council has performed during the course of the current financial year, the table below sets out headline progress against the Council's agreed aims and priorities. The successful achievement of the Council's agreed priorities and targets is key to ensuring effective service delivery to local residents, whilst providing a sustainable future for the Council itself as an organisation. The Council prepares detailed reports concerning the performance against the Bolsover District The Future, on a quarterly basis.

A summary of progress against the Bolsover District The Future (2024-2025) is provided below:

Aim - Our Customers, by providing excellent and accessible services		
Priorities	Targets	Progress against key targets
Increasing customer satisfaction with our services.	Develop real time customer satisfaction measurement for our contact centres by March 2026, and explore rolling this out further throughout the plan period.	Real time satisfaction surveys via Live Chat and Email, 805 surveys issued with 79 responses received in 2024/25. With 70% satisfied or very satisfied with the service they received from Customer Services.

Priorities	Targets	Progress against key targets
	Explore running a residents' survey to gain resident feedback on place-based services and priorities for improvement by March 2025.	Despite receiving good results, the Citizens' survey had a lower than expected return rate, despite efforts to boost participation through the Council's Intouch magazine, a QR code and a prize incentive. Most responses (95%), came via email, while only 4% used the QR code and 1% completed a paper copy. Since running this survey, the Council has changed its policy on Facebook and now has a new page. This will help with engagement and response rates for future surveys.
	Improve the overall performance and usability of the website.	The Council website is fully accessible and meets recommendations set by the Cabinet Office. It consistently receives strong ratings from an independent monitoring tool, reflecting its quality and usability. Recent assessments by Silk tide, show impressive scores: 93% for content, 96% for accessibility, 88% for marketing, and 83% for user experience.
Improving customer contact and removing barriers to accessing information.	Ensure that at least 50% of transactions are made through digital channels by December 2024.	The target was achieved in December 2024.
Actively engaging with partners to benefit our customers.	Work with partners to deliver the Sustainable Communities Strategy and publish an evaluation report annually.	The Bolsover Partnership Annual Report was delivered on time for the Bolsover Partnership Annual General Meeting on the 19th of September 2024. The report is available online for interested parties. This included case studies from partnership organisations.
Promoting equality, diversity and supporting vulnerable and disadvantaged people.	Monitor Performance against the corporate equality objectives and publish information annually.	Corporate equalities objectives continue to be met; several Equality Impact Assessments (EIAs) were carried out for the Planning and Housing services. Reasonable adjustment requests continue to be processed for residents wishing to receive improved accessibility to the information they received from the Council. Corporate equalities training sessions were delivered to support staff and elected members. The Council report template has been reviewed to include equality and consultation implications. This will assist decision makers to take into consideration equality implications (due regard).
	Prevent homelessness for more than 50% of those facing homelessness each year.	In 2024/25 - 79% of the total (287) homeless prevention cases - 227 - were successfully resolved, exceeding the target for homelessness prevention.
Improving health, wellbeing and increasing participation in sport and leisure activities.	Increase participation / attendances in leisure, sport, recreation, health, physical and cultural activity.	In 2024/25 421,753 attendances were received, exceeding the target of 403,000 for the year.

Aim - Our Environment, by protecting the quality of life for residents and businesses, meeting environmental challenges and enhancing biodiversity		
Priorities	Targets	Progress against key targets
Reducing our carbon footprint whilst supporting and encouraging residents and businesses to do the same.	To deliver the carbon reduction plan to achieve net zero by 2050.	The Council continues to advance multiple climate change initiatives, including the ongoing Mine water Heat Demonstrator Project, Local Area Energy Plan, and Retrofit skills efforts. The Carbon Disclosure Project has been submitted, and preliminary emissions data for 2023/24 has been shared with Cabinet Members. Updates to the Home Energy webpages are ready, pending the Warm Homes Grants embargo lift. The Council is also supporting the Climate Change and Communities Scrutiny Committee and preparing of the Green Skills Hub development with £250k in EMIZ funding. Key projects like the Local Authority Retrofit Accelerator and Green Generation initiatives are progressing, while a Climate Change Function audit is scheduled for Q1 2025.
Increasing recycling.	Increase the combined recycling and composting rate to meet government's 65% target by 2035.	The cost of recycling collections is now primarily covered by EPR payments from the Government's Simpler Recycling Scheme. Future payments may fluctuate based on changes in recyclable waste volumes, especially with the DRS removing items like drinks containers from kerbside collections. The Council may need to review its collection systems when DRS is introduced in October 2027. For now, this action is considered complete as part of the ongoing review of the burgundy bin service. The baseline combined recycling and composting rate for 2024/25 stands at 38.7%.
Ensuring a high standard of environmental cleanliness, undertaking appropriate enforcement activity where required.	Carry out 155 targeted, proactive, littering dog fouling patrols per year.	For 2024/25, 71 proactive patrols were carried out against the target. Under performance was due to staffing issues within the year. As a result the team concentrated on reactive work and enforcement cases where they had documentary evidence of the offence.
Aim - Our Economy, by driving growth, promoting the District and being business and visitor friendly		
Actively working with partners to support enterprise, innovation, jobs and skills.	Refresh the Business Growth Strategy to empower Dragonfly in supporting the Council's efforts to optimise asset use, stimulate local economic growth, attract investment, and secure the district's share of available government and East Midlands Combined County Authority funding.	The strategy draft is in development and will be reviewed through the Local Growth Scrutiny Committee. The Dragonfly Business Plan has been presented to the Council, outlining key activities for the Business Growth Directorate that align with the ambitions of The Future.

Priorities	Targets	Progress against key targets
Ensuring financial sustainability, increasing revenue streams, achieving best value, and making the best use of our assets.	Deliver a fully operational crematorium and manage this facility to generate income from 2025.	Construction of the crematorium and wake buildings is progressing well, with the external envelope completed and internal blockwork under way. Court yard stone and brickwork has begun, and steel roof decking is finished, with the wake building's roof set for completion by month end, and work on the crematorium roof now in progress. A funeral director's site visit in May will provide an update and encourage continued engagement in the project. The sale of additional BNG credits to external developments will proceed after the main project is completed. Recruitment of the operational and groundwork teams is planned for summer 2025.
Aim - Our Housing by delivering social and private sector housing growth		
Enabling housing growth by increasing the supply, quality, and range of housing to meet the needs of the growing population.	Prepare and adopt a new Council Housing Strategy by October 2024.	The final strategy was presented to the Customer Services Scrutiny Committee in November and to the Executive/Council in December 2024. It has now been adopted, and a delivery plan is being developed.
	Commission and complete Local Housing Needs evidence by August 2024, to better understand the district's affordable housing needs.	Local Housing Needs study has been completed and reported to Members at a Local Plan Implementation Advisory Group meeting in February 2025.
Maintaining and improving property and housing management standards, and ensuring that standards and living conditions in the district contribute towards better health outcomes for all.	Commission and complete an appropriate council housing stock condition survey by April 2025, upon completion develop an improved rolling programme of stock inspections to inform future repairs and maintenance.	The onsite stock condition survey has been completed, with 92.7% of Council properties assessed. There are still 350 properties left to survey, and work is ongoing to review them and identify the best approach for completion.

During 2024/25, the Council made significant progress in improving customer services, achieving a 70% satisfaction rate from Live Chat and email surveys. Efforts to enhance engagement included a Citizens' Survey, which saw a lower than expected return but will be improved with an enhanced social media strategy. The Council website continued to score highly in usability and accessibility. Digital transactions surpassed the 50% target, and partnership collaborations resulted in a successful Bolsover Partnership Annual Report. Equality objectives were met, homelessness prevention exceeded targets, and participation in leisure activities over-achieved the target reaching 421,753 attendances. Environmental initiatives progressed, with continued carbon reduction efforts and improvements in recycling funded by government schemes. Though staffing issues impacted proactive enforcement patrols, the Council remains committed to maintaining environmental standards. Economic and housing strategies moved forward, with key developments including the refresh of the Business Growth Strategy, and ongoing construction of a crematorium. Housing priorities advanced with the adoption of a new strategy and the completion of a Local Housing Needs study. Additionally, the Council successfully carried out stock condition surveys, assessing over 92% of Council properties.

As part of the Performance Management Framework we systematically collect details of complaints and compliments. This information allows us to address any specific issues that have arisen and also to better understand where services are in need of improvement. Our performance management arrangements mean that we are well informed about any areas of concern and can manage those effectively to minimise service delivery issues and to manage expectations proactively.

Local Audit Delays

The backstop date for the sign off of 2023/24 financial statements was the 28th of February 2025. The Council's financial statements for 2023/24, included group accounts for the first time. The Council received the audited financial statements of its wholly owned companies from their auditors during February 2025.

The Council's auditors Forvis Mazars, 'were unable to complete the audit procedures necessary to obtain sufficient appropriate audit evidence on which to base an opinion before the date the Council had to publish the financial statements for 2023/24.'

The Council received a disclaimer of opinion on the financial statements for 2023/24 on the 21st of February 2025. Forvis Mazars now need to rebuild assurance over the Council's group financial statements for 2023/24. Work is being undertaken with the Council to achieve this.

Outlook

In line with good practice the Council plans its finances over the Medium Term (five years). The Council regularly reviews its spending plans in the light of changing priorities, external factors and projected financial forecasts to ensure that they remain robust and sustainable over the longer term.

While the Council faces significant financial challenges over the coming years, we have a good track record of delivering efficiencies, an experienced and well qualified senior management team, robust governance arrangements and a workforce committed to delivering good quality services. These key assets together with a combination of economic growth and service transformation which are supported by a reasonable level of financial reserves to fund investment in service reconfiguration, mean that the Council is well placed to meet these challenges and the national challenge of Local Government Reorganisation and Local Authority Funding Reform. These are key factors which support my view that the Council can continue to perform effectively, whilst ensuring that it maintains a balanced budget.

General Fund

In preparing our budgets for future years in the Council's MTFP, we had to make significant assumptions about the potential effects of Local Authority Funding Reforms. These wide-reaching reforms are expected to be included in the 2026/27 Local Government Finance Settlement, and as such they needed to be included in our MTFP projections.

However, at this stage no funding for transitional arrangements has been included due to there being too little information to base estimates on, we therefore currently have the worst-case scenario in our MTFP. The Council's MTFP also does not include any potential effect concerning the Government's English Devolution White Paper, as it is too early to know what any new authority might look like.

To help mitigate losses caused by funding changes the Council created a reserve a number of years ago from additional business rates growth, the NNDR Growth Protection Reserve. The balance accumulated has meant we are able to use the reserve to even out the losses in government funding over the life of the current MTFP. Only the final year 2028/29, currently has a shortfall in funding.

When setting its budget in January 2025, the Council initially had shortfalls of £0.049m for 2025/26, £4.964m for 2026/27, £5.017m for 2027/28 and £5.133m at the end of the current planning period. As the first step to balancing its budget for future years the Council agreed to a Council Tax increase of 2.99%, generating additional revenue of £0.142m for each year. A range of other potential savings have been identified with the use of the reserve mentioned above, balancing all but the final year by £0.953m. Officers do not anticipate any significant issues in resolving the budget shortfall in respect of the current MTFP, however it is crucial that new income continues to be generated. The detailed plans include the following:

- Seek to secure the increased income associated with increases in the number of homes and business premises operating in the District.

- Continued participation in the Derbyshire Business Rates Pool that will see all Derbyshire authorities benefit from growth within the County without having to pass part of this increase in income to the Government. This will enable the Council to retain a higher proportion of its Business Rates, while ever the Government policy allows.
- The Council converted Dragonfly Developments Limited to a wholly owned company of the Council during 2022/23 to take advantage of the wider trading powers provided by the Localism Act 2011 to earn income for the Council.
- Continue with vacancy management arrangements to ensure that appropriate use is made of 'natural wastage' as a means to ensure the necessary level of financial savings.

Housing Revenue Account

The Council continues to operate its HRA within the context of a 30 year business plan which shows the Council's housing operation to be sustainable over that period. Rent levels in the new MTFP have been set in line with Government rent setting policy which is an increase of CPI (1.7%) plus 1%, applicable from 1st of April 2025. The Council is working to ensure that its properties continue to meet the Decent Homes standard and provide affordable accommodation with a secure tenure which meets the housing needs of local residents. As part of this programme the Council is seeking both to maintain a high standard of housing services, whilst investing in maintaining and refurbishing existing stock.

In addition, the Social Housing (Regulation) Act 2023, introduced significant changes to the social housing sector to improve the quality of housing for tenants. These include increased powers to carry out inspections against the newly published consumer standards, and the power to issue unlimited fines for non-compliance with the new standards. In preparation for this the Council commissioned a survey be carried out on all its properties, to allow an up to date position to be established regarding their condition. This survey will be used to drive the repairs programme and future capital property schemes, but the 30 year business plan will need careful monitoring to avoid becoming unsustainable. The business plan is in the process of being updated and depending on the results, we may need to reprioritise the repairs/capital programme.

Capital Programme

With regard to the Capital Programme, new general fund schemes in 2025/26 only total £1.667m but finalising the Shirebrook Crematorium will also carry over from the current year. With regard to the HRA, it is anticipated that in 2025/26 £14.609m will be spent on the Bolsover Homes Programme of new build Council housing. It is planned to spend a further £5.448m on upgrading and refurbishing Council properties during the year.

Theresa Fletcher

Director of Finance and Section 151 Officer

Introduction to the Statements

The accounting statements that follow detail the Council's performance and have been prepared under the 2024/25 Code of Practice on Local Authority Accounting. The accounts are separated into various sections and these can be summarised as follows:

- **The Movement in Reserves Statement** – this statement shows the movement from the start of the year to the end 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 'unusable reserves'. The Statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax or rents for the year. The Net Increase/Decrease line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments.
- **The Expenditure and Funding Analysis** - (this is not a primary statement). This shows council tax and rent payers how the funding available to the Council (government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.
- **The Comprehensive Income and Expenditure Statement** – this 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 or rents. Authorities raise taxation and rents to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.
- **The Balance Sheet** – shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to fund services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the Council is not able to use to fund services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement of Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

- **The Cash Flow Statement (Indirect Method)** - shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council 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 Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

- **The HRA Income and Expenditure Statement** – shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which the rents are raised, is shown in the Movement on the HRA Statement.

- **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 from taxpayers of Council Tax and National Non-Domestic Rates (NNDR) and its distribution to local government bodies and the Government.

The Council has a statutory obligation to operate a Collection Fund as a separate account to the General Fund. The purpose of the Collection Fund therefore, is to isolate the income and expenditure relating to Council Tax and Non-Domestic Rates. The administrative costs associated with the collection process are charged to the General Fund.

The accounts are supported by the following items:

- Statement of Responsibilities
- Statement of Accounting Policies
- Notes to the Accounts
- Annual Governance Statement

- **Group Accounts** – provide details of the Council's overall financial interests including consideration of its interests in other companies and how their value has changed over the year. Core financial statements similar to those included in the Council's single entity statements but which represent the consolidated position of the group are included. Notes to the Group accounts have been included where the relevant values and/or the impact on the group statements are material. Supporting notes have only been included where the group outcome is materially different to the disclosures in the Council's single entity accounts.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Council's Responsibilities

The Council 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 Council, that officer is the Director of Finance and Section 151 Officer.
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- to approve the Statement of Accounts

The Director of Finance and Section 151 Officers' Responsibilities

The Director of Finance and Section 151 Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Director of Finance and Section 151 Officer has:

- selected suitable accounting policies and then applied them consistently.
- made judgements and estimates that were reasonable and prudent.
- complied with the local authority Code.

The Director of Finance and Section 151 Officer 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 certify that the Statement of Accounts gives a true and fair view of the financial position of the Council at 31 March 2025 and its income and expenditure for the year ended 31 March 2025.

Theresa Fletcher, ACMA
Director of Finance and Section 151 Officer

Date: 19 June 2025

MOVEMENT IN RESERVES STATEMENT

		General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Earmarked Revenue Grants Unapplied £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000
Balance at	31 March 2023	(23,699)	(8,867)	(8,312)	(1,434)	(1,764)	(5,149)	(49,225)	(184,784)	(234,009)
<u>Movement in reserves during 2023/24</u>										
Total Comprehensive Income and Expenditure		(12,536)	10,392	0	0	0	0	(2,144)	(4,483)	(6,627)
Adjustments between accounting basis and funding basis under regulations (Note 9)		11,220	(7,126)	(978)	(108)	166	(1,496)	1,678	(1,678)	0
(Increase) / Decrease in 2023-24		(1,316)	3,266	(978)	(108)	166	(1,496)	(466)	(6,161)	(6,627)
Balance at	31 March 2024	(25,015)	(5,601)	(9,290)	(1,542)	(1,598)	(6,645)	(49,691)	(190,945)	(240,636)
<u>Movement in reserves during 2024/25</u>										
Total Comprehensive Income and Expenditure		(10,517)	5,857	0	0	0	0	(4,660)	(4,655)	(9,315)
Adjustments between accounting basis and funding basis under regulations (Note 9)		8,859	(5,659)	(874)	(320)	152	(1,176)	982	(982)	(0)
(Increase) / Decrease in 2024-25		(1,658)	198	(874)	(320)	152	(1,176)	(3,678)	(5,637)	(9,315)
Balance at	31 March 2025	(26,673)	(5,403)	(10,164)	(1,862)	(1,446)	(7,821)	(53,369)	(196,582)	(249,951)

EXPENDITURE AND FUNDING ANALYSIS NOTE

69	2023/24	2023/24	2023/24		2024/25	2024/25	2024/25
	Net				Net		
	Expenditure	Adjustments	Net Expenditure		Expenditure	Adjustments	Net Expenditure
	Chargeable to the General Fund and HRA Balances	between Funding and Accounting Basis (Note 7)	in Comprehensive Income and Expenditure Statement		Chargeable to the General Fund and HRA Balances	between Funding and Accounting Basis (Note 7)	in Comprehensive Income and Expenditure Statement
	£000	£000	£000		£000	£000	£000
	7,895	1,137	9,032	Community Services Directorate (GF)	8,259	1,944	10,203
	1,467	(3,230)	(1,763)	Corporate Resources Directorate	1,455	412	1,867
	2,407	602	3,009	Dragonfly Services (GF)	2,581	(584)	1,997
	(15,371)	12,874	(2,497)	Community Services Directorate (HRA)	(15,715)	7,976	(7,739)
	6,644	(23)	6,622	Dragonfly Services (HRA)	6,075	0	6,075
	3,043	11,360	14,403	Net Cost of Services	2,655	9,748	12,403
	(1,094)	(15,453)	(16,546)	Other income and expenditure	(4,115)	(12,948)	(17,063)
	1,950	(4,093)	(2,143)	(Surplus) or Deficit	(1,460)	(3,200)	(4,660)
			(32,566)	Opening General Fund and HRA Balance	(30,616)		
			1,950	Plus Surplus/ less Deficit on General Fund and HRA balance in year	(1,460)		
			(30,616)	Closing General Fund and HRA Balance	(32,076)		

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net Expenditure £000		NOTE	2024/25 Gross Expenditure £000	2024/25 Gross Income £000	2024/25 Net Expenditure £000
15,010	(5,978)	9,032	Community Services Directorate (GF)		16,435	(6,232)	10,203
14,036	(15,799)	(1,763)	Corporate Resources Directorate		18,939	(17,073)	1,866
3,576	(567)	3,009	Dragonfly Services (GF)		3,212	(1,215)	1,997
32,621	(22,343)	10,278	Cost of General Fund Services		38,586	(24,520)	14,066
21,231	(23,728)	(2,497)	Community Services Directorate (HRA)		17,822	(25,560)	(7,738)
6,741	(120)	6,622	Dragonfly Services (HRA)		6,495	(420)	6,075
27,972	(23,847)	4,125	Cost of Housing Revenue Account Services (HRA)		24,317	(25,980)	(1,663)
60,593	(46,190)	14,403	Cost of All Services		62,903	(50,500)	12,403
			<u>Other Operating Expenditure</u>				
3,969		3,969	Local Council Precepts		4,583		4,583
1,355		1,355	Net Loss/(Gain) on the disposal of non-current assets		2,655		2,655
			<u>Financing and Investment Income and Expenditure</u>				
4,820		4,820	External interest payable and similar charges	<u>14</u>	4,803		4,803
(112)		(112)	Pensions interest cost and expected return on pensions assets	<u>38</u>	236		236
	(3,404)	(3,404)	Interest and investment income	<u>14</u>		(3,109)	(3,109)
	(660)	(660)	Movement in fair value of investment properties	<u>12</u>		(561)	(561)
518	(782)	(264)	Investment Properties Income and Expenditure	<u>12</u>	546	(817)	(271)
(150)		(150)	Impairment Loss/(Profit) on Financial Instruments	<u>14</u>	41		41
301	(401)	(101)	(Surpluses)/Deficit on Trading Activities		233	(288)	(55)
			<u>Taxation and Non-Specific Grant Income and Expenditure</u>				
	(8,500)	(8,500)	Council Tax Income			(9,347)	(9,347)
	(5,573)	(5,573)	Non-domestic Rates Income and Expenditure			(6,027)	(6,027)
	(4,815)	(4,815)	Non-ringfenced Government Grants	<u>32</u>		(5,067)	(5,067)
	(3,112)	(3,112)	Capital Grants and Contributions	<u>32</u>		(4,944)	(4,944)
71,294	(73,437)	(2,143)	(Surplus) or Deficit on Provision of Services		76,000	(80,660)	(4,660)
		(12,370)	(Surplus) or deficit on revaluation of non-current assets	<u>23</u>			(3,798)
		7,886	Remeasurement of net defined benefit/liability	<u>38</u>			(257)
		0	IFRS16 recognition of Leases at Fair Value	<u>35</u>			(600)
		(4,484)	Other Comprehensive Income and Expenditure				(4,655)
		(6,627)	Total Comprehensive Income and Expenditure				(9,315)

**BALANCE SHEET AS AT
31 March 2025**

31 March 2024		31 March 2025
£000	NOTE	£000
308,236 Property, Plant and Equipment	<u>11</u>	317,728
9,350 Investment Property	<u>12</u>	10,070
81 Intangible Assets	<u>13</u>	133
1,240 Long Term Investments	<u>40</u>	0
154 Long Term Debtors	<u>14</u>	600
319,061 Long Term Assets		328,531
20,090 Short Term Investments	<u>14</u>	15,058
24 Inventories	<u>15</u>	31
8,606 Short Term Debtors	<u>17</u>	5,989
2,024 Cash and Cash Equivalents	<u>18</u>	5,550
30,744 Current Assets		26,628
(9,850) Short Term Borrowing	<u>14</u>	(4,018)
(11,570) Short Term Creditors	<u>20</u>	(15,147)
(21,420) Current Liabilities		(19,165)
(46) Long Term Creditors	<u>14</u>	(46)
(1,019) Provisions	<u>21</u>	(844)
(78,800) Long Term Borrowing	<u>14</u>	(76,800)
(5,190) Pensions Liability	<u>38</u>	(4,475)
(2,693) Revenue Grants & Contributions Receipts in Advance	<u>32</u>	(3,877)
(87,747) Long Term Liabilities		(86,042)
240,637 Net Assets		249,952
(2,001) General Fund Balance	<u>MIRS</u>	(2,001)
(26,972) Earmarked Reserves	<u>10</u>	(28,069)
(1,644) Housing Revenue Account Balance	<u>MIRS</u>	(2,006)
(9,290) Capital Receipts Reserve	<u>MIRS</u>	(10,164)
(6,645) Capital Grants Unapplied	<u>MIRS</u>	(7,821)
(1,598) Revenue Grants Unapplied (Earmarked)	<u>MIRS</u>	(1,446)
(1,542) Major Repairs Reserve	<u>45</u>	(1,862)
(49,692) Usable Reserves		(53,369)
(147,552) Revaluation Reserve	<u>23</u>	(145,610)
(47,280) Capital Adjustment Account	<u>23</u>	(52,894)
(63) Deferred Capital Receipts	<u>23</u>	(63)
5,190 Pension Reserve	<u>23</u>	4,475
(1,348) Collection Fund Adjustment Account	<u>23</u>	(2,624)
108 Accumulated Absences Account	<u>23</u>	133
(190,946) Unusable Reserves		(196,583)
(240,637) Total Reserves		(249,952)

**CASH FLOW STATEMENT FOR THE YEAR ENDED
31 March 2025**

2023/24			2024/25
£000		NOTE	£000
(2,143)	Net (surplus) or deficit on the provision of services		(4,660)
(9,777)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	<u>24</u>	(19,272)
5,348	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	<u>24</u>	8,971
	(6,573) Net cash flows from Operating Activities		(14,961)
10,217	Investing Activities	<u>25</u>	3,887
1,549	Financing Activities	<u>26</u>	7,549
	5,194 Net increase or (decrease) in cash and cash equivalents		(3,526)
(7,218)	Cash and cash equivalents at the beginning of the reporting period		(2,024)
(2,024)	Cash and cash equivalents at the end of the reporting period	<u>18</u>	(5,550)

1 Accounting Policies

a) General Principles

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

The accounting convention adopted is principally historical cost and fair value, modified by the revaluation of certain categories of non-current assets and financial instruments. The accounts have been prepared on a going concern basis.

The Council does not have any transactions that are reclassifiable to the Surplus or Deficit on the Provision of Services. As such we have not grouped the items in Other Comprehensive Income and Expenditure into amounts that may be reclassifiable and amounts that are not.

b) Accounting Concepts

The concepts used in selecting and applying the most appropriate policies and estimation techniques are as follows:

- The qualitative characteristics of financial information - relevance, reliability, comparability and understanding;
- Materiality (all major transactions and events are included);
- The accounting concepts of accruals, going concern and the primacy of legislative requirements.

c) 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. An exception to this principle is planning fee income. This is included in the year it is received without an adjustment for a proportion of applications where the final decision is given in the new year, based on the grounds of materiality.
- 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 or expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Exceptions to this principle include electricity and other similar periodic payments which are charged at the date of meter reading rather than being apportioned between financial years. Rental income from HRA dwellings are due in full on the date the weekly debit is raised. No receipt in advance is recorded for any part of the debit raised in the last week of March that relates to a period after 31st of March, unless it is considered material. Payroll expenses earned in March but not paid until April or later are not accrued for and are recognised in the new financial year's accounts. This policy is consistently applied each year and therefore does not have a material effect on the year's accounts.

Income and expenditure are credited and debited to the relevant service revenue account unless they properly represent capital receipts or capital expenditure.

Grant claims are submitted on an actual basis wherever possible. However if the information required is not available then a best estimate basis is adopted.

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

The Council has a number of Call accounts to meet short-term cash flow requirements where no notice is required to access funds.

Call accounts held to make a gain from favourable rates of interest are classed as investments and not cash equivalents. This also applies to Money Market Funds and fixed term investments.

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

e) Charges to Revenue for Non-Current Assets

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

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

The Council is not required to raise council tax to cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation costs are therefore replaced by the contribution in the General Fund of a Minimum Revenue Provision (MRP), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

The Council's policy for the calculation of the statutory provision for the repayment of debt is determined each year by the Council. The Council has decided that for 2024/25 the outstanding general fund debt prior to 1 April 2007 will be repaid at a rate of 4% of outstanding debt per year until the debt is extinguished. Any prudential borrowing for the General Fund incurred after 1 April 2007 is repaid based on the life of the asset concerned.

f) Council Tax and non-domestic rates - Collection Fund

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 (the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the Council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the 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 Council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

All debtor balances for the above that are past due are impaired because payments due under the statutory arrangements have not been made (fixed or determinable payments). The asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

Non-Domestic Rates Appeals

The Council will commission each year, an independent assessment at 31 March of the outstanding appeals lodged with the Valuation Office Agency (VOA). The assessment will review every individual appeal and estimate the likelihood of the appeal succeeding based on the category of appeal and previous appeal determinations.

The rateable value and the period covered by the appeal have been used to establish a prudent provision to meet the estimated costs of successful appeals.

g) Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent assets are not recognised in the accounting statements; they are disclosed by way of a note to the accounts where it is probable that there will be an inflow of economic benefit or service potential.

h) Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the accounting statements; they are disclosed in a note to the accounts.

i) Employee Benefits**Benefits Payable During Employment**

Short term employee benefits are those due to be settled within 12 months of the year end. They include such benefits as salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end but which can be carried forward by the employee into the next financial year. The accrual is made at the salary rates applicable in the following accounting year, as this is the period in which the employee takes the benefit. The accrual is charged to the relevant service area of the Comprehensive Income and Expenditure Statement but then is reversed out through the Movement in Reserves Statement so that the annual leave is charged to revenue in the financial year in which the annual leave occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date, or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service or, where applicable, to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council 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 Council to the Pension Fund or pensioner in year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with accrued debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year end.

Post Employment Benefits

Employees of the Council are members of the Local Government Pension Scheme (LGPS), which is administered by Derbyshire County Council on behalf of Bolsover District Council. The scheme provides defined benefits to members (lump sums and pensions) earned as employees working for the Council.

The Local Government Pension Scheme

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

- The assets and liabilities of the Derbyshire County Council pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees.
- Assets and liabilities are measured using the projected unit method and discounted at the balance sheet date rate of return on high quality corporate bonds of equivalent term to the liabilities. The discount rate is the weighted average of 'spot yields' on AA rated corporate bonds.

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, which is calculated as the net present value of future service costs less net present value of future contributions over the future working lifetime. Where the asset ceiling is the lower, an adjustment will be required which is included as a remeasurement.

The change in the net pension 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. This is 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. These costs are debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
 - Interest Cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid. The cost is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- Remeasurements comprising:
 - The Return on Plan Assets – excluding amounts included in net interest on the net defined benefit liability (asset) - charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions - debited to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions Paid to the County Pension Fund - cash paid as employer's contributions to the pension fund in settlement of liabilities. These are not accounted for as an expense.

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

Discretionary Benefits

The Council 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.

Employees of the Council's wholly owned group of companies Dragonfly Development Limited, participate in the LGPS. The company's obligation to the Derbyshire Pension Fund is limited only to paying fixed employer contributions as they fall due - they have no legal or constructive obligation to pay further contributions to the Fund over and above a fixed contribution.

j) Events After the Reporting Period

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

- Those that provide evidence of conditions that existed at the end of the reporting period - the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period - the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial impact.

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

k) Exceptional Items

Exceptional items are included in the cost of the service to which they relate or on the face of the Comprehensive Income and Expenditure Statement if that degree of prominence is necessary in order to give a fair presentation of the accounts. An adequate description of each exceptional item is given within the notes to the accounts.

l) 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 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 Council's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting the opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

m) Financial Instruments

The Council is required to recognise, measure, present and disclose information about any financial instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Typical financial assets include bank deposits, trade receivables and other receivables, loans receivable and advances. Typical financial liabilities include trade payables and other payables, borrowings and financial guarantees. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest). Interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Financial Assets

Financial assets are classified and measured according to the reason the Council has for holding the financial assets and their cash flow characteristics.

There are three main classes of financial assets measured at:

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

The Council's business model is to hold investments to collect contractual cash flows. Most of the Council's financial assets are therefore classified as amortised cost.

Financial Assets Measured at Amortised Cost

For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement. Any profit or loss on sale of the financial asset is debited/credited to the Financial and Investment Income and Expenditure line in the CIES in the year of sale.

Expected Credit Loss Model

The Council recognises expected credit losses (i.e. non-payment of principal and/or interest) on all of its financial assets held at amortised cost (or where relevant FVOCI). Usually only credit losses arising in the next 12 months are calculated. Lifetime losses are only recognised when the risk of the amount lent out not being made in full, increases significantly over the year. Trade receivables (debtors) and HRA tenant debtors are permitted to use the simplified approach to expected credit losses. 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.

The Council is not allowed to recognise a loss allowance for expected credit loss where the counterparty for a financial asset is central government or a local authority (including parish) for which relevant statutory provisions prevent default.

Financial Assets Measured at Fair Value through Profit or Loss

These assets are initially measured at fair value (market price). At each balance sheet date the asset's fair value is re-measured to the current fair value (market price). Changes in fair value between balance sheet dates are charged or credited to the Surplus/Deficit on the Provision of Services (SDPS).

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

- instruments with quoted market prices - the market price.
- other instruments with fixed and determinable payments - discounted cash flow analysis.
- equity shares with no quoted market prices - an estimate based on what the Council would receive if it redeemed the shares.

The inputs to the measurement techniques are categorised in accordance with the accounting policy set out in ac) Fair Value Measurement of non-financial assets.

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.

IFRS9 Financial Instruments sets out that equity type investments should be classified at fair value through profit and loss unless there is an irrevocable election to recognise changes in Fair Value Through other Comprehensive Income. The Council will assess each equity type investment on an individual basis and assign an IFRS 9 category. The assessment will be based on the underlying purpose for holding the financial instrument. Any changes in the fair value of instruments held at fair value through profit or loss will be recognised in the net cost of service in the CIES and will have a General Fund impact.

n) Government Grants and Contributions

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

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

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

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

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

o) Heritage Assets

Heritage assets are a distinct class of asset which are reported separately from property, plant and equipment and intangible assets.

There is a de-minimis level of £10,000 applied to Heritage Assets in line with the accounting policy on Property, Plant and Equipment. The Heritage Assets held by the Council are currently below the de-minimis level.

p) Intangible Assets

Expenditure on non-monetary assets that do not have a physical substance but are identifiable and controlled by the Council as a result of past events (for example computer software) are capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

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

Intangible assets are initially measured at cost. Amounts are only re-valued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice no intangible asset, held by the Council meets this criterion and they are therefore carried at amortised cost.

The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Each intangible asset is tested for impairment each year to see if there is an indication that the asset may be impaired. Any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising from the disposal of an intangible fixed 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 in excess of £10,000, the Capital Receipts Reserve.

q) Interests in Companies and Other Entities

The Council has a material interest in the group of companies, Dragonfly Developments Limited, which is 100% owned by the Council.

These companies are wholly owned by the Council and as a result, group accounts will be prepared. In the Council's own single-entity accounts, the interests in the company will be recorded as financial assets at cost, less any provision for losses.

Consolidation of entities in the group accounts is dependent on a number of factors including the extent of the Council's interest and power to influence and control, materiality, investment and transparency to allow the reader of the accounts to understand the boundary of the accounts; where these factors are not considered material those members of the Group have not been consolidated.

Dragonfly Management (Bolsover) Limited, began providing services for the Council on 1 April 2023. Services provided include Property Services, Repair and Maintenance Services and Business Growth Services. This company has been fully included within the consolidated group accounts.

r) Jointly Controlled Operations and Jointly Controlled Assets

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

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

The Council has the following jointly controlled operations:

Internal Audit Services - with North East Derbyshire District Council and Chesterfield Borough Council

ICT Services - with North East Derbyshire District Council and Derbyshire Dales District Council

Environmental Health Services - with North East Derbyshire District Council

The Council has jointly controlled assets with Chesterfield Borough Council and North East Derbyshire District Council regarding the operation of a crematorium. The Council holds a share of the joint crematorium committee. The Council's share of the crematorium's assets and income and expenditure for 2024/25 is 15%, (2023/24 15%). On the basis of materiality, Bolsover District Council does not include any figures for the joint crematorium within the Statement of Accounts.

s) Inventories

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

t) Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and, for sale proceeds in excess of £10,000, to the Capital Receipts Reserve.

u) Leases

The Council as Lessee

Finance Leases

The Council classify 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 Council 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 Council is reasonably certain to exercise;

- lease payments in an optional renewal period if the Council is reasonably certain to exercise an extension option;
- penalties for early termination of a lease, unless the Council 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 Council 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, assets held under peppercorn or nil consideration leases have been valued by the Council's Valuer.

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 Council'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 (consistent with the de-minimis level for capital expenditure), 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 charged 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 Council's balance in the Movement in Reserves Statement.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (for example if there is a rent-free period at the commencement of the lease).

The Council as Lessor

Finance Leases

The Council currently has no finance leases for property.

Operating Leases

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

v) Overheads and Support Services

The costs of overheads and support services are charged to directorates in the Comprehensive Income and Expenditure Statement in accordance with the Council's arrangements for accountability and financial performance.

w) Property, Plant and Equipment

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

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be reliably measured. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (e.g. repairs and maintenance) is charged as an expense when it is incurred. A general de-minimis limit of £10,000 is applied to non-current assets.

Measurement

Assets are initially measured at cost, comprising purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

Donated assets are initially measured at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donated asset has been made conditionally. Until all conditions are met the gain is held in the Donated Assets Account. Gains that are credited to the Comprehensive Income and Expenditure Statement are reversed out of the General Fund balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

- Infrastructure, community assets and assets under construction – historic cost;
- Dwellings – current value, determined using the basis of existing use value for social housing;
- Surplus assets – 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.

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

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

Revaluations

Assets included in the Balance Sheet at current value are re-valued where there have been material changes in the value, but as a minimum every five years. Valuations are undertaken by a professionally qualified valuer.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for as follows:

- 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 value of the accumulated gains
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement

The Revaluation Reserve contains gains recognised since 1 April 2007, 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. If there is an indication of impairment, and it is deemed material, the recoverable amount of the asset is estimated to determine the impairment loss.

Where impairment losses are identified, they are accounted for as follows:

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

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

Depreciation

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

Depreciation is calculated on the following bases:

- Buildings: Straight-line allocation over the life of the property;
- Vehicles, plant and equipment: Straight line allocation over the life of the asset;
- Infrastructure: Straight-line allocation over life of asset;
- Council dwellings: Straight-line allocation over the life of the property;

No depreciation charges are made for land, assets under construction, investment properties and community assets.

Items of property, plant and equipment are not depreciated until they become available for use (i.e. when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management). Depreciation ceases at the earlier of the date that items of property, plant and equipment are classified as held for sale and the date they are derecognised.

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

Componentisation

Where an item of Property, Plant and Equipment has major components whose costs are significant in relation to the total cost of the item, the components are depreciated separately. The Council deems “significant” to be 25% or more of the total cost of the asset. The Council also applies the following de minimis levels with regard to component accounting.

Components are not separately identified where:

- The useful life of the asset is less than 10 years.
- The depreciation charge based on the life of the component would differ from that for the total asset by less than £10,000.
- The component life must be materially different to the main asset to be treated as a component.

For grouped assets such as Council Dwellings a practical level of componentisation has been applied which links to the work programmes carried out within the capital programme. An appropriate component life has been assigned to each of these components.

Disposals and Non-current Assets Held for Sale

When it becomes probable that an asset is to be sold it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to the fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous recognised losses in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

To be classified as held for sale an asset must meet the following criteria:

- The asset must be available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets;
- The sale must be highly probable, the appropriate level of management must be committed to a plan to sell the asset and an active programme to locate a buyer and complete the plan must have been initiated;
- The asset must be actively marketed for sale at a price that is reasonable in relation to its current value;
- The sale should be expected to qualify for recognition as a completed sale within one year of the date of classification and action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

If assets no longer meet the criteria to be classed 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 assets held for sale. They are adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale.

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

When an asset is disposed of or decommissioned, the carrying amount of the asset on the Balance Sheet is written off to the Comprehensive Income and Expenditure Statement, as part of the gain or loss on the sale of assets. Receipts from disposals are credited to the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for disposals, in excess of £10,000 are treated as capital receipts. The balance of receipts is credited to the Capital Receipts Reserve and can only be used for new capital investment or set aside to reduce the Council's underlying need to borrow. Receipts are appropriated to the Reserve from the General Fund balance in the Movement in Reserves Statement.

The gain or loss on the sale of assets is not a charge against Council Tax. Amounts are appropriated to the Capital Adjustment Account in the Movement in Reserves Statement.

Capital Receipts

Capital receipts are the amounts derived from the sale of capital assets. The capital receipts policy of the Council is to ensure that capital receipts are used in the most beneficial way to support corporate priorities and strategic objectives of the Council. This will mean that all receipts will be pooled centrally. The policy is intended to separate the use of resources from the means of acquiring resources, therefore supporting the strategic approach to capital investment.

x) Provisions

Provisions are made when the Council recognises that it has an obligation as a result of a past event, when it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured at the best estimate available at the balance sheet date, taking into account relevant risks and uncertainties.

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

y) Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies and these are split between usable and non-usable. Usable reserves are those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitation on their use. Unusable reserves cannot be used to provide services; this category includes reserves that hold unrealised gains and losses (e.g. the revaluation reserve).

Resources set aside for specific purposes or to meet predicted liabilities are held as 'earmarked reserves'. The Council also sets aside sums as a more general reserve, called the General Fund, to cover the impact of unexpected events or emergencies or provide a working balance to help manage the effect of uneven cash flows. The Housing Revenue Account also has separate reserves for similar purposes.

z) Revenue Expenditure Funded by Capital under Statute

Revenue expenditure funded by capital under statute represents expenditure incurred by the Council in the year, that may be capitalised under statutory provisions but does not result in a Council asset being created. The expenditure may support a third party's asset (e.g. disabled facility grant) or may be being capitalised based on a capitalisation order from Government.

This expenditure is initially charged to the relevant service line in the Comprehensive Income and Expenditure Statement. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund balance to the Capital Adjustment Account then reverses out the amount charged so there is no impact on the level of Council Tax.

aa) Value Added Tax (VAT)

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenues and Customs and all VAT paid is recoverable from them. At the year end, any amounts outstanding are represented by a debtor or creditor on the balance sheet. Where the Council is unable to recover VAT it is charged to the appropriate service.

ab) Foreign Currency Translation

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

ac) Fair Value Measurement of non-financial assets

The Council measures some of its non-financial assets such as surplus assets and investment properties 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 or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

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

When measuring the fair value of a non-financial asset, the Council 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 Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

ad) Segmental Analysis

The Council reports on the operation of its services with two directorates. All services provided by the Council fall into one of these directorates. The main service areas within each directorate are as follows:

Corporate Resources - Finance; Revenues and Benefits; Payroll; Audit (client); ICT (client); Customer Services; Partnership team; Legal; Governance, Elections and Scrutiny; Procurement; Improvement team and Human Resources.

Community Services - Leisure, Health and Wellbeing; Planning; Housing Strategy; Environmental Health; Community Safety; Health and Safety; Emergency Planning; Streetscene and Housing Revenue Account - Management.

The services provided for the Council by Dragonfly Management (Bolsover) Limited are reported together as Dragonfly Services. The services this relates to are Property Services and Estates, Housing Revenue Account - Repair and Maintenance Services and Economic Growth.

2 Accounting Standards Issued, Not Yet Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of the accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2024/25 Code:

- *IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)*
- *IFRS 17 Insurance Contracts*
- *IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets (Changes to the measurement of non-investment assets, including adaptations and interpretations of the 2 standards)*

The Council does not anticipate that the above amendments will have a material impact on the information provided in the financial statements.

3 Critical Judgements in Applying Accounting Policies

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

- There is a high degree of uncertainty about future levels of funding for local government. Bolsover District Council is undertaking an ongoing review of its provision of services in response to known and likely future funding reductions. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired if it were necessary to close facilities and reduce levels of service provision.
- The Council has determined the impairment of its financial assets based on a range of factors including aged debt profiling of its debtors, including benefit overpayments, council tax and NDR.
- An exercise is undertaken to assess whether capital expenditure incurred enhances an asset. A further judgement is then made as to whether there is a consequent requirement to derecognise any existing value of any component of the asset. For Council Dwellings the Council derecognises a component when the expenditure exceeds 75% of the carrying value of the component. Expenditure on components below this value is impaired through the Comprehensive Income and Expenditure Statement.

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

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

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

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, plant and equipment	The Council's assets are reviewed for impairment on an annual basis by the Council's Senior Valuer. The impairment review considers the overall market conditions as well as any impairment relating to loss of economic benefit.	If the level of impairment is changed this will impact on the net worth of the Council. Impairment charges are reflected in the Accounts but are reversed through the Movement in Reserves Statement so that there is no impact on the council tax or rent payer.
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.	It is estimated that the annual depreciation charge for plant and buildings, including council dwellings, would increase by £1,001,999 for every year that useful lives had to be reduced. As above there is no impact on the council tax or rent payer.
Pensions liability	Estimation of the net position 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. Hymans Robertson LLP is engaged to provide the Council with expert advice about the assumptions to be applied. In 2024/25, the position of the fund was a net asset which was adjusted to the calculated asset ceiling figure provided by Hymans Robertson LLP as per the Code requirements.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the Real Discount Rate would result in an approximate 2% increase to Employer Liability resulting in an approximate monetary increase of £1,526,000.
Arrears	At 31 March 2025, the Council had a sundry debtor balance of £1,135,776, rents of £1,669,853, overpaid housing benefits of £1,153,141, non-domestic rates of £517,334 and council tax of £1,035,108. A review of impairment allowances has been undertaken based on the age of the debt, and a total allowance for impairment of £4,071,816 has been made in the Accounts.	If collection rates were to change, either positively or negatively, this would be reflected in the current years budgets as an increase or decrease in the provision requirements. Any change in the budgeted provision would impact on reserve balances. If collection rates were to deteriorate, an additional impairment of 10% on debtor balances would require an additional provision of £407,182.

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Non-domestic rates appeal, provision	The Council has made a provision in the Collection Fund of £1,664,025 for refunding ratepayers who having made an appeal against the rateable value of their property on the rating list, who achieve a successful outcome. The appeal information relates to values going back a number of years. It is not known what the knock-on effect of successful appeals for neighbouring businesses may be.	If appeal outcomes were considerably different to the independent assessment received, the Collection Fund would be charged with the difference. The extra cost would then be shared out amongst the major preceptors, Central Government and the Council based on their relative share. The Council's share is 40% of the provision (£665,651) which is held in the balance sheet.
Fair value measurements	When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or the discounted cash flow (DCF) model). Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Council's assets and liabilities.	The Council uses the discounted cash flow (DCF) model to measure the fair value of some of its investment properties and financial assets. The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels (for investment properties) and discount rates - adjusted for regional factors (for both investment properties and some financial assets). Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties and financial assets.
Fair value measurements	Where Level 1 inputs are not available, the Council employs relevant experts to identify the most appropriate valuation techniques to determine fair value (for example for investment properties, the Council's Senior Valuer). Information about the valuation techniques and inputs used in determining the fair value of the Council's assets and liabilities is disclosed in notes 11, 12 and 13.	

5 Material Items of Income and Expense

2024/25

There are not considered to be any material items of income or expense for 2024/25 that are not as a result of the 2023/24 items when compared to the last financial year.

2023/24

There are not considered to be any material items of income or expense for 2023/24 that are not as a result of the 2022/23 items when compared to the last financial year.

6 Events After the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Director of Finance and Section 151 Officer on 19 June 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

7 Note to the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Fund and HRA balances to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

Adjustments between Funding and Accounting Basis**2024/25**

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Total Adjustments
	(Note 1)	(Note 2)	(Note 3)	
	£'000	£'000	£'000	£'000
Community Services Directorate (GF)	1,128	(129)	945	1,944
Corporate Resources Directorate	178	(528)	762	412
Dragonfly Services (GF)	(206)	0	(378)	(584)
Community Services Directorate (HRA)	8,033	(36)	(21)	7,976
Dragonfly Services (HRA)	0	0	0	0
Net Cost of Services	9,133	(693)	1,308	9,748
Other income and expenditure from the Funding Analysis	(10,785)	236	(2,399)	(12,948)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement surplus or deficit	(1,652)	(457)	(1,091)	(3,200)

Adjustments between Funding and Accounting Basis

2023/24

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Total Adjustments
	(Note 1) £'000	(Note 2) £'000	(Note 3) £'000	£'000
Community Services Directorate (GF)	1,089	14	34	1,137
Corporate Resources Directorate	121	(3,807)	455	(3,230)
Dragonfly Services (GF)	931	0	(329)	602
Community Services Directorate (HRA)	12,903	4	(33)	12,874
Dragonfly Services (HRA)	0	0	(23)	(23)
Net Cost of Services	15,044	(3,788)	104	11,360
Other income and expenditure from the Funding Analysis	(13,075)	(112)	(2,265)	(15,453)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement surplus or deficit	1,968	(3,900)	(2,162)	(4,093)

Adjustments for Capital Purposes

- 1) Adjustments for capital purposes - this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- **Other operating expenditure -**

adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

- **Financing and investment income and expenditure -**

the statutory charges for capital financing i.e. Minimum Revenue Provision and other Revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

- **Taxation and non-specific grant income and expenditure -**

capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net change for the Pensions Adjustments

- 2) Net change for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* pension related expenditure and income:

- **For services**

this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.

- **For financing and investment income and expenditure**

the net interest on the defined benefit liability is charged to the CIES.

Other Differences

- 3) Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- **For financing and investment income and expenditure**

the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.

● **The charge under Taxation and non-specific grant income and expenditure**

represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

Segmental Income

Income received on a segmental basis is analysed below:

Services	2024/25 Income from Services £'000	2023/24 Income from Services £'000
Community Services Directorate (GF)	(5,099)	(5,136)
Corporate Resources Directorate	(1,380)	(898)
Dragonfly Services (GF)	(825)	(375)
Community Services Directorate (HRA)	(25,557)	(23,721)
Dragonfly Services (HRA)	(420)	(120)
Total income analysed on a segmental basis	(33,281)	(30,250)

8 Expenditure and Income Analysed by Nature

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

Expenditure/Income	2024/25 £'000	2023/24 £'000
Expenditure		
Employee benefits expenses	16,088	11,756
Other services expenses	36,907	33,392
Support service recharges to capital	(131)	(125)
Depreciation, amortisation, impairment	10,039	15,571
Interest payments	4,803	4,820
Precepts and levies	4,583	3,969
Loss on the disposal of assets	2,655	1,355
Pensions interest cost	236	(112)
Investment property expenditure	546	518
Impairment loss/(gain) on financial instruments	41	(150)
Trading activities expenditure	233	301
Total expenditure	76,000	71,294
Income		
Fees, charges and other service income	(33,281)	(30,250)
Grants and contributions	(17,219)	(15,940)
	(50,500)	(46,190)
Interest and investment income	(3,109)	(3,404)
Movement in Fair Value of Investment Property	(561)	(660)
Investment property income	(817)	(782)
Trading activities income	(288)	(401)
Income from council tax and non-domestic rates	(15,374)	(14,073)
General government grants and contributions	(10,011)	(7,927)
Total income	(80,660)	(73,437)
Surplus or Deficit on the Provision of Services	(4,660)	(2,143)

Revenue from contracts with service recipients are included in fees, charges and other service income.

9 **Analysis of the Movement in Reserves Statement - Adjustments Between Accounting Basis and Funding Basis**

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year, in accordance with proper accounting practice, to arrive at the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance - The General Fund is the statutory fund into which all the receipts of the Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year. The balance is not available to be applied to funding HRA services.

Housing Revenue Account Balance - The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

Major Repairs Reserve - The Council is required to maintain the Major Repairs Reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the capital resources that have yet to be applied at the year-end.

Capital Receipts Reserve - The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at year-end.

Capital Grants Unapplied - The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

2024/25	Usable Reserves				
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied
	£'000	£'000	£'000	£'000	£'000
Adjustments to Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
Pensions costs (transferred to (or from) the Pensions Reserve)	241	217			
Council tax and NDR (transfers to or from Collection Fund)	1,275				
Holiday pay (transferred to the Accumulated Absences Reserve)	(17)	(8)			
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	4,635	(13,324)			(2,340)
Total Adjustments to Revenue Resources	6,134	(13,114)	0	0	(2,340)
Adjustments between Revenue and Capital Resources					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	60	2,575	(2,961)		
Posting of HRA resources from revenue to the Major Repairs Reserve		5,691		(5,691)	
Total Adjustments between Revenue and Capital Resources	60	8,266	(2,961)	(5,691)	0
Adjustments to Capital Resources					
Use of the Capital Receipts Reserve to finance capital expenditure			2,540		
Use of the Capital Receipts Reserve to finance historical capital expenditure			326		
Use of the Major Repairs Reserve to finance capital expenditure				5,371	
Application of capital grants to finance capital expenditure					1,163
Total Adjustments to Capital Resources	0	0	2,867	5,371	1,163
Net transfers (to)/from Earmarked Reserves	2,665	(811)	(780)	0	0
TOTAL ADJUSTMENTS	8,859	(5,659)	(874)	(320)	(1,176)

2023/24	Usable Reserves				
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied
	£'000	£'000	£'000	£'000	£'000
Adjustments to Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
Pensions costs (transferred to (or from) the Pensions Reserve)	3,853	47			
Council tax and NDR (transfers to or from Collection Fund)	2,314				
Holiday pay (transferred to the Accumulated Absences Reserve)	(14)	31			
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	2,080	(15,913)			(1,956)
Total Adjustments to Revenue Resources	8,233	(15,835)	0	0	(1,956)
Adjustments between Revenue and Capital Resources					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	120	1,598	(1,718)		
Posting of HRA resources from revenue to the Major Repairs Reserve		5,675		(5,675)	
Total Adjustments between Revenue and Capital Resources	120	7,273	(1,718)	(5,675)	0
Adjustments to Capital Resources					
Use of the Capital Receipts Reserve to finance capital expenditure			762		
Use of the Major Repairs Reserve to finance capital expenditure				5,567	
Application of capital grants to finance capital expenditure					460
Total Adjustments to Capital Resources	0	0	762	5,567	460
Net transfers (to)/from Earmarked Reserves	2,867	1,436	(22)	0	0
TOTAL ADJUSTMENTS	11,220	(7,126)	(978)	(108)	(1,496)

10 Movements in Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans, and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2024/25.

	Balance at 1 April 2023 £'000	Transfers Out 2023/24 £'000	Transfers in 2023/24 £'000	Balance at 31 March 2024 £'000	Transfers Out 2024/25 £'000	Transfers In 2024/25 £'000	Balance at 31 March 2025 £'000
General Fund/HRA							
Area Based Grant	(48)	0	0	(48)	0	0	(48)
Covid-19 Reserve, including S31 grant	(69)	55	0	(14)	14	0	0
Debt repayment - HRA	(4,767)	4,767	0	0	0	0	0
Development Reserve - HRA	(1,060)	436	(2,300)	(2,924)	1,388	(809)	(2,345)
General	(1,286)	201	(736)	(1,821)	370	(1,319)	(2,769)
NNDR Growth Protection	(11,566)	264	(1,215)	(12,517)	171	(1,864)	(14,210)
Insurance - GF	(478)	59	(10)	(429)	82	(31)	(378)
Insurance - HRA	(207)	2	(35)	(240)	32	(50)	(258)
IT and Office Equipment	(1,357)	80	(334)	(1,611)	243	(270)	(1,638)
Legal Costs	(195)	9	(200)	(386)	50	(200)	(536)
Local Development Scheme	(179)	2	0	(177)	15	0	(162)
Planning Fees	(162)	88	(65)	(139)	89	(66)	(115)
Pleasley Vale Insurance Reserve	0	0	0	0	6	(1,000)	(994)
Transformation Reserve	(3,795)	884	(145)	(3,056)	1,687	(55)	(1,423)
Vehicle Repair and Renewal - GF	(2,445)	1,171	(1,341)	(2,615)	1,616	(1,102)	(2,100)
Vehicle Repair and Renewal - HRA	(794)	0	0	(794)	0	0	(794)
3G Pitch, carpet renewal Reserve	(100)	0	(100)	(200)	0	(100)	(300)
Total Earmarked Reserves	(28,508)	8,018	(6,481)	(26,971)	5,767	(6,865)	(28,069)

11 Property, Plant and Equipment

Movements in 2024/25	Council Dwellings £000	Other Land and Building £000	Vehicles, Plant and Equipment £000	Infrastructure Assets £000	Assets Under Construction £000	Community Assets £000	Surplus Assets £000	Total Property, Plant and Equipment £000
Cost or Valuation:								
At 1 April 2024	273,183	21,600	8,867	64	5,912	1,638	2,090	313,354
Additions	6,896	111	3,630		8,820			19,457
Additions of Right of Use Asset - IFRS16		600						600
Revaluation increases/(decreases) recognised in the revaluation reserve	(2,124)	372		(7)			7	(1,752)
Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services	(2,802)	266						(2,536)
Derecognition - disposals	(4,179)		(1,011)					(5,190)
Derecognition - other	(1,224)		(404)					(1,628)
Other movements in cost or valuation	1,450				(1,450)			0
At 31 March 2025	271,200	22,949	11,082	57	13,282	1,638	2,097	322,305
Accumulated Depreciation and Impairment:								
At 1 April 2024	0	0	(5,118)	0	0	0	0	(5,118)
Depreciation charge	(5,603)	(566)	(874)	(5)	0	0	0	(7,048)
Depreciation written out to revaluation reserve	5,030	515		5	0	0	0	5,550
Depreciation written out following revaluation to the surplus/(deficit) on the provision of services	460	51			0	0	0	511
Derecognition - disposal	113		1,415		0	0	0	1,528
Other movements in cost or valuation	0	0	0	0	0	0	0	0
At 31 March 2025	0	0	(4,577)	0	0	0	0	(4,577)
Net Book Value								
At 31 March 2025	271,200	22,949	6,505	57	13,282	1,638	2,097	317,728
At 31 March 2024	273,183	21,600	3,749	64	5,912	1,638	2,090	308,236

Movements in 2023/24	Council Dwellings £000	Other Land and Building £000	Vehicles, Plant and Equipment £000	Infrastructure Assets £000	Assets Under Construction £000	Community Assets £000	Surplus Assets £000	Total Property, Plant and Equipment £000
Cost or Valuation:								
At 1 April 2023	266,336	20,298	7,732	66	2,815	946	1,556	299,749
Additions	11,784	196	1,870	0	5,167	0	0	19,017
Revaluation increases/(decreases) recognised in the revaluation reserve	3,466	2,172	0	(2)	0	669	589	6,894
Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services	(7,638)	(880)	(15)	0	0	23	0	(8,510)
Derecognition - disposals	(2,835)	(186)	(720)	0	0	0	(55)	(3,796)
Derecognition - other	0	0	0	0	0	0	0	0
Other movements in cost or valuation	2,070	0	0	0	(2,070)	0	0	0
At 31 March 2024	273,183	21,600	8,867	64	5,912	1,638	2,090	313,354
Accumulated Depreciation and Impairment:								
At 1 April 2023	0	0	(5,010)	0	0	0	0	(5,010)
Depreciation charge	(5,445)	(545)	(774)	(4)	0	0	0	(6,768)
Depreciation written out to revaluation reserve	4,972	499	0	4	0	0	0	5,475
Depreciation written out following revaluation to the surplus/(deficit) on the provision of services	410	43	9	0	0	0	0	462
Derecognition - disposal	63	3	657	0	0	0	0	723
Other movements in cost or valuation	0	0	0	0	0	0	0	0
At 31 March 2024	0	0	(5,118)	0	0	0	0	(5,118)
Net Book Value								
At 31 March 2024	273,183	21,600	3,749	64	5,912	1,638	2,090	308,236
At 31 March 2023	266,336	20,298	2,722	66	2,815	946	1,556	294,739

Depreciation

The following useful lives have been used in the calculation of depreciation:

- Council Dwellings Components
 - Land - 0 years
 - Structure - 50 years
 - Roof - 50 years
 - Kitchen - 30 years
 - Windows and doors - 40 years
 - Services - 30 years
 - Externals - 25 years
- Other Land and Buildings - 5-50 years
- Vehicles, Plant, Furniture and Equipment - 1-15 years
- Infrastructure - 15 years
- Surplus Assets - 5 years

Effects of Changes in Estimates

There have been no changes in estimates during 2024/25.

Revaluations

The Council carries out a programme that ensures that all Property (including Investment Property), Plant and Equipment required to be measured at fair value is revalued at least every five years, supported by an annual desk-top review. All valuations for 2024/25 were carried out internally by a suitably qualified valuer. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

The last full valuation which provided values as at 1 April 2023 was undertaken in 2023/24.

Revaluations

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure	Assets Under Construction	Community Assets	Surplus Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Carried at historical cost	0	0	11,082	57	13,282	0	0	24,421
Valued at fair value as at:								
- 31 March 2025	(1,983)	1,349	0	0	0	0	7	(627)
- 31 March 2024	273,183	21,600	0	0	0	1,638	2,090	298,511
Total Cost or Valuation	271,200	22,949	11,082	57	13,282	1,638	2,097	322,305

Details of the Investment Properties held on the balance sheet are provided in the following note.

Fair Value Hierarchy - Surplus Assets

Details of the Council's Surplus Assets and information about the fair value hierarchy as at 31 March 2025 and 2024 are as follows:

Recurring fair value measurements using:	Other significant observable inputs (Level 2) £'000	Significant unobservable inputs (Level 3) £'000	Fair value as at 31 March 2025 £'000
Industrial Units	0	0	0
Shops	0	0	0
Land	1,170	927	2,097
Total	1,170	927	2,097

Previous year comparative figures:

Recurring fair value measurements using:	Other significant observable inputs (Level 2) £'000	Significant unobservable inputs (Level 3) £'000	Fair value as at 31 March 2024 £'000
Industrial Units	0	0	0
Shops	0	0	0
Land	1,252	838	2,090
Total	1,252	838	2,090

Transfers between Levels of the Fair Value Hierarchy

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

Valuation techniques used to determine Level 2 and 3 Fair Values for Surplus AssetsSignificant Observable Inputs - Level 2

This has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the Council's area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Significant Unobservable Inputs - Level 3

This is based on the premise that the data is not available using the market approach to make a categorisation of level 1 or 2. Therefore level 3 is based on the best information available and the assumptions that the market participants would use.

Valuation Techniques

There has been no change in the valuation techniques used during the year for surplus assets.

Reconciliation of Fair Value Measurements (using Significant Unobservable Inputs) Categorised within Level 3 of the Fair Value Hierarchy

Land categorised within Level 3

	31 March 2025 £'000	31 March 2024 £'000
Opening balance	838	326
Transfers into Level 3	0	0
Transfers out of Level 3	0	0
Total gains (or losses) for the period included in Surplus or Deficit on the Provision of Services resulting from changes in the fair value	89	512
Additions	0	0
Disposals	0	0
Closing balance	927	838

Quantitative Information about Fair Value Measurement of Surplus Assets using Significant Unobservable Inputs - Level 3

	31 March 2025 £'000	Valuation technique used to	Unobservable inputs	Sensitivity
Surplus Assets	927	Fair value estimated at highest and best use from a market participant's perspective	Rent growth Vacancy levels Discount rate Market Conditions	Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties and financial instruments

Valuation Process for Surplus Assets

The fair value of the Council's surplus assets is measured annually at each reporting date. All valuations are carried out internally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS).

12 Investment Properties

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

	2024/25 £000	2023/24 £000
Rental income from investment property	(817)	(782)
Direct operating expenses arising from property investment	546	518
Net (gain)/loss	(271)	(264)

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

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

	2024/25 £000	2023/24 £000
Balance at start of the year	9,350	8,320
Additions:		
- purchases	0	0
- construction	0	0
- subsequent expenditure	159	371
Disposals	0	0
Net gains/(losses) from fair value adjustments	561	659
Transfers:		
- (to)/from property, plant and equipment	0	0
Other Changes	0	0
Balance at end of year	10,070	9,350

Fair Value Hierarchy - Investment Properties

Details of the Council's investment properties and information about the fair value hierarchy as at 31 March 2025 and 2024 are as follows:

Recurring fair value measurements using:	Other significant observable inputs (Level 2) £'000	Significant unobservable inputs (Level 3) £'000	Fair value as at 31 March 2025 £'000
Office units	1,100	0	1,100
Commercial Units	8,970	0	8,970
Total	10,070	0	10,070

Previous year comparative figures:

Recurring fair value measurements using:	Other significant observable inputs (Level 2) £'000	Significant unobservable inputs (Level 3) £'000	Fair value as at 31 March 2024 £'000
Office units	1,075	0	1,075
Commercial Units	8,275	0	8,275
Total	9,350	0	9,350

Transfers between Levels of the Fair Value Hierarchy

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

Valuation techniques used to determine Level 2 and 3 Fair Values for Investment PropertiesSignificant Observable Inputs - Level 2

The fair value for the level 2 investment properties has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the Council's area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Significant Unobservable Inputs - Level 3

The Council does not hold any Investment Properties at this level.

13 Intangible Assets

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

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The carrying amount of intangible assets is amortised on a straight line basis.

	2024/25 £000	2023/24 £000
Balance at start of year:		
- Gross carrying amounts	1,009	1,085
- Accumulated depreciation	(928)	(836)
Net carrying amount at start of year	81	249
Additions:		
- Purchases	101	37
Derecognition	0	(114)
Amortisations:		
- Amortisation for the period	(49)	(205)
- Derecognition	0	114
Net carrying amount at end of year	133	81

14 Financial Instruments

Financial Liabilities

The majority of the Council's financial liabilities held during the year are measured at amortised cost and comprised:

- long-term loans from the Public Works Loan Board
- short-term loans from parish councils
- trade payables for goods and services received.

The Council also held financial liabilities that are measured on different bases comprising:

- commitment to provide a loan to Dragonfly Development Limited.
- financial guarantees to Dragonfly Development Limited.

Financial Assets

The financial assets held by the Council during the year are accounted for under the following two classifications:

Amortised cost (where cash flows are solely payments of principal and interest and the Council's business model is to collect those cash flow) comprising:

- cash in hand
- bank current account with Lloyds bank
- fixed term deposits with banks and building societies
- loans to other local authorities
- lease receivables detailed in note 35
- trade receivables for goods and services delivered

Fair value through profit and loss comprising:

- money market funds
- equity investment in Dragonfly Development Limited (unquoted)
- loans to Dragonfly Development Limited where the cash flows are not solely payments of principal and interest.

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council.

Financial Instrument - Balances

The financial instruments disclosed in the Balance Sheet are analysed across the following categories:

	Long Term		Current	
	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000
<u>Financial Liabilities</u>				
Loans at amortised cost:				
Principal	(76,800)	(78,800)	(3,970)	(9,733)
Accrued interest	-	-	(48)	(117)
<i>Total Borrowing</i>	(76,800)	(78,800)	(4,018)	(9,850)
Liabilities at amortised cost:				
Trade Payables	(46)	(46)	(6,982)	(3,668)
<i>Included in Creditors *</i>	(46)	(46)	(6,982)	(3,668)
Total Financial Liabilities	(76,846)	(78,846)	(11,000)	(13,518)
<u>Financial Assets</u>				
<u>At amortised cost:</u>				
Principal	-	-	15,000	20,000
Accrued interest	-	-	58	90
Loss allowance	-	-	0	0
<u>At fair value through profit + loss:</u>	0	1,240	0	0
<i>Total Investments</i>	0	1,240	15,058	20,090
<u>At amortised cost:</u>				
Principal	-	-	2,517	(4,509)
<u>At fair value through profit + loss:</u>	-	-	3,033	6,533
<i>Total Cash and Cash Equivalents</i>	0	0	5,550	2,024
<u>At amortised cost:</u>				
Trade receivables	600	154	5,273	7,793
Loss allowance	0	0	(1,827)	(1,712)
<i>Included in Debtors **</i>	600	154	3,446	6,081
Total Financial Assets	600	1,394	24,054	28,195

*The creditors line on the Balance Sheet includes £8,164,969 (£7,901,886 in 2023/24) short-term creditors that do not meet the definition of a financial liability as they relate to non-exchange transactions.

**The debtors line on the Balance Sheet includes £2,542,815 (£2,524,465 in 2023/24) short-term debtors that do not meet the definition of a financial asset as they relate to non-exchange transactions.

Financial Instruments - Gains and Losses

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

	Financial Liabilities	Financial Assets		Total	Total
	Amortised Cost £000	Amortised Cost £000	Fair Value through Profit + Loss £000	2024/25 £000	2023/24 £000
Interest expense	4,803	-	-	4,803	4,820
Interest payable and similar charges	4,803	0	0	4,803	4,820
Interest income	-	(1,903)	85	(1,818)	(1,647)
Dividend income	-	-	(1,291)	(1,291)	(1,757)
Interest and investment income	0	(1,903)	(1,206)	(3,109)	(3,404)
Net impact on surplus/deficit on provision of services	4,803	(1,903)	(1,206)	1,694	1,416
Net gain/(loss) for the year	4,803	(1,903)	(1,206)	1,694	1,416

Financial Instruments - Fair Values

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For money market funds the fair value is taken from the market price. The fair values of other instruments have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2025, using the following methods and assumptions:

- Shares in Dragonfly Development Limited have been valued from the company's balance sheet net assets.

Financial instruments classified at amortised cost are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2025, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 - fair value is only derived from quoted prices in active markets for identical assets or liabilities, eg. bond prices
- Level 2 - fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, eg. interest rates for similar instruments
- Level 3 - fair value is determined using unobservable inputs, eg. non-market data such as cash flow forecasts or estimated creditworthiness

	Fair Value Level	31 March 2025		31 March 2024	
		Balance Sheet £000	Fair value £000	Balance Sheet £000	Fair value £000
<i>Financial liabilities held at amortised cost:</i>					
Long-term loans from PWLB	2	(76,848)	67,842	(78,917)	(69,941)
Other loans	2	(3,970)	3,970	(9,733)	(9,753)
Total		(80,818)	71,812	(88,650)	(79,694)
Liabilities for which fair value is not disclosed*		(7,028)		(3,714)	
Total Financial Liabilities		(87,846)		(92,364)	
<i>Recorded on balance sheet as:</i>					
Short-term creditors		(15,147)		(11,570)	
Less non-exchange transactions		8,165		7,902	
Short-term borrowing		(4,018)		(9,850)	
Long-term creditors		(46)		(46)	
Long-term borrowing		(76,800)		(78,800)	
Total Financial Liabilities		(87,846)		(92,364)	

* The fair value of short-term financial liabilities including trade payables is assumed to approximate to the carrying amount.

The fair value of financial liabilities held at amortised cost is higher than their balance sheet carrying amount because the Council's portfolio of loans includes a number of loans where the interest rate payable is higher than the current rates available for similar loans as at the Balance Sheet date.

	Fair Value Level	31 March 2025 Balance Sheet £000	Fair value £000	31 March 2024 Balance Sheet £000	Fair value £000
<i>Financial assets held at fair value:</i>					
Money market funds	1	3,033	3,033	6,533	6,533
Strategic investment	3	0	0	1,199	1,199
Shares in unlisted companies	3	0	0	41	41
<i>Financial assets held at amortised cost:</i>					
Short-term bank deposits	2	15,058	15,058	20,090	20,090
Total		18,091	18,091	27,863	27,863
Assets for which fair value is not disclosed*		6,563		1,726	
Total Financial Assets		24,654		29,589	
<i>Recorded on balance sheet as:</i>					
Long-term debtors		600		154	
Short-term debtors		5,989		8,606	
Less non-financial asset element		(2,543)		(2,525)	
Long-term investments		0		1,240	
Short-term investments		15,058		20,090	
Cash and cash equivalents		5,550		2,024	
Total Financial Assets		24,654		29,589	

* The fair value of short-term financial assets held at amortised cost, including trade receivables and cash balances are assumed to approximate to the carrying amount.

Financial Instruments - Risks

The Council complies with CIPFA's Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities, both revised in December 2021.

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with financial instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Investment Strategy in compliance with the Ministry for Housing, Communities and Local Government Guidance on Local Government Investments. This guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Management Strategy and its Treasury Management Practices seek to achieve a suitable balance between risk and return or cost.

The main risks covered are:

- Credit risk - the possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Council.
- Liquidity risk - the possibility that the Council might not have the cash available to make contracted payments on time.
- Market risk - the possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

Credit Risk - Treasury Investments

The Council manages credit risk by ensuring that treasury investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.

A limit of £5m is placed on the amount of money that can be invested with a single counterparty including unsecured investments in banks, building societies and companies. The Council also sets limits on investments in certain sectors. No more than £5m can be invested for a period longer than one year.

The table below summarises the credit risk exposures of the Council's treasury investment portfolio by credit rating and remaining time to maturity:

Credit Rating	31 March 2025		31 March 2024	
	Long-term £000	Short-term £000	Long-term £000	Short-term £000
AAA	0	15,058	0	20,090
A	0	0	0	0
Total	0	15,058	0	20,090
Credit risk not applicable*	0	0	1,240	0
Total Investments	0	15,058	1,240	20,090

* Credit risk is not applicable to shareholdings where the Council has no contractual right to receive any sum of money.

Loss allowances on treasury investments have been calculated by reference to historic default data published by credit rating agencies. At 31st March 2025, none of the loss allowance related to treasury investments (2024: £zero).

Credit Risk - Trade and Lease Receivables

The Council's credit risk on lease receivables is mitigated by its legal ownership of the assets leased, which can be repossessed if the debtor defaults on the lease contract.

The Council includes trade and lease receivables in the same category of debtors - trade receivables. The following analysis summarises the Council's trade receivables by due date. Only those receivables meeting the definition of a financial asset are included.

	31 March 2025 £000	31 March 2024 £000
Past due < 3 months	3,005	5,426
Past due 3 - 6 months	314	610
Past due 6 - 12 months	536	424
Past due 12+ months	1,418	1,333
Total Receivables	5,273	7,793

Loss allowances on trade and receivables have been calculated by reference to the Council's historic experience of default.

Receivables are collectively assessed for credit risk in the following groupings:

	Range of allowances set	31 March 2025 Gross receivable £000	Loss allowance £000	31 March 2024 Gross receivable £000	Loss allowance £000
Individuals - HRA tenants	1% - 100%	1,670	(1,322)	1,736	(1,313)
Private sector	0.5% - 100%	995	(504)	1,467	(399)
Government/Local authority/prepayments	zero	2,607	0	4,590	0
		5,272	(1,826)	7,793	(1,712)

Receivables are written off to the surplus or deficit on the provision of services when all avenues to collect the debt are exhausted.

Credit Risk - Loans, Financial Guarantees and Loan Commitments

The Council has guaranteed to make payment of invoices to eight suppliers of Dragonfly Development Ltd and Dragonfly Management (Bolsover) Ltd, in pursuant to the contract between the supplier and the Council, if necessary.

The amounts recognised on the balance sheet, and the Council's total exposure to credit risk from the instruments are:

Borrower	Exposure type	31 March 2025 Balance Sheet £000	Risk exposure £000	31 March 2024 Balance Sheet £000	Risk exposure £000
Dragonfly Development Limited	Loan at market rate	0	0	1,199	1,199
Dragonfly Development Limited	Loan commitment at market rate	0	0	(1,139)	(1,139)
Dragonfly Development Limited and Dragonfly Management (Bolsover) Limited	Guarantee	0	(711)	0	(1,661)
		0	(711)	60	(1,601)

The Council manages the credit risk inherent in its loans for service purposes and loan commitments in line with its published Investment Strategy. These are included on the balance sheet at fair value and therefore already include an allowance for loss.

Liquidity Risk

The Council has ready access to borrowing at favourable rates from the Public Works Loan Board and other authorities, and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. It is however exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourably high interest rates.

The maturity analysis of financial instruments is as follows:

Time to maturity (years)	Discounted (principal)		Undiscounted (principal plus interest)	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	£000	£000	£000	£000
Not over 1	(11,046)	(13,564)	(11,075)	(16,354)
Over 1 but not over 2	(3,000)	(2,000)	(5,627)	(4,655)
Over 2 but not over 5	(15,800)	(14,800)	(22,614)	(22,134)
Over 5 but not over 10	(23,000)	(22,000)	(31,328)	(31,052)
Over 10 but not over 20	(35,000)	(40,000)	(39,609)	(45,991)
Over 20 but not over 40	0	0	0	0
Total	(87,846)	(92,364)	(110,253)	(120,186)

Market Risk - Interest Rate Risk

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates - the interest expense charged to the Comprehensive Income and Expenditure Statement will rise.
- Borrowings at fixed rates - the fair value of the borrowing will fall (no impact on revenue balances).
- 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 (no impact on revenue balances).

Investments measured at amortised cost and loans borrowed, are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

The Treasury Management Strategy aims to mitigate these risks with a treasury indicator which provides maximum limits for fixed and variable interest rate exposure. The Council finance team will monitor market and forecast interest rates within the year, to adjust exposures appropriately. For instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long-term returns.

If all interest rates had been 1% higher (with all variables held constant) the financial effect would be:

	31 March 2025 £000	31 March 2024 £000
Increase in interest payable on variable rate borrowings	24	29
Increase in interest receivable on variable rate investments	(258)	(350)
Decrease in fair value of investments held at FVPL	0	0
Impact on Surplus or Deficit on the Provision of Services	(234)	(321)
Impact on Comprehensive Income and Expenditure	(234)	(321)
Share of overall impact credited to the HRA	52	70

* No impact on Comprehensive Income and Expenditure

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Market Risk - Interest Rate Risk

The Council's investment in equity shares would be subject to the risk of falling share prices if the shares were listed on the stock exchange. The shares are not currently listed on the stock exchange so this is not an issue for this financial year.

Market Risks: Foreign exchange risk - The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no intentional exposure to loss arising from movements in exchange rates.

15 Inventories

	Balance at start of year	Purchases	Expenses in year	Written off balances	Balance at end of year
	£000	£000	£000	£000	£000
Building Materials					
2023/24	108	0	(108)	0	0
2024/25	0	0	0	0	0
Sports					
2023/24	3	3	(3)	0	3
2024/25	3	4	(4)	0	3
Catering					
2023/24	1	97	(96)	0	2
2024/25	2	106	(105)	0	3
Fuel					
2023/24	24	536	(542)	0	18
2024/25	18	488	(482)	0	24
Stationery					
2023/24	1	0	0	0	1
2024/25	1	0	0	0	1
Total 2023/24	137	636	(749)	0	24
Total 2024/25	24	598	(591)	0	31

16 Capital Commitments

The Council has the following capital commitments:

Capital Commitments	31 March 2025 £000	31 March 2024 £000
Disabled Facilities Grants	185	236
Fleet Vehicles	1,178	2,968
Pleasley Vale Works	547	1
Council chamber audio visual equipment	79	0
Bolsover Homes	29	5
Portland Skills Hub	11	0
Shirebrook Market Place	6	0
District CCTV Scheme	0	22
Shirebrook Crematorium	263	168
Pleasley Cycle Path	30	31
Total	2,328	3,431

17 Debtors

	31 March 2025 £000	31 March 2024 £000
Trade receivables	3,251	4,166
Related party receivables	0	2,954
Prepayments	668	561
Other receivable amounts	1,073	673
Loss allowance	(1,827)	(1,712)
	3,165	6,642
Statutory receivable amounts (non-exchange transactions)	5,069	4,118
Loss allowance	(2,245)	(2,154)
Total	5,989	8,606

Loss allowances have been calculated by reference to the Council's historic experience of default and are based on the age of the debt. There is no aged debt that has not been reviewed for impairment.

18 Cash Flow Statement - Cash and Cash Equivalents

The balance of cash and cash equivalents is made up of the following elements:

	31 March 2025 £000	31 March 2024 £000
Cash held by the Council	2,517	(4,509)
Bank call accounts	3,033	6,533
Total	5,550	2,024

19 Assets Held for Sale

The Council doesn't currently have any Assets Held for Sale.

20 Creditors

	31 March 2025 £000	31 March 2024 £000
Trade payables	(4,895)	(2,477)
Related party payables	(802)	0
Other payable amounts	(1,285)	(1,194)
	(6,982)	(3,671)
Statutory payable amounts (non-exchange transactions)	(8,165)	(7,899)
Total	(15,147)	(11,570)

21 Provisions

	Legal Costs	Non-domestic Rates	Total
	£000	£000	£000
Balance at 1 April 2024	(179)	(840)	(1,019)
Provisions made in 2024/25	0	0	0
Amounts used in 2024/25	0	174	174
Unused amounts reversed in 2024/25	0	0	0
Balance at 31 March 2025	(179)	(666)	(845)

The Legal Costs provision has been created for costs which are potentially to be incurred relating to the MMI scheme of arrangement and future, currently unknown claims.

The Local Government Finance Act 2012 introduced a business rates retention scheme. Billing authorities are required to make a provision for any potential liabilities as a result of refunding ratepayers who have appealed against the rateable value of their properties. The provision includes an amount for appeals lodged to date but yet to be determined by the Valuation Office Agency (VOA) plus an amount for appeals expected but not yet lodged with the VOA. As the outcome of any appeals are determined by the VOA, it is uncertain when the claims will be settled. As there are still claims outstanding from pre 2017 it has been decided to classify the provision as long term. This provision relates to only the Council's share of the potential costs which is 40%.

22 Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Statement and note 9 .

23 Unusable Reserves

	2024/25 £000	2023/24 £000
Revaluation Reserve	(145,610)	(147,552)
Capital Adjustment Account	(52,894)	(47,281)
Pensions Reserve	4,475	5,190
Deferred Capital Receipts Reserve	(63)	(63)
Collection Fund Adjustment Account	(2,624)	(1,348)
Accumulated Absences Account	133	108
Total	(196,583)	(190,946)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment (and Intangible Assets). 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.

	2024/25 £000	2023/24 £000
Balance at 1 April	(147,552)	(139,807)
Upward revaluation of assets	(9,940)	(15,352)
Downward revaluation of assets and impairment losses not charged to the surplus/deficit on the provision of services	6,142	2,983
(Surplus) or deficit on revaluation of non current assets not posted to the Comprehensive Income and Expenditure Statement	(3,798)	(12,369)
Difference between fair value depreciation and historical cost depreciation	3,437	3,333
Accumulated gains on assets sold or scrapped	2,303	1,291
Amount written off to the Capital Adjustment Account	5,740	4,624
Balance at 31 March	(145,610)	(147,552)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to an historical cost basis). The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council. 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. Details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve are provided in note 9.

	2024/25 £000	2023/24 £000
Balance at 1 April	(47,281)	(47,209)
<i>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</i>		
- Charges for depreciation and impairment of non current assets	9,073	14,816
- Derecognition of property, plant and equipment	3,528	1,680
- Amortisation of intangible assets	49	206
- Revenue Expenditure Funded from Capital Under Statute	1,412	542
- Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to The Comprehensive Income and Expenditure Statement	1,762	1,393
- Financial Instruments impairment	41	(150)
- Recognition of finance lease assets held prior to 1/4/24 (IFRS 16)	(600)	0
	15,264	18,487
Adjusting amounts written out of the Revaluation Reserve	(5,740)	(4,624)
Net written out amount of the cost of non current assets consumed in the year	9,524	13,863
<i>Capital financing applied in the year:</i>		
- Use of Capital Receipts Reserve to finance new capital expenditure	(2,540)	(762)
- Use of the Major Repairs Reserve to finance new capital expenditure	(5,371)	(5,567)
- Use of Capital Receipts Reserve to finance historical capital expenditure	(326)	0
- Application of grants to capital financing from the Capital Grants Unapplied Account	(5,160)	(2,134)
- Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(278)	(363)
- Capital expenditure charged against the General Fund and HRA balances	0	0
- Capital expenditure charged against reserves	(2,006)	(4,470)
	(15,682)	(13,296)
Redemption of long term investment - originally financed by CFR	326	21
Redemption of long term investment - originally financed by reserves	780	0
Movements in the market value of investment properties debited or credited to the Comprehensive Income and Expenditure Statement	(561)	(660)
Balance at 31 March	(52,894)	(47,281)

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The 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 Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2024/25 £000	2023/24 £000
Balance at 1 April	5,190	1,204
Actuarial gains or losses on pensions assets and liabilities	(257)	7,886
Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement	2,387	(1,179)
Employer's pension contributions and direct payments to pensioners payable in the year	(2,845)	(2,721)
Balance at 31 March	4,475	5,190

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non current assets where the cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

	2024/25 £000	2023/24 £000
Balance at 1 April - Rent to Mortgage - Property Charge	(63)	(63)
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0	0
Transfer to the Capital Receipts Reserve upon receipt of cash	0	0
Balance at 31 March - Rent to Mortgage - Property Charge	(63)	(63)

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers and business rates payers, compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	2024/25 £000	2023/24 £000
Balance at 1 April	(1,348)	966
Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements	(1,276)	(2,314)
Balance at 31 March	(2,624)	(1,348)

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences, principally holidays, earned but not taken in the year. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the account.

	2024/25 £000	2023/24 £000
Balance at 1 April	108	125
Settlement or cancellation of accrual made at the end of the preceding year	(108)	(125)
Amounts accrued at the end of the current year	133	108
Amount by which Officer remuneration charged to the CIES is different from remuneration chargeable in the year in accordance with statutory requirements	25	(17)
Balance at 31 March	133	108

24 Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

	2024/25 £000	2023/24 £000
Interest received	(3,225)	(3,314)
Interest paid	4,762	4,969

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

	2024/25 £000	2023/24 £000
Depreciation	(7,097)	(6,974)
Impairment and downward valuations	(2,024)	(8,048)
Increase/(decrease) in creditors	(3,463)	136
(Increase)/decrease in debtors	(2,557)	2,424
(Increase)/decrease in inventories	7	(113)
Movement in pension liability	458	3,900
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(5,290)	(3,073)
Other non-cash items charged to the net surplus or deficit on the provision of services	694	1,972
	(19,272)	(9,777)

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

	2024/25 £000	2023/24 £000
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	2,635	1,718
Any other items for which the cash effects are investing or financing cash flows	6,336	3,629
	8,971	5,348

25 Cash Flow Statement - Investing Activities

	2024/25 £000	2023/24 £000
Purchase of property, plant and equipment, investment property and intangible assets	18,702	20,301
Purchase of short term and long term investments	52,104	52,500
Other payments for investing activities	533	95
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(2,635)	(1,718)
Proceeds from short term and long term investments	(58,218)	(57,700)
Other receipts from investing activities	(6,599)	(3,260)
Net cash flows from investing activities	3,887	10,217

26 Cash Flow Statement - Financing Activities

	2024/25 £000	2023/24 £000
Cash receipts of short term and long term borrowings	(1,318)	(1,351)
Repayments of short term and long term borrowing	9,150	4,857
	7,832	3,506
Council Tax and NNDR adjustments	(284)	(1,957)
Net cash flows from financing activities	7,549	1,549

27 Cash Flow Statement - Reconciliation of Liabilities arising from Financing Activities

	1 April 2024 £'000	Financing cash flows £'000	Non-cash changes Acquisition £'000	Other £'000	31 March 2025 £'000
Long-term borrowings	(78,800)	0	-	2,000	(76,800)
Short-term borrowings	(9,850)	7,832	-	(2,000)	(4,018)
- Lease liabilities	0	0	0	0	0
Total liabilities from financing activities	(88,650)	7,832	0	0	(80,818)

	1 April 2023 £'000	Financing cash flows £'000	Non-cash changes Acquisition £'000	Other £'000	31 March 2024 £'000
Long-term borrowings	(86,000)	0	-	7,200	(78,800)
Short-term borrowings	(6,156)	3,506	-	(7,200)	(9,850)
- Lease liabilities	0	0	0	0	0
Total liabilities from financing activities	(92,156)	3,506	0	0	(88,650)

28 Agency Services

The Council undertakes agency work for Derbyshire County Council in carrying out the duties of roadside verge grass cutting, weed control and tree maintenance. The annual expenditure on the service was £268,815 with an income of £68,149 for 2024/25, (£281,328 and £90,468 in 2023/24).

29 Members' Allowances

The Council paid the following amounts to elected members during the year. This expenditure is included within the People Directorate line of the Comprehensive Income and Expenditure Statement.

	2024/25 £000	2023/24 £000
Allowances	458	460
Expenses	19	17
Total	477	477

30 Officers' Remuneration

Council employees (excluding senior employees) receiving more than £50,000 remuneration (excluding pension contributions) were paid the following amounts:

Remuneration Band	Number of Employees 2024/25	Number of Employees 2023/24
£50,000 - £54,999	9	3
£55,000 - £59,999	3	2
£60,000 - £64,999	1	1
£75,000 - £79,999	0	0
£105,000 - £109,999	0	0

Senior Employees

The definition of a senior employee is:

- * an employee whose salary is £150,000 or more
- * an employee whose salary is £50,000 or more who is a statutory chief officer as per section 2(6) of the Local Government and Housing Act 1989 as amended
- * an employee whose salary is £50,000 or more who is a non-statutory chief officer as per section 2(7) of the Local Government and Housing Act 1989 as amended
- * an employee whose salary is £50,000 or more who reports directly to the Head of Paid Service

The remuneration paid to the Council's senior employees (who earn £50,000 or more and are either statutory chief officers and/or report directly to the Head of Paid Service) is as follows:

Post Title		Salary (including fees + allowances) £	Expenses/ Allowances £	Benefits in Kind £	Compensation for loss of office * (see following page) £	Pension Contribution £	Total Remuneration (including pension contributions) £	Net Charge to Others £	Net Charge to BDC £
Employed by Bolsover DC									
Chief Executive and Head of Paid Service	2023/24	136,300	4,566	235	0	28,350	169,451	-	169,451
	2024/25	141,285	0	325	0	29,387	170,997	-	170,997
Strategic Director of Services (start date 17/7/23)	2023/24	58,810	0	217	0	12,232	71,259	-	71,259
	2024/25	85,892	0	262	0	17,866	104,020	-	104,020
Director - Finance and Section 151 Officer	2023/24	83,273	130	0	0	17,321	100,724	-	100,724
	2024/25	85,995	0	0	0	17,887	103,882	-	103,882
Director - Executive, Corporate Services and Partnerships (part-time from 1/4/24)	2023/24	76,147	142	0	0	15,839	92,128	-	92,128
	2024/25	40,048	0	0	0	8,117	48,165	-	48,165
Director - Governance and Monitoring Officer	2023/24	82,961	510	337	0	17,256	101,064	-	101,064
	2024/25	85,675	0	397	0	17,820	103,892	-	103,892
Assistant Director - Street Scene (left 16/7/23)(new starter 2/12/24)	2023/24	19,844	288	89	0	4,128	24,349	-	24,349
	2024/25	21,484	0	15	0	4,469	25,968	-	25,968

The remuneration paid to the Council's senior employees (who earn £50,000 or more and are either statutory chief officers and/or report directly to the Head of Paid Service) is as follows:

Post Title		Salary (including fees + allowances) £	Expenses/ Allowances £	Benefits in Kind £	Compensation for loss of office * (see following page) £	Pension Contribution £	Total Remuneration (including pension contributions) £	Net Charge to Others £	Net Charge to BDC £
Employed by Bolsover DC									
Assistant Director - Housing Management and Enforcement	2023/24	70,095	130	352	0	14,580	85,157	-	85,157
	2024/25	71,847	0	15	0	14,944	86,806	-	86,806
Assistant Director - Leisure, Health and Wellbeing (start date 3/11/23)	2023/24	26,061	0	0	0	5,654	31,715	-	31,715
	2024/25	65,549	0	0	0	13,364	78,913	-	78,913
Assistant Director - Planning and Planning Policy (start date 3/11/23)	2023/24	26,061	0	17	0	5,654	31,732	-	31,732
	2024/25	65,549	0	58	0	13,364	78,971	-	78,971
Employed by the Dragonfly Group									
Chief Executive of Dragonfly Group (start date 1/4/23)	2023/24	134,235	0	324	0	27,921	162,480	-	162,480
	2024/25	137,079	0	161	0	28,512	165,752	-	165,752
Director of Dragonfly Group (start date 1/4/23)	2023/24	82,201	0	0	0	17,098	99,299	-	99,299
	2024/25	86,710	0	0	0	18,036	104,746	-	104,746

The remuneration paid to the Council's senior employees (who earn £50,000 or more and are either statutory chief officers and/or report directly to the Head of Paid Service) is as follows:

Post Title		Salary (including fees + allowances) £	Expenses/ Allowances £	Benefits in Kind £	Compensation for loss of office * (see following page) £	Pension Contribution £	Total Remuneration (including pension contributions) £	Net Charge to Others £	Net Charge to BDC £
Employed by the Dragonfly Group									
Director of Dragonfly Group (start date 1/4/23)	2023/24	84,595	287	217	0	17,596	102,695	-	102,695
	2024/25	89,164	0	241	0	18,551	107,956	-	107,956
Employed by North East Derbyshire DC									
Joint Assistant Director - Environmental Health	2023/24	69,615	0	432	0	14,123	84,170	42,085	42,085
	2024/25	76,696	0	232	0	15,625	92,553	46,276	46,277
Assistant Director - ICT (3-way joint service with DDDC)	2023/24	61,936	0	0	0	12,474	74,410	51,685	22,725
	2024/25	71,041	0	0	0	14,288	85,329	56,061	29,268

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

Exit Package cost band (including special payments)	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	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25 £	2023/24 £
£0 - £20,000	0	0	5	5	5	5	18,418	20,744
£20,001 - £40,000	0	0	1	0	1	0	20,464	0
£40,001 - £60,000	0	0	0	0	0	0	0	0
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
Termination Benefit Cost	0	0	6	5	6	5	38,882	20,744

The total cost of £38,882 (£20,744 23/24) in the table above is for exit packages that have been agreed, accrued for and charged to the Council's Comprehensive Income and Expenditure Statement in the current year.

31 External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Council's external auditors:

	2024/25 £000	2023/24 £000
Fees payable to the Auditor with regard to external audit services carried out by the appointed auditor for the year	151	165
Fees payable to the Auditor for the certification of grant claims and returns for the year	6	6
Fees payable to the Auditor in respect of other services	10	13
Total	167	184

Of the £165k payable for external audit services in 2023/24, £19k was related to services provided in 2022/23.

The External Auditor of the Council has been Forvis Mazars LLP since 1/4/18.

32 Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2024/25:

	2024/25 £000	2023/24 £000
Credited to Taxation and Non Specific Grant Income		
New Burdens Grants	(46)	(83)
New Homes Bonus	(876)	(832)
Section 31 Grant	(2,575)	(2,427)
Revenue Support Grant	(1,571)	(1,473)
Better Care Fund not yet used	(753)	(878)
Homes England Capital Grant	(2,579)	(1,041)
UK Shared Prosperity Capital Funding	(6)	(6)
Levelling Up Capital Funding	(483)	(117)
Capital Grants and Contributions	(1,123)	(1,070)
Total	(10,011)	(7,927)

Grant Income note continued from previous page	2024/25 £000	2023/24 £000
Credited to Services		
New Burdens Grants	(9)	(56)
Homelessness Prevention Grant	(254)	(253)
Business Rates Cost of Collection Allowance	(94)	(95)
Housing Benefit Subsidy	(13,916)	(13,759)
Housing Benefit Admin Grant	(211)	(210)
Discretionary Housing Payments Grant	(93)	(93)
Disabled Facilities Grants	(654)	(355)
Other Government Grants	(1,756)	(724)
Other Non-Government grants and contributions	(233)	(395)
Total	(17,219)	(15,940)

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that may require the monies or property to be returned to the giver. The balances at the year-end are as follows:

	2024/25 £000	2023/24 £000
Revenue grant receipts in advance		
S106 Contributions	(2,041)	(1,703)
Other Government Grants	(444)	(187)
Covid-19 Control Outbreak Management (COMF) Grant	(8)	(14)
Asylum Dispersal Grant	(490)	0
DEFRA - weekly food collection transitional grant	(193)	0
New Burdens Grants	(243)	(237)
Air Quality Grant	(375)	(375)
Levelling Up Capacity Funding	(69)	(54)
UK Shared Prosperity Revenue Funding	(14)	(123)
Total	(3,877)	(2,693)

33 Related Parties

The Council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Council. 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 significant influence over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates and prescribes the terms of many of the transactions that the Council has with other parties (e.g. housing benefits). Grants received from government departments are set out in the previous note.

Members

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2024/25 is shown in a previous note. During 2024/25 payments for works and services to the value of £138,745 were made to organisations such as Parish Councils in which members had an interest. Amounts for works and services to the value of £925,800 were received from organisations in which members had an interest.

Council Members make disclosures of relevant interests to the Council's Director - Governance & Monitoring Officer, which are formally recorded on a publicly available Register of Interests and also make declarations on individual committee decisions. The Council also nominates Members to sit on outside bodies. A number of Council Members are also Members of local parish councils, or various local voluntary organisations, which the Council supports financially. Where necessary, Members declared such interests when relevant to their duties and thus no further disclosure is considered necessary.

Officers

In addition to the Register of Interest, Senior Officers were required to complete a Declaration of Related Party Transactions Pro-forma for the year 2024/25. During 2024/25 payments for works and services to the value of £4,535 were made to organisations in which senior officers had an interest. Amounts for works and services to the value of £10,337 were received from organisations in which Senior Officers had an interest.

Other significant transactions with related parties are as follows:-

	Receipts £000	Payments £000
Barlborough Parish Council	(22)	
Blackwell Parish Council	(138)	
Citizens Advice Bureau		42
Clowne Parish Council	(11)	
Derbyshire County Council	(2,140)	1,190
Dragonfly Development Limited		7,630
Dragonfly Management (Bolsover) Limited	(6,551)	21,710
Elmton with Creswell Parish Council	(254)	
Glapwell Parish Council	(29)	
Junction Arts		49
Langwith Parish Council	(10)	
Old Bolsover Town Council	(22)	13
Pinxton Parish Council	(161)	
Pleasley Parish Council	(17)	
Salvation Army	(11)	
Shirebrook Town Council	(17)	10
South Normanton Parish Council	(28)	
Tibshelf Parish Council	(171)	
Whitwell Parish Council	(14)	
Total	(9,596)	30,644

34 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue, as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

	2024/25 £000	2023/24 £000
Opening Capital Financing Requirement	123,980	117,204
<u>Capital Investment:</u>		
Property, Plant and Equipment	19,457	19,017
Investment Properties	159	371
Intangible Assets	101	37
Revenue Expenditure Financed from Capital Under Statute	1,412	543
Financial Asset	533	105
<u>Sources of Finance:</u>		
Capital Receipts	(2,540)	(762)
Capital Receipts - Loan Repayment	(326)	0
Government Grants and Other Contributions	(5,160)	(2,134)
Major Repairs Allowance	(5,371)	(5,567)
Sums Set Aside from Revenue:		
- Direct Revenue Contributions	0	0
- Reserve Contributions	(2,006)	(4,470)
- Minimum Revenue Provision	(278)	(364)
Closing Capital Financing Requirement	129,961	123,980
<u>Explanation of Movements in Year</u>		
Increase in Underlying Need to Borrow	(6,259)	(7,141)
Minimum Revenue Provision	278	364
(Increase)/Decrease in Capital Financing Requirement	(5,981)	(6,776)

35 Leases

The Council adopted IFRS16 from the 1st of April 2024, to recognise all right of use assets. Under this reporting standard most leases where an Authority acts as a lessee will come onto the balance sheet. Lessor accounting is effectively unchanged. The Code specifies that this is not to be applied retrospectively, resulting in assets held prior to the 1st of April 2024, coming onto the balance sheet in 2024/25.

Authority as Lessee

The main impact for the Council is that a number of property leases which are for peppercorn rents, have now been brought onto the balance sheet. These have been valued by the Council's Valuer.

As permitted by the Code, the Council excludes exempt leases that are:

Low value items that cost less than £10,000 when new, or

Short-term, meaning a term of 12 months or shorter (or ending within 12 months of IFRS16 implementation date.

The Council's right of use assets are summarised as follows:

	2024/25 £'000	2023/24 £'000
Balance brought forward 1 April	0	0
Addition of right of use assets - IFRS16	600	0
Revaluations	4	0
Depreciation	(21)	0
Disposals	0	0
Balance as at 31 March	583	0

Authority as Lessor

Operating Leases

With regard to the Council's activity as a lessor, the rental income from leases relating to retail, commercial and industrial units amounted to £1,006,940 in 2024/25 (£945,382 in 2023/24).

The Council leases out a number of properties for commercial purposes. The minimum lease payments receivable under non cancellable leases in future years are:

	31 March 2025 £000	31 March 2024 £000
Not later than one year	(131)	(171)
Later than one year and not later than five years	(780)	(753)
Later than five years	(137)	(139)
Total	(1,048)	(1,063)

36 Impairment Losses

Impairment losses and impairment reversals charged to the Surplus or Deficit on the Provision of Services and to Other Comprehensive Income and Expenditure are included in the Property, Plant and Equipment Note 11.

Details of impairment charged to the HRA for 2024/25 are in note 46.

37 Termination Benefits

The Council terminated the contracts of a number of employees in 2024/25, incurring liabilities of £38,882 (£20,744 in 2023/24) - see note 30 for the number of exit packages and total cost per band.

38 Defined Benefit Pension Scheme

Participation in pension scheme

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

The Council participates in the Local Government Pension Scheme (LGPS), administered by Derbyshire County Council – this is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies note.

Transactions relating to post-employment benefits

The cost of retirement benefits is recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against council tax is based on the cash payable in the year, so the real cost of post-employment benefits is reversed out of the General Fund and Housing Revenue Account via the Movement in Reserves Statement.

Dragonfly Management (Bolsover) Ltd, began providing services to the Council on 1st of April 2023. A number of staff (approximately 100) were transferred from the Council to the company at this date. The LGPS scheme figures that follow are for the staff that remain within Bolsover District Council only. Included in the service cost figures for 2023/24 is the effect of transferring the staff out of the Council as settlements.

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

Local Government Pension Scheme	2024/25 £000	2023/24 £000
Service Cost comprising:		
Current service cost	2,082	2,234
Administration cost	69	65
Effect of settlements	0	(3,366)
Total service cost	2,151	(1,067)
Financing and Investment Income and Expenditure		
Interest income on scheme assets	(5,467)	(4,936)
Interest cost on defined benefit obligation	4,933	4,824
Interest on the effect of the asset ceiling	770	0
Total net interest	236	(112)
Total Post-employment benefit charged to the surplus or deficit on the provision of services	2,387	(1,179)
Remeasurement of the net defined benefit liability comprising:		
Return on plan assets (excluding the amount included in net interest)	1,223	(4,719)
Actuarial gains and losses arising on changes in demographic assumptions	(179)	(662)
Actuarial gains and losses arising on changes in financial assumptions	(15,233)	(5,763)
Actuarial gains and losses arising on changes in other experience	(1,052)	3,154
Changes in the effect of the asset ceiling	(16,646)	0
Asset ceiling adjustment	31,630	15,876
Total remeasurements recognised in other comprehensive income and expenditure	(257)	7,886
Total Post-employment benefits charged to the Comprehensive Income and Expenditure Statement	2,130	6,707
Movement in Reserves Statement		
Reversal of net charges made to the Surplus or Deficit on the Provision of Services	(458)	(3,900)
Actual amount charged against the General Fund Balance for pensions in the year:		
Employers' contributions payable to scheme	2,845	2,721

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plan is as follows:

Local Government Pension Scheme	2024/25 £'000	2023/24 £'000
Fair value of plan assets	116,604	113,238
Present value of the defined benefit obligation	(87,735)	(100,524)
Present value of unfunded obligation	(1,714)	(2,028)
Asset ceiling adjustment	(31,630)	(15,876)
Net liability arising from defined benefit obligation	(4,475)	(5,190)

Asset Ceiling

Following the pensions valuation by the Council's actuary, Hymans Robertson LLP, the Council determined that the fair value of its pension plan assets outweighed the present value of the plan obligations at 31 March 2025 resulting in a pension plan asset. IAS19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of the surplus in the defined benefit plan; and the asset ceiling.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The Council's actuary calculated the asset ceiling as the net present value of future service costs less net present value of future contributions.

The Council has therefore limited the pension asset recognised in its balance sheet to the asset ceiling.

Asset ceiling	2024/25 £'000	2023/24 £'000
Asset ceiling balance at 1 April	(15,876)	0
Interest on the effect of the asset ceiling	(770)	0
Changes on the effect of the asset ceiling	(14,984)	(15,876)
Asset ceiling balance 31 March	(31,630)	(15,876)

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

Local Government Pension Scheme	2024/25 £'000	2023/24 £'000
Opening fair value of scheme assets	113,238	114,261
Assets extinguished on settlements	0	(10,017)
Interest income	5,467	4,936
<u>Remeasurement gain/(loss):</u>		
The return on plan assets, excluding the amount included in net interest	(1,223)	4,719
Contributions from employer into the scheme	2,845	2,721
Contributions from employees into the scheme	730	690
Benefits paid	(4,453)	(4,072)
Closing fair value of scheme assets	116,604	113,238

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

Local Government Pension Scheme	2024/25 £'000	2023/24 £'000
Opening fair value of scheme liabilities	(102,552)	(115,465)
Current service cost	(2,151)	(2,299)
Liabilities extinguished on settlements	0	13,383
Interest cost	(4,933)	(4,824)
Contributions from scheme participants	(730)	(690)
<u>Remeasurement (gains) and losses:</u>		
Actuarial gains and losses arising on changes in demographic assumptions	179	662
Actuarial gains and losses arising on changes in financial assumptions	15,233	5,763
Actuarial gains and losses arising on changes in other experience	1,052	(3,154)
Benefits paid	4,453	4,072
Closing fair value of scheme liabilities	(89,449)	(102,552)

Local Government Pension Scheme assets comprised:	Fair value of scheme assets	
	2024/25 £'000	2023/24 £'000
Cash and cash equivalents	4,460	4,336
Equity instruments:		
Consumer	0	0
Manufacturing	0	0
Energy and utilities	0	0
Financial institutions	0	0
Health and care	0	0
Information technology	0	0
Other	2,315	3,062
Sub-total equity	2,315	3,062
Bonds:		
Corporate (Investment)	15,947	14,604
UK Government	12,559	10,048
Other	1,383	1,715
Sub-total bonds	29,889	26,367

Local Government Pension Scheme assets comprised continued:	Fair value of scheme assets	
	2024/25 £'000	2023/24 £'000
Property: UK	7,692	7,831
Private equity: All	6,032	5,709
Investment funds:		
Equities	53,718	54,548
Infrastructure	12,498	11,385
Sub-total other investment funds	66,216	65,933
Total assets	116,604	113,238

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary level etc. The County Council Fund liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 31 March 2022.

The significant assumptions used by the actuary have been:

Local Government Pension Scheme	2024/25	2023/24
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	20.8 years	20.8 years
Women	23.8 years	23.8 years
Longevity at 65 for future pensioners:		
Men	21.5 years	21.6 years
Women	25.3 years	25.3 years
Rate of inflation (CPI)	2.75%	2.75%
Rate of increase in salaries	3.75%	3.75%
Rate of increase in pensions	2.75%	2.75%
Rate for discounting scheme liabilities	5.80%	4.85%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the previous table. The sensitivity analyses below have 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 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.

Impact on the Defined Benefit Obligation in the Scheme	Approximate increase to Employer Liability %	Approximate monetary amount £'000
0.1% decrease in Real Discount Rate	2	1,526
1 year increase in member life expectancy	4	3,578
0.1% increase in the Salary Increase Rate	0	86
0.1% increase in the Pension Increase Rate	2	1,482

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 County Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 17 years. Funding levels are monitored on an annual basis. The triennial valuation was completed on 31 March 2022.

The scheme has been required 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 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). 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 anticipates to pay £2.654m in expected contributions to the scheme in 2025/26.

The weighted average duration of the defined benefit obligation for scheme members is 17.9 years, 24/25 (17.9 years 2023/24).

39 Contingent Liabilities/Assets

There are no contingent liabilities or assets.

40 Interests in Other Entities

The Council has 100% interest in Dragonfly Development Ltd, through the issue of a single £1 investment share. The balance sheet includes inter-company balances of £0.802m, owed by the Council to Dragonfly Management (Bolsover) Ltd.

Further details of the Council's relationship with the Dragonfly Companies can be found in the Group Accounts section towards the back of this document.

The amounts recognised on the balance sheet as long term investments are:

	Share Purchase £	Commercial Loan	
		Principal £	Interest £
Balance at 1 April 2024	40,800	1,018,485	180,348
Movement in impairment allowance	(40,800)	0	0
Advances repaid in year	0	(1,018,485)	0
Interest paid to BDC in year	0	0	(95,841)
Other movements in year	0	0	(84,507)
Balance at 31 March 2025	0	0	0

Shares in Dragonfly Development Ltd are not publicly traded and so a market price is not readily available. The Council engaged Arlingclose to calculate the fair value of the equity investment in the wholly owned companies at 31st of March 2005.

As with any company its value can be estimated from projecting the future cash flows of the company as this is ultimately what a purchaser of the company would be looking to obtain. Using the original business plan, Arlingclose has calculated the fair value of the companies as zero. Although the underlying value of the companies has increased, the fall is due to the increase in the fair value of the debt on the company's balance sheet at 31st March 2024.

41 Shared Services/Joint Operations

During 2024/25 the Council had partnership agreements with North East Derbyshire District Council (NEDDC), Chesterfield Borough Council (CBC) and Derbyshire Dales District Council (DDDC) in the following areas:

- Internal Audit
- ICT Service
- Environmental Health Service
- The Joint Procurement Unit
- Information, Engagement and Performance Team
- Chesterfield and District Joint Crematorium

The Internal Audit Consortium is hosted by CBC and also includes BDC and NEDDC . The accounts reflect the payments made to CBC towards the costs of operation.

NEDDC hosts the joint ICT service which covers BDC and DDDC for the provision of the Council's IT. The accounts reflect payments to NEDDC for the Council's costs of the service provided.

NEDDC also hosts the joint Environmental Health Service. The accounts reflect payments to NEDDC for the Council's costs of the service provided.

The Joint Procurement Unit was hosted by BDC and recharged 50% to NEDDC. On an ad-hoc basis the unit also carried out work for parish councils. The accounts reflect the expenditure and income of the unit. This arrangement ended on the 31st of December 2024.

The staff of the Information, Engagement and Performance Team, were employed by either BDC or NEDDC. Invoices were raised between the two Councils to ensure each Council had a share of the costs included in its accounts. This arrangement ended on the 31st of March 2025.

There are no assets or liabilities for the above joint operations to be included in the accounts.

The Chesterfield and District Joint Crematorium Committee is a Jointly Controlled Operation between the Council, NEDDC and CBC. The function of the Chesterfield and District Joint Crematorium Committee is to discharge the crematorium functions of each of the constituent Councils. Each Council's share of member representation, financial surplus and deficit is based on the number of cremations of deceased inhabitants of each constituent Council's area. The accounts reflect payments from CBC for the Council's share of the financial surplus.

There are no assets or liabilities for the Chesterfield and District Joint Crematorium Committee included in the accounts on the grounds of materiality.

HRA INCOME AND EXPENDITURE STATEMENT

2023/24 £000		NOTE	2024/25 £000	2024/25 £000
	Expenditure			
6,291	Repairs and maintenance		6,128	
6,830	Supervision and management		8,169	
280	Rent, rates, taxes and other charges		437	
12,903	Depreciation and impairment of non-current assets		8,034	
9	Debt management costs		10	
1,659	Special Services		1,538	
27,972	Total Expenditure			24,316
	Income			
(22,852)	Dwelling rents		(25,027)	
(81)	Non-dwelling rents		(91)	
(447)	Charges for services and facilities		(457)	
(467)	Contributions towards expenditure		(404)	
(23,847)	Total Income			(25,979)
	Net Expenditure or Income of HRA Services as included in the whole authority Comprehensive Income and Expenditure Statement			
4,125				(1,663)
1,069	HRA share of Corporate and Democratic Core			903
5,194	Net Expenditure or (Income) for HRA Services			(760)
	HRA share of the operating income and expenditure included in the whole authority Comprehensive Income and Expenditure Statement			
1,412	(Gain) or loss on sale of HRA non-current assets			2,715
4,598	Interest payable and similar charges			4,698
(764)	HRA Interest and investment income			(579)
(47)	Net interest on the net defined benefit liability (asset)	<u>50</u>		(217)
10,392	(Surplus) or deficit for the year on HRA Services			5,857

Movement on the HRA Statement

	2024/25 £000	2023/24 £000
HRA Balance at the end of the previous year	(1,644)	(2,039)
(Surplus) or deficit for the year on the HRA Income and Expenditure Statement	5,857	10,392
Adjustments between accounting basis and funding basis under statute (including reserve movement)	(5,659)	(7,126)
Net (increase) or decrease in year on the HRA and HRA reserves	198	3,266
Transfers to or (from) earmarked reserves	(560)	(2,871)
(Increase) or decrease in year on the HRA balance	(362)	395
HRA Balance at the end of the current year	(2,006)	(1,644)

Notes to the Housing Revenue Account**42 Housing Stock**

The number and types of dwelling in the Council's housing stock are as follows:

	31 March 2025	31 March 2024
Houses	2,132	2,155
Bungalows	1,924	1,968
Flats	697	697
Sheltered	189	191
Total	4,942	5,011

In 2024/25, 31 properties were sold under the 'Right to Buy' provisions (18 in 2023/24), none were sold outside the 'Right to Buy' provisions (0 in 2023/24) and 49 properties were demolished (20 in 2023/24). In 2024/25, 5 bungalows, 2 flats and 8 houses were completed (35 bungalows, 2 flats and 6 houses in 2023/24). In 2024/25, 4 properties were removed from stock due to change of use (0 in 2023/24).

43 Valuation of Assets

The total balance sheet valuations of land, houses and other property within the HRA are as follows:

	31 March 2025 £'000	31 March 2024 £'000
Council Dwellings	269,519	271,593
Council Dwellings (Garages)	1,681	1,590
Other Property	0	0
Other Equipment	764	760
Other Vehicles	1,653	1,133
Non Operational Land (Surplus Assets Not Held for Sale)	843	845
Assets Under Construction	6,362	2,190
Total	280,822	278,111

The vacant possession value of the dwellings within the HRA (valued in accordance with Guidance) as at 31 March 2025 was £645,715,023 (£650,434,929 in 2023/24). The difference between the vacant possession value and the balance sheet value of dwellings within the HRA show the economic cost of providing council housing at less than market rents. The social housing regional adjustment factor for East Midlands is 42% which takes into account the reduction in value arising from sitting tenants rights.

44 Depreciation

Council Houses have been depreciated on a straight line method (excluding the land value of the property). Other housing property has been depreciated using the straight line method based upon the independent valuation of the asset and the finite useful life. The total charges within the HRA are as follows:

Operational Assets	2024/25 £'000	2023/24 £'000
Houses	5,566	5,409
Other Property (Garages)	37	36
Other Equipment	88	230
Total	5,691	5,675

45 Major Repairs Reserve

This reserve is credited with the depreciation charged to the Housing Revenue Account as well as additional voluntary contributions from the Housing Revenue Account.

The reserve is only available for funding major repairs to the housing stock or the repayment of Housing Revenue Account debt. Any unspent sums are carried forward for use in future years.

	2024/25 £'000	2023/24 £'000
Balance brought forward 1 April	(1,542)	(1,434)
Transferred to Reserve in year	(5,691)	(5,675)
Amounts used to finance Capital Expenditure on land, houses and other HRA property	5,371	5,567
Balance as at 31 March	(1,862)	(1,542)

46 Impairment (Including the reversal of previous years' revaluation decreases)

The position of the HRA properties reviewed for impairment at 31/3/25 is:

	2024/25 £'000	2023/24 £'000
Dwellings (including land)	(565)	(1,210)
Other land and buildings	3	(22)
Revaluation (Increase) / Decrease	(562)	(1,232)

In relation to Council Dwellings the overall total of £564,758 consists of both gains and losses. Where there had been a general increase in the value of the assets, this resulted in a gain of £9,424,819. Where there had been a general decrease in the value of assets, or the Council incurred spend on assets for which the value of that expenditure did not lead to a pound for pound increase in that asset, this resulted in a loss of £8,660,061.

For Other Dwellings and Land where there had been a general increase in the value of the assets, this resulted in a gain of £16,000, and a loss of £18,500 where there had been a general decrease in the value of the asset.

Impairment and revaluation losses on HRA assets are charged directly to services within the Net Cost of Service on the HRA, where there is no balance or an insufficient balance of accumulated gains on the Revaluation Reserve for the relevant assets.

The movement on the Revaluation Reserve was an increase of £8,921,139 for upward valuations and a decrease of £6,016,588 for downward valuations.

There have been no extraordinary events that have led to the impairment of these assets.

47 Capital Expenditure and Financing

	2024/25 £'000	2023/24 £'000
Expenditure on HRA land, houses and other property	13,441	14,004
Financed by:		
Major Repairs Reserve	5,371	5,567
Borrowing	2,858	4,106
Grants and Contributions	3,143	1,142
Usable Capital Receipts	2,058	722
Revenue and Reserves Contributions	11	2,467
Total	13,441	14,004

48 Capital Receipts

	2024/25 £'000	2023/24 £'000
Council House Sales	2,089	1,276
Land Sales	486	322
Total	2,575	1,598

49 Rent Income

At 31 March 2025 approximately 2.57% of lettable properties were empty (31 March 2024, 3.36%).

The rent arrears as a proportion of gross rent income and excluding refunds are £1,669,873 (6.67%) compared with £1,736,048 (7.35%) in 2023/24.

An allowance for impairment of £1,322,045 has been made in the accounts for potentially uncollectable rent arrears (2023/24 £1,312,962).

In accordance with accounting policy c) accruals of income and expenditure, a receipt in advance has been recorded for the 6 days included in the rent debit raised on Monday the 31st of March 2025, that relate to April 2025. An amount of £409,436 has been moved into 2025/26.

50 Pension Reserve

The amount charged to the HRA for providing pensions is the amount payable for the year in line with statutory requirement governing the pension scheme of £217,402. This is the difference between the interest income on plan assets £2,225,720 credit (£2,065,120 credit 23/24) and the interest cost on defined obligations £2,008,318 debit (£2,018,262 debit 23/24) apportioned by the HRA share of total basic salaries.

51 Revenue Expenditure Funded from Capital Under Statute

During 2024/25, there was no expenditure to be included in the Council's Net Cost of Service on the Housing Revenue Account (zero 23/24).

THE COLLECTION FUND ACCOUNTING STATEMENT

2023/24 NNDR £000	2023/24 Council Tax £000		2024/25 NNDR £000	2024/25 Council Tax £000	2024/25 Total £000	Note
		<u>INCOME</u>				
	(51,148)	Council Tax Payers		(54,667)	(54,667)	<u>53</u>
(30,709)		Income from Business Ratepayers	(35,770)		(35,770)	<u>52</u>
(1,772)		Transitional Protection Payment Receivable	(475)		(475)	
		<u>Contribution towards Previous Year's Collection Fund Deficit:</u>				
(1,717)		Central Government	(443)		(443)	
(1,374)	0	Bolsover District Council	(354)	0	(354)	
(309)	0	Derbyshire County Council	(80)	0	(80)	
(34)	0	Derbyshire Fire Authority	(9)	0	(9)	
(35,915)	(51,148)		(37,131)	(54,667)	(91,798)	
		<u>EXPENDITURE</u>				
		<u>Apportionment of Previous Year's Collection Fund Surplus:</u>				
0	30	Bolsover District Council	0	12	12	
0	117	Derbyshire County Council	0	48	48	
0	6	Derbyshire Fire Authority	0	3	3	
	23	Derbyshire Police Authority		9	9	
		<u>Precepts:</u>				
	8,480	Bolsover District Council		9,275	9,275	
	33,847	Derbyshire County Council		35,881	35,881	
	1,966	Derbyshire Fire Authority		2,044	2,044	
	6,105	Derbyshire Police Authority		6,465	6,465	
		<u>Business Rates:</u>				
15,915		Central Government	16,720		16,720	
12,732		Bolsover District Council	13,376		13,376	
2,865		Derbyshire County Council	3,010		3,010	
318		Derbyshire Fire Authority	334		334	
95		Cost of Collection	94		94	
		<u>Charges to the Collection Fund:</u>				
55	112	Write-offs of uncollectable amounts	153	283	436	
214	519	Impairment of Debts	364	302	666	
(2,160)		Impairment of Appeals	0		0	
63		Reconciliation Adjustments for disregarded amounts	75		75	
0		Transitional Protection Payments	0		0	
30,097	51,205		34,126	54,322	88,448	
(5,818)	57	(Surplus) / Deficit for the year	(3,005)	(345)	(3,350)	
		<u>COLLECTION FUND BALANCE</u>				<u>54</u>
2,495	(175)	Balance brought forward at 1 April	(3,323)	(118)	(3,441)	
(5,818)	57	(Surplus)/ Deficit arising during the year	(3,005)	(345)	(3,350)	
(3,323)	(118)	(Surplus)/ Deficit c/fwd 31st March	(6,328)	(463)	(6,791)	

52 Income from Business Ratepayers

The Council collects business rates for its area based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by a uniform business rate set nationally by Central Government.

In 2013/14, the administration of business rates changed following the introduction of the business rates retention scheme which aims to give Councils a greater incentive to grow businesses but also increases the financial risk due to volatility and collection rates. Instead of paying business rates to the central pool, local authorities retain a proportion of the total collectable rates due. In the case of Bolsover the local share is 40%. The remainder is distributed to preceptors, Central Government (50%), Derbyshire County Council (9%) and Derbyshire Fire Authority (1%).

During 2024/25 Bolsover was a member of the Derbyshire Business Rates pool. This consists of 8 Derbyshire district or borough Councils; Derbyshire County; Derby City and Derbyshire Fire Authority. Instead of each district or borough Council paying a proportion of their growth above the baseline over to Government, it is kept within the pool and distributed amongst all the members on an agreed basis.

The business rates shares payable for 2024/25 were estimated before the start of the financial year as £13.376m to Bolsover District Council, £16.720m to Central Government, £3.010m to Derbyshire County Council and £0.334m to Derbyshire Fire Authority. These sums have been paid in 2024/25 and charged to the collection fund in year.

When the Business Rates scheme was introduced, Central Government set a baseline level for each authority identifying the expected level of retained business rates and a top up or tariff amount to ensure that all authorities receive their baseline amount. Tariffs due from authorities payable to Central Government are used to finance the top ups to those authorities who do not achieve their targeted baseline funding. Bolsover paid a tariff from the General Fund in 2024/25 to the value of £7.083m.

The total non-domestic rateable value at 31st March 2025 was £77,049,038 (£73,833,600 for 2023/24). The general national non-domestic multiplier for the year was 54.6p (51.2p in 2023/24). The small business non-domestic multiplier for the year was 49.9p (49.9p in 2023/24).

The total income collected from business rate payers in 2024/25 was £35.7m (£30.7m in 2023/24).

53 Council Tax

Council Tax derives from charges raised according to the value of residential properties which have been classified into 9 valuation bands (A-H) for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the Council for the forthcoming year and dividing this by the Council Tax base (i.e. the equivalent numbers of Band D dwellings).

The increase in the tax base between financial years is as a result of a combination of new builds and a reduction in the level of Council Tax discounts and exemptions. The tax base for 2024/25 is as follows:

Band	Estimated No. of Taxable Properties after effects of Discounts Exemptions + Other Adjustments		Ratio	2024/25	2023/24
				Band D Equivalent Dwellings	Band D Equivalent Dwellings
-A	27.91	5 / 9		15.50	14.90
A	15,505.90	6 / 9		10,337.27	10,275.57
B	5,642.60	7 / 9		4,388.69	4,394.42
C	4,237.65	8 / 9		3,766.80	3,669.18
D	2,658.85	9 / 9		2,658.85	2,593.14
E	1,015.04	11 / 9		1,240.61	1,253.22
F	321.43	13 / 9		464.29	459.15
G	141.71	15 / 9		236.19	228.41
H	7.37	18 / 9		14.73	12.77
Council Taxbase prior to adjustment for Collection Rate				23,122.93	22,900.78

54 Allocation of Collection Fund Surpluses and Deficits

Collection Fund surpluses declared by the billing authority in relation to Council Tax are apportioned to the relevant precepting bodies based on precept amounts, in the subsequent financial year. Deficits are proportionately charged to the relevant precepting bodies in the following year. For Bolsover, the Council Tax precepting bodies are Derbyshire County Council, Derbyshire Police Authority and the Derbyshire Fire Authority.

Similarly, NNDR surpluses declared by the billing authority in relation to the Collection Fund are apportioned to the relevant precepting bodies in the subsequent financial year in their respective proportions, as detailed in note 52. Deficits are proportionately charged to the relevant precepting bodies in the following year.

As a result of the Covid-19 pandemic, there was likely to be a larger than normal deficit on both Collection Funds in 2020/21. The Government introduced legislation during 2020/21 to implement that *'the repayment of Collection Fund deficits arising in 2020/21, will be spread over the next 3 years rather than the usual period of a year'*. 2023/24 is the final year deficits arising in 2020/21 have been repaid under this arrangement.

The following table shows the cumulative deficit/(surplus) on the Council Tax and Business Rates Collection Fund at 31/3/25 and the years over which the deficits will be collected.

2023/24 NNDR £000	2023/24 Council Tax £000		2024/25 NNDR £000	2024/25 Council Tax £000	2024/25 Total £000
(1,329)	(20)	Bolsover District Council	(2,531)	(80)	(2,611)
(299)	(79)	Derbyshire County Council	(570)	(309)	(879)
	(14)	Derbyshire Police Authority		(56)	(56)
(33)	(5)	Derbyshire Fire Authority	(63)	(18)	(81)
(1,662)	0	Central Government	(3,164)	0	(3,164)
(3,323)	(118)	(Surplus)/Deficit	(6,328)	(463)	(6,791)
To be collected/(allocated) during 2025/26			(6,136)	(428)	(6,564)
To be collected/(allocated) during 2026/27			(192)	(35)	(227)
Total (Surplus)/Deficit			(6,328)	(463)	(6,791)

55 Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments have been made to the Council's 2023/24 published Financial Statements in relation to the following:

Group Accounts - inclusion of IAS19 entries for the Dragonfly companies

There is no impact on the Council's Single Entity Financial Statements.

Bolsover District Council did not have the audited transactions for the defined benefit pension scheme of the Dragonfly companies, to be able to include the information fully in the Group Accounts Financial Statements for 2023/24.

During 2024/25, the figures in the Council's Group Accounts have been fully restated for 2023/24 to include the IAS19 entries for the Dragonfly Companies. This includes the Group MIRS; Group Comprehensive Income and Expenditure Statement and Group Cashflow. The Group Balance Sheet at 31/3/24 in the published financial statements included the pension scheme closing balances, so it has not been necessary to restate it.

To include the movement on the pension scheme of the Dragonfly companies, the following lines in the Group Comprehensive Income and Expenditure Statement have been restated for 2023/24.

Effect on line items in the Group Comprehensive Income and Expenditure Statement 2023/24

	2023/24 As originally stated £000's	2023/24 As restated £000's	Restatement £000's
Dragonfly Group service line	10,024	10,071	47
Cost of all Services	14,094	14,141	47
Pensions interest cost and expected return on pensions assets	(112)	49	161
(Surplus) or Deficit on Provision of Services	(2,400)	(2,192)	208
(Surplus) or Deficit of the Group	(2,400)	(2,192)	208
Remeasurement of net defined benefit/liability	9,972	6,399	(3,573)
Other Comprehensive Income and Expenditure	(2,397)	(5,970)	(3,573)
Total Comprehensive Income and Expenditure	(4,798)	(8,163)	(3,365)

The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom requires that an authority present a Balance Sheet at the beginning of the preceding period when an authority makes a retrospective restatement. The value of the pension scheme for the group was included in the 2023/24 closing balance but not the opening balance from 2022/23. The following table demonstrates the effects on the following line items in the Balance Sheet for the financial year 2022/23, as the opening balances for 2023/24.

Effect on line items in the Group Balance sheet 31 March 2023

	2022/23 As originally stated £000's	2022/23 As restated £000's	Restatement £000's
Pensions liability	(1,204)	(4,569)	(3,365)
Long Term Liabilities	(92,470)	(95,835)	(3,365)
Net Assets	233,555	230,190	(3,365)
Pensions Reserve	1,204	4,569	3,365
Unusable Reserves	(184,885)	(181,520)	3,365
Total Reserves	(233,555)	(230,190)	3,365

The following restatement was also required for the Movement in Reserves Statement. The restated (for relevant line items) prior period Movement in Reserves Statement is provided.

Movement in Reserves Statement

	2023/24 As originally stated £000's	2023/24 As restated £000's	Restatement £000's
Balance at 31 March 2022	(164,383)	(161,018)	3,365
Balance at 31 March 2023	(233,553)	(230,188)	3,365
Total Comprehensive Income and Expenditure	(6,884)	(8,163)	(1,279)
Adjustment between accounting basis and funding basis under regulations	2,086	0	(2,086)
(Increase) / decrease in 2023-24	(4,798)	(8,163)	(3,365)
Balance at 31 March 2024	(238,351)	(238,351)	0

All of the above restated figures for 2023/24 are now included in the Council's Group Financial Statements 2024/25 as comparatives where necessary.



Group Accounts 2024/25

Bolsover District Council Group Accounts

The Background

During 2016/17 the Council entered into a joint venture with Woodhead Regeneration Ltd. Dragonfly Development Limited was created to deliver residential and commercial developments on Council and privately owned land. Each partner had equal controlling interests with two Directors on the Board and both parties purchased 50% of the shares in the company for £50,000 each.

Following a review of the Council's joint venture with Woodhead Regeneration Ltd during 2022/23, it was decided to change Dragonfly Development Limited to a wholly owned company. From 1 October 2022, Dragonfly Development Limited ceased to be a joint venture and became a company wholly owned by Bolsover District Council.

Dragonfly Development Ltd is a development company limited by shares. Dragonfly Management (Bolsover) Ltd is a wholly owned subsidiary of Dragonfly Development Ltd as a company limited by shares. This company was created to provide services to the Council. Dragonfly Management (Bolsover) Ltd, began providing services to the Council on 1st of April 2023.

Group Accounts were produced by Bolsover District Council for the first time in 2023/24. However, the backstop date of the 28th of February, meant not receiving the Audited Dragonfly Accounts until February 2025 was too late. This led the Council's external auditor Forvis Mazars, to give a disclaimed opinion on the Council's financial statements for 2023/24 which included the group accounts.

The Group Accounts contain core financial statements similar to those included in the Council's single entity statements but which represent the consolidated position of the group. Notes to the Group Accounts have been included where the relevant values and/or the impact on the group statements are material.

The Group Accounts contain:

Group Movement in Reserves Statement

Group Comprehensive Income and Expenditure Statement

Group Balance Sheet

Group Cash Flow Statement

Notes to the Group Accounts:

- 1 Dragonfly Development Limited and Dragonfly Management (Bolsover) Limited
- 2 Accounting Policies
- 3 Retained Surplus/Deficit
- 4 Defined Benefit Pension Scheme
- 5 Related Party Transactions
- 6 Inter-organisation Balances
- 7 The Dragonfly Group's Auditors

GROUP MOVEMENT IN RESERVES STATEMENT

	Bolsover District Council Useable Reserves £000	Bolsover District Council Unusable Reserves £000	Bolsover District Council Total Reserves £000	Council Share of Dragonfly Group Useable Reserves £000	Council Share of Dragonfly Group Unusable Reserves £000	Total Group Reserves £000
Restated Balance at 31 March 2023	(49,225)	(184,784)	(234,009)	456	3,365	(230,188)
<u>Movement in reserves during 2023/24</u>						
Total Comprehensive Income and Expenditure	(2,144)	(4,483)	(6,627)	(49)	(1,487)	(8,163)
Adjustments between accounting basis and funding basis under regulations	1,678	(1,678)	0	0	0	0
(Increase) / Decrease in 2023-24	(466)	(6,161)	(6,627)	(49)	(1,487)	(8,163)
Restated Balance at 31 March 2024	(49,691)	(190,945)	(240,636)	407	1,878	(238,351)
<u>Movement in reserves during 2024/25</u>						
Total Comprehensive Income and Expenditure	(4,660)	(4,655)	(9,315)	(1,853)	(1,929)	(13,097)
Adjustments between accounting basis and funding basis under regulations	982	(982)	0	(51)	51	0
(Increase) / Decrease in 2024-25	(3,678)	(5,637)	(9,315)	(1,904)	(1,878)	(13,097)
Balance at 31 March 2025	(53,369)	(196,582)	(249,951)	(1,497)	0	(251,448)

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2023/24 Restated Gross Expenditure £000	2023/24 Restated Gross Income £000	2023/24 Restated Net Expenditure £000		2024/25 Gross Expenditure £000	2024/25 Gross Income £000	2024/25 Net Expenditure £000
15,010	(5,978)	9,032	Community Services Directorate (GF)	16,435	(6,232)	10,203
14,036	(15,799)	(1,763)	Corporate Resources Directorate	18,939	(17,073)	1,866
(1,665)	(567)	(2,232)	Dragonfly Services (GF)	(2,781)	(1,215)	(3,996)
27,380	(22,343)	5,037	Cost of General Fund Services	32,593	(24,520)	8,073
21,231	(23,728)	(2,497)	Community Services Directorate (HRA)	17,822	(25,560)	(7,738)
1,650	(120)	1,530	Dragonfly Services (HRA)	(7,304)	(420)	(7,724)
22,880	(23,847)	(967)	Cost of Housing Revenue Account Services (HRA)	10,518	(25,980)	(15,462)
21,915	(11,845)	10,071	Dragonfly Group	19,014	(1,183)	17,831
72,176	(58,035)	14,141	Cost of All Services	62,125	(51,683)	10,442
			<u>Other Operating Expenditure</u>			
3,969		3,969	Local Council Precepts	4,583		4,583
1,355		1,355	Net Loss/(Gain) on the disposal of non-current assets	2,655		2,655
			<u>Financing and Investment Income and Expenditure</u>			
4,799		4,799	External interest payable and similar charges	4,888		4,888
49		49	Pensions interest cost and expected return on pensions assets	335		335
	(3,331)	(3,331)	Interest and investment income		(3,458)	(3,458)
	(660)	(660)	Movement in fair value of investment properties		(561)	(561)
518	(782)	(264)	Investment Properties Income and Expenditure	546	(817)	(271)
(150)		(150)	Impairment Loss/(Profit) on Financial Instruments	41		41
301	(401)	(101)	(Surpluses)/Deficit on Trading Activities	233	(288)	(55)
			<u>Taxation and Non-Specific Grant Income and Expenditure</u>			
	(8,500)	(8,500)	Council Tax Income		(9,347)	(9,347)
	(5,573)	(5,573)	Non-domestic Rates Income and Expenditure		(4,944)	(4,944)
	(4,815)	(4,815)	Non-ringfenced Government Grants		(5,067)	(5,067)
	(3,112)	(3,112)	Capital Grants and Contributions		(6,027)	(6,027)
83,017	(85,209)	(2,192)	(Surplus) or Deficit on Provision of Services	75,406	(82,192)	(6,786)
0		0	Tax expenses of subsidiaries	0	481	481
83,017	(85,209)	(2,192)	(Surplus) or Deficit of the Group	75,406	(81,711)	(6,305)
		(12,369)	(Surplus) or deficit on revaluation of non-current assets			(3,798)
		6,399	Remeasurement of net defined benefit/liability			(2,394)
		0	IFRS16 recognition of Leases at Fair Value			(600)
		(5,970)	Other Comprehensive Income and Expenditure			(6,792)
		(8,163)	Total Comprehensive Income and Expenditure			(13,097)

**GROUP BALANCE SHEET AS AT
31 March 2025**

31 March 2024	31 March 2025
£000	£000
308,236 Property, Plant and Equipment	317,728
9,350 Investment Property	10,070
81 Intangible Assets	133
41 Long Term Investments	0
154 Long Term Debtors	600
0 Deferred tax asset	0
317,862 Long Term Assets	328,531
20,090 Short Term Investments	15,058
32 Inventories	372
12,081 Short Term Debtors	9,417
1,835 Cash and Cash Equivalents	7,141
0 Current tax asset	0
34,037 Current Assets	31,988
(9,850) Short Term Borrowing	(4,018)
(13,863) Short Term Creditors	(19,009)
0 Current tax liability	0
(23,714) Current Liabilities	(23,027)
(46) Long Term Creditors	(46)
(1,019) Provisions	(844)
(78,800) Long Term Borrowing	(76,800)
(7,276) Pensions Liability	(4,475)
(2,693) Revenue Grants & Contributions Receipts in Advance	(3,877)
0 Deferred tax liability	0
(89,833) Long Term Liabilities	(86,042)
238,353 Net Assets	251,450
(2,001) General Fund Balance	(2,001)
(26,972) Earmarked Reserves	(28,069)
(1,644) Housing Revenue Account Balance	(2,006)
(9,290) Capital Receipts Reserve	(10,164)
(6,645) Capital Grants Unapplied	(7,821)
(1,598) Revenue Grants Unapplied (Earmarked)	(1,446)
(1,542) Major Repairs Reserve	(1,862)
299 Profit and Loss Account	(1,398)
(49,393) Usable Reserves	(54,767)
(147,552) Revaluation Reserve	(145,610)
(47,280) Capital Adjustment Account	(52,894)
(63) Deferred Capital Receipts	(63)
7,276 Pension Reserve	4,475
(1,348) Collection Fund Adjustment Account	(2,624)
108 Accumulated Absences Account	133
(100) Share Capital	(100)
(188,960) Unusable Reserves	(196,683)
(238,353) Total Reserves	(251,450)

**GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED
31 March 2025**

2023/24		2024/25
Restated		
£000		£000
(2,192)	Net (surplus) or deficit on the provision of services	(6,786)
(9,439)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	(19,406)
1,195	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	9,772
(10,437)	Net cash flows from Operating Activities	(16,420)
14,370	Investing Activities	3,565
1,549	Financing Activities	7,549
5,483	Net increase or (decrease) in cash and cash equivalents	(5,306)
(7,318)	Cash and cash equivalents at the beginning of the reporting period	(1,835)
(1,835)	Cash and cash equivalents at the end of the reporting period	(7,141)

Notes to the Group Accounts

The following notes are specific to the Group Accounts and have only been included where the group outcome is significantly different to the disclosures in the Council's single entity accounts.

1 Dragonfly Development Limited and Dragonfly Management (Bolsover) Limited

Dragonfly Development Ltd is a development company, wholly owned by Bolsover District Council, as a company limited by shares. Dragonfly Management (Bolsover) Ltd, is a management company which is a wholly owned subsidiary of Dragonfly Development Ltd, as a company limited by shares. These two entities form the Dragonfly Group and have been established by the Council to take advantage of the wider trading powers provided by the Localism Act 2011. The Council's Annual Governance Statement provides details on the governance and decision making of the Group.

Services are provided by Dragonfly Management (Bolsover) Ltd back to the Council under a service level agreement, and they consist of: Property Services and Estates, Housing Revenue Account - Repairs and Maintenance Services, and Economic Growth.

Dragonfly Development Ltd, is a property company that carries out work on the Council's capital programme as well as undertaking work for other Local Authorities.

2 Accounting Policies

a) General Principles

The Group Accounts have been prepared in accordance with the Code of Practice for Local Authority Accounting in the United Kingdom, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The accounting policies used in preparing the Group Accounts are those used by Bolsover District Council in their single entity financial statements. These can be found in note 1 of the Bolsover District Council Core Financial Statements. In order to align group entities accounting policies to those used by the Council and to ensure consistency of accounting treatment across the group, the following principles have been adopted:

b) Consolidation of Subsidiaries

Subsidiaries have been consolidated using a full, line by line consolidation of the financial transactions and balances of the Council and its subsidiary. To avoid overstating the figures within the group financial statements, all transactions and balances between the Council and the Dragonfly Group have been eliminated.

c) Alignment of Accounting Framework and Policies

Where the accounting framework used by group companies differs from that of the Council (FRS102 rather than IAS19) including the accounting policies, and the impact of such differences would have a material impact on the group financial statements, then the relevant balances from the group companies will be adjusted to bring the accounting treatment into line with that applied by the Council.

d) Unrealised Profits from Intra-group Transactions

Any unrealised profit reflected in the carrying amount of property, plant and equipment and inventory arising from trading between the Council and the Dragonfly Group will be eliminated to avoid the double counting of gains. No such adjustments have been necessary for the 2024/25 Group Accounts.

e) Company Losses Accounting Treatment

The Group Comprehensive Income and Expenditure Statement includes the profits/losses arising in each of the wholly owned subsidiary companies.

3 Retained Surplus/Deficit

In 2024/25 Dragonfly Development Ltd made a surplus of £1.871m (surplus £0.808m 2023/24) and Dragonfly Management (Bolsover) Ltd made a deficit of £0.053m (surplus £0.014m 2023/24). The accounts of the Dragonfly group are unaudited, therefore these figures are subject to change.

4 Defined Benefit Pension Scheme

Employees of Bolsover District Council, Dragonfly Development Ltd and Dragonfly Management Ltd are admitted to the Local Government Pension Scheme (LGPS), which is administered by Derbyshire County Council.

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

Local Government Pension Scheme	2024/25 £000	2023/24 £000
Service Cost comprising:		
Current service cost	2,826	3,015
Administration cost	92	87
Effect of settlements	0	(3,366)
Total service cost	2,918	(264)
Financing and Investment Income and Expenditure:		
Interest income on scheme assets	(6,075)	(5,435)
Interest cost on defined benefit obligation	5,640	5,484
Interest on the effect of the asset ceiling	770	0
Net interest expense	335	49
Total Post-employment benefit charged to the surplus or deficit on the provision of services	3,253	(215)
Remeasurement of the net defined benefit liability comprising:		
Return on plan assets (excluding the amount included in net interest)	1,360	(5,195)
Actuarial gains and losses arising on changes in demographic assumptions	(203)	(750)
Actuarial gains and losses arising on changes in financial assumptions	(18,600)	(6,955)
Actuarial gains and losses arising on changes in other experience	(1,138)	3,423
Changes in the effect of the asset ceiling	16,187	15,876
Total remeasurements recognised in other comprehensive income and expenditure	(2,394)	6,399
Total Post-employment benefits charged to the Comprehensive Income and Expenditure Statement	859	6,184
Movement in Reserves Statement		
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(407)	(3,692)
Actual amount charged against the General Fund Balance for pensions in the year:		
Employers' contributions payable to scheme	3,660	3,477

Asset Ceiling

Asset ceiling	2024/25 £'000	2023/24 £'000
Asset ceiling balance at 1 April	(15,876)	0
Interest on the effect of the asset ceiling	(770)	0
Changes on the effect of the asset ceiling	(16,187)	(15,876)
Asset ceiling balance 31 March	(32,833)	(15,876)

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

Local Government Pension Scheme	2024/25 £'000	2023/24 £'000
Opening fair value of scheme assets - Bolsover District Council	113,238	114,261
Opening fair value of scheme assets - Dragonfly	11,995	10,018
Assets extinguished on settlements	0	(10,017)
Interest income	6,075	5,435
<u>Remeasurement gain/(loss):</u>		
The return on plan assets, excluding the amount included in net interest	(1,360)	5,195
Contributions from employer into the scheme	3,660	3,477
Contributions from employees into the scheme	995	936
Benefits paid	(4,453)	(4,072)
Closing fair value of scheme assets	130,150	125,233

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

Local Government Pension Scheme	2024/25 £'000	2023/24 £'000
Opening fair value of scheme liabilities - Bolsover District Council	(102,552)	(115,465)
Opening fair value of scheme liabilities - Dragonfly	(14,081)	(13,383)
Current service cost	(2,918)	(3,102)
Liabilities extinguished on settlements	0	13,383
Interest cost	(5,640)	(5,484)
Contributions from scheme participants	(995)	(936)
<u>Remeasurement (gains) and losses:</u>		
Actuarial gains and losses arising on changes in demographic assumptions	203	750
Actuarial gains and losses arising on changes in financial assumptions	18,600	6,955
Actuarial gains and losses arising on changes in other experience	1,138	(3,423)
Benefits paid	4,453	4,072
Closing fair value of scheme liabilities	(101,792)	(116,633)

The basis for estimating assets and liabilities for the group is the same as for Bolsover District council, as detailed in note 38 to the single entity financial statements.

5 Related Party Transactions

Bolsover District Council paid Dragonfly Management (Bolsover) Ltd, £21.710m to provide services on behalf of the Council in line with the service level agreement. No loans were made during 2024/25.

Bolsover District Council paid Dragonfly Development Ltd, £7.630m to carry out construction work on the Council's capital programme. No loans were made during the financial year.

Dragonfly Management (Bolsover) Ltd, paid Bolsover District Council £6.551m to provide a support service to the company as per the service level agreement.

6 Inter-organisation Balances

The Group Accounts require that inter-organisation balances be removed. The table below shows the reconciliation of inter-organisation debtors and creditors for 2024/25.

	BDC Balance Sheet £000	Dragonfly Balance Sheet £000
Long-term Debtors	0	
Short-term Debtors		(802)
Short-term Creditors	802	
Total	802	(802)

At 31 March 2024, Dragonfly Development owed the Council £1.199m in loans (and interest) taken out in previous years for capital projects. Dragonfly Management (Bolsover) Ltd owed the Council £2.954m for expenditure budgets received but not spent by the 31st of March.

At the Dragonfly Development Shareholder Board on the 18th of June 2024, it was agreed to repay all of the outstanding loans from Bolsover District Council. The loans were all settled during 2024/25.

7 The Dragonfly Group's Auditors

The auditors of the Dragonfly Group financial statements for 2024/25 are:

Hewittcard Chartered Certified Accountants
70-72 Nottingham Road, Mansfield, Notts NG18 1BN

The auditors of the Dragonfly Group for previous years were:

Stopfords Associates Chartered Accountants
Synergy House, 7 Acorn Business Park, Commercial Gate, Mansfield, Notts NG18 1EX

Bolsover District Council

Meeting of the Audit Committee on 25th September 2025

Assessment of Going Concern Status

Report of the Director of Finance & Section 151 Officer

Classification	This report is public
Contact Officer	Theresa Fletcher Director of Finance & Section 151 Officer

PURPOSE/SUMMARY OF REPORT

To inform the Committee of the Section 151 Officer's assessment of the Council's Going Concern status for the purposes of producing the Statement of Accounts for 2024/25.

REPORT DETAILS

1. Background

- 1.1 The concept of a going concern assumes that an authority, its functions and services will continue in operational existence for the foreseeable future. This assumption underpins the Statement of Accounts drawn up under the Local Authority Code of Accounting Practice and is made because local authorities carry out the functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government).
- 1.2 If an authority were in financial difficulty, the prospects are that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year.
- 1.3 Where the assessment determines the going concern status is not proven, particular care would be needed in the valuation of assets, as inventories and property, plant and equipment may not be realisable at their book values and provisions may be needed for closure costs or redundancies. An inability to apply the going concern concept would potentially have a fundamental impact on the financial statements.
- 1.4 As with all principal local authorities, the Council is required to compile its Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting for 2024/25 (hereafter referred to as the Code) which is published by the Chartered Institute of Public Finance and Accountancy (CIPFA). In accordance with the Code, the Council's Statement of Accounts is prepared assuming that the Council will continue to operate for the foreseeable future, and that it is able to do

so within the current and anticipated resources available. By this, it is meant that the Council will realise its assets and settle its obligations in the normal course of business.

- 1.5 The provisions in the 2024/25 Code section 3.4 (Presentation of Financial Statements) on the going concern accounting requirements, reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, it would not therefore be appropriate for their financial statements to be prepared on anything other than a going concern basis.
- 1.6 The requirement to use the going concern basis of accounting means that authorities do not apply paragraph 25 of International Accounting Standard 1 Presentation of Financial Statements mandating management to make an assessment of the authority's ability to continue as a going concern.
- 1.7 Given the significant reduction in funding for local government in recent years and the potential threat this poses to the ongoing viability of councils as a consequence, external auditors continue to place a greater emphasis on local authorities undertaking an assessment of the going concern basis on which they prepare their financial statements.
- 1.8 The main factors which underpin this assessment are:
 - The Council's current financial position;
 - The Council's balance sheet;
 - The Council's cash flow;
 - The Council's projected financial position;
 - The Council's governance arrangements;
 - The regulatory and control environment applicable to the Council as a local authority.

THE ASSESSMENT

The Council's Current Financial Position – Revenue Resources

General Fund

- 1.9 As reported to Executive in July, the Council under spent on the General Fund revenue budget in 2024/25 by £1.588m. As at 31 March 2025, the Council held a General Fund Balance of £2.001m and held Earmarked Reserves totalling £24.672m.
- 1.10 Earmarked Reserves are used to fund both revenue and capital expenditure. The Earmarked Reserves balance has increased by £1.659m during the year, reflecting the favourable outturn on the general fund and under spend on the capital programme, for which the financing will now move into 2025/26.

- 1.11 The adequacy of reserves and balances and the ongoing requirement for specified earmarked reserves, is reviewed on a regular basis.

Housing Revenue Account (HRA)

- 1.12 The financial performance in 2024/25 resulted in a net under spend of £0.810m after interest and depreciation on the HRA revenue budget. As at 31 March 2025 the Council held an HRA Balance of £2.007m which was increased to this level during 2024/25, as planned in the MTFP.
- 1.13 Earmarked Reserves totalling £3.397m were held and the net reserve movement during 2024/25 was a decrease of £0.561m, which was predominantly used to fund the capital programme. The level of adequate reserves and balances and the ongoing requirement for specified earmarked reserves, is reviewed on an annual basis.
- 1.14 The HRA has a 30-year Business Plan which is showing as affordable with the required estimated resources available to meet the plan. Following a comprehensive stock condition survey carried out during the financial year, the Business Plan is in the process of being updated, and the capital programme being reprofiled in response to the survey findings.
- 1.15 The Council's full outturn report, which was presented to the Executive on the 28th of July 2025, and contains 7 appendices, is available on our website.
- 1.16 The Section 151 Officer is satisfied that the Council's financial outturn for both General Fund and HRA, does not present any material uncertainties regarding the Council's ability to continue as a going concern.

The Council's Balance Sheet as at 31 March 2025

- 1.17 In finalising the Council's Balance Sheet for 2024/25, detailed consideration was given to a wide range of matters to ensure its robustness, including:
- An assessment of asset valuations based on the latest information.
 - An assessment of the pension liability by the external actuary, Hymans Robertson LLP.
 - A review of debts owed to and by the Council.
 - The adequacy of risk-assessed provisions for doubtful debts.
 - A review of the adequacy and range of reserves set aside to help manage expenditure.
- 1.18 The Council's net assets amounted to £249.952m (£240.637m as at 31 March 2024) and Usable Reserves totalled £53.369m (£49.692m as at 31 March 2024).
- 1.19 We are satisfied that there are no material liabilities or underlying issues regarding the strength of the Council's balance sheet which present any material uncertainties regarding the Council's ability to continue as a going concern.

The Council's Cash Flow

- 1.20 The Council maintains short and long-term cash flow projections and manages its cash, investments and borrowing in line with the Council approved Treasury Management Strategy. As at the 31 March 2025, the Council had long-term borrowing commitments of £78.6m, held £15m in short-term investments and had £5.6m in Cash and Cash Equivalents. The Council has adequate financial resources to meet its immediate financial obligations.
- 1.21 We are satisfied that there are no significant issues regarding the strength of the Council's underlying cash flow which present any material uncertainties regarding the Council's ability to continue as a going concern.

The Council's Projected Financial Position – Revenue Resources

- 1.22 The financial projection for 2025/26 to 2028/29 was approved by Members in January 2025 in the MTFP. The Council set a balanced budget for 2025/26 with a 2.99% increase in Council Tax.
- 1.23 To help mitigate losses caused by expected future changes in Government funding the NNDR Growth Protection Reserve was created a number of years ago. Extra income received from all sources of Government funding was transferred into the reserve if the budget for that year had already been in surplus when the extra funding was realised. The balance accumulated means we are able to use the reserve to even out the anticipated government funding losses over three years of the current MTFP, with a budget gap of £0.953m in the final year.
- 1.24 Latest estimates from the MTFP for transfers from the reserve to support general fund are £0.049m 2025/26; £4.964m in 2026/27; £5.017m for 2027/28 and £4.180m for 2028/29.
- 1.25 The Council's Section 151 Officer made a formal statement in January 2025 as part of the approval on the robustness of estimates and the adequacy of reserves, as contained within the MTFP. We have revisited the underlying assumptions and plan and are satisfied at this stage that the financial plan remains intact. We will continue to review the performance against our 2025/26 budget and ensure our MTFP is updated as part of our 2025/26 budget preparations to reflect any significant changes.
- 1.26 At this stage we are satisfied that the Council's forecast financial position does not present any material uncertainties regarding the Council's ability to continue as a going concern.

The Council's Governance Arrangements

- 1.27 The Council's Constitution sets out our governance arrangements. These describe how the Council conducts its business, how decisions are made, who can make them and what rules and procedures must be followed to ensure those decisions are well-informed, efficiently taken, transparent, and accountable to local people. Some of the processes are required by law, while others have been decided by the Council. The Council will exercise all its powers and duties in accordance with the law and the Constitution.

- 1.28 The Council has a well-established and robust corporate governance framework. This includes the statutory elements such as Head of Paid Service, the Monitoring Officer, and the Section 151 Officer in addition to the current political arrangements. An overview of this governance framework is provided within the Annual Governance Statement which can be found on the Council's website.
- 1.29 Whilst it is not possible to provide absolute assurance, the review process as outlined in the Annual Governance Statement does conclude that the existing arrangements remain fit for purpose and help provide reasonable assurance of their effectiveness. There are no plans for the Council to be reorganised or dissolved before the national programme of Local Government Reorganisation in 2028/29, and we expect to operate under the current framework until this time.
- 1.30 We are satisfied that there are no significant issues regarding the Council's governance framework which present any material uncertainties regarding the Council's ability to continue as a going concern.

The External Regulatory and Control Environment

- 1.31 As a principal local authority, the Council has to operate within a highly legislated and controlled environment. An example of this is the requirement for a balanced budget each year combined with the legal requirement for the Council to have regard to consideration of such matters as the robustness of budget estimates and the adequacy of reserves. In addition to the legal framework and central government control there are other factors such as the role undertaken by the external auditor as well as the statutory requirement in some cases for compliance with best practice and guidance published by CIPFA and other relevant bodies.
- 1.32 The provisions in the Code on the going concern requirements reflect the economic and statutory environment in which local authorities operate. The Council is aware that there is a requirement to consider any material uncertainties which would impact on the Council's ability to continue as a going concern.

Government Funding – Fair Funding Review 2.0

- 1.33 In the quarter 1 budget monitoring report presented to Executive on the 8th of September 2025, the Section 151 Officer gave an update on government funding, with the publication of the Fair Funding Review 2.0 consultation.
- 1.34 Bolsover District Council is included in a group of 49 local authorities who without transitional arrangements, could see their available government funding fall from 2026/27 onwards.
- 1.35 As discussed earlier in this report, we have been making provision for these losses for a number of years, with the NNDR Growth Protection Reserve. Whilst communication from MHCLG is ongoing, we are unlikely to receive any concrete figures on the transitional arrangements before the local government finance settlement is announced in December 2025.

- 1.36 However, it is the Section 151 Officer's view that the combination of the Council's own reserve and the transitional arrangement support will not represent a significant issue regarding the Council's ability to continue as a going concern. We are therefore, satisfied that there are no significant issues regarding the external regulatory and control environment which present any material uncertainties regarding the Council's ability to continue as a going concern.

The Dragonfly Companies

- 1.37 On the 28th of July 2025, the Executive approved the services and staff within the Council's wholly owned companies; Dragonfly Development Limited and Dragonfly Management (Bolsover) Limited, be brought in-house (within Bolsover District Council).
- 1.38 This followed a review of the companies by Local Partnerships, commissioned by the Council during the first quarter of 2025/26. The Local Partnership's option appraisal recommended that this option would be the most beneficial for the Council.
- 1.39 The cost of Dragonfly Management (Bolsover) Limited was 100% funded by the Council. The costs of Dragonfly Development Limited were funded by a small amount of external work for other local authorities, but mainly through providing the Council's Capital Programme.
- 1.40 It is for these reasons that we are satisfied that there are no significant issues regarding the Council's wholly owned companies which present any material uncertainties regarding the Council's ability to continue as a going concern.

CONCLUSION

- 1.41 It is considered that having regard to the Council's arrangements and such factors as highlighted in this report that the Council remains a going concern and the Council's accounts for 2024/25 have appropriately been prepared on this basis. This report gives the assessment by the Council's Section 151 Officer in support of presenting the Accounts for approval and provides assurance to Forvis Mazars, the Council's external auditor.

2. Reasons for Recommendation

- 2.1 An assessment of the Council's going concern status is required for the preparation and approval of the Statement of Accounts for the financial year ended 31 March 2025.

3 Alternative Options and Reasons for Rejection

- 3.1 No alternative options are offered, the going concern status has been determined.
-

RECOMMENDATION(S)

That the Committee accepts the outcome of the assessment of the Council's going concern status for the purposes of preparing the Statement of Accounts for 2024/25.

Approved by Councillor Clive Moesby, Portfolio Holder for Resources

IMPLICATIONS:

Finance and Risk: Yes ☐ No ☒

Details:

There are no additional financial implications arising from this report.

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes ☐ No ☒

Details:

There are no legal or data protection issues arising directly from this report.

On behalf of the Solicitor to the Council

Environment:

Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

Details:

Not applicable to this report.

Staffing: Yes ☐ No ☒

Details:

There are no human resource issues arising directly out of this report.

On behalf of the Head of Paid Service

DECISION INFORMATION

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards, or which results in income or expenditure to the Council above the following thresholds: Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <input checked="" type="checkbox"/> Please indicate which threshold applies	No
Is the decision subject to Call-In? <i>(Only Key Decisions are subject to Call-In)</i>	No

District Wards Significantly Affected	None
Consultation: Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Details:

Links to Council Ambition: Customers, Economy, and Environment.

DOCUMENT INFORMATION	
Appendix No	Title

Background Papers
<i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive, you must provide copies of the background papers).</i>
None

Bolsover District Council

Audit Committee on 25th September 2025

AUDIT COMMITTEE ANNUAL REPORT

Report of the Director of Finance & Section 151 Officer

Classification	This report is public
Contact Officer	Theresa Fletcher Director of Finance & Section 151 Officer

PURPOSE / SUMMARY

To report to Members on how the Committee has complied with the Chartered Institute of Public Finance and Accountancy (CIPFA) Position Statement: Audit Committees in Local Authorities and Police 2022.

REPORT DETAILS

1 Background

- 1.1 During 2022, CIPFA updated its 2018 Position Statement. CIPFA's revised statement includes new expectations in England following the Redmond Review. All authorities and police bodies are encouraged to use the publication to review and develop their arrangements in accordance with the Position Statement.
- 1.2 Audit Committees are a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk, and control arrangements. The Committee's role in ensuring that there is sufficient assurance over governance, risk and control gives greater confidence to all those charged with governance that those arrangements are effective.
- 1.3 In a local authority, full Council is the body charged with governance. The Audit Committee may be delegated some governance responsibilities but will be accountable to full Council. The Committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.
- 1.4 The Audit Committee should be established so that it is independent of Executive decision making and able to provide objective oversight. It is an advisory Committee that has sufficient importance in the authority so that its recommendations and opinions carry weight and have influence with the leadership team and those charged with governance.

- 1.5 The Committee should include co-opted independent members in accordance with the appropriate legislation. Where there is no legislative direction, CIPFA recommends that each authority should include at least 2 co-opted independent members to provide appropriate technical expertise.
- 1.6 The core functions of the Audit Committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained.
- 1.7 The specific responsibilities include maintenance of governance, risk, and control arrangements; financial and governance reporting; establishing appropriate and effective arrangements for audit and assurance.

2 Details of Proposal or Information

Committee Business

- 2.1 During 2024/25, Members received a range of reports to the Committee. Some were routine reports for monitoring, others were to provide information and guidance to help Members of the Audit Committee carry out their role effectively.
- 2.2 The Committee met on 4 occasions during the 2024/25 financial year. Chaired by Councillor Munro it was advised by the Director of Finance and Section 151 Officer and the Head of the Internal Audit Consortium. The Committee had 6 Councillors as members (who are not Members of the Executive) plus 1 co-opted independent member and it was also attended by the Council's external auditor Forvis Mazars.
- 2.3 During the year, the Committee received the following reports:
- External Auditor's annual report 2022/23
 - Report of the External Auditor, Audit Strategy Memorandum
 - Report of the Internal Auditor, Summary of progress on the Internal Audit plan– quarterly reports
 - Implementation of Internal Audit recommendations – ½ yearly report
 - Internal Audit Consortium – annual report 2023/24
 - Strategic Risk Register and Partnership Arrangements report
 - Forvis Mazars report to those charged with Governance (audit completion report)
 - Assessment of Going Concern Status
 - Review of the Internal Audit Charter
 - Report of the External Auditor – External Audit progress report July 2024
 - BDC Statement of Accounts 2023/24
 - Annual Governance Statement and Local Code of Corporate Governance 2023/24
 - Accounting Policies 2024/25
 - Report of the Internal Auditor, Internal Audit plan

- Report of the Internal Auditor, Global Internal Audit Standards
- Annual report of the Committee
- Local Audit Delays – Update
- Member Training 2024/25 - Member discussion

The Committee's Main Achievements/Outcomes

2.4 The Committee aims to add value through its activity and in particular has:

- Scrutinised the statement of accounts prior to approval thereby ensuring that they are an accurate reflection of the Council's finances.
- Reviewed the Code of Corporate Governance and approved the Annual Governance Statement to ensure it is a true and fair view of the Council's governance and risk management arrangements.
- Reviewed the strategic risk register to ensure that risks are being appropriately mitigated thus providing additional assurance that risk is being managed appropriately.

3 Reasons for Recommendation

3.1 To provide assurance to those charged with governance that the Committee fulfils its purpose and can demonstrate its impact.

4 Alternative Options and Reasons for Rejection

4.1 None.

RECOMMENDATIONS

That the Audit Committee note the report.

Approved by Councillor Clive Moesby, Portfolio Holder for Resources

IMPLICATIONS.

Finance and Risk: Yes ☐ No ☒

Details:

There are no direct financial implications arising from this report.

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes ☐ No ☒

Details:

There are no legal or data protection issues arising directly from this report.

On behalf of the Solicitor to the Council

Environment:

Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

Details:

Not applicable to this report

Staffing: Yes ☐ No ☒

Details:

There are no human resource implications arising directly from this report.

On behalf of the Head of Paid Service

DECISION INFORMATION

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards, or which results in income or expenditure to the Council above the following thresholds: Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? <i>(Only Key Decisions are subject to Call-In)</i>	No

District Wards Significantly Affected	None directly
Consultation: Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Details: Portfolio Holder for Finance

Links to Council Ambition: Customers, Economy, and Environment.

DOCUMENT INFORMATION

Appendix No	Title
Background Papers	
<i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).</i>	
None	

Bolsover District Council

Meeting of Audit Committee on 25th September 2025

Annual Governance Report

Report of the Director of Governance & Monitoring Officer

Classification	This report is Public
Report By	Jim Fieldsend, Director of Governance and Legal Services & Monitoring Officer

PURPOSE/SUMMARY OF REPORT

- To seek the agreement of the Audit Committee to the conclusions and content of the Annual Governance Statement which it is proposed to be incorporated within the Council's Statement of Accounts for 2024/25.
- To seek agreement of the revised Code of Corporate Governance.
- To increase awareness of governance issues amongst Members and Employees of the Council and more generally amongst all stakeholders.

REPORT DETAILS

1. Background

1.1 As part of its Statement of Accounts the Council is required to include an Annual Governance Statement. Preparation of the Statement needs to be undertaken in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives and Senior Managers (SOLACE) framework, which sets out the fundamental principle of corporate governance that needs to be addressed. The CIPFA / SOLACE Framework sets out the following core principles which Authorities should follow:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder agreement.
- Defining outcomes in terms of sustainable economic, social and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the entity's capacity including the capability of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

One of the main purposes of the Annual Governance Statement is to assess the extent to which the above key principles are in place within an authority and are adhered to in practice. In short it is an annual assessment process for the Council's governance arrangements. As part of this process the Audit Committee will also be requested to give consideration to the Council's updated Code of Corporate Governance.

- 1.2 A key principle for CIPFA/SOLACE is that the Annual Governance Statement together with the Code of Corporate Governance are corporate documents, which must be owned by the whole organisation. Some key principles which are set out in the Code are as follows:
 - The key focus of the governance structures should be the attainment of sustainable economic, societal and environmental outcomes.
 - Local authorities must focus on the long-term, having responsibilities to more than their current electors as they must take into account the impact of current decisions and actions on future generations.
 - Local Authorities should assess their governance structures and partnerships on at least an annual basis reporting publicly on compliance.
- 1.3 The Draft Annual Governance Statement for consideration and approval by this Committee is attached as **Appendix 1**. While it is anticipated that the version considered by the Audit Committee will effectively be the final version of the Annual Governance Statement there may be a requirement to make some final changes before the Statement of Accounts is authorised for issue by the Section 151 Officer. It is therefore recommended that delegated powers be given to the Section 151 Officer in consultation with the Chair or Deputy Chair of this Committee to agree any final changes. It should be noted that the only changes that will be made under these delegated powers will relate to amendments agreed with the Council's external auditors Forvis Mazars.
- 1.4 The preparation of the draft Annual Governance Statement sits alongside the Council's Local Code of Corporate Governance. The Code of Corporate Governance is attached at **Appendix 2** to this report for consideration by the Audit Committee. The Code is due a full review. A review has been undertaken by the Chief Executive Officer and the Council's Directors and they have made suggested amendments to the current code which are shown as tracked changes on Appendix 2. The changes are predominantly alterations to the mechanisms that the Council has in place to support the core principles of good governance.
- 1.5 Included in section 4 of the Code of Corporate Governance is a requirement for the Leader and Senior Leadership Team to assess the arrangements which were operational within the Council during the previous financial year (in this case 2024/25) to ensure that it is meeting the requirements of the code and to set out the results in the Annual Governance Statement.
- 1.6 As can be seen from section 4 of the Annual Governance Statement the review supports the assessment that there are appropriate governance arrangements in place and they are fit for purpose. Where significant issues have been identified the Statement says that these will be addressed to ensure governance arrangements remain robust.

2. Reasons for Recommendation

To enable the Audit Committee to assess the appropriateness of the draft Annual Governance Statement and to make recommendations concerning any amendments which they consider appropriate.

3. Alternative Options and Reasons for Rejection

There are no alternative options for consideration.

RECOMMENDATION(S)

1. That the Audit Committee consider the draft Annual Governance Statement as set out in **Appendix 1** and make any observations or recommendations which they consider to be appropriate prior to the final version being incorporated within the Council's Statement of Accounts.
2. That the Audit Committee having reviewed the effectiveness of the Governance Framework are satisfied that the Council's governance and internal control arrangements are fit for purpose.
3. That delegated powers are granted to the Section 151 Officer in consultation with the Chair or Deputy Chair of the Audit Committee to agree any changes which may be necessary in order to ensure the finalisation of the external audit currently being concluded by the Council's external auditors Forvis Mazars to ensure completion of the Statement of Accounts by the statutory deadline of 27th February 2026.

IMPLICATIONS.

Finance and Risk: Yes ☒ No ☐

Details:

There are no additional financial implications arising from this report.

Risk Effective governance arrangements for local authorities are crucial if authorities are to meet the standards of accountability, integrity, consumer focus, democratic engagement and organisational effectiveness that are expected of them. The preparation of the Annual Governance Statement is one of the mechanisms that helps ensure that effective governance arrangements are in place. The gross impact of not having effective governance arrangements in place would be significant with the CIPFA / SOLACE guidance taking the view that effective governance lies at the heart of a Council's managerial, performance and financial arrangements. The Governance Statement and supporting documentation do, however, demonstrate that the Council has in place a range of processes and procedures which taken together amount to a culture of effective governance. While there remain a limited number of significant individual issues that need to be addressed and resolved to improve the Council's governance arrangements the overall framework is sound and provides an appropriate base from which to address the individual issues identified within this report.

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes ☒ No ☐

Details:

The requirement to include an Annual Governance Statement within the Council's Statement of Accounts is set out within the Accounts and Audit Regulations 2015 and associated best practice. The processes outlined in the report should be sufficient to ensure that the Council's Governance Statement together with the Local Code of Corporate Governance meet the requirements of both the relevant legislation and associated good practice.

On behalf of the Solicitor to the Council

Environment: Yes ☐ No ☒

Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

Details: There are no environmental implications contained within this report.

Staffing: Yes ☐ No ☒

Details: There are no staffing implications contained within this report.

On behalf of the Head of Paid Service

DECISION INFORMATION

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:</p> <p>Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies.</i></p>	No
<p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p>	No

<p>District Wards Significantly Affected</p>	<p>(please state which wards or state All if all wards are affected)</p>
<p>Consultation: Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/></p>	<p>Details:</p>

Links to Council Ambition: Customers, Economy and Environment.

Demonstrating good governance

DOCUMENT INFORMATION

Appendix No	Title
1	Annual Governance Statement for year ending 31 st March 2025
2	Code of Corporate Governance

Background Papers

<i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive, you must provide copies of the background papers).</i>

Annual Governance Statement

for year ended 31 March 2025



Foreword

“Our vision is to maximise our influence and opportunities within the East Midlands Combined County Authority to drive the continued delivery of excellent services, maximise local aspirations and drive economic prosperity for Bolsover District.”

Bolsover District - The Future 2024-2028 is the Council's new strategic plan. In developing this plan, we have worked with elected members, residents and staff to shape and focus our ambitions for the next four years.

This plan cannot possibly cover every service we provide or every ambition we want to achieve. Instead, it tells you how we will work, what we will focus on and what our priorities are. It responds to the short, medium and longer-term issues. These are challenging times, but by working together we will continue to deliver

and support stronger, healthier and more vibrant towns and communities.

Bolsover District Council is publicly funded and the projects we implement to help us achieve this ambition must and will be subject to revision, scrutiny and audit as we continue to respond to the changing needs of our District.

This Annual Governance Statement assesses the corporate governance arrangements we had in place during 2024/2025.



Karen Hanson
Chief Executive Officer
(Head of Paid Service)



Jane Yates
Leader

What is Corporate Governance?

Corporate governance is the combination of rules, practices and processes by which organisations are directed, regulated and controlled. It is also about culture, values and ethics. It is the way that councillors and employees act.

The Council's corporate governance arrangements aim to ensure that it does the right things at the right time for the right people in a way that is timely, inclusive, open, honest and accountable.



The Annual Governance Statement

Bolsover District Council has approved and adopted a code of corporate governance which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) - the

'Delivering Good Governance in Local Government Framework' 2016 edition.

This statement explains how the Council has complied with the code for the year ended 31 March 2025 and also how it meets the requirements of the Accounts and Audit (England) Regulations 2015.

1. The Council's Governance Responsibilities

Bolsover District Council is responsible for ensuring that its business is conducted in accordance with the law and to proper standards, that public money is safeguarded and properly accounted for and is used economically, efficiently and effectively.

The 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, the Council is

responsible for putting in place proper arrangements for the governance of its affairs and for facilitating the effective exercise of its functions. This includes arrangements for the management of risk.

The Council's Governance Code, which was renewed in accordance with the new governance guidance produced by CIPFA and SOLACE, states the importance to the Council of good corporate governance and sets out its commitment to the principles involved. The Code can be obtained from the Monitoring Officer.

Governance and Partnerships

In addition to giving appropriate consideration to the Council's internal governance arrangements, it needs to be recognised that the Council is working in a number of partnership arrangements.

Since April 2011, the Council has worked in a number of areas with North East Derbyshire District Council, a neighbouring authority.

Joint working takes place across some services including Environmental Health which is a fully shared service hosted by North East Derbyshire District Council.

In addition, we have joint arrangements with Chesterfield Borough Council and Derbyshire Dales District Council for a range of services.

The Council is a partner of the Derbyshire Building Control Partnership (DBCP) along with six other district councils and Derby City

Council. The DBCP provides building control services across Derbyshire and Staffordshire Moorlands.

Dragonfly Development Ltd is a development company, wholly owned by Bolsover District Council, as a company limited by shares. Dragonfly Management (Bolsover) Ltd. is a management company which is a wholly owned subsidiary of Dragonfly Development Ltd, as a company limited by shares. These two entities form the Dragonfly Group and have been established to take advantage of the wider trading powers provided by the Localism Act 2011.

We have a local partnership (Bolsover Partnership) which engages with a range of local partners. We also actively participate in the D2 Strategic Leadership Board, and are non-constituent members of the East Midlands Mayoral Combined County Authority.

Where the Council has entered into partnership arrangements it seeks to ensure that they are subject to

appropriate governance management arrangements.

Dragonfly Development Ltd and Dragonfly Management (Bolsover) Ltd

Dragonfly Development Ltd (DDL) was formed as a joint venture partnership between the Council and Robert Woodhead Construction Ltd. DDL is a development company that continues to undertake many of the major property schemes on behalf of the Council, including the Council's Bolsover Homes project. In 2022 Robert Woodhead Construction Ltd ceased trading and the Council acquired 100% of DDL's shares.

Shortly after that the Council examined the potential for the vehicle and following a business case it created a second company- Dragonfly Management (Bolsover) Ltd (DMBL). This company is a subsidiary of DDL and provides services to the Council such as housing repairs, economic development and estates services.

Both DDL and DMBL are wholly owned by the Council and governance arrangements are set out in the Group Shareholder Agreement. This agreement regulates the activities of both companies and ensures that the

Council retains influence over strategic objectives and significant decisions of DDL. In addition there is a separate service level agreement between the Council and DMBL which sets out the specific services that DMBL will provide back to the Council together with performance targets.

Decisions of DDL and DMBL are made by the respective board of directors. The membership of both boards consists of 5 district councillors and the Chief Executive of the Dragonfly companies. The District Council has established a Shareholder Board consisting of Members and officers whose role is to consider proposals from DDL and DMBL, to review performance and to make recommendations to the Executive or to Full Council. In addition the work of DDL and DMBL is subject to scrutiny and updates are regularly reported to the Council's Local Growth Scrutiny Committee.



2. The Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values, by which the Council is directed and controlled, together with those activities through which it accounts to, engages with and leads the local community.

It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate cost effective services.

In order to review the effectiveness of the governance framework, assurances are provided to, and

challenged by, the Audit Committee, Scrutiny Committees, Executive or Council as appropriate.

Some of the key elements of the governance framework are highlighted on the next pages.

The system of internal control is a significant part of the governance 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.

Social Media

Join the conversation on all aspects of Bolsover District Council services and activities.

The Council provides its customers access to our services and information in the most appropriate Social Media channels and through its own Bolsover TV channel.

Performance Management

Performance monitoring is undertaken by the Scrutiny Committees. In addition, Portfolio Holders meet regularly with officers, Assistant Directors, Directors and the Chief Executive to ensure effective performance management across the suite of agreed performance indicators supporting the Ambition. Executive and Council receive an Annual report

which identifies key achievements and challenges, celebrates successes and identifies areas of work which require focus over the forthcoming year.

In addition, the Narrative Report which is included within the Council's Statement of Accounts, contains a summary of progress made in the past year against each of the Council's targets which support our priorities.

The Council's Ambition 2020-2024 came to the end of its lifespan in 2024. A new strategic plan, 'Bolsover District - The Future 2024-2028' has been developed. The strategic plan will replace the Ambition, and it outlines the key areas that the Council will focus on over the next four years.

The Council's overall Vision is 'to maximise our influence and opportunities within the East Midlands Combined County Authority to drive the continued delivery of excellent services, maximise local aspirations and drive economic prosperity for Bolsover District'.

The Future sets out four main strategic aims – Customers, Economy, Environment and Housing. Beneath each of these are a number of priorities which will be considered in the delivery of services. A suite of performance indicators supports the Future.

OUR PRIORITIES

Customers

We are committed to:

- Continuous improvement to service delivery through innovation, modernisation and listening to customers.
- Improving the customer experience and removing barriers to accessing information and services.
- Having an agile working, responsive, skilled, and engaged workforce.
- Continuing to work with partners from all sectors, ensuring priorities are aligned to benefit the residents of Bolsover District.
- Promoting equality, diversity, and inclusion, and supporting and involving vulnerable and disadvantaged people.
- Improving health, wellbeing and increasing participation in sport, leisure, and social activities.

Economy

We are committed to:

- Actively working with partners to support enterprise, innovation, jobs, and skills.
- Unlocking regeneration and development potential of long-term vacant land and buildings, and stalled sites and deliver income-generating capital projects.
- Ensuring financial sustainability, increasing revenue streams, achieving best value, and making the best use of our assets.
- Promoting the district and working with partners to increase and support the creative, cultural and tourism sector.
- Maximising our influence and opportunities within the East Midlands Combined County Authority to collectively ensure our citizens have the opportunity to develop key skills and access opportunities to work well, and help create a strong and sustainable local economy.

Environment

We are committed to:

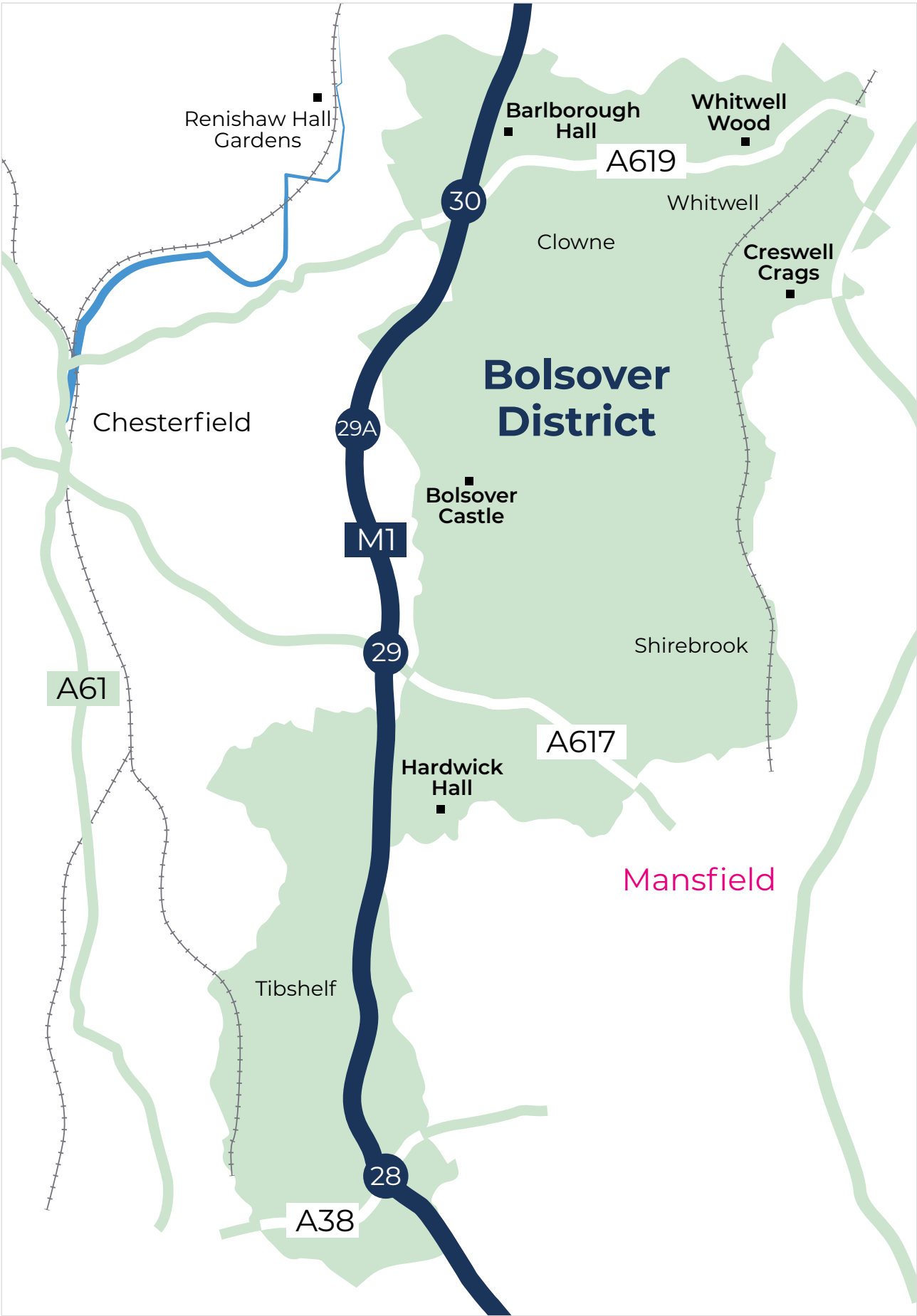
- Maximising our influence and opportunities within the East Midlands Combined County Authority to collectively lead the way in moving from fossil to fusion and play our part in achieving our national ambition to achieve net zero by 2050.
- Reducing our carbon footprint whilst supporting and encouraging residents and businesses to do the same.
- Increasing recycling.
- Enhancing biodiversity across the district.
- Working with stakeholders, regional and local partnerships to deliver shared strategies and priorities that support the local environment.
- Ensuring all areas, neighbourhoods, and streets in the district, irrespective of housing tenure or type, are places where people want to live, feel safe, and are proud to live.

Housing

We are committed to:

- Enabling housing growth by increasing the supply, quality, and range of housing to meet the needs of the growing population.
- Building more, good quality, affordable housing, and being a decent landlord.
- Preventing and responding to homelessness through early intervention and personalised solutions.
- Maintaining and improving property and housing management standards and ensuring that standards and living conditions in the district contribute towards better health outcomes for all.
- Maximising our influence and opportunities within the East Midlands Combined County Authority to create affordable, good quality housing options and to retrofit existing homes to be more environmentally sustainable.

To help us continue to be a flexible, adaptable and an efficient organisation we have adopted the following values: We will show respect, honesty, care, and compassion in everything we do. We will challenge ourselves and change for the better. We will be open and transparent. We are proud and passionate about what we do. We will continue to work as a team and with partners to provide quality services.



Vision: Our vision is to maximise our influence and opportunities within the East Midlands Combined County Authority to drive the continued delivery of excellent services, maximise local aspirations and drive economic prosperity for Bolsover District.

Assurance Required on:

- Delivery of The Future
- Communication of performance
- Financial management
- Service quality and best use of resources
- Any failures in service delivery addressed effectively
- Councillors and officers working together effectively
- Compliance with laws and regulations, policies and procedures
- High standards of conduct and behaviour
- Informed and transparent decision making
- Management of risk and effective internal controls
- Developing the capacity and capability of members and employees
- Democratic engagement and robust public accountability

Sources of Assurance:

- Community Strategy
- Planning principles for services
- Constitution
- Strategic Leadership and Senior Management structures
- Medium Term Financial Strategy
- Financial Procedure Rules
- Contract Procedure Rules
- Procurement Strategy
- Consultation and Engagement Strategy
- Single Equality Scheme
- Organisational Development and Workforce Strategy
- Information Management Strategy
- ICT & Digital Strategy
- Health and Safety Policy
- Risk Management Strategy
- Partnership Working
- Internal & External Audit and inspection
- Counter Fraud Strategy and Policy & Procedures
- Audit and Standards committees
- Codes of Conduct (Employees and Members)

**Governance
Code**

Sources of Assurance (continued)

- Whistleblowing Policy
- Performance Review and Development
- Complaints system
- Member Development Programme
- Regulator for Social Housing

Assurances Received:

- External Audit and Inspection reporting
- Internal Audit reporting
- Risk and Control Registers and Risk Management Reporting
- Scrutiny Reviews
- Reviews commissioned by management
- Annual review of the Constitution
- Peer Reviews
- Ombudsman Reports
- Ongoing review of Corporate Governance and of gaps in assurance
- Quarterly performance reports to Executive
- The Regulator for Social Housing - received a rating of C2

Opportunities for Improvement

- Disclaimer of opinion on the Council's 2023/24 Financial Statements.
- The impact of Local Government Reorganisation on the Council, and the effect on the capacity of senior officers.
- The Council received a limited Audit report for debtors during 2024/25.
- Dragonfly Management received a limited Audit report for non-decent homes reporting during 2024/25.
- The action plan resulting from the external review of Dragonfly companies, commissioned by the Council from Local Partnerships.

Annual Governance Statement

Governance Framework

Managing Risk and Opportunities

The Council has a Risk Management Strategy and associated framework in place.

The Council has embedded risk management by the establishment of a Risk Management Group, Elected Member led and attended by senior officers, internal audit and health and safety.

The group regularly reviews all risk registers, offering challenge to the assessment process. The group leads on the development and review of all risk related policies, plans and strategies across the Council.

The Risk Management framework includes a quarterly reporting process to Audit Committee.

The Risk Management approach, both in the identification of risks and the action taken to address the risks, is flexible and has the ability to respond to change. National policies, service delivery arrangements, national and local circumstances, together with Council priorities have and will continue to change and evolve over time. The Council's Risk Management focus and arrangements are able to adjust in order to ensure that current threats and opportunities are effectively addressed.

Although the Council can do much to manage the risks it faces, it does need to be recognised that some of the major strategic risks are only partially within its direct influence. Key risks included in the Strategic Risk Register at present are:

STR1

The introduction of new, or changes to existing government legislation which has an impact on the Council's budget or ability to carry out its statutory functions.

STR2

Failure to deliver a balanced budget in line with the MTFP.

STR3

Operational failure which has a major impact upon the provision of services to residents, communities and/or businesses (for example ICT failure, utilities failure or building/depot failure).

STR4

Difficulty recruiting to professional posts (for example Environmental Health Officers, qualified lawyers and auditors).

STR5

Delivery of statutory services alongside the Council's Vision, initiatives, major projects and reforms, potentially overstressing limited resources.

STR6

Emergency Planning and Business Continuity arrangements fail to meet required standards.

**STR7**

Lack of appropriate strategic direction.

STR8

Failure to meet required standards of governance.

STR9

Failure to have in place robust, comprehensive and up to date policies and procedures for safeguarding children and vulnerable adults.

STR10

Impact of pandemic upon the Council, local economy and community.

STR11

Cyber security attack which severely impacts ICT systems and data. E.g. Ransomware attack rendering access to ICT unavailable for some time.

STR12

Significant increases to general cost of living which may impact on Council income including Council Tax, Business Rates, increased rent arrears and reduced leisure income.

STR13

Housing Pressures: Homelessness and pressure on suitable housing provision across the District. Increases in the number of Section 21 Notices being issued by private sector landlords. Housing resettlement programmes.

STR14

The impact of Climate Change.

STR15

Failure of appropriate governance and financial management arrangements in relation to Dragonfly Development Ltd and Dragonfly Management (Bolsover) Ltd, wholly owned companies of the Council.

STR16

Risks associated with the use of Artificial Intelligence (AI) and generative Artificial Intelligence (AI).

STR17

Pleasley Vale Business Park and Outdoor Centre.

STR18

Impact of the English Devolution White Paper on the Council.

STR19

Impact of the new waste collection duties.

STR20

Introduction of the East Midlands County Combined Authority.

Decision Making and Responsibilities

The Council consists of 37 elected members, with an Executive of lead members who are supported and held to account by four scrutiny committees.

The Council has a formal Constitution in place which sets out how the Council operates, how decisions are made and the procedures for ensuring that the Council is efficient, transparent and accountable to local people. It contains the basic rules governing the Council's business, and a section on responsibility for functions, which includes a list of decisions that can be taken by officers. It also contains the rules, protocols and codes of practice under which

the Council, its members and officers operate.

The Constitution is available on the Council's website and is reviewed annually through Standards Committee and Annual Council.

The Constitution sets out the functions of key governance officers, including the statutory posts of 'Head of Paid Service' (Chief Executive Officer), 'Monitoring Officer' (Director of Governance and Monitoring Officer) and 'Section 151 Officer' (Director of Finance and Section 151 Officer) and explains the role of these officers in ensuring that processes are in place for enabling the Council to meet its statutory obligations and also for providing advice to members, officers and committees on staff management, financial, legal and ethical governance issues.



Open Decision-making

Meetings of the Council, Executive and the main Committees are open to the public except where exempt or confidential matters are being discussed, and all reports considered and the minutes of decisions taken are, unless confidential, made available on the Council's website.

The Council's Forward Plan contains information about matters that are likely to be the subject of a decision taken by Executive during the forthcoming four months.



Equality

The Council is committed to delivering equality and improving the quality of life for the people of Bolsover District Council. Our Single Equality Scheme and Equality Policy for service delivery clearly sets out that no person should be treated unfairly and commits the Council to eliminating all forms of discrimination, advancing equality and fostering good relations between all groups in society.

Any new Council policy, proposal or service, or any change to these that affects people must be the subject of an Equality Impact Assessment to ensure that equality issues have been consciously considered throughout the decision making processes.

Financial Management

The Chief Financial Officer is responsible for the proper administration of the Council's financial affairs, as required by Section 151 of the Local Government Act 1972, and our financial management arrangements are compliant with the governance requirements set out in the Chartered Institute of Public Finance and Accountancy's 'Statement on the Role of the Chief Financial Officer in Local Government' (2016). The Council's Chief Financial Officer is a full member of the Strategic Leadership Team and is supported by appropriately qualified and experienced staff.

Internal financial control is based on a framework of management information that includes the Financial Regulations, Contract and Procurement Procedure Rules, our accounting procedures and key financial systems. These include established budget planning procedures and quarterly budget reports to Finance and Corporate Overview Scrutiny Committee and Executive.

The Medium Term Financial Strategy sets out the Council's strategic approach to the management of its finances and outlines some of the financial issues that we will face over the next four years. This document is updated every year before the budget process begins and approved at Council.

Despite our established success in delivering savings, the Council faces the challenge of designing a sustainable budget for the future in the face of continuing changes to our income from Government funding. Since 2011/12, Bolsover District Council

has delivered savings of over £5m. We have a good track record of finding efficiencies and new ways of working but new budget savings are becoming increasingly difficult to identify and deliver now we have reduced service budgets to minimal levels. For this reason it is essential that the Council continues to identify areas where costs can be reduced but more importantly, income can be increased, to close any budget gaps.

Income generation from housing, property, commercial and regeneration activities are the main reasons the Council established its wholly owned companies, Dragonfly Developments Limited and Dragonfly Management (Bolsover) Limited, which are predicted to provide the Council with a positive income stream when they are fully established.

The Financial Management Code

CIPFA has developed the Financial Management Code (FM Code) which is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. Local government finance in the UK is governed by primary legislation, regulation and professional standards as supported by statutory provision. The general financial management of a local authority, however, has not until now been supported by a professional code.

Although the FM Code does not have legislative backing, it applies to all local authorities and it must be demonstrated that the requirements of the FM Code are being met. Demonstrating this compliance with the Code is a collective responsibility of Elected Members, the Section 151

Officer and the Senior Leadership Team.

As a first step towards ensuring that this Council meets the FM Code, the Council's Internal Audit Consortium carried out an audit during September 2020. The audit concluded that the Council complied with the majority of the FM Code already.

During February 2024, the latest routine audit was carried out. The assurance level achieved was 'Reasonable', which means "the majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives, risks are generally well managed."

Local Audit Delays

At the Audit Committee on the 12th of March 2024, it was reported about the local audit delays, the consultation on clearing the backlog of audits, and the proposals for the future to ensure the timely audits for the sector. On the 22nd of January 2025, an update to the March report was provided based on the Chartered Institute of Public Finance and Accountancy (CIPFA) document 'The local audit backstop – key questions answered for audit committee members.'

The backstop date for the sign off of 2023/24 financial statements was the 28th of February 2025. The Council's financial statements for 2023/24, included group accounts for the first time. The Council received the Dragonfly audited financial statements from their auditors during February 2025.

The Council's auditors Forvis Mazars, 'were unable to complete the audit procedures necessary to obtain sufficient appropriate audit evidence on which to base an opinion before the date the Council had to publish the financial statements for 2023/24.' The Council received a disclaimer of opinion on the financial statements for 2023/24 on the 21st of February 2025.

Forvis Mazars now need to rebuild assurance over the Council's group financial statements for 2023/24. It is currently unknown by all parties what this will entail, but it is not expected that it will cause issues for the 2024/25 accounts process by the finance team. In addition, Dragonfly have already appointed a new auditor, and they are already working with them to improve the timeliness of the production of their financial statements, to ensure the 2024/25 deadlines can be met.



Procurement of Goods and Services

The Procurement Act 2023 came into force on 24th February 2025 and is designed to reform public procurement by simplifying processes and improving transparency. It aims to make it easier for small businesses and social enterprises to compete for public contracts and ensures taxpayer money is spent effectively. There are additional requirements on the Council to comply with the new procurement legislation. To meet these challenges the Council has created a Bolsover focussed procurement team and has recruited a new Procurement Manager.

Strategic procurement is a series of activities and processes that sits at the heart of the Council, providing the framework by which the Council obtains value for money in all of the goods and services that it procures.

The Council's current Procurement Strategy was approved during 2021/22 and training sessions were provided to staff throughout the Council.

The strategy outlines how the procurement of goods and services is achieved and describes the Council's Contract Procurement Rules which form part of the Council's Constitution.



Managing Information

Information is central to the Council and its decision making processes and it therefore needs to be accurate and accessible to those who need it at the time and place that is required. The Council also recognises that it has a responsibility to safeguard the information it holds and to manage it with care and accountability.

The Council complies with the Transparency Agenda, Freedom of Information obligations and the requirements of the General Data Protection Regulation regarding the collection, use and transfer of personal

data with an appropriately qualified and experienced Data Protection Officer in post.

To support these high standards of openness and probity the Council has in place an effective complaints policy.

Freedom of Information

Details of how to access information held by the Council and its Freedom of Information policy are available on the Council's website at www.bolsover.gov.uk

Assurance from Internal and External Audit

The Council's external auditor is Forvis Mazars. In accordance with their statutory requirements, their annual audit includes examining and certifying whether the financial statements are 'true and fair', and assessing our arrangements for securing economy, efficiency and effectiveness in the use of resources which also includes financial sustainability and governance. As discussed in the 'Local Audit Delays' section, the External Auditor gave a disclaimer of opinion on the Council's 2023/24 financial statements that for the first time included group accounts.

The Council's Internal Audit function is provided on a consortium basis and includes three other Councils.

The Internal Audit service is a key means of assurance. It is responsible for reviewing the adequacy of the controls throughout all areas of the Council and is compliant with the Public Sector Internal Audit Standards (PSIAS).

The Audit Committee approve the Internal Audit Charter, which sets out the Internal Audit role and its responsibilities and clarifies its independence, and the planned audit coverage.

The Head of Internal Audit Consortium's annual opinion as to the effectiveness of the Council's internal control environment for 2024/25 was:

"In my opinion reasonable assurance can be provided on the overall adequacy and effectiveness of the council's framework for governance, risk management and control for the year ended 2024/25.

Reasonable assurance can also be provided for Dragonfly Management (Bolsover) Ltd. The governance arrangements between the Council and the companies have not been assessed by internal audit during the year as the Council has commissioned an independent review by Local Partnerships, commencing in April 2025.

For Dragonfly Development Ltd, the Council is placing reliance on the assurance received from the company's external auditors.

Assurance can never be absolute. In this context 'reasonable assurance' means that arrangements are in place to manage key risks and to meet good governance principles, but there are some areas where improvements are required."



The **Audit Committee** provides independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment. The Committee also oversees the Council's corporate governance arrangements. It is a statutory requirement and consists of six Councillors appointed annually on a politically balanced basis by the Council and one co-opted member appointed by the Council.

Its main functions include:

- Agreeing the Annual Governance Statement and the Annual Statement of Accounts.
- Overseeing Internal Audit's independence, objectivity, performance and professionalism and supporting the effectiveness of Internal Audit.
- Considering the effectiveness of Risk Management, including the risks of bribery, fraud and corruption.
- Considering the reports of External

Auditors and Inspectors.

The Committee's effectiveness is reviewed on an annual basis utilising CIPFA's self-assessment of good practice, specifically aimed at Audit Committees.

The **Finance and Corporate Overview Scrutiny Committee** is one of four Scrutiny Committees run by the Council.

Generally, their role is to review and/or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions.

The Finance and Corporate Overview Scrutiny specifically:

- Ensures effective scrutiny of the Treasury Management Strategies and associated policies.
- Receives the Executive's budget proposals and scrutinises them in accordance with the Budget and Policy Framework Procedure Rules in the Council's Constitution.
- Receives a quarterly update on performance against relevant Corporate Plan targets from Portfolio Holders.



Conduct

The Council's Members' Code of Conduct and Employee code of conduct sets out the standards of conduct and behaviour that are required by all Councillors and staff respectively. The Council is legally required to have a Code of Conduct for Councillors by virtue of the Localism Act 2011. The Members' code including its compliance is managed by the Council's Monitoring Officer whereas employee conduct is managed by the Human Resources Team.

In 2021 the Local Government Association (LGA) produced a model Code of Conduct following recommendation from the Committee for Standards in Public Life. This Council adopted the new Code of Conduct for Councillors during 2021/22.

Key elements of the code require members to register relevant interests and to declare them at times when the Council, its committees or Executive, are making decisions. The code also sets out the standard of behaviour expected which follows the Seven Principles of Public Life also known as the Nolan Principles. These are selflessness, integrity, objectivity,

accountability, openness, honesty and leadership. The code also provides guidance on predisposition and predetermination when it comes to decision making.

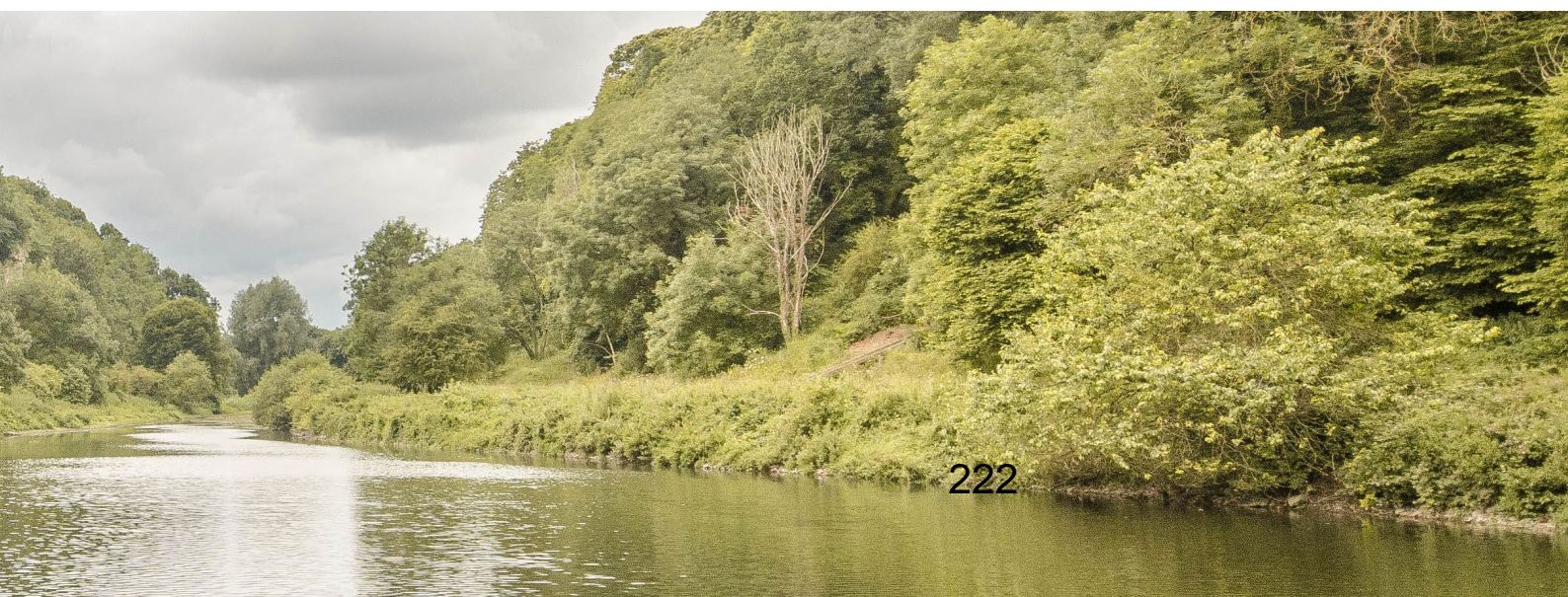
Training on the new code of conduct has been provided to Members by the Monitoring Officer and Deputy Monitoring Officer.

In addition to the Code of Conduct members are subject to codes and protocols as set out in Part 5 of the Council's Constitution, namely:

- Social Media Guidance for Councillors;
- Gifts & Hospitality Guidance;
- Protocol on Member/Officer Relations
- Planning Protocol
- Member's Roles & Responsibilities

Training on all codes and protocols was provided to returning and new members following the 2023 local elections.

Mid-term training is to be provided during 2025/26.



Whistleblowing

People who work for or with the Council are often the first to realise that there may be something wrong within the Council. However, they may feel unable to express their concerns for various reasons, including the fear of victimisation.

The Council has a Whistleblowing Policy that advises staff and others who work for the Council how to

raise concerns about activities in the workplace. The Whistleblowing policy is reviewed annually by the Standards Committee who also consider any entries on the whistleblowing register for the preceding 12 months. Full details are provided on the Council's website at www.bolsover.gov.uk

Anti-Fraud, Bribery and Corruption

We recognise that as well as causing financial loss, fraud and corruption also detrimentally impact service provision and morale, and undermine confidence in the Council's governance and that of public bodies generally.

There is little evidence that the incidence of fraud is currently a major issue for the Council, but the risk is increasing nationally. The Council's

policy on Anti-Fraud, Bribery and Corruption was approved by Executive at its meeting on 3rd October 2022. Training on Anti-Fraud, Bribery and Corruption and Anti-Money Laundering was provided for returning and new members following the 2023 local elections.

Our website tells you how you can report suspected fraud against the Council.



3. Significant Governance Issues

The progress made during 2024/25 on the significant issues identified in our 2023/24 Annual Governance Statement is shown below:

	Issue identified	Commentary
1.	To further develop arrangements with the Dragonfly companies, including client and management arrangements for the Council.	A full independent review of the companies including governance arrangements was commissioned by the Council in September 2024. This commenced in March 2025 and an action plan will be produced as part of the review.
2.	To develop the Council's role in the new East Midlands Mayoral Combined County Authority.	Following changes to some roles and responsibilities of staff, a new devolution team has been created within the Council. Working closely with the Economic Growth team, this team work closely with the East Midlands Mayoral Combined County Authority on funding opportunities and inward investment. The Leader of the Council and other Members attend various sub-committees with the new Authority.
3.	To address any gaps in Member training/ knowledge.	Appropriate training has been provided including, planning, licensing and equalities.
4.	Potential significant cost increases in insurance premiums and/ or excess levels, for Pleasley Vale business units when the insurance renewal is carried out in October 2024.	A Pleasley Vale Insurance Reserve was established in October 2024 to cover costs incurred which would normally have been settled by the insurance company. This decision was taken as a result of not being able to obtain flood or storm damage cover from any insurance company. The value of the reserve is £1m. It is hoped the work being undertaken by the Council to mitigate flood damage in the future, will mean flood cover can be obtained at the next renewal.

Based on our review of the governance framework, the following significant issues will be addressed in 2025/26:

	Issue identified	Commentary
1.	Disclaimer of opinion on the Council's 2023/24 Financial Statements.	
2.	The impact of Local Government Reorganisation on the Council, and the effect on the capacity of senior officers.	
3.	The Council received a limited Audit report for debtors during 2024/25.	
4.	Dragonfly Management received a limited Audit report for non-decent homes reporting during 2024/25.	
5.	The action plan resulting from the external review of Dragonfly companies, commissioned by the Council from Local Partnerships.	

These issues will be supported by a detailed action plan, progress on which will be monitored during 2025/26 and reported to senior management and to the Audit Committee.

No other major changes to the Council's governance framework are planned for 2025/26, but we will continue to review and adapt it so that it continues to support the Council in meeting its challenges and in fulfilling its purpose, and ensure that the framework remains proportionate to the risks that are faced.

4. Opinion

The Council is satisfied that appropriate governance arrangements are in place and are fit for purpose.

We propose over the coming year to take steps to address the significant governance issues set out above to ensure that our governance arrangements remain robust.

We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: _____ Date: _____

Chief Executive Officer (Head of Paid Service)

Signed: _____ Date: _____

Leader

Equalities Statement

Bolsover District Council is committed to equalities as an employer and when delivering the services it provides to all sections of the community. The Council believes that no person should be treated unfairly and is committed to eliminating all forms of discrimination, advancing equality and fostering good relations between all groups in society.

Access for All statement

You can request this document or information in another format such as large print or language or contact us by:

- **Phone** – 01246 242424
- **Email** – enquiries@bolsover.gov.uk
- **BSL Video Call** – a three way video call with us and a BSL interpreter. It is free to call Bolsover District Council with Sign Solutions, you just need wifi or mobile data to make the video call, or call into one of our Contact Centres.
- **Call with Relay UK** via textphone or app on 0800 500 888 – a free phone service provided by BT for anyone who has difficulty hearing or speaking. It's a way to have a real time conversation with us by text.
- **Visiting one of our offices** at Clowne, Bolsover, Shirebrook and South Normanton.

BOLSOVER DISTRICT COUNCIL
CORPORATE GOVERNANCE CODE

BOLSOVER DISTRICT: GOVERNANCE CODE

INTRODUCTION

1. The purpose of this Code is to state the importance to the Council of good corporate governance and to set out the Council's commitment to the principles involved.
2. The Code is based on guidance to all UK local authorities.
3. The Code is included in the Council's Constitution and therefore applies to all Members and employees of the Council and also to any individuals or bodies authorised to act on its behalf.
4. How the effectiveness of the Code is reviewed is set out in Section 4.
5. The Code will be reviewed in its entirety by no later than 31 March ~~2025~~2028, but minor reviews and updates will be made annually as required.

Approvals

Approved by Audit ~~and Corporate Overview~~ Committee on ~~14th September 2021~~

Approved by ~~Head of Finance and Resources~~Director of Finance and ~~S~~ection 151 Officer
and ~~Head of Corporate~~Director of Governance and Monitoring Officer- ~~31st March 2021~~

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SECTION 1: THE IMPORTANCE OF GOOD CORPORATE GOVERNANCE

1.1. Corporate Governance refers to the processes by which organisations such as the Council are directed, controlled, led and held to account. It is also about culture and values - the way that Councillors (Members) and employees think and act. In summary, if management is about running the Council, corporate governance is about seeing that it is run properly.

1.2. The Council is a complex organisation which affects all who live and work in Bolsover District Council's area and businesses and organisations that are based here. It is therefore essential that there is confidence in our corporate governance, and the Council must therefore ensure that:

- as a democratic body, we engage with and account to our citizens and stakeholders effectively;
- we conduct our business in accordance with the law and to proper standards;
- public money is properly accounted for and is used economically, efficiently and effectively;
- controls are proportionate to risk so as not to impede performance;
- we continuously improve the way in which we function, in terms of effectiveness, quality, service availability, fairness, sustainability and innovation; and
- we fulfil our purpose and meet our priorities as set out in the Council Ambition.

1.3. The Council is therefore committed to good corporate governance and to doing the right things in the right way for the right people in a way which is timely, inclusive, open, honest and accountable. This Code sets out that commitment and how we evidence it.

1.4. This commitment includes improving governance on a continuing basis across the Council as a whole, through a process of evaluation and review. This is detailed further in Section 4.

SECTION 2: THE BASIS OF THIS CODE

2.1 This Code is based on guidance provided to all UK local authorities which are centred on seven Core Principles, designed to underpin the governance arrangements of all public sector bodies.

1 Delivering Good Governance in Local Government Framework 2016, issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

2 From the International Framework: Good Governance in the Public Sector (CIPFA/International Federation of Accountants, 2014)

2.2 These Core Principles are as follows:

A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

B Ensuring openness and comprehensive stakeholder engagement

C Defining outcomes in terms of sustainable economic, social, and environmental benefits

D Determining the interventions necessary to optimise the achievement of the intended outcomes

E Developing the entity's capacity, including the capability of its leadership and the individuals within it

F Managing risks and performance through robust internal control and strong public financial management

G Implementing good practices in transparency, reporting, and audit to deliver effective accountability

2.3 Core Principles A and B are fundamental to the application of the other principles. Further good governance requires all of the principles to be met and through a dynamic approach good governance can be achieved.

2.4 This Code sets out our commitment to all seven of the Core Principles shown above and to the various elements of our governance framework the policies, strategies and processes - which help us to ensure that the principles are met (Section 3).

2.6 Since effective Corporate Governance relies on the way that Councillors (Members) and employees think and act, the Code also recognises the importance of the seven "Principles of Public Life" (the Nolan Principles) which are the basis of the ethical standards expected of public office holders (**Appendix A**). These support the seven Core Principles of this Code which in turn underpin the Council's approach to planning fair, effective and sustainable services and its responsibilities for sustainable development.

SECTION 3: COMMITMENTS TO GOVERNANCE PRINCIPLES

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

The Council is accountable not only for how much it spends, but also for how we use the resources under our stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes we have achieved. In addition, we have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, we can demonstrate the appropriateness of all our actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

To support Principle A, the Council is committed to:

Behaving with integrity	What is in place to support this?
<p>A1. Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Council and not bringing into disrepute</p> <p>A2. Ensuring members take the lead in establishing specific standard operating principles or values for the Council and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)</p> <p>A3. Leading by example and using these standard operating principles or values as a framework for decision making and other actions</p> <p>A4. Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</p>	<ul style="list-style-type: none"> • Agreed Values • Organisation Development and Workforce Strategy • Codes of Conduct for members and employees • Disciplinary rules and procedures • Registers of interests, gifts and hospitality • Induction and refresher training for members and employees • Members Allowances Scheme • Financial Regulations rules • Contract Procurement rules • Planning Protocol • Standards and Audit Committees • Anti-Fraud Bribery and Corruption Strategy • Anti-Money Laundering Policy • Whistleblowing Policy • Compliments, Comments and Complaints Procedure • Internal Audit Charter • Safeguarding Responsibilities • Health and Safety Policy • Single Equality Plan and reviewObjectives 2023-2027 • Transparency around decision making • Member Development Plan

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<p>Demonstrating strong commitment to ethical values</p> <p>A5. Seeking to establish, monitor and maintain the Council's ethical standards and performance</p> <p>A6. Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the Council's culture and operation</p> <p>A7. Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values</p> <p>A8. Ensuring that external providers of services on behalf of the Council are required to act with integrity and in compliance with high ethical standards expected by the Council</p>	<p>What is in place to support this?</p> <ul style="list-style-type: none"> • Agreed Values • Organisation Development and Workforce Strategy • Codes of Conduct for members and employees • <u>Standards Committee</u> • <u>Disciplinary rules and procedures</u> • Registers of interests, gifts and hospitality • Financial Regulations rules • Contract Procurement rules • Planning Protocol • Induction <u>and refresher</u> training for members and employees • Regular governance awareness raising for employees • Planning Principles • Commissioning, Procurement & Contract Management Strategy • Partnership & collaborative working arrangements • Bolsover Sustainable Community Strategy
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<p>Respecting the rule of law</p> <p>A9. Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</p> <p>A10. Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements</p> <p>A11. Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders</p> <p>A12. Dealing with breaches of legal and regulatory provisions effectively</p>	<p>What is in place to support this?</p> <ul style="list-style-type: none"> • Key statutory responsibilities set out in the Council's Constitution • Compliance with CIPFA Statement of the <u>Role of the Chief Financial Officer in Local Government</u> • Protocol on Member/Officer relations (Constitution) • Job Descriptions • Regular governance awareness raising for employees • Standards Committee • Audit Committee • Anti-Fraud Bribery and Corruption Strategy • Anti-Money Laundering Policy • Whistleblowing Procedure
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A13. Ensuring corruption and misuse of power are dealt with effectively

- Complaints Procedure
- General Data Protection Regulation guidance
- Governance Codes of Practice
- Access to Legal Services

Principle B. Ensuring openness and comprehensive stakeholder engagement

Local government is run for the public good, and organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

To support Principle B, the Council is committed to:

Openness	What is in place to support this?
<p>B1. Ensuring an open culture through demonstrating, documenting and communicating our commitment to openness</p> <p>B2. Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided</p> <p>B3. Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear</p> <p>B4. Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action</p>	<ul style="list-style-type: none">• Constitution including Access to Information Rules• Commissioning, Procurement & Contract Management Strategy• Contract Procedure Rules• Whistleblowing Procedure.• Council Ambition-Future 2024-2028• External audit and inspection reports• Directory of published information.• Online Council Tax information• Reporting and publishing & distribution timetables• Delegation of Powers Scheme• Meetings open to public• Minutes• Webcasting page• Codes of Conduct for members and employees• Bolsover TV• Bolsover Partnership Executive Board• Public pParticipation in Council and Planning meetings• Webcasting Meetingslive streaming Meetings and library of Meeting recordings• Publishing of Delegated Decisions

<p>Engaging comprehensively with institutional stakeholders</p> <p>B5. Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably</p> <p>B6. Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively</p> <p>B7. Ensuring that partnerships are based on trust, a shared commitment to change and a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit</p>	<p>What is in place to support this?</p> <ul style="list-style-type: none"> • Consultation and Engagement Strategy • Current consultations • Complaints Procedure • Partnership & collaborative working arrangements via Bolsover Partnership Executive Board and Thematic Action Groups
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<p>Engaging stakeholders effectively, including individual citizens and service users</p> <p>B8. A clear policy on the type of issues that the Council will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service provision is contributing towards the achievement of intended outcomes</p> <p>B9. Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement</p> <p>B10. Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs</p>	<p>What is in place to support this?</p> <ul style="list-style-type: none"> • Consultation and Engagement Strategy • Medium Term Financial Plan • Planning Principles / adopted Statement of Community Involvement • Complaints Procedure (and compliments) • Employee survey • Children and Young People's Participation Strategy • Bolsover Partnership statutory partners, public, private and the Community and Voluntary sector infrastructure provider
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<p>B11. Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account</p> <p>B12. Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity</p> <p>B13. Taking account of the interests of future generations of tax payers and service users</p>	
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Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable.

-Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

To support Principle C, the Council is committed to:

<p>Defining outcomes</p> <p>C1. Having a clear vision which is an agreed formal statement of the Council's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the Council's overall strategy, planning and other decisions</p> <p>C2. Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer</p> <p>C3. Delivering defined outcomes on a sustainable basis within the resources that will be available</p> <p>C4. Identifying and managing risks to the achievement of outcomes</p> <p>C5. Managing service users expectations effectively with regard to determining priorities and making the best use of the resources available.</p>	<p>What is in place to support this?</p> <ul style="list-style-type: none"> • Council Ambition-Future 2024- <u>2028</u> • Planning Principles • Local Plan • Consultation and Engagement Strategy • Medium Term Financial Plan • Half-yearly performance reports to the Executive • Risk Management Strategy • Bolsover Sustainable Community Strategy
<p>Sustainable economic, social and environmental benefits</p> <p>C6. Considering and balancing the combined economic, social and environmental impact of policies, plans</p>	<p>What is in place to support this?</p> <ul style="list-style-type: none"> • Medium Term Financial Plan • Budget consultation exercises • Risk Management Strategy

<p>and decisions when taking decisions about service provision</p> <p>C7. Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the Council's intended outcomes and short-term factors such as the political cycle or financial constraints</p> <p>C8. Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs</p> <p>C9. Ensuring fair access to services</p>	<ul style="list-style-type: none"> • Commissioning, Procurement & Contract Management Strategy • Member workshops • Strategic Equality Plan • Equality Impact Assessments • Customer Focus Strategy • ICT & Digital Strategy • Bolsover Sustainable Community Strategy
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Principle D: Determining the interventions necessary to optimise the achievement of intended outcomes

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised

To support Principle D, the Council is committed to:

<p>Determining necessary interventions</p> <p>D1. Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided.</p> <p>D2. Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.</p>	<p>What is in place to support this?</p> <ul style="list-style-type: none"> • Council Ambition<u>Future 2024-2028</u> • Reporting requirements for Full Council and Executive • Decision making Principles (Constitution) • <u>Scrutiny committees and support</u> • <u>Internal and external audit</u> • Risk Management Strategy • Consultation and Engagement Strategy • Medium Term Financial Plan • Senior Management Structure<u>Leadership Team</u> • Officer Delegation Scheme • Calendar of meetings • Pre-meetings • <u>The Forward Plan</u>
<p>Planning interventions</p> <p>D3. Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets</p> <p>D4. Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered</p>	<p>What is in place to support this?</p> <ul style="list-style-type: none"> • Council Ambition<u>Future 2024-2028</u> • Reporting and publishing & distribution timetables • Consultation and Engagement Strategy • Medium Term Financial Plan • Partnership & collaborative working arrangements

D5. Considering and monitoring risks facing each partner when working collaboratively including shared risks

D6. Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances

- Half-yearly performance reports to the Executive
- Budget and Policy Framework Procedure Rules
- Budget Monitoring & Control Procedures
- Council Procedure Rules
- Financial Regulations
- Senior Management Structure Leadership Team
- Director meetings and Statutory Officer meetings
- Regular Portfolio Holder meetings

Principle E: Developing the Council's capacity, including the capability of its leadership and the individuals within it

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole.

Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity.

To support Principle E, the Council is committed to:

<p>Developing Capacity</p> <p>E1. Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.</p> <p>E2. Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness,</p> <p>E3. Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the Council's resources are allocated so that outcomes are achieved effectively and efficiently,</p> <p>E4. Recognising the benefits</p>	<p>What is in place to support this?</p> <ul style="list-style-type: none"> • Scrutiny committees and support • Senior Management Structure Leadership Team • Reviews commissioned by Senior Management • External audit and inspection reports • Partnership & collaborative working arrangements • Corporate Land and Buildings Strategy • LGA Peer Review • Employee Celebratory Awards • Participation and membership of performance benchmarking groups • Employee Engagement Officer • Service Manager Forum
<p>Developing the capability of the leadership and other individuals</p> <p>E5. Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the</p>	<p>What is in place to support this?</p> <ul style="list-style-type: none"> • Constitution • Protocol on Member/Officer relations (Constitution)

<p>relationship and that a shared understanding of roles and objectives is maintained</p> <p>E6. Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</p> <p>E7. Ensuring the leader and the senior <u>management leadership</u> team have clearly defined and distinctive leadership roles within a structure, whereby the senior <u>management leadership</u> team leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority</p> <p>E8. Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the Council to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged, ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis, ensuring personal, organisation and system-wide development through shared learning, including lessons learnt from both internal and external governance weaknesses</p> <p>E9. Ensuring that there are structures in place to encourage public participation</p> <p>E10. Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to</p>	<ul style="list-style-type: none"> • Regular meetings between Strategic Leadership Team and Lead Members • Delegation of Powers Scheme • Financial Regulation • Contract Procurement Rules • Learning and Development function • Member Development Working Group and programme of training • Performance Review and Development Process • Consultation and Engagement Strategy • Organisation Development and Workforce Strategy • Workforce Policies • Code of Conduct for employees • Internal Communication • Health and Safety Policy • Corporate Health Standard • HR Policies • Appraisals • Member Inductions and midterm Member Induction refresh • <u>Employee training</u> • <u>Skillsgate training</u>
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<p>constructive feedback from peer review and inspections</p> <p>E11.Holding staff to account through regular performance reviews which take account of training or development needs</p>	
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Principle F: Managing risks and performance through robust internal control and strong public financial management

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

To support Principle F, the Council is committed to:

<p>Managing Risk</p> <p>F1. Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making</p> <p>F2. Implementing robust and integrated risk management arrangements and ensuring they are working effectively</p> <p>F3. Ensuring that responsibilities for managing individual risks are clearly allocated</p>	<p>What is in place to support this ?</p> <ul style="list-style-type: none"> • Risk management group • Risk Management Strategy, Risk and Control Registers and Internal / External audit coverage of risk management • Audit Committee • Partnership and Collaborative Working arrangements • Reporting requirements for Full Council and Executive • Service Continuity arrangements • Annual review of Constitution
<p>Managing Performance</p> <p>F4. Monitoring service delivery effectively including planning, specification, execution and independent post-implementation review</p> <p>F5. Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the Council's financial, social and environmental position and outlook</p>	<p>What is in place to support this ?</p> <ul style="list-style-type: none"> • Council Ambition<u>Future 2024-2028</u> • Service Plans and service planning guidance • Commissioning, Procurement & Contract Management Strategy • Half-yearly<u>Quarterly</u> performance reports to the Executive, <u>Senior Leadership Team and Finance</u>

<p>F6. Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made, thereby enhancing the Council's performance and that of any organisation for which it is responsible</p> <p>F7. Providing members and senior management with regular reports on progress towards outcome achievement.</p> <p>F8. Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements)</p>	<p><u>and Corporate Overview Scrutiny Committee</u></p> <ul style="list-style-type: none"> • Forward Work Programmes • Reporting and publishing & distribution timetables • Scrutiny committees and support • Scrutiny reviews • Report preparation guidance • Report screening (Full Council and Executive) • Member Development • -Financial Regulations • -Budget and Policy Framework Procedure Rules • -Budget Monitoring & Control Procedures • -Budget – Medium Term <u>Financial</u> Plan • -Annual Statement of Accounts • <u>Bolsover Sustainable Community Strategy</u> • <u>Participation and membership of performance benchmarking groups</u>
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<p>Robust Internal Control</p> <p>F9.Aligning the risk management strategy and policies on internal control with achieving objectives</p> <p>F10.Evaluating and monitoring risk management and internal control on a regular basis</p> <p>F11.Ensuring effective counter fraud and anti-corruption arrangements are in place</p> <p>F12.Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor</p>	<p>What is in place to support this ?</p> <ul style="list-style-type: none"> • Risk Management Strategy • Principal Risk Register • Heads of Departments Internal Control Assurances • Internal Audit Charter (inc Annual Plan) • Audit Committee Terms of <u>Reference</u> (Constitution) • Audit Committee effectiveness surveys and training • Financial Regulations • Contract Procurement Rules • Counter Fraud Policy & Procedures • Anti-Money Laundering <u>Strategy Policy</u>
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<p>F13.Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment and that its recommendations are listened to and acted upon</p>	<ul style="list-style-type: none"> • Annual Governance Statement & Action Plan • Head of Internal Audit • <u>Consortium's</u> -Annual Report • Audit Committee Chair's Annual Report to Executive • Identification of Assurance Gaps
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<p>Managing Data</p> <p>F14.Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data</p> <p>F15.Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies</p> <p>F16.Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring</p>	<p>What is in place to support this ?</p> <ul style="list-style-type: none"> • General Data Protection Regulation guidance • GDPR clauses in contracts • Freedom of Information guidance • -Information Management Strategy and Action Plan • -Acceptable Use of ICT Facilities • ICT Security Policy and Guidelines • -Secure Data Transfer Standards and Procedures • -Information Security Policy • -Records Management Policy • Corporate Records Retention Scheme • Regular data protection training
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<p>Strong public financial management</p> <p>F17.Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance</p> <p>F18.Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls</p>	<p>What is in place to support this ?</p> <ul style="list-style-type: none"> • Budget monitoring • Annual Governance Statement • External Audit reports
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Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

To support Principle G, the Council is committed to:

Implementing good practice in transparency G1. Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate G2. Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand	What is in place to support this? <ul style="list-style-type: none">• Report preparation guidance• Report screening (Full Council and Executive)• Website including summary and easy-to-read reports• Compliance with access to information and attendance at meeting requirements
Implementing good practice in reporting G3. Reporting at least annually on performance, value for money and the stewardship of resources G4. Ensuring owners and senior management own the results G5. Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)	What is in place to support this? <ul style="list-style-type: none">• Quarterly reporting of performance• Annual Governance Statement and Action Plan• Risk Management Strategy• Risk and Control Registers• Annual Statement of Accounts

G6. Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate	
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<p>Assurance and effective accountability</p>	<p>What is in place to support this?</p>
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<p>G8. Ensuring that recommendations for corrective action made by external audit are acted upon</p>	<ul style="list-style-type: none"> • Audit Committee Terms of Reference (Constitution) • Regular reporting of progress on implementing audit recommendations to Audit Committee • External audit and inspection reports • Internal Audit Charter • Head of Internal Audit <u>Consortium</u>'s Annual Report • Internal Audit self assessment and compliance with Public Sector Internal Audit Standards • Partnership and collaborative working arrangements • Annual review of Constitution
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<p>G9. Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon</p>	
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<p>G10. Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations</p>	
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<p>G11. Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement</p>	
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<p>G12. Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met</p>	
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SECTION 4: HOW CORPORATE GOVERNANCE IS REVIEWED

1. The Leader and Senior Management Leadership Team are required to ensure that each year, a review is undertaken to measure the extent to which the Council as a whole has met the requirements of this Code.
2. The results of the review are included in the Annual Governance Statement which is published with the Annual Statement of Accounts.
3. Where the review reveals possible gaps or weaknesses, action is agreed to ensure effective governance in future. Agreed action is monitored for implementation.
4. Where necessary, this Code will be amended as a result of the annual review, changes in best practice or statutory changes. Minor amendments to wording, titles and to details of 'what is in place' to support the principles (Section 3 above) may be approved by the ~~Director~~Head of Finance- Secion 151 Officer but any substantive changes to the Code and the principles will require ~~Executive~~Audit Committee approval.
5. This code will be renewed no later than ~~31st March 2028~~5

APPENDIX A.

THE SEVEN PRINCIPLES OF PUBLIC LIFE (THE NOLAN PRINCIPLES)

These apply to anyone who works as a public office-holder. This includes people who are elected or appointed to public office, nationally and locally, and all people appointed to work in:

- the civil service
- local government
- the police
- the courts and probation services
- non-departmental public bodies
- health, education, social and care services.

1. Selflessness

Holders of public office should act solely in terms of the public interest.

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Holders of public office should be truthful.

7. Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.