

Tamworth Borough Council

# Statement of Accounts 2025/26

*Building a Better Tamworth*



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# **STATEMENT OF ACCOUNTS**

## **2025/26**

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## THE NARRATIVE REPORT

The aim of this Narrative Report is to provide a context to the accounts by presenting a clear and simple summary of the Authority's financial position and performance for the year and its prospects for future years.

The statement of accounts presents the financial position and performance of the Authority for the year ended 31<sup>st</sup> March 2026. This narrative report describes the nature and purpose of each of the statements which follow and highlights the most significant matters which are contained within the accounts and the major influences affecting the Authority's income, expenditure and cash flows.

### THE FINANCIAL STATEMENTS

The Annual Statement of Accounts for the year ended 31<sup>st</sup> March 2026 has been prepared in accordance with the guidelines contained within the latest Code of Practice on Local Authority Accounting in the United Kingdom for 2025/26.

The Code is based on International Financial Reporting Standards (IFRS), and has been developed by the Chartered Institute of Public Finance and Accountancy (CIPFA)/Local Authority (Scotland) Accounts Advisory Committee (LASAAC) Code Board overseen by the Financial Reporting Advisory Board.

The Authority's accounts for 2025/26 are set out on pages 41 to 146 and consist of the following:

#### Core Financial Statements:

- **Comprehensive Income and Expenditure Account (CIES):** shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The net effect to the Council taxpayer is shown in the Movement in Reserves Statement.

A deficit of £7.5m is reported for 2025/26 (£4.2m surplus in 2024/25). This is mainly explained by an increase in the charge for the impairment of non-current assets £7.3m, mostly due to town centre public realm development as part of FHSF projects previously held as assets under construction but now at nil land value.

- **Movement in Reserves Statement:** shows the movement in the year on the different reserves held by the Authority, analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

The Movement in Reserves Statement shows a net General Fund deficit of £1.24m for the year. This equates to an unfavourable variance of £1.4m (the planned transfer to balances at the start of the year in the original budget was £0.1m) and has resulted in General Fund Balances of £8.8m (£10.1m in

2024/25). Earmarked General Fund Reserves have increased by £0.9m to £18.8m resulting in total General Fund Reserves of £27.6m (£27.9m in 2024/25) and reflect the risks and uncertainties facing the Authority over the medium term.

- **Balance Sheet:** shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are £291.0m (£298.5m in 2024/25) which are matched by the reserves held by the Authority.

Key items are:

### Long Term Assets

The Authority holds property, plant and equipment assets of £290.1m (£294.4m in 2024/25) – mainly due to Council dwellings of £257.1m (£255.1m in 2024/25).

### Working Capital

Net working capital has reduced to £42.5m (£46.2m in 2024/25) mainly due to a reduction of £2.2m in the level of Short Term Investments and £2.8m in the level of Cash and Cash Equivalents offset by a reduction of £1.4m in Short Term Creditors.

### Provisions, Usable Reserves and Balances

The working balances as at 31<sup>st</sup> March 2026 are £52.2m (£58.7m in 2024/25) and comprise provisions, earmarked reserves, revenue balances and the unused element of capital receipts.

31st March 2025 £000	Provisions, Usable Reserves and Balances	31st March 2026 £000
1,202	Provisions	1,236
29,376	Earmarked Reserves	30,513
14,398	Revenue Balances	12,558
13,760	Unused Capital Receipts & Grants	7,862
58,736	Total Working Balances	52,169

Working balances of £20.4m (£24.9m in 2024/25) relate to capital (including the Capital Reserve of £10.3m). Deferred capital expenditure of £24.0m from 2025/26 and previous years carried forward to 2026/27 will be financed in part from these balances (£26.3m in 2024/25).

## Borrowing Facilities

The Authority borrows funds where necessary to meet both long term capital expenditure commitments and short-term cash flow demands. Funds are borrowed from the Government (Public Works Loan Board - PWLB) and from the commercial money market (banks, building societies and other lenders). The Authority's debt at 31<sup>st</sup> March 2026 was £63.1m (£63.1m in 2024/25) and was all borrowed from the PWLB.

## Pensions

Following the application of IFRIC 14 – IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, the pension fund has a deficit in the year of £4.4m (£7.5m deficit in 2024/25) and is required to be shown on the Balance Sheet of the Authority.

The change in financial assumptions adopted together with other experience for period ending 31<sup>st</sup> March 2026 can be approximately broken down as follows:

<b>Change in Financial Assumptions and Other Experience</b>	<b>31st March 2026 £'000</b>
Pension increase rate	(2,670)
Salary increase rate	(140)
Discount rate	5,697
Changes in demographic assumptions	2,012
Other experience (obligations)	(9,415)
Other experience (assets)	3,764
Return on assets	3,990
Changes in the effect of the asset ceiling	(694)
<b>Total Gain</b>	<b>2,544</b>

Pension Increase Rate – Market derived CPI inflation has risen over the period, which has led to a 0.20% increase in this assumption.

The change in the CPI inflation assumption is a result of underlying changes in market implied RPI (after allowance for the inflation risk premium adjustment), coupled with any changes in the RPI-CPI gap from the previous year and the adjustment to CPI to reflect observed inflation since 30th September 2025. This has served to increase the Employer's obligations and led to a loss of around £2.7m on the balance sheet.

Salary Increase Rate – the salary increase assumption has risen over the period by 0.20%. This has served to increase the Employer's obligations and led to a loss of around £0.1m on the balance sheet.

Discount rate – The corporate bond yield (upon which the discount rate is derived) has risen over the period, which has led to a 0.40% increase in this assumption. This has served to reduce the Employer's obligations and led to a gain of around £5.7m on the balance sheet.

Changes in demographic assumptions (c.£2.0m gain on the balance sheet). The demographic assumptions have changed from the previous accounting period to reflect the latest available longevity improvements information available at the accounting date. The other demographic assumptions have also been updated to incorporate those used for the 2025 triennial funding valuation. This has served to reduce the Employer's obligations and led to a small gain on the balance sheet.

Other experience obligations (c.£9.4m loss on the balance sheet). There are 3 possible elements that lead to the 'Other experience' item on the obligations side.

- a) Pensions increase (PI) order – The actual PI order for April 2026 was 3.80%, which is higher than the pension increase rate assumption built into the obligations at the start of the accounting period. This increases pensions in payment, deferred pensions and CARE pots and has served to increase the Employer's obligations and led to a loss of around £0.8m on the balance sheet.

After allowing for the above Pensions Increase Order impact, the remainder of the 'Other experience' item is in relation to any funding valuation remeasurement experience and any/or unfunded obligations experience (only in cases where the Employer has historically granted Compensatory Added Years benefits to LGPS staff):

- b) 31<sup>st</sup> March 2025 funding valuation – In the period following a funding valuation, employers may experience a 'step-change' in their accounts as the difference between the projected membership experience and actual membership experience emerges. For employers/pools (particularly those with significant membership changes), a valuation remeasurement experience item of c10% of the expected closing obligations (positive or negative) would not be that unusual.
- c) Unfunded pensioners – Where the Employer has unfunded pensioners and experienced more (or less) unfunded pensioner deaths over the period than expected, this will give rise to a typically small experience gain (or loss) on the balance sheet.

Other experience (Assets) (£3.7m gain on the balance sheet) In the first accounting report following a funding valuation, a step-change also occurs on the asset side caused by various items of actual experience. This figure can be large as three years of actual experience (compared to various estimations made in prior years) flows through the accounts.

Return on assets excluding amounts included in net interest (c.£4m gain on the balance sheet). Any excess return over and above the expected accounting return, (i.e. the discount rate at the start of the accounting period) is recognised in the Other Comprehensive Income (OCI). The total investment return achieved by the Fund over the accounting period was 8.4%, compared to an expected accounting return of 5.8%, which leads to the gain on the balance sheet.

Following guidance from CIPFA issued in November 2023 with regard to the application of IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, due to a significant number of Councils (including Tamworth) moving from a net defined benefit liability to a net defined benefit asset position in 2022/23, a calculation is undertaken to consider whether there is an asset ceiling that would limit the Council's ability to recognise the asset.

The IAS 19 asset ceiling is a specified estimate of the present value of the economic benefit which the employer organisation can realise, either through refunds or by gaining economic benefit through reductions in future contributions. Such an economic benefit may be available even if it is not realisable immediately at the end of the reporting period. However, it should be noted that local authority LGPS plans do not have all the features on which IAS 19 and IFRIC 14 provide guidance.

In particular

- No element of surplus fund assets belongs to pension fund members.
- Local authority employers cannot normally obtain refunds of surplus during the normal life of the plan.
- Local authority employers are not normally in a position to wind up a plan and thereby obtain refunds. In the event of the discontinuation of a local authority the pension fund assets and liabilities would be transferred to a successor authority.

The change in the net asset ceiling reflects the calculations undertaken by the actuary of the Staffordshire Pension Fund, incorporating an assessment of the economic benefit available as a contribution reduction and the minimum funding requirements from past service contributions, based on a number of assumptions with regard to discount rate, salary increase rate, and projected service costs.

It should be noted that there is no change to the underlying assets and obligations of the pension scheme as a result of the asset ceiling adjustment and no impact on the net cost to the taxpayer.

- **Cash Flow Statement:** shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.
- **Supplementary Statements:**
  - **Housing Revenue Account:** reflects the statutory requirement to maintain a separate account for Council Housing.

The overall revenue financial position relating to Council Housing as given on page 120 shows an increase in HRA balances for the year of £1.4m (£2.1m increase in 2024/25).

This equates to an overspend of £0.2m when compared to the approved budget for the year. This has resulted in a reduction in balances from £4.3m to £3.8m to be carried forward to 2026/27. Earmarked HRA Reserves have increased by £1.4m (£0.6m increase in 2025/6) to £9.4m resulting in total HRA Reserves of £13.2m (£12.3m in 2024/25).

- **The Collection Fund:** shows the Council Tax income collected on behalf of Staffordshire County Council, the Office of the Police and Crime Commissioner (OPCC), the Staffordshire Commissioner Fire and Rescue Authority and this Authority's General Fund.

The fund also includes Non Domestic Rates (NDR) income under the Business Rates Retention Scheme. The Collection Fund, subject to collection of outstanding arrears, achieved the following:

- Council Tax – surplus of £0.6m (£0.5m in 2024/25, the Authority's share is 9.3%), of which £0.3m (£0.3m in 2024/25) will be distributed to preceptors during 2026/27;
- NDR – deficit of £1.4m (£0.5m deficit in 2024/25) of which the Authority's share is 40%.

The deficit relating to the NDR collection fund includes a provision of £3.1m, (£3.0m in 2024/25) with £1.2m being the Authority's share (£1.2m in 2024/25), for appeals outstanding on the 31<sup>st</sup> March 2026 of £23.7m (£6.1m in 2024/25).

This will mean that the deficit will be £0.6m (share for this Authority) for 2026/27 comparable to a deficit of £0.3m included within the 2026/27 budget. It should be noted that this will be funded in 2026/27 through additional section 31 Government grants received during 2025/26 (and transferred to reserve).

These accounting statements are supported by appropriate notes to the accounts and the General Accounting Policies. For 2025/26, the notes to support the primary statements include the relevant accounting policies as well as further detail regarding individual transactions.

## **CHANGES TO THE ACCOUNTS 2025/26**

An updated Code of Practice on Local Authority Accounting, applicable for 2025/26 (the Code) was issued by CIPFA in June 2025. In England and Wales, the Code constitutes a 'proper accounting practice' under the terms of Section 21(2) of the Local Government Act 2003.

Changes reflected in the 2025/26 updated Code do, on the whole, have to be incorporated into the Authority's accounts but do not necessarily impact on the Authority's accounting policies. This is because the changes are principally around additional or changed disclosure notes, points of clarification and additional guidance etc.

The Code is based on approved accounting standards issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee, except where these are inconsistent with specific statutory requirements. The Code also draws on approved accounting standards issued by the International Public Sector Accounting Standards Board and the UK Financial Reporting Council where these provide additional guidance. The Code has been prepared on the basis of accounting standards and interpretations in effect for accounting periods commencing on or before 1 January 2025.

The Code also incorporates a temporary relief for certain reporting on infrastructure assets, which means that local authorities are not required to report the gross book value and accumulated depreciation for infrastructure assets. Where a local authority chooses to apply this temporary relief, the Code requires that additional information is provided to explain an authority's rationale for this decision. The Council has not made use of this relief in the 2025/26 Accounts.

The key accounting changes applicable to the Authority in the 2025/26 edition of the Code include:

- a) A substantial and significant accounting change due to CIPFA/LASAAC having regard to HM Treasury's Thematic Review on Non-Investment Assets. The main changes included in the Code are:
  - A revaluation expedient for property, plant and equipment, requiring valuations once every five years or on a five-year rolling basis and supported by indexation in intervening years. Alternatively, a desktop valuation in year three in rare cases where no index is available.
  - Intangible assets to be held at historical cost only; and
  - Transitional arrangements when applying these changes so they will be applied prospectively, with no restatement of prior year figures.
- b) Minor updates to reflect the amendment to publication dates in England as a result of the Accounts and Audit (Amendment) Regulations 2024.

- c) Updates to reflect the change in content of the annual governance statement following the publication of Delivering Good Governance in Local Government: Framework – Addendum covering the annual review of governance and the annual governance statement (2025).
- d) Updates to reflect the statutory override for pooled investments in England and Wales being extended to 31 March 2029 for pooled investments entered into by 1 April 2024.
- e) Confirmation of the transitional reporting requirements of the new standards introduced in the 2025/26 Code.
- f) Confirmation of the new standards introduced to the 2025/26 Code.

Under the oversight of the Financial Reporting Advisory Board, the CIPFA/LASAAC Code Board is in a position to issue mid-year updates to the Code. This will only be done in exceptional circumstances.

## FINANCIAL OUTLOOK

The Medium-Term Financial Planning process continues to be challenged by the ongoing uncertain economic conditions. The forecast is based on a 5 year period but does contain a number of uncertainties.

The Council's constitution requires that Cabinet publish initial proposals for the budget, having first canvassed the views of local stakeholders as appropriate - budget proposals were considered at the Joint Scrutiny Committee (Budget) meeting on 27<sup>th</sup> January 2026. In line with the constitution a Leaders Budget Workshop was held on 10<sup>th</sup> November 2025 to outline the issues affecting the MTFS arising from the base budget forecast. The MTFS budget has been set following extensive consultation with the people of Tamworth. This includes feedback and responses from the Annual Survey consultation exercise.

At its meeting of 24<sup>th</sup> February 2026, Council approved the General Fund budget and council tax increase of 2.99% for 2026/27; and the Housing Revenue Account budget with a rent increase of 4.8% in line with the Government's rent standard; with balanced budgets for the General Fund for three years and HRA for five years.

This was following the publication on 5<sup>th</sup> February 2026 of a written ministerial statement on the 2026/27 local government finance settlement by the Minister for Housing, Communities and Local Government. The Government confirmed a three year settlement covering the period 2026/27 to 2028/29, and the implementation of the Fair Funding Review and Business Rates Reset with effect from 2026/27, with the new funding model being phased in over the three year period.

Although the 2026/27 local government financial settlement is more positive than had been expected, and the three year period provides more certainty, members will be required to make difficult decisions about funding services in the future.

There are continuing cost pressures and inflationary increases which have compounded price increases for supplies and services, particularly those required for building or construction/maintenance works. Cost of living pressures also impact on income to the Council and have the potential to affect collection rates for council tax, business rates and housing rents..

A Financial Resilience Plan has been developed to ensure the financial sustainability of the Council. Even with implementing the maximum available increase in Council Tax, the Council faces significant financial challenges. Budgets are currently being balanced by the use of reserves and balances which is not sustainable over the longer term

The Financial Resilience Plan includes a number of workstreams under Income maximisation; Financial Management; and Service Transformation /Organisational Review headings. Actions have already been completed in a number of areas and other workstreams are underway, for example

identification of year on year underspends, zero-based budgeting reviews, and the review of outdoor events and the Assembly Rooms, which were reflected in budget adjustments in 2025/26. Notwithstanding local government reorganisation, the continued implementation of the Financial Resilience Plan is needed to ensure that Tamworth Borough Council goes into the new unitary structure in a financially sustainable position.

The overriding goal is to make sure our organisation remains fit for the future, while protecting services to the most vulnerable in our community. The Council's new Corporate Plan covering the period 2025 - 2030 was approved by Council along with the budget report in February 2025.

Our vision is 'Building a Better Tamworth' and our primary areas of focus are:

- Prosperity and Place
- Environment
- Community Wellbeing
- Council

The Council remains committed to promoting and stimulating economic growth and regeneration; meeting our housing needs; creating a vibrant town centre economy and protecting those most vulnerable in our communities. There is also a clear commitment to being a financially resilient council and maintaining balanced budgets in our financial strategies is a key priority.

There have been increasing demands for councils to assess their going concern status in recent years. This assessment has become more relevant with doubts being expressed about whether some local authorities will be able to deliver their full range of service commitments given the financial pressures they face and with some councils issuing warnings about their future financial viability.

It is important to be clear that the Code of Practice under which local authorities operate confirms that councils have no ability to cease being a going concern.

It would not therefore be appropriate for local authority financial statements to be prepared on anything other than a going concern basis. However, as part of putting these accounts together, the Council's financial monitoring and planning has continued to focus on providing assurance that its financial position remains secure. This includes considering the impact of cost of living pressures on council income, assessment of any bad debt provisions and impairments required against existing debts and continued analysis of the Council's cashflow requirements.

In the immediate future, the level of the Council's reserve balances is a good indicator of its financial health and ability to withstand any short-term shocks. In addition, the statutory environment in which local authorities operate means that, were an authority to encounter financial difficulties, the prospect would be that central government would implement alternative arrangements for the continuation of services or provide assistance to allow the recovery of any deficit over more than one year, with the provision of Exceptional Financial

Support. In the light of this and in the opinion of the Executive Director Finance and Commercial, the Council remains in a sound financial position considering the statutory position held by local authorities and the relative strength of its sources of revenue.

The 2026/27 General Fund budget of £12.6m is in a deficit position to the sum of £1m. Balances and reserves are required to balance the budget over the three year MTFS period to 2028/29. The use of reserves is currently projected to increase to unsustainable levels thereafter and it will be necessary to deliver savings through the Financial Resilience Plan to enable the Council to move towards a balanced budget in future years.

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## FINANCIAL PERFORMANCE

### General Fund

The main components of the General Fund approved budget and how these compare with actual income and expenditure are set out below.

General Fund	Actual £000	Approved Budget £000	Variance £000
(Surplus) or Deficit for the Year	1,241	(149)	1,390

The net expenditure for the Authority was £1.2m, representing an overspend of £1.4m. Major differences between the budget and the outturn are as follows:-

Variance between Budget & Actual Outturn	£000	£000
<b>Increased / Non-Budgeted Income*</b>		
Higher levels of investment income due to the rise in interest rates during the year, including item 8 recharge and property fund dividends	(1,018)	(1,018)
<b>Non-Budgeted Expenditure / Overspends</b>		
Ankerside Operating costs	497	
Joint Waste Service	257	
Higher levels of interest payable to the HRA and reserves	646	1,400
<b>Savings / Underspends</b>		
NDR Levy Payments	(787)	(787)
<b>Other Variances - Net (Underspends) / Overspends</b>		1,795
<b>Total (Favourable) / Unfavourable Variance</b>		<b>1,390</b>

## Council Housing

A summary of the Housing Revenue Account for 2025/26, compared with the approved budget (including decisions made by Members during the financial year) is shown below:-

Housing Revenue Account	Actual £000	Approved Budget £000	Variance £000
(Surplus) or Deficit for the Year	599	407	192

The net expenditure for the Housing Revenue Account was £0.6m, representing an overspend of £0.2m. Major differences between the budget and the outturn are as follows:-

Variance between Budget & Actual Outturn	£000	£000
<b>Increased / Non-Budgeted Income</b>		
Increased investment income on balances (item 8)	(646)	<b>(646)</b>
<b>Non-Budgeted Expenditure / Overspends</b>		
Housing Repairs - increase in Price Per Property and other uplifts	285	
Increased interest on debt due to rising interest rates	79	364
<b>Savings / Underspends</b>		
Contingency Budget not required	(130)	(130)
<b>Other Variances - Net (Underspends) / Overspends</b>		604
<b>Total (Favourable) / Unfavourable Variance</b>		<b>192</b>

## Capital Expenditure

During 2025/26 the Authority spent £17.2m on capital expenditure (£15.9m in 2024/25). A breakdown by category and sources of finance is shown as Note 33 to the Core Financial Statements on page 95.

The majority of expenditure is related to improvement, enhancement or ongoing construction works:

Capital Expenditure	£000	£000
<b>General Fund Services</b>		
Future High Street Fund Town Centre Regeneration	5,391	
Gungate	2,155	
Commercial Lease Bolebridge	340	
Disabled Facilities Grants	480	
Other Capital Schemes	1,557	9,923
<b>Housing Capital Programme</b>		
Enhancements to Council Dwellings	6,030	
Improvements to the High-Rise Flats	415	
Regeneration & Acquisition of Council Dwellings	356	
Other Capital Schemes	477	7,278
<b>Total</b>		<b>17,201</b>

A total of £24.0m spending originally planned for 2025/26, or earlier, has been deferred to 2026/27 (£26.3m in the previous year). Included within this deferred expenditure:

Deferred Capital Expenditure	£000	£000
<b>General Fund Services</b>		
Future High Street Fund Town Centre Regeneration	2,224	
Gungate Development	2,017	
Commercial Lease Bolebridge	22	
Amington Community Woodland	757	
R & R Office Requirements	30	
Disabled Facilities Grant	2,185	
Other Capital Schemes	4,034	11,269
<b>Housing Capital Programme</b>		
Enhancements to Council Dwellings	7,925	
Regeneration & Acquisition of Council Dwellings	417	
Other	4,421	12,763
<b>Total</b>		<b>24,032</b>

During the year, the Authority disposed of land and property with capital receipts totalling £3.0m, primarily relating to the disposal of 34 Council Dwellings through Right to Buy sales.

## **NON-FINANCIAL PERFORMANCE**

In February 2025 Council approved the Vision, Strategic Priorities and the Council's Corporate Plan for the period 2025 to 2030, with the Vision '**Building a Better Tamworth**'. This followed extensive engagement with residents and businesses across Tamworth, including surveys and drop-in sessions to help us to identify and prioritise outcomes, seeking feedback from specific groups and communities alongside workshops with staff and councillors to refine the priority outcomes for the borough.

The vision details four key areas of focus for the borough; including the key outcomes we are seeking to achieve and how we will work to achieve them.

### **Our primary areas of focus are:**

- **Prosperity and Place**
- **Environment**
- **Community Wellbeing**
- **Council**

**Prosperity & Place - We want growth in the local economy by creating jobs and a Tamworth we are all proud of, ensuring financial stability for all. We will:**

1. Work with businesses to help them grow and create jobs
2. Identify and address skills shortages
3. Make the town centre more vibrant and accessible
4. Regenerate and create spaces for people to use and enjoy
5. Promote tourism and nightlife by using our culture and heritage sites

**Environment - We want to achieve net-zero carbon emissions, protect the environment and enhance local biodiversity. We will:**

6. Keep Tamworth's local areas clean
7. Tackle fly tipping, littering and environmental offenses
8. Cut down on using carbon in our operations
9. Collaborate with partners to protect the environment
10. Provide eco-friendly housing options

**Community Wellbeing - We want residents to lead safe, healthy and happy lives in communities that are cohesive, where diversity is celebrated. We will:**

11. Work with our partners to support children and vulnerable individuals' wellbeing
12. Ensure our active health and wellbeing offer supports residents physical and mental health
13. Improve our offer to provide suitable homes and make good quality, eco-friendly and affordable housing available
14. Work with our partners to reduce homelessness and rough sleeping
15. Work with our partners to reduce crime and help our residents feel safe

**Council - We're focused on being a caring, accessible and effective council that is financially resilient. We will:**

16. Be visible, accessible, approachable and accountable to the community
17. Learn and work with communities to provide broader social benefits
18. Maintain balanced budgets in our financial strategies

Further details on the Authority's Key Performance Indicators for 2025/26 (and previous years) together with our vision and priorities for Tamworth, our values along with our performance are set out in **our Corporate Plan** which sets out our plans and priorities for the coming year, and is available from the Authority's website:

<https://www.tamworth.gov.uk/corporate-plan-2025-2030>

## HIGH LEVEL CORPORATE PLAN PERFORMANCE DASHBOARD

An update on the 2025/26 Corporate Plan actions is shown below.

### Prosperity & Place

Priorities	Delivery Plan Activities	Activity Status	Continuation	Year-end Position Update
<b>1. Working with businesses to help them grow and create jobs</b>	1a Create Business space as part of Future High Street Fund	On Track	Deliver at service plan level in 26/7	<ul style="list-style-type: none"> <li>Spaces occupied and tenants lined up to occupy in April-26.</li> </ul>
	1b Develop Economic Development Strategy	On Track	Deliver at service plan level in 26/7	<ul style="list-style-type: none"> <li>Economic Development Strategy and Action Plan completed.</li> </ul>
	1c CPC3 Ensure we are fully meeting obligations, managing risk, and exercising control over the asset base and investments to include the development and Implement Asset Management Plans	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Project phase completed at point where Cabinet Report is to be presented 30-April-26. Project will move into implementation phase in 2026/27 onwards subject to cabinet approval.</li> </ul>
<b>2. Identify and address skills shortages</b>	2a Facilitate delivery of the UKSPF Programme which supports the skills agenda	Complete	-	-

	2b Explore feasibility of a volunteer programme for Environment, Culture & Wellbeing Services	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>• Trial of volunteer programme instigated at Assembly Rooms.</li> </ul>
	2c Deliver Learning Academy for Tenants & leaseholders to upskill and enable community resilience	On Track	Deliver at service plan level in 26/7	<ul style="list-style-type: none"> <li>• The Tenants Learning Hub has been developed and is now undergoing further refinement in 2026/27 with support from TPAS.</li> </ul>
<b>3. Regenerate and create spaces for people to use and enjoy</b>	3a CPC7 Develop overarching Town Centre Regeneration Strategy and use this as an opportunity to strengthen communication and engagement approaches in relation to town centre regeneration (incl. high level master plan)	On Track	-	<ul style="list-style-type: none"> <li>• Regeneration strategy and masterplan completed and approved in November-25.</li> </ul>
	3b Prepare Gungate Masterplan	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>• Activity of work has progressed but continues to face delays around land acquisition.</li> </ul>
	3c Town Hall Feasibility Study - to assess future use of building	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>• Town Hall Feasibility Study completed, with final version prepared in March-26.</li> </ul>
	3d Progress Marmion House Regeneration Project	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>• Programme of work completed, with further work to be undertaken regarding</li> </ul>

				Marmion House regeneration potential in 2026/27.	
<b>4. Make the town centre more vibrant and accessible</b>	4a Strategic Review of options for the long-term sustainability of Ankerside	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Majority of key phases now complete. KPI data will follow on from the Community Lettings Policy considered by Cabinet on 30-April-26. Ankerside regeneration project has been commissioned separately.</li> </ul>	
	4b Public Realm works to town centre (Middle Entry/Town Hall George and Market Street)	Complete	-		-
	4c Public Realm works to St Editha's Square	Complete	-		-
	4d Future High Streets Fund Gateways Project (Bridge and Nationwide Demolition)	Complete	-	-	<ul style="list-style-type: none"> <li>Phases of work completed, and due to go out for consultation April-June 2026/27.</li> </ul>
	4e Deliver new local plan (to 2043)	On Track	Continue in 26/7 delivery plan		
<b>5. Promote tourism and nightlife by using our</b>	5a Future High Street Fund refurbishment of heritage properties on Market Street	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Demolition and planning consent phases of work completed. New contractor on board with contract signed.</li> </ul>	

<b>cultural and historic sites</b>				Work to commence on site mid-April-26.
	5b Review Assembly Rooms operations to achieve reduced subsidy	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>New operating model implemented from October-25 with ongoing review.</li> </ul>
	5c Co-ordinate the use of Tamworth Borough Council public spaces for all events	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Range of events delivered by the council with local organisations along with the hosting of community groups and organisation and charity events which have taken place within the Castle Grounds.</li> </ul>

## Environment

Priorities	Delivery Plan Activities	Activity Status	Continuation	Year-end Position Update
<b>6. Keep Tamworth's local areas clean</b>	6a Keep borough and town centre owned walkways, open space areas and paths clean and well-maintained	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Ongoing cyclical regimes delivered.</li> </ul>
	6b Develop and implement service standards that improve environmental, green and open space conditions for all residents.	On Track	Deliver at service plan level in 26/7	<ul style="list-style-type: none"> <li>Service Standards developed and forms part of the housing tenant information.</li> </ul>

	6c Develop and implement policies that support sustainability and contribute to social wellbeing	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>• Sustainable planting being undertaken, tree policy developed and adopted with a range of battery powered equipment being utilised.</li> <li>• Preparation for food waste implementation has been completed. Awaiting arrival of vehicles for service to roll out.</li> <li>• Opportunities are promoted through the Joint Waste website hosted through Lichfield.</li> <li>• All enforcement activities are recorded and publicised when necessary, in accordance with the plan and scrutiny.</li> </ul>
	6d Preparation for the introduction of food waste in March 2026	On Track	Continue in 26/7 delivery plan	
<b>7. Tackle fly tipping, littering and environmental offenses</b>	7a Explore feasibility of a Community Champions programme	On Track	Deliver at service plan level in 26/7	
	7b Publicise Enforcement Activity (part of Community Safety Partnership Communications Plan)	On Track	Deliver at service plan level in 26/7	
<b>8. Cut down on using carbon in our operations</b>	8a Explore feasibility of a Decarbonisation Programme	On Track	Deliver at service plan level in 26/7	<ul style="list-style-type: none"> <li>• No further work is planned on this project until 2026/27, when funding will be available to develop a strategic approach to decarbonisation.</li> <li>• Planters within the Castle Grounds are being transitioned to sustainable planting.</li> </ul>
	8b Sustainable planting and design within our open spaces	On Track	Deactivate	

<b>9. Collaborate with partners to protect the environment</b>	9a Continue to implement Nature Recovery Declaration	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Ongoing programme of work, with the Biodiversity Duty Report updated as per the DEFRA requirements and approved at Cabinet in March-26.</li> </ul>
	9b Establish and agree the work programme for Sustainability & Environment thematic group of the TSP - Better Together	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Group established, meets on a quarterly basis with a wide range of partners and reports into the Tamworth Strategic Partnership Board.</li> </ul>
	9c Contribute to the resilience measures with Severn Trent, Environment Agency, Staffs County Council, Rivers Trust and other partners (associated to flood risk and water management).	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Ongoing programme of work. The Environment Agency have been undertaking groundwork investigations to inform the full business case for the project.</li> </ul>
<b>10. Provide eco-friendly housing options</b>	10a Implement HRA including the approach to decarbonisation of Housing Stock.	On Track	Deliver at service plan level in 26/7	<ul style="list-style-type: none"> <li>Information available from Stock Condition Data used to develop HRA Business Plan.</li> </ul>

## Community Wellbeing

Priorities	Delivery Plan Activities	Activity Status	Continuation	Year-end Position Update
<b>11. Work with our partners to support children and vulnerable individuals' wellbeing</b>	11a Deliver Community Recovery Fund projects (link to UKSPF)	On Track	Deliver at service plan level in 26/7	<ul style="list-style-type: none"> <li>Project plan in place and projects are being delivered in accordance with this plan.</li> </ul>
	11b Deliver Asylum Dispersal Plan Funding	On Track	Deliver at service plan level in 26/7	<ul style="list-style-type: none"> <li>Project plan in place and projects are being delivered in accordance with this plan.</li> </ul>
	11c Establish, agree and Implement the work programme for Children and Young Peoples - TSP	On Track	Deliver at service plan level in 26/7	<ul style="list-style-type: none"> <li>Work continuing as per Staffs County Council strategy.</li> </ul>
	11d Delivery of co-produced Community Cohesion Strategy (Community Recovery Fund expenditure)	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Working group in place and conference held in March-26. Further development to be carried out in 26/27.</li> </ul>
	11e Review pilot: House Project to support care leavers (16 to 18years old) in partnership with SCC (to promote youth inclusive approaches to homelessness)	On Track	Deliver at service plan level in 26/7	<ul style="list-style-type: none"> <li>Cohort 1 (4 care leavers) and Cohort 2 (3 care leavers) supported by both Tamworth and Staff County Council to assist care leavers into long-term accommodation with ongoing support. Now entering into our third cohort</li> </ul>

				of up to 5 care leavers for the financial year 2026/27.
	11f Deliver and monitor Tamworth Advice Centre (financial support and wellbeing contracted services)	On Track	Deliver at service plan level in 26/7	<ul style="list-style-type: none"> <li>All quarterly reports received and the information reported into the cost of living working group.</li> </ul>
<b>12. Ensure our active health and wellbeing offer improves residents physical and mental health</b>	12a Develop and implement Tamworth Health and Wellbeing Partnership Plan (link to TSP)	On Track	Deactivate	<ul style="list-style-type: none"> <li>Plan is in place and being monitored by partners.</li> </ul>
	12b Work with Integrated Care Board and partners to address priorities in the Health Inequalities Strategy	On Track	Deactivate	<ul style="list-style-type: none"> <li>Project funding continuing until 2027/8 and progress reporting under We Are Tamworth and C&amp;W Scrutiny.</li> </ul>
	12c Support and deliver range a of health and wellbeing activities	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Range of activities and opportunities delivered and arranged by the Active Wellbeing Team . Improvement works taken place to the Castle Grounds Skate Park project which consisted of new fencing and lighting for the area.</li> </ul>
	12d Develop and Implement a co-produced Health and Wellbeing Strategy	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Initial discussions and briefing held with Portfolio Holder and Cabinet Members to progress this programme of work.</li> </ul>

	12e Review of Sheltered and Older People's Housing	Complete	-	-
	12f Develop a corporate approach to community and councillor grant funding	On Track	Deactivate	<ul style="list-style-type: none"> <li>28 out of 30 Councillors spent their community grants of £1000 each.</li> </ul>
<b>13. Improve our offer to provide suitable homes and make good quality, eco-friendly and affordable housing available</b>	13a Improve our support to help residents by finding or adapting homes that meet their needs	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Work progressing despite delays with contractor capacity for build of case management system. Adaptations Policy drafted with this to be reviewed for tenant engagement and consultation by January-27.</li> </ul>
	13b Develop and implement the Housing, Homelessness & Rough Sleeping Strategy (focus: Strategic approach to Housing)	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Confirmed at Cabinet on 21-October-26 and implementation plans in place and continuing into 26/7.</li> </ul>
	13c Implement Contract reset for the housing repairs contract	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Contract reset approaching final stages. Deed of Variation had five residual obstacles that have been overcome. Closer Scrutiny is in situ due to modernised IT repairs-based dashboard and operational meetings between clients and principal</li> </ul>

			contractor have become more effective.
	13d Delivery of options around acquisition; affordable housing development and growth as part of HRA Business Plan	On Track	Continue in 26/7 delivery plan
	13e Develop a plan to understand and deliver the outcomes of the Renters Rights Bill (to be enacted Spring/Summer) - private sector housing	On Track	Deactivate
	13f CPC5 Continue to deliver the Social Housing Improvement Programme working with residents and the Regulator of Social Housing	Off Track	Continue in 26/7 delivery plan
			<ul style="list-style-type: none"> <li>• 2025/26 programme complete. Properties handed over and ready for occupation. HRA Business Plan updated, consideration being given to future programmes.</li> <li>• Plan in place and "new burdens" funding received. Spending plans being developed for implementation in 26/7.</li> <li>• Some areas of work within the programme (particularly relating to the Safety &amp; Quality consumer standard) remain overdue because of limited capacity and competing resourcing demands affecting delivery timescales, with some activities progressing more slowly than planned.</li> </ul>

<p>13g Income Maximisation: Feasibility Review on Rent Flexibilities to deliver better tenant outcomes &amp; maximise rental income (linked to rent setting and income management policy)</p>	<p>Off Track</p>	<p>Deliver at service plan level in 26/7</p>	<ul style="list-style-type: none"> <li>• Due to other competing priorities taking precedence, limited capacity and resourcing demands, delivery of this activity has been affected, with this reprioritised to be delivered at service level for 2026/27.</li> </ul>
<p>13h Income Maximisation: Feasibility Review on Service Charges to sustain tenant services</p>	<p>Off Track</p>	<p>Deliver at service plan level in 26/7</p>	<ul style="list-style-type: none"> <li>• Due to other competing priorities taking precedence, limited capacity and resourcing demands, delivery of this activity has been affected, with this reprioritised to be delivered at service level for 2026/27.</li> </ul>
<p>13i Deliver Housing Revenue Account Business Plan Action Plan 2025-2055</p>	<p>On Track</p>	<p>Continue in 26/7 delivery plan</p>	<ul style="list-style-type: none"> <li>• Business Plan produced and presented at Housing and Homelessness Advisory Board on 18-February-26. Due to pre-election protocol, this is to be presented to Cabinet on 04-June-26.</li> </ul>
<p>13j Implement Tenant Voice Strategy to promote tenant and leaseholder voice through inclusivity plan,</p>	<p>On Track</p>	<p>Deliver at service plan level in 26/7</p>	<ul style="list-style-type: none"> <li>• The Tenants Voice Strategy has been reviewed and updated for 2025-2030 following a series of</li> </ul>

	satisfaction and "Getting to know you better"			consultation events with tenants.
<b>14. Work with our partners to reduce homelessness</b>	13k Review Tenancy Agreement and consult on Tenancy types seeking to create balanced sustainable communities ending fixed terms	Off Track	Deliver at service plan level in 26/7	<ul style="list-style-type: none"> <li>Due to other competing priorities taking precedence, limited capacity and resourcing demands, delivery of this activity has been affected, with this reprioritised to be delivered at service level for 2026/27.</li> </ul>
	14a Develop and Implement the Housing, Homelessness & Rough Sleeping Strategy (Focus: Specific focus on Homelessness & Rough Sleeping)	Complete	-	-
	14b Review of Allocations Impact Assessment and Lettings	On Track	Deliver at service plan level in 26/7	<ul style="list-style-type: none"> <li>Finding a Home portal built and in use. To be consulted with the Tenant Consultative Group and HaHAB in 2026/27.</li> </ul>
<b>15. Work with our partners to reduce crime and help our</b>	15a Play our part in implementing the Community Safety Partnership Plan with Community Safety Partnership	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Draft plan developed with partners aligned to Staffs CC plans, to be reported to Cabinet on 04-June-26.</li> </ul>

<b>residents feel safe</b>	15b Develop and Implement Action Plan from the Honest Conversations Project (link to 11d)	On Track	Deactivate	<ul style="list-style-type: none"> <li>We Are Tamworth strategy has been developed from this and is being implemented.</li> </ul>
	15c CPC8 Use the 'honest conversations project as well as a range of data and other insight to build asset-based Community Development Strategy.	On Track	Deactivate	<ul style="list-style-type: none"> <li>See 15b - this is merging with 11d and moving into 26/7 for delivery.</li> </ul>
	15d Review of CCTV and shared service delivery options for 2026/7 (including purple flag) - linked to Town Centre Priority	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Activity transferred ownership from Neighbourhoods to Partnerships service area in February-26. Undergoing transitional arrangements to deliver programme of works for 2026/27.</li> </ul>
	15e Review the Neighbourhood Impact Offer	On Track	Deactivate	<ul style="list-style-type: none"> <li>ASB policy has been to Cabinet and approved. This activity has now moved over to the Partnerships service area and is under transitional arrangements.</li> </ul>

## Council

Priorities	Delivery Plan Activities	Activity Status	Continuation	Year-end Position Update
<b>16. Be visible, accessible, approachable and accountable to the community</b>	16a Implement a Corporate Customer Service and access strategy to enhance customer accessibility and experience with a focus on supporting our most vulnerable customers	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Strategy written, consulted and implemented with supporting action plan, now absorbed into service plan activities</li> </ul>
	16b CPC6 Review, develop and strengthen communication and consultation approaches	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Communications Strategy has been developed and implemented with a supporting action plan, now absorbed into service plan activities</li> </ul>
	16c CPC12 Develop a comprehensive plan to achieve digital transformation putting customers at the heart	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Transitioned Repairs Contact Centre and Customer Service Team onto a new omni-channel contact centre solution incorporating telephony and chat into one platform. AI Chatbot developed and gone live, with virtual agent / natural language has been built and is in testing. Email integration</li> </ul>

			built and ready to be deployed pending suitable time for transition.
16d Review the member induction and member development programme.	On Track	Deliver at service plan level in 26/7	<ul style="list-style-type: none"> <li>• A fully comprehensive Councillor Information Pack has been produced, along with an updated timetable and Member Induction materials aligned to best practice.</li> <li>• People and OD Strategy has been developed and implemented with a supporting action plan, now absorbed into service plan activities.</li> </ul>
16e Implement a People and OD Strategy to create a flexible high performing organisation that can respond to financial pressures while maintaining service quality	On Track	Continue in 26/7 delivery plan	
16f Review complaints insight and develop service improvement report for (2024-25 and 2025-26). Submit annual reports to Housing Ombudsman Service to meet statutory requirements and demonstrate our commitment to learning from complaints.	On Track	Deliver at service plan level in 26/7	<ul style="list-style-type: none"> <li>• Annual Report 2024/25 submitted in line with statutory requirement and published. 2025/26 under development for publication in September-26.</li> </ul>
16g CPC10 Strengthen the culture of assurance and good governance across the council, including how	Complete	-	-


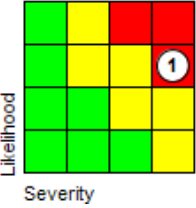

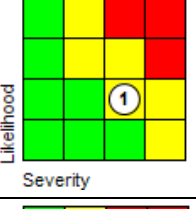

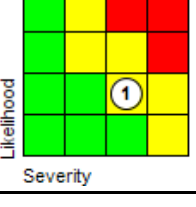
<p>statutory officer functions work and are distributed across the authority.</p>			
<p>16h CPC11 Review the council's overview and scrutiny structures in support of corporate priorities.</p> <p>16i CPC4 Ensure the new equality, diversity and inclusion strategy is used to bring to life a common vision and a sense of belonging for all communities, staff and councillors.</p>	<p>On Track</p> <p>On Track</p>	<p>Deliver at service plan level in 26/7</p> <p>Continue in 26/7 delivery plan</p>	<ul style="list-style-type: none"> <li>Review undertaken and newly refreshed Scrutiny structure has been implemented. Stocktake Assessment of progress made in implementing recommendations action plan to be completed 2026/27.</li> <li>Equality and Diversity Action Plan has been populated on a quarterly basis in accordance with the themes outlined within the strategy. Annual Report to be produced for Cabinet consideration in May-26.</li> </ul>
<p>16j Present an annual report to Audit and Governance committee on Tamworth Borough Councils performance in relation to enquiries made to the Local Government and Social Care Ombudsman</p> <p>16l Deliver Emergency Planning Improvement Plan to meet the</p>	<p>On Track</p> <p>On Track</p>	<p>Deliver at service plan level in 26/7</p> <p>Continue in 26/7 delivery plan</p>	<ul style="list-style-type: none"> <li>Annual Report presented to Audit and Governance Committee in August-25.</li> <li>Undertaken a review and held a workshop session with CMT to understand priorities.</li> </ul>


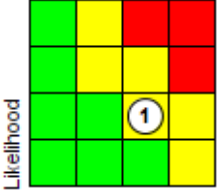

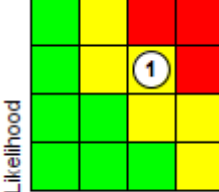

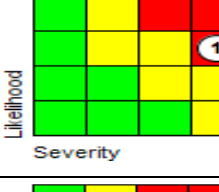

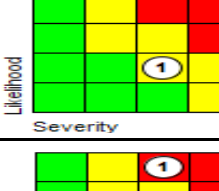

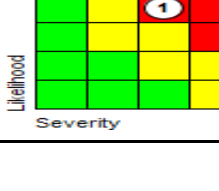
	requirement of the Civil Contingencies Act			Those priorities will now carry forward into future training and delivery programmes.
<b>17. Maintain balanced financial budget</b>	17a Implement and monitor delivery of Medium-term Financial Strategy	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Quarterly monitoring up to date, working on provisional outturn for reporting into Cabinet and Scrutiny.</li> </ul>
	17b CPC9 Ensure our organisational structure aligns to priorities and ambitions.	Complete	-	-
	17c Undertake assessment for Housemark Review	Complete	-	-
	17d CPC2 Align financial plans to the new corporate plan	On Track	Deactivate	<ul style="list-style-type: none"> <li>Programme of work reviewed and updated against the Corporate Plan in line with the budget setting process.</li> </ul>
	17e CPC1 Develop a clear plan to address financial challenges incorporating tangible, costed and deliverable savings with robust governance oversight to include development and monitoring of Savings Plan	On Track	Deactivate	<ul style="list-style-type: none"> <li>Monthly and quarterly Financial Healthcheck reporting processes in place, supported by the development of the Financial Resilience Plan to address any financial challenges.</li> </ul>
<b>18. Learn and work with communities to</b>	18a Implement the Procurement Strategy, ensuring the opportunities for Social Value are maximised	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>Quarterly reporting occurred throughout the year. Now looking at further embedding</li> </ul>


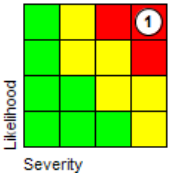

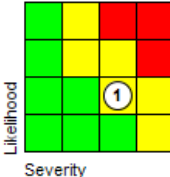
<b>identify opportunities for self help and buying local</b>				social value and training and guidance on procurement issues to staff.
	18b Utilise the Co-operative Council Innovation Network affiliate membership	On Track	Deliver at service plan level in 26/7	<ul style="list-style-type: none"> <li>The council achieved full membership status of the CCIN and has established a cross-council project team to implement an action plan.</li> </ul>
	18c Facilitate the development of an overarching Tamworth Strategic Partnership Plan	On Track	Continue in 26/7 delivery plan	<ul style="list-style-type: none"> <li>The Better Together meetings are all in place and progress from the thematic groups is reported quarterly.</li> </ul>
	18d Review the Mayoralty function to ensure its inline with Best Practice	Discontinued	-	<ul style="list-style-type: none"> <li>This activity is no longer pertinent given the LGR implications, as forthcoming reorganisation will replace current governance arrangements and make further work unnecessary.</li> </ul>






## CORPORATE RISK REGISTER

The Authority's Corporate risks for 2025/26 are outlined below.

Code	Corporate Risk Heading	Status	Status	Current Risk Matrix	Executive Leadership Team
CR2025/26_1	Finance/Financial Resilience		Alert		Melissa Bowdler; Joanne Goodfellow
CR2025/26_2	Governance and Legislative Compliance		Warning		Anica Goodwin
CR2025/26_3	Supporting communities to be Inclusive, Connected and Engaged.		Warning		Rishi Spolia

CR2025/26_4	Failure to ensure the availability of suitable well managed and maintained affordable housing across all tenures.		Warning	 Likelihood Severity	Rishi Spolia
CR2025/26_5	Organisational Resilience and Capacity		Warning	 Likelihood Severity	Anica Goodwin
CR2025/26_6	Inability to deliver sufficient strategic focus and investment to maximise delivery of environmental and climate objectives.		Alert	 Likelihood Severity	Robert Weaver
CR2025/26_7	Information and Data Management		Warning	 Likelihood Severity	Anica Goodwin
CR2025/26_8	Ensuring effective management and delivery of strategic, economic and regeneration priorities.		Alert	 Likelihood Severity	Robert Weaver

CR2025/26_9	Cyber Security		Alert		Anica Goodwin
CR2025/26_10	The process of Local Government Reorganisation presents significant strategic risks to the authority, including disruption to service delivery, financial instability, governance complexity, and stakeholder resistance.		Warning		Anica Goodwin

Risk Status	
	Alert
	High Risk
	Warning
	OK
	Unknown

Further information about the Statement of Accounts is available from the Executive Director Finance and Commercial, Tamworth Borough Council, Marmion House, Lichfield Street, Tamworth, Staffs. B79 7BZ.

Email: [joanne-goodfellow@tamworth.gov.uk](mailto:joanne-goodfellow@tamworth.gov.uk)

Telephone: 01827 709241

This is part of the Authority's policy of providing full information about the Authority's affairs. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised on the Authority's website at [www.tamworth.gov.uk](http://www.tamworth.gov.uk)

**The information in this document may be made available in other selected languages. Copies may be made available on tape, in Braille or large print.**

## **Statement of Responsibilities**

### **The Authority's Responsibilities**

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Executive Director Finance and Commercial (S151);
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

### **The Executive Director Finance and Commercial's Responsibilities**

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

In preparing this Statement of Accounts, the Executive Director Finance and Commercial 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 Executive Director Finance and Commercial has also:

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

This Statement of Accounts gives a true and fair view of the financial position of Tamworth Borough Council at the reporting date and of its expenditure and income for the year ended 31<sup>st</sup> March 2026.



Jo Goodfellow

Executive Director of Finance and Commercial

Dated: 25<sup>th</sup> June 2026

## **Comprehensive Income and Expenditure Statement (CIES)**

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

A breakdown of the individual services contained within the CIES headings are detailed within the Appendix to the CIES on page 154.

A detailed breakdown of the movement on the HRA is shown within the HRA Statements on page 121.

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2024/25			Comprehensive Income & Expenditure Statement	Notes	2025/26		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000			Gross Expenditure £000	Gross Income £000	Net Expenditure £000
509	(121)	388	Chief Executive		460	(96)	364
4,297	(2,817)	1,480	Assistant Director Growth and Regeneration		16,982	(3,144)	13,838
127	(33)	94	Executive Director Organisation (GF)		104	(23)	81
3,643	(956)	2,687	Assistant Director People (GF)		3,662	(863)	2,799
827	(252)	575	Assistant Director Policy & Performance (GF)		1,080	(253)	827
8,886	(2,692)	6,194	Assistant Director Env, Culture & Wellbeing (GF)		8,892	(2,984)	5,908
185	(35)	150	Executive Director Finance		130	(22)	108
14,156	(13,083)	1,073	Assistant Director Finance		11,535	(10,578)	957
-	-	-	Executive Director Communities (GF)		-	-	-
2,710	(1,764)	946	Assistant Director Assets (GF)		5,366	(3,781)	1,585
1,917	(769)	1,148	Assistant Director Neighbourhoods (GF)		1,837	(954)	883
2,264	(809)	1,455	Assistant Director Partnerships		2,110	(1,152)	958
-	-	-	Executive Director Place*		47	-	47
147	(118)	29	Executive Director Communities (HRA)		209	(176)	33
13,247	(24,021)	(10,774)	HRA Summary		11,472	(23,577)	(12,105)
266	-	266	Assistant Director People (HRA)		274	-	274
408	-	408	Assistant Director Operations and Leisure (HRA)		427	-	427
1,553	(383)	1,170	Assistant Director Assets (HRA)		1,815	(437)	1,378
5,909	(1,357)	4,552	Assistant Director Neighbourhoods (HRA)		5,942	(1,311)	4,631
6,366	(136)	6,230	Housing Repairs		7,625	(174)	7,451
<b>67,417</b>	<b>(49,346)</b>	<b>18,071</b>	<b>Cost of Services</b>	<b>7</b>	<b>79,969</b>	<b>(49,525)</b>	<b>30,444</b>

2024/25			Comprehensive Income & Expenditure Statement	Notes	2025/26		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000			Gross Expenditure £000	Gross Income £000	Net Expenditure £000
		(223)	Other Operating Expenditure	11			153
		10,856	Financing and Investment Income and Expenditure (FIIE)	12			(973)
		-	(Surplus) or Deficit of Discontinued Operations	27			-
		(17,823)	Taxation and Non Specific Grant Income	13			(11,827)
		<b>10,881</b>	<b>(Surplus) or Deficit on Provision of Services</b>	7			<b>17,797</b>
		(14,293)	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets	23a			(7,782)
		(746)	Re-measurement of the Net Defined Benefit Liability	23c			(2,544)
		<b>(15,039)</b>	<b>Other Comprehensive Income and Expenditure</b>				<b>(10,326)</b>
		<b>(4,158)</b>	<b>Total Comprehensive Income and Expenditure</b>				<b>7,471</b>

\* New post created in 2025/26

## **Movement in Reserves Statement**

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The (Surplus) or Deficit on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for Council Tax setting and dwellings rent setting purposes. The Net (Increase) / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from Earmarked Reserves undertaken by the Authority.

The reserve movements for 2024/25 and 2025/26 are shown on the following pages.

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**Movement in Reserves Statement  
2024/25**

	General Fund Balance	Earmarked Reserves	Total General Fund Balances	Housing Revenue Account	Earmarked HRA Reserves	Total HRA Balances	Capital Receipts Reserve	Major Repairs Reserve Note HRA 3	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance as at 1st April 2024</b>	10,737	20,134	30,871	2,220	7,389	9,609	13,932	2,319	1,221	57,952	236,363	294,315
<b>Movement in Reserves during 2024/25</b>												
Surplus or (Deficit) on the Provision of Services	(7,032)	-	(7,032)	(3,849)	-	(3,849)	-	-	-	(10,881)	-	(10,881)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	-	15,039	15,039
<b>Total Comprehensive Income and Expenditure</b>	<b>(7,032)</b>	<b>-</b>	<b>(7,032)</b>	<b>(3,849)</b>	<b>-</b>	<b>(3,849)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,881)</b>	<b>15,039</b>	<b>4,158</b>
Adjustments between Accounting Basis and Funding Basis Under Regulations (Note 9)	4,065	-	4,065	6,593	-	6,593	(1,459)	1,198	66	10,463	(10,463)	-
<b>Net (Increase) / Decrease before transfers to Earmarked Reserves</b>	<b>(2,967)</b>	<b>-</b>	<b>(2,967)</b>	<b>2,744</b>	<b>-</b>	<b>2,744</b>	<b>(1,459)</b>	<b>1,198</b>	<b>66</b>	<b>(418)</b>	<b>4,576</b>	<b>4,158</b>
Transfers to / (from) Earmarked Reserves (Note 10)	2,294	(2,294)	-	(630)	630	-	-	-	-	-	-	-
<b>Increase / (Decrease) in 2024/25</b>	<b>(673)</b>	<b>(2,294)</b>	<b>(2,967)</b>	<b>2,114</b>	<b>630</b>	<b>2,744</b>	<b>(1,459)</b>	<b>1,198</b>	<b>66</b>	<b>(418)</b>	<b>4,576</b>	<b>4,158</b>
<b>Balance as at 31st March 2025</b>	<b>10,064</b>	<b>17,840</b>	<b>27,904</b>	<b>4,334</b>	<b>8,019</b>	<b>12,353</b>	<b>12,473</b>	<b>3,517</b>	<b>1,287</b>	<b>57,534</b>	<b>240,939</b>	<b>298,473</b>

**Movement in Reserves Statement  
2025/26**

	General Fund Balance	Earmarked Reserves	Total General Fund Balances	Housing Revenue Account	Earmarked HRA Reserves	Total HRA Balances	Capital Receipts Reserve	Major Repairs Reserve Note HRA 3	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance as at 1st April 2025</b>	10,064	17,840	27,904	4,334	8,019	12,353	12,473	3,517	1,287	57,534.00	240,939	298,473
<b>Movement in Reserves during 2025/26</b>												
Surplus or (Deficit) on the Provision of Services	(13,961)	-	(13,961)	(3,836)	-	(3,836)	-	-	-	(17,797.00)	-	(17,797)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	0.00	10,326	10,326
<b>Total Comprehensive Income and Expenditure</b>	<b>(13,961)</b>	<b>-</b>	<b>(13,961)</b>	<b>(3,836)</b>	<b>-</b>	<b>(3,836)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17,797.00)</b>	<b>10,326</b>	<b>(7,471)</b>
<b>Adjustments between Accounting Basis and Funding Basis Under Regulations (Note 9)</b>	<b>13,640</b>	<b>-</b>	<b>13,640</b>	<b>4,661</b>	<b>-</b>	<b>4,661</b>	<b>(4,759)</b>	<b>(1,207)</b>	<b>(1,138)</b>	<b>11,197.00</b>	<b>(11,197)</b>	<b>-</b>
<b>Net (Increase) / Decrease before transfers to Earmarked Reserves</b>	<b>(321)</b>	<b>-</b>	<b>(321)</b>	<b>825</b>	<b>-</b>	<b>825</b>	<b>(4,759)</b>	<b>(1,207)</b>	<b>(1,138)</b>	<b>(6,600.00)</b>	<b>(871)</b>	<b>(7,471)</b>
<b>Transfers to / (from) Earmarked Reserves (Note 10)</b>	<b>(920)</b>	<b>920</b>	<b>-</b>	<b>(1,424)</b>	<b>1,424</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>-</b>
<b>Increase / (Decrease) in 2025/26</b>	<b>(1,241)</b>	<b>920</b>	<b>(321)</b>	<b>(599)</b>	<b>1,424</b>	<b>825</b>	<b>(4,759)</b>	<b>(1,207)</b>	<b>(1,138)</b>	<b>(6,600.00)</b>	<b>(871)</b>	<b>(7,471)</b>
<b>Balance as at 31st March 2026</b>	<b>8,823</b>	<b>18,760</b>	<b>27,583</b>	<b>3,735</b>	<b>9,443</b>	<b>13,178</b>	<b>7,714</b>	<b>2,310</b>	<b>149</b>	<b>50,934.00</b>	<b>240,068</b>	<b>291,002</b>

## Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The Net Assets of the Authority (assets less liabilities) are matched by the Reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are Usable Reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments Between Accounting Basis and Funding Basis Under Regulations'.

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31st March 2025 £000	Balance Sheet	Notes	31st March 2026 £000
294,414	Property, Plant & Equipment	14	290,079
4,325	Heritage Assets	15	4,603
18,996	Investment Property	16	19,397
125	Intangible Assets		153
3,758	Rights of Use Vehicles, Plant, Furniture and Equipment	33	3,058
-	Assets Held for Sale	20	-
10,406	Long Term Investments	17	6,786
183	Long Term Debtors	17	171
-	Other Long Term Assets	23c/37	-
<b>332,207</b>	<b>Long Term Assets</b>		<b>324,247</b>
46,021	Short Term Investments	17	43,860
20	Inventories		24
2,752	Short Term Debtors	18	2,509
9,749	Cash & Cash Equivalents	19	6,923
<b>58,542</b>	<b>Current Assets</b>		<b>53,316</b>
(1)	Cash & Cash Equivalents	19	-
(309)	Short Term Borrowing	17	(301)
(10,982)	Short Term Creditors	21	(9,593)
(651)	Short Term Finance Liability	33	(589)
(372)	Provisions	22	(381)
<b>(12,315)</b>	<b>Current Liabilities</b>		<b>(10,864)</b>
(825)	Long Term Creditors	17	(358)
(830)	Provisions	22	(855)
(63,060)	Long Term Borrowing	17	(63,060)
(7,487)	Other Long Term Liabilities	23c/37	(4,412)
(2,977)	Long Term Finance Liability	33	(2,393)
(3,807)	Capital Grants Receipts in Advance	31	(3,469)
(975)	Revenue Grants Receipts in Advance		(1,150)
<b>(79,961)</b>	<b>Long Term Liabilities</b>		<b>(75,697)</b>
<b>298,473</b>	<b>Net Assets</b>		<b>291,002</b>
57,534	Usable Reserves		50,933
240,939	Unusable Reserves	23	240,069
<b>298,473</b>	<b>Total Reserves</b>		<b>291,002</b>

*Jo Goodfellow*

Jo Goodfellow  
Executive Director of Finance and Commercial

Dated: 25<sup>th</sup> June 2026

## Cash Flow Statement

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

2024/25 £000	Cashflow Statement	Notes	2025/26 £000
10,881	Net (Surplus) or Deficit on the Provision of Services		17,797
(14,221)	Adjustments to Net (Surplus) or Deficit on the Provision of Services for non-cash movements		(27,193)
8,281	Adjustments for items included in the Net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities		3,544
4,941	Net cash flows from Operating Activities (Surplus)/Deficit	24	(5,852)
(5,741)	Investing Activities	25	7,156
(1,228)	Financing Activities	26	1,521
(2,028)	Net (increase) or decrease in Cash and Cash Equivalents		2,825
7,720	Cash and Cash Equivalents at the beginning of the reporting period		9,748
<b>9,748</b>	<b>Cash and &amp; Cash Equivalents at 31st March 2026</b>	19	<b>6,923</b>

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## **NOTES TO THE ACCOUNTS**

### **1. Accounting Policies**

#### **BASIS FOR PREPARATION**

The notes relating to specific financial statement lines include the corresponding accounting policy. As a result, there is not an overall principal accounting policies note. However, the general accounting policies where there are not any accompanying notes are detailed within this note.

#### **i. GENERAL PRINCIPLES**

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

The accounting convention adopted in the Statement of accounts is principally historical cost, modified by the revaluation of certain categories of Non Current Assets and Financial Instruments.

#### **ii. ACCRUALS OF INCOME AND EXPENDITURE**

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received, other than prepayments which are accounted for on a cash basis. In particular:

- a) 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;
- b) 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;
- c) 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;
- d) 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;
- e) Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written

down and a charge made to revenue in financing and investment income and expenditure for the income that might not be collected.

The Authority's policy is to review all accruals over £1k together with payments and receipts over £5k made in February, March and April to ensure that they are recorded in the appropriate period. Any accruals below this amount are not considered to be material.

### **iii. PRIOR PERIOD ADJUSTMENTS, CHANGES IN ACCOUNTING POLICIES AND ESTIMATES AND ERRORS**

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

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

Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

### **iv. CHARGES TO REVENUE FOR NON CURRENT ASSETS**

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

- a) depreciation attributable to the assets used by the relevant service;
- b) 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; and
- c) amortisation of intangible fixed assets attributable to the service.

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

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

### **v. COUNCIL TAX AND NON-DOMESTIC RATES (ENGLAND)**

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

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

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made (fixed or determinable payments), the asset is written down and a charge made to the Taxation and Non-Specific Grant 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.

### **vi. INTANGIBLE ASSETS**

Expenditure on non monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the Intangible Asset to the Authority.

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 authority 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 measured initially at cost. Amounts are only revalued where the fair value of the assets held by the authority can be determined by reference to an active market. In practice, no intangible asset held by the authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or

abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

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

#### **vii. VAT**

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

#### **viii. FAIR VALUE MEASUREMENT**

The Authority measures some of its non-financial assets such as Surplus Assets and Investment Properties and some of its financial instruments at 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:

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

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

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

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

The Authority uses internal and external valuers to provide a valuation of its assets and liabilities in line with the highest and best use definition within the accounting standard. The highest and best use of the asset or liability being valued is considered from the perspective of a market participant.

Inputs to the valuation techniques in respect of the Authority's fair value measurement of its assets and liabilities are categorised within the fair value hierarchy as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date.

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

Level 3 – unobservable inputs for the asset or liability.

**ix. INTERESTS IN COMPANIES AND OTHER ENTITIES**

The authority has no material interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures and require it to prepare group accounts. In the authority's own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses.

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## **2. Accounting Standards That Have Been Issued but Have Not Yet Been Adopted**

The Code of Practice on Local Authority Accounting in the UK (the Code) requires an authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year.

At the balance sheet date the following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom and will be adopted in 2026/27:

- a) Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (amendments to heritage assets)
- b) Amendments to the Classification and Measurement of Financial Instruments (IFRS 9 and IFRS 7)
- c) Annual improvements to IFRS accounting standards
- d) Contracts referencing Nature-dependent Electricity (amendments to IFRS 9 and IFRS 7)

It is not likely that there will be an impact on the Council's accounts with regard to the above changes to the Code.

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

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

- The Authority has a Joint Waste Management arrangement with Lichfield District Council (LDC) as the host Authority responsible for management of the arrangement including the refuse fleet. Each Council is responsible for showing its share of income and expenditure and assets and liabilities within its Financial Statements.

At the end of March 2025 Lichfield District Council procured a new waste fleet using a contract hire arrangement that has been evaluated under IAS 17 as a finance lease. The net book value of the assets and the value of the finance lease obligation as at 31<sup>st</sup> March 2026 was £2.6m. The assets of the operation in respect of vehicles, equipment, land and buildings have been assessed as being under the control of both Lichfield District Council and Tamworth Borough Council based on the ratio of properties in each area. The current ratio is 58.48% Lichfield and 41.52% Tamworth based on the number of properties in each area and assets are shown on both Authorities' Balance Sheets based on this split. The Joint Waste Service also shares joint income and expenditure based on the same ratio.

#### 4. Assumptions Made About the Future & Other Major Sources of Estimation Uncertainty

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

The items in the Authority's Balance Sheet at 31<sup>st</sup> March 2026 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
Pensions	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.</p> <p>A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.</p>	<p>Adjustment to the level of liability on the Balance Sheet. During the year the overall liability reduced from £7.5m to £4.4m (following a decrease in the deficit from £8.1m to £7.5m in 2024/25) – see Note 37 on page 116.</p> <p>Variations in the key assumptions will have the following impact on the net liability:            A 0.1% decrease in the real discount rate will increase the net pension liability by £1.5m (1%);            A 0.1% increase in the assumed level of salary increases will increase the net pension liability by £0.07m (0%); and            A 0.1% increase in the assumed level of pension increases will increase the net pension liability by £1.4m (1%).</p>
Business Rates Retention	<p>The Local Government Finance Act 2012 introduced a Business Rates Retention Scheme that enabled local authorities to retain a proportion of the Business Rates generated in their area. The arrangements for the Business Rates came into effect on 1<sup>st</sup> April 2013. Billing authorities acting as agents on behalf of the major preceptors, Central Government and themselves and are required to make provisions for refunding ratepayers who have successfully appealed against the rateable</p>	<p>The Authority has included a provision of £1.2m (the overall provision in the Business Rates Collection Fund is £3.1m and the Authority's share of the Local Business Rates Retention scheme is 40%) for appeals outstanding on the 31<sup>st</sup> March 2026 of £23.7m.</p> <p>With effect from the 2017 Rating List, there is a fresh approach to appeals known as "Check, Challenge &amp; Appeal" (CCA) which means that before an appeal is made the Rateable Value may be amended upon negotiation</p>

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	<p>value of their properties on the rating List.</p> <p>Staffordshire was successful in the application to become a 75% Business Rate Retention Pilot for 2019/20.</p> <p>The Staffordshire and Stoke on Trent Business Rates Pilot consisted of Staffordshire County Council (SCC); Stoke on Trent City Council (SoTCC), all 8 District /Borough Councils and the Staffordshire Commissioner for Police, Fire and Rescue and Crime (SPFCC) – for both the Police and Fire and Rescue Services (FARS). The pilot allowed 75% of Business Rates to be retained locally with 40% retained by the Districts, 34% by the County (74% for SoTCC as a Unitary Authority) and 1% for the FARS.</p> <p>Previously, the Council was a Member of the GBSLEP business rates pool. Half of the rates revenue was retained locally with Billing authorities acting as agents on behalf of the major preceptors (SCC 9% / SFARS 1%), Central Government (50%) and themselves (40%).</p> <p>The government announced that business rate pilot pools established for 2019/20 would not be allowed to continue and the pilot business rate pool ceased on 31<sup>st</sup> March 2020.</p> <p>The bid for a new business rate retention pool reverting back to the 50% retention scheme consisting of SoTCC, SCC, SFARS and the 8 District Councils was successful for 2020/21 and has continued since then and into 2025/26.</p>	<p>between the Valuation Office and the ratepayer (or their agents). This process will inevitably lead to a delay in appeals being made.</p> <p>It is difficult to estimate the likelihood of businesses both submitting and being successful with an appeal in the future and the Authority has therefore made provision in the accounts based on professional advice from independent valuers.</p> <p>Following the implementation of the Government's Fairer Funding Review and redistribution of retained business rates growth with effect from 1<sup>st</sup> April 2026, the Staffordshire Councils agreed that there was little benefit in continuing with pooling arrangements in 2026/27.</p>

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
<p>Property, Plant and Equipment, Council Dwellings and Investment Properties</p>	<p>Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. Asset valuations are based on market prices and are periodically reviewed to ensure that the Council does not materially misstate its non-current assets. The Council's external valuers provided valuations as at 31<sup>st</sup> March 2026 following a review of all (100%) of its operational portfolio. There are uncertainties with regard to comparable properties when using the beacon approach to the valuation of Housing stock., where there may be a lack of similar properties having recently been sold on the open market. The expertise of external valuers is relied upon.</p> <p>The estimated remaining useful life of all operational assets is reviewed annually based on the advice from the Council external valuers.</p>	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for Council dwellings would increase by c.£ 78k for every year that useful lives had to be reduced.</p> <p>A reduction in the estimated valuations would result in reductions to the Revaluation Reserve and / or a loss recorded as appropriate in the Comprehensive Income and Expenditure Statement.</p> <p>An increase in estimated valuations would result in increases to the Revaluation Reserve and / or reversals of previous negative revaluations to the Comprehensive Income and Expenditure Statement and / or gains being recorded as appropriate in the Comprehensive Income and Expenditure Statement.</p> <p>Depreciation charges for operational buildings will change in direct relation to changes in estimated current value. The net book value of non-current assets subject to potential revaluation is £283.7m (£257.1m Council Dwellings and £26.6m Other Land and Buildings). A 1% movement in their valuation would equate to £28.4m. With regard to investment properties, a 1% movement in their valuation would equate to £1.9m.</p>

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

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

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance. This note identifies material items of income and expense. For the purposes of this note the Authority considers material items to be those greater than £1.4m.

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

Events after the Balance Sheet reporting period are those events, both favourable and unfavourable, that occur between the Balance Sheet date (31<sup>st</sup> March 2026) and the date when the Statement of Accounts is authorised for issue (25<sup>th</sup> June 2026). Two types of events can be identified:

- a) 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. There have been no such events;
- b) 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 such a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

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

The Statement of Accounts was authorised for issue by the Executive Director Finance and Commercial on 25<sup>th</sup> June 2026. 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<sup>st</sup> March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

## **7. Expenditure and Funding Analysis and Adjustment Detail**

This statement shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2024/25			Expenditure Funding Analysis			2025/26		
Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement				Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000				£000	£000	£000
			<b>Cost of Services</b>					
374	14	388	Chief Executive			373	(9)	364
1,302	178	1,480	Assistant Director Growth and Regeneration			926	12,912	13,838
94	-	94	Executive Director Organisation (GF)			82	(1)	81
2,475	212	2,687	Assistant Director People (GF)			2,629	170	2,799
575	-	575	Assistant Director Policy & Performance (GF)			876	(49)	827
5,677	517	6,194	Assistant Director Env, Culture & Wellbeing (GF)			5,275	633	5,908
153	(3)	150	Executive Director Finance			109	(1)	108
1,522	(449)	1,073	Assistant Director Finance			1,233	(276)	957
-	-	-	Executive Director Communities (GF)			-	-	-
588	358	946	Assistant Director Assets (GF)			1,191	394	1,585
1,146	2	1,148	Assistant Director Neighbourhoods (GF)			929	(46)	883
967	488	1,455	Assistant Director Partnerships			440	518	958
-	-	-	Executive Director Place*			45	2	47
31	(2)	29	Executive Director Communities (HRA)			32	1	33
(19,681)	8,907	(10,774)	HRA Summary			(19,153)	7,048	(12,105)
273	(7)	266	Assistant Director People (HRA)			297	(23)	274
369	39	408	Assistant Director Operations and Leisure (HRA)			443	(16)	427
1,199	(29)	1,170	Assistant Director Assets (HRA)			1,454	(76)	1,378
4,620	(68)	4,552	Assistant Director Neighbourhoods (HRA)			4,892	(261)	4,631
6,230	-	6,230	Housing Repairs			7,451	-	7,451
<b>7,914</b>	<b>10,157</b>	<b>18,071</b>	<b>Net Cost of Services</b>			<b>9,524</b>	<b>20,920</b>	<b>30,444</b>

2024/25			Expenditure Funding Analysis	2025/26		
Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000		£000	£000	£000
(7,691)	501	(7,190)	Other Comprehensive Income and Expenditure	(10,029)	(2,618)	(12,647)
<b>223</b>	<b>10,658</b>	<b>10,881</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>(505)</b>	<b>18,302</b>	<b>17,797</b>
(40,483)			<b>General Fund and HRA balances B/fwd</b>	(40,260)		
223			<b>(Surplus) / Deficit on Provision of Services</b>	(505)		
(40,260)			<b>Closing General Fund and HRA Balances</b>	(40,765)		

\*New post created in 2025/26

### 7a) Adjustments for Capital Purposes

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.

### 7b) Net Change for the Pensions Adjustments

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.
- **Financing and investment income and expenditure** -- the net interest on the defined benefit liability is charged to the CIES.

### 7c) Other Differences

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

- **Financing and investment income and expenditure** the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- **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.

## 8. Expenditure and Income Analysed by Nature

2024/25 £000	Expenditure and Income Analysed by Nature	2025/26 £000
	<b>Expenditure</b>	
17,317	Employee Benefits Expenses	18,640
41,693	Other Services Expense	41,437
-	Support Service Recharges	-
14,218	Depreciation, Amortisation and Impairment	25,863
(483)	Retirement Benefits	(1,121)
495	REFCUS	567
-	Payments to Housing Capital Receipts Pool	-
<b>73,240</b>	<b>Total Expenditure</b>	<b>85,386</b>
	<b>Income</b>	
(223)	Gain on Disposal of Assets	153
(38,590)	Fees, Charges and Other Service Income	(40,109)
7,787	Interest and Investment Income	(3,864)
(8,459)	Income from Council Tax, NNDR and District Rates Income*	(8,064)
(22,874)	Government Grants and Contributions	(15,705)
<b>(62,359)</b>	<b>Total Income</b>	<b>(67,589)</b>
<b>10,881</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>17,797</b>

\* Net of NDR Tariff payment of £11.3m (£11.1m 2024/25).

## 9. Adjustments between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

Adjustments between Accounting Basis and Funding Basis Under Regulations	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	£000	
<b>2025/26</b>						
<b>Adjustments primarily involving the Capital Adjustment Account:</b>						
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>						
Charges for depreciation and impairment of Non-Current Assets;	(7,297)	(10,837)	-	-	-	18,134
Revaluation losses on Property, Plant and Equipment;	(7,427)	(202)	-	-	-	7,629
Movements in the market value of Investment Properties;	61	-	-	-	-	(61)
Movement in Fair Value of Capital Property Fund Investments	(92)	-	-	-	-	92
Amortisation of Intangible Assets;	(68)	(1)	-	-	-	69
Capital Grants and Contributions Applied;	1,238	-	-	-	-	(1,238)
Revenue Expenditure Funded from Capital Under Statute (REFCUS);	(567)	-	-	-	-	567
Amounts on Non Current Assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.	(767)	(2,361)	-	-	-	3,128
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>						
Statutory provision for the financing of capital investment - Minimum Revenue Provision;	955	-	-	-	-	(955)
Capital expenditure charged against the General Fund and HRA balances.	(95)	1,636	-	-	-	(1,541)
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(156)	-	-	-	156	-
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	-	-	982	(982)
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>						
Transfer of cash sale proceeds credited as part of the gain/ loss on disposal to the Comprehensive Income and Expenditure Statement;	38	2,981	(3,019)	-	-	-

Adjustments between Accounting Basis and Funding Basis Under Regulations	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	£000	£000
Use of the Capital Receipts Reserve to finance new capital expenditure;	-	-	7,734	-	-	(7,734)
Contribution from the Capital Receipts Reserve towards administrative costs of Non-Current Asset disposals;	-	(44)	44	-	-	-
<b>Adjustments primarily involving the Major Repairs Reserve:</b>						
Reversal of Major Repairs Allowance credited to the HRA;	-	3,924	-	(3,924)	-	-
Use of the Major Repairs Reserve to finance new capital expenditure.	-	-	-	5,131	-	(5,131)
<b>Adjustments primarily involving the Pensions Reserve:</b>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income & Expenditure Statement (see Note 37);	(1,613)	(562)	-	-	-	2,175
Employer's pensions contribution and direct payments to pensioners payable in the year.	2,470	826	-	-	-	(3,296)
<b>Adjustment primarily involving the Collection Fund Adjustment Account:</b>						
Amount by which Council Tax and Non Domestic Rating Income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax and Non Domestic Rating Income calculated for the year in accordance with statutory requirements.	(369)	-	-	-	-	369
<b>Adjustment primarily involving the Accumulated Absences Account:</b>						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	49	(21)	-	-	-	(28)
<b>Total Adjustments 2025/26</b>	<b>(13,640)</b>	<b>(4,661)</b>	<b>4,759</b>	<b>1,207</b>	<b>1,138</b>	<b>11,197</b>

Adjustments between Accounting Basis and Funding Basis Under Regulations	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	£000	
<b>2024/25</b>						
<b>Adjustments primarily involving the Capital Adjustment Account:</b>						
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>						
Charges for depreciation and impairment of Non-Current Assets;	(1,161)	(8,825)	-	-	-	9,986
Revaluation losses on Property, Plant and Equipment;	(143)	(4,036)	-	-	-	4,179
Movements in the market value of Investment Properties;	(164)	-	-	-	-	164
Movement in Fair Value of Capital Property Fund Investments	262	-	-	-	-	(262)
Amortisation of Intangible Assets;	(134)	(17)	-	-	-	151
Capital Grants and Contributions Applied;	6,569	-	-	-	-	(6,569)
Revenue Expenditure Funded from Capital Under Statute (REFCUS);	(495)	-	-	-	-	495
Amounts on Non Current Assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.	(18)	(1,472)	-	-	-	1,490
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>						
Statutory provision for the financing of capital investment - Minimum Revenue Provision;	597	-	-	-	-	(597)
Capital expenditure charged against the General Fund and HRA balances.	1,051	2,175	-	-	-	(3,226)
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	66	-	-	-	(66)	-
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>						
Transfer of cash sale proceeds credited as part of the gain/ loss on disposal to the Comprehensive Income and Expenditure Statement;	49	1,691	(1,740)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure;	-	-	3,172	-	-	(3,172)

Adjustments between Accounting Basis and Funding Basis Under Regulations	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	£000	
Contribution from the Capital Receipts Reserve towards administrative costs of Non-Current Asset disposals;	-	(27)	27	-	-	-
Transfer from Deferred Capital Receipts Reserve upon receipt of cash.	(12,544)	-	-	-	-	12,544
<b>Adjustments primarily involving the Major Repairs Reserve:</b>						
Reversal of Major Repairs Allowance credited to the HRA;	-	3,905	-	(3,905)	-	-
Use of the Major Repairs Reserve to finance new capital expenditure.	-	-	-	2,629	-	(2,629)
<b>Adjustments primarily involving the Pensions Reserve:</b>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income & Expenditure Statement (see Note 37);	(1,999)	(650)	-	-	-	2,649
Employer's pensions contribution and direct payments to pensioners payable in the year.	2,384	748	-	-	-	(3,132)
<b>Adjustment primarily involving the Collection Fund Adjustment Account:</b>						
Amount by which Council Tax and Non Domestic Rating Income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax and Non Domestic Rating Income calculated for the year in accordance with statutory requirements.	1,697	-	-	-	-	(1,697)
<b>Adjustment primarily involving the Accumulated Absences Account:</b>						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	(82)	(7)	-	-	-	89
<b>Total Adjustments 2024/25</b>	<b>(4,065)</b>	<b>(6,515)</b>	<b>1,459</b>	<b>(1,276)</b>	<b>(66)</b>	<b>10,463</b>

## 10. Transfers to / (from) Earmarked Reserves

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

When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the (Surplus) or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund or Housing Revenue Account balance so that there is no net charge against Council Tax or housing rent for the expenditure.

Certain reserves are kept to manage the accounting processes for Non Current Assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

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 2025/26.

Transfers to / (from) Earmarked Reserves	Balance as at 1st April 2024 £000	Transfers Out 2024/25 £000	Transfers In 2024/25 £000	Balance as at 31st March 2025 £000	Transfers Out 2025/26 £000	Transfers In 2025/26 £000	Balance as at 31st March 2026 £000
<b>General Fund:</b>							
Future Capital Expenditure	3,014	(1,021)	32	2,025	(844)	520	1,701
Temporary Reserves	1,540	(870)	790	1,460	(1,400)	2,302	2,362
Retained Funds	10,304	(2,550)	1,356	9,110	(3,753)	3,294	8,651
Commutated Sums	3,439	(740)	359	3,058	(437)	1,562	4,183
Other Reserves	1,837	(758)	1,108	2,187	(1,014)	690	1,863
<b>Total</b>	<b>20,134</b>	<b>(5,939)</b>	<b>3,645</b>	<b>17,840</b>	<b>(7,448)</b>	<b>8,368</b>	<b>18,760</b>
<b>HRA:</b>							
Future Capital Expenditure	5,163	(2,157)	3,734	6,740	(1,636)	3,522	8,626
Temporary Reserves	1,295	(726)	185	754	(507)	245	492
Retained Funds	931	(709)	303	525	(200)	-	325
<b>Total</b>	<b>7,389</b>	<b>(3,592)</b>	<b>4,222</b>	<b>8,019</b>	<b>(2,343)</b>	<b>3,767</b>	<b>9,443</b>

**Future Capital Expenditure:** The Authority maintains a Capital Reserve under the provisions of the Local Government (Miscellaneous Provisions) Act 1976. It is Authority policy to make advances from this fund to various services.

**Temporary Reserves:** These have been established by the transfer of funds from revenue in order to finance specific identified schemes or potential needs.

**Retained Funds:** These have been established in order to finance recurring irregular expenditure for a specific purpose.

**Commutated Sums:** These are monies deposited by contractors to finance future maintenance expenditure incurred as a result of the various developments.

**Other Reserves:** The largest of these is the Building Repairs Fund that is held for the maintenance of Municipal buildings, including commercial properties.

## 11. Other Operating Expenditure

2024/25 £000	Other Operating Expenditure	2025/26 £000
-	Payments to the Government Housing Capital Receipts Pool	-
(223)	(Gains) / losses on the disposal of Non Current Assets	153
<b>(223)</b>	<b>Total</b>	<b>153</b>

## 12. Financing & Investment Income & Expenditure

2024/25 £000	Financing and Investment Income and Expenditure	2025/26 £000
3,514	Interest payable and similar charges	3,403
45	Interest payable ROU Assets	52
383	Pension interest costs and expected return on pensions assets	405
(4,757)	Interest receivable and similar income	(3,864)
12,544	Finance Lease Income	-
(611)	(Income) and expenditure in relation to investment properties and changes in their fair value	(1,061)
(262)	Investment impairment	92
<b>10,856</b>	<b>Total</b>	<b>(973)</b>

### 13. Taxation & Non Specific Grant Income

2024/25 £000	Taxation and Non Specific Grant Incomes	2025/26 £000
(4,763)	Council Tax income	(4,969)
(14,833)	Non Domestic Rates	(14,406)
11,137	Non Domestic Rates - Tariff	11,311
1,350	Non Domestic Rates - Levy to Pool	1,000
(4,079)	Non ringfenced government grants	(3,681)
(6,635)	Capital grants and contributions	(1,082)
<b>(17,823)</b>	<b>Total</b>	<b>(11,827)</b>

A detailed breakdown of the grants and contributions credited to the Comprehensive Income and Expenditure Statement in 2025/26 is shown in Note 31 on page 88.

## 14. Property, Plant & Equipment

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

### a) Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, subject to a de minimus level of £10k, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

### b) Measurement

Assets are initially measured at cost, comprising:

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

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

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

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

- i. Infrastructure, Community Assets and Assets Under Construction – depreciated historical cost;
- ii. Dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH); and
- iii. all other assets – current value, determined as the amount that would be paid for the asset in its existing use (Existing Use Value – EUV).

Where there is no market-based evidence of current value because of the specialised 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 basis is used as a proxy for current value. In the case of the Assembly Rooms and Cemeteries valuations, there is no active market and so DRC is used.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year end, but as a minimum every five years – including an annual desktop review of all Council Dwellings. A review of the valuation of all significant assets is undertaken annually.

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

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

- i. where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down firstly against that balance (up to the amount of the accumulated gains);
- ii. 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 lines in the Comprehensive Income and Expenditure Statement.

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

### **c) Impairment**

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

Where the Authority has incurred capital expenditure on Council dwellings this is included within the Gross Book Value (GBV) and where it is not considered to add value it is included as impairment. These impairments are subject to write out annually.

The Authority has an ongoing programme of regeneration including disposal and redevelopment of garage sites. Where the decision had been made to dispose of a garage site, the value of the buildings element has been impaired to zero leaving only a residual land value.

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

- i. where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down firstly against that balance (up to the amount of the accumulated gains);
- ii. 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 lines in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service lines 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.

#### **d) 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 is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. Assets Under Construction).

Depreciation is calculated on the following bases:

- i. **Council Housing Stock:** on a straight line basis to an appropriate residual value over the expected useful life of the asset of 50 years.
- ii. **Other Buildings:** on a straight line basis to a nil residual value over the expected useful life of the asset being a range of 5 years to 70 years.  
  
Historical properties: on a straight line basis to a nil residual value over the expected useful life of the asset being over 100 years
- iii. **Vehicles, Plant and Equipment:** on a straight line basis to a nil residual value over the expected useful life of the asset, being between 1 and 30 years.
- iv. **Infrastructure:** on a straight line basis to a nil residual value over the expected useful life of the asset of 30 years.
- v. **Community Assets:** on a straight line basis to a nil residual value over the expected useful life of the asset of 100 years.
- vi. **Heritage Assets:** the Authority considers that the Heritage Assets held will have indeterminate lives and a high residual value; hence the Authority does not consider it appropriate to charge depreciation for the assets.
- vii. **Computer Hardware:** is depreciated over a period of 3 years on a straight line basis to a nil residual value.
- viii. **Investment Properties and Surplus Assets:** no depreciation has been applied to either the land or building value of Investment Properties or Surplus Assets.

- ix. **Intangible Fixed Assets:** computer software licences are amortised to revenue over a period of 3 years.
- x. **Furniture and equipment** – minor purchases by the Authority are charged to revenue in the year of acquisition and are not capitalised in the accounts.
- xi. **De minimus items** of expenditure on computer equipment and software are capitalised under the concept of 'Grouped Assets' where the value of such items is material. A charge is made for these assets (depreciation for equipment and amortisation for software), calculated using the straight line method over a period of three years.

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately – as detailed within the Component Accounting Policy for Property, Plant and Equipment.

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.

#### **e) Disposals and Non Current Assets Held for Sale**

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

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

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

Amounts received for a disposal in excess of £10k are categorised as capital receipts. A proportion of capital receipts relating to housing disposals is payable to the government. The balance of receipts remains within the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the authority's underlying need to borrow (the capital financing requirement) (England and Wales). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

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

## **f) Component Accounting Policy for Property, Plant and Equipment**

### **i. De Minimus Level**

The de minimus threshold for the Authority is a current net book value of £250k. Individual assets with a value less than £250k will be disregarded for componentisation. This level will be reviewed annually.

### **ii. Policy for Componentisation**

The code requires that each part of an asset should be separately identified and depreciated where the cost is significant in relation to the overall cost of the asset.

To be separately identified as a component, an element of an asset must meet the following criteria:

- have a cost of at least 20% of the cost of the overall asset and
- have a materially different useful life (at least 20% different) and/or
- have a different depreciation method that materially affects the amount charged

The componentisation policy will be applied to new capital spend and new assets with a total cost of over £250k will be considered under the componentisation policy as follows:

- when an asset is enhanced, the cost of the replacement component is compared with the cost of the total asset and the result is measured against the agreed de minimus threshold;
- When an asset is acquired: the cost of any component parts are compared with the overall cost of the new asset and the results assessed against the agreed de minimus threshold;

### **iii. Impairment**

We will continue to complete a desktop Impairment review on an annual basis.

<b>Movement in 2025/26</b>	<b>Council Dwellings</b>	<b>Other Land and Buildings</b>	<b>Vehicles, Plant, Furniture and Equipment</b>	<b>Infrastructure Assets</b>	<b>Community Assets</b>	<b>Assets Under Construction</b>	<b>Total Property, Plant and Equipment</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or Valuation</b>							
<b>At 1st April 2025</b>	<b>255,121</b>	<b>24,942</b>	<b>5,021</b>	<b>378</b>	<b>1,214</b>	<b>15,596</b>	<b>302,272</b>
Additions	6,899	65	972	134	-	7,891	<b>15,961</b>
Accumulated Depreciation and Impairment written off to Gross Carrying Amount;	(10,690)	(2,849)	-	-	-	-	<b>(13,539)</b>
Revaluation increases / (decreases) recognised in the Revaluation Reserve;	7,095	687	-	-	-	-	<b>7,782</b>
Revaluation increases / (decreases) recognised in the (Surplus) or Deficit on the Provision of Services;	(210)	(7,419)	-	-	-	-	<b>(7,629)</b>
Derecognition - Disposals;	(2,365)	(8,637)	(914)	-	-	-	<b>(11,916)</b>
Other movements in cost or valuation.	1,261	20,060	-	-	-	(21,321)	-
<b>At 31st March 2026</b>	<b>257,111</b>	<b>26,849</b>	<b>5,079</b>	<b>512</b>	<b>1,214</b>	<b>2,166</b>	<b>292,931</b>
<b>Accumulated Depreciation &amp; Impairment</b>							
<b>At 1st April 2025</b>	-	-	<b>(3,126)</b>	<b>(315)</b>	<b>(6)</b>	<b>(4,411)</b>	<b>(7,858)</b>
Depreciation Charge;	(3,806)	(940)	(305)	(13)	-	-	<b>(5,064)</b>
Accumulated Depreciation and Impairment written off to Gross Carrying Amount;	10,690	2,849	-	-	-	-	<b>13,539</b>
Impairment losses / (reversals) recognised in the (Surplus) or Deficit on the Provision of Services;	(6,899)	(5,358)	-	-	-	-	<b>(12,257)</b>
Derecognition - disposals.	15	7,860	913	-	-	-	<b>8,788</b>
Assets reclassified (to)/ from Investment Property	-	(4,411)	-	-	-	4,411	-
<b>At 31st March 2026</b>	-	-	<b>(2,518)</b>	<b>(328)</b>	<b>(6)</b>	-	<b>(2,852)</b>
<b>Net Book Value</b>							
at 31st March 2025	255,121	24,942	1,895	63	1,208	11,185	294,414
<b>at 31st March 2026</b>	<b>257,111</b>	<b>26,849</b>	<b>2,561</b>	<b>184</b>	<b>1,208</b>	<b>2,166</b>	<b>290,079</b>
<b>Nature of Holdings at year end</b>							
Owned	257,111	26,849	2,561	184	1,208	2,166	<b>290,079</b>

<b>Movement in 2024/25</b>	<b>Council Dwellings £000</b>	<b>Other Land and Buildings £000</b>	<b>Vehicles, Plant, Furniture and Equipment £000</b>	<b>Infrastructure Assets £000</b>	<b>Community Assets £000</b>	<b>Assets Under Construction £000</b>	<b>Total Property, Plant and Equipment and £000</b>
<b>Cost or Valuation</b>							
<b>At 1st April 2024</b>	<b>246,210</b>	<b>20,796</b>	<b>4,621</b>	<b>378</b>	<b>1,159</b>	<b>13,706</b>	<b>286,870</b>
Additions	4,962	734	517	-	-	9,068	<b>15,281</b>
Accumulated Depreciation and Impairment written off to Gross Carrying Amount;	(8,660)	(729)	-	-	-	-	<b>(9,389)</b>
Revaluation increases / (decreases) recognised in the Revaluation Reserve;	11,147	3,146	-	-	-	-	<b>14,293</b>
Revaluation increases / (decreases) recognised in the (Surplus) or Deficit on the Provision of Services;	(3,551)	(628)	-	-	-	-	<b>(4,179)</b>
Derecognition - Disposals;	(1,353)	(134)	(117)	-	-	-	<b>(1,604)</b>
Assets reclassified (to) / from Investment Properties;	-	1,000	-	-	-	-	<b>1,000</b>
Other movements in cost or valuation.	6,366	757	-	-	55	(7,178)	-
<b>At 31st March 2025</b>	<b>255,121</b>	<b>24,942</b>	<b>5,021</b>	<b>378</b>	<b>1,214</b>	<b>15,596</b>	<b>302,272</b>
<b>Accumulated Depreciation &amp; Impairment</b>							
<b>At 1st April 2024</b>	-	-	<b>(3,023)</b>	<b>(302)</b>	<b>(6)</b>	<b>(4,411)</b>	<b>(7,742)</b>
Depreciation Charge;	(3,711)	(731)	(202)	(13)	-	-	<b>(4,657)</b>
Accumulated Depreciation and Impairment written off to Gross Carrying Amount;	8,660	729	-	-	-	-	<b>9,389</b>
Impairment losses / (reversals) recognised in the (Surplus) or Deficit on the Provision of Services;	(4,962)	-	-	-	-	-	<b>(4,962)</b>
Derecognition - disposals.	13	2	99	-	-	-	<b>114</b>
<b>At 31st March 2025</b>	-	-	<b>(3,126)</b>	<b>(315)</b>	<b>(6)</b>	<b>(4,411)</b>	<b>(7,858)</b>
<b>Net Book Value</b>							
at 31st March 2024	246,210	20,796	1,598	76	1,153	9,295	279,128
<b>at 31st March 2025</b>	<b>255,121</b>	<b>24,942</b>	<b>1,895</b>	<b>63</b>	<b>1,208</b>	<b>11,185</b>	<b>294,414</b>
<b>Nature of Holdings at year end</b>							
Owned	255,121	24,942	1,895	63	1,208	11,185	<b>294,414</b>

## a) Capital Commitments

At 31<sup>st</sup> March 2026, the Authority has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2025/26 and future years. The major commitments for schemes valued in excess of £1m are:

2024/25 £000	Capital Contract	2025/26 £000
13,467	Housing Repairs & Investment	14,434
2,262	Improvements to High Rise Blocks	5,822
168	Regeneration & Affordable Housing - development at Wilnecote	-
170	Caledonian Depot New Build	142
2,783	Future High Street Funds	2,077
<b>18,850</b>	<b>Total</b>	<b>22,475</b>

## b) Revaluations

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value is revalued at least every five years– including a desktop review of all Council Dwellings.

All assets have been revalued as at 31<sup>st</sup> March 2026. The valuations have been carried out by Jones Lang Lasalle. 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. Valuations of vehicles, plant, furniture and equipment are carried at historical cost as a proxy for current value.

The following statement shows the progress of the Authority's rolling programme for revaluation of Non Current Assets:

Valuations (Cost or Valuation)	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Assets Under Construction	Intangible Assets	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Valued at Historical Cost	-	-	5,079	512	1,214	2,166	843	9,814
Valued at Current Value in:								
2025/26	257,111	26,849	-	-	-	-	-	283,960
<b>Total</b>	<b>257,111</b>	<b>26,849</b>	<b>5,079</b>	<b>512</b>	<b>1,214</b>	<b>2,166</b>	<b>843</b>	<b>293,774</b>

## 15. Heritage Assets

Heritage Assets are assets that are held by the Authority because of their cultural, environmental or historical value. Tangible Heritage Assets include historical buildings, paintings, sculptures / statues, archives and other works of art.

The Authority's Museum, Art and Civic Heritage Assets are held in various sites. The Museum Collection has four main collections, General Collection, Art, Furniture and Archaeological Collection and Ephemera.

The collections are used for education, learning, research, enjoyment and are preserved for the use of future generations.

### Valuation of Heritage Assets

The Code requires that Heritage Assets are measured at valuation in the 2025/26 financial statements (including the 2024/25 comparative information). The Authority will recognise in the Balance Sheet each asset shown in the table which has an identified value.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Authority's accounting policies on Property, Plant and Equipment. However, some of the measurement rules are relaxed in relation to Heritage Assets as detailed below.

The accounting policies in relation to Heritage Assets that are deemed to include elements of intangible Heritage Assets are also presented below.

- **General Collection:** Tamworth Castle has held collections and maintained a museum since it was purchased for the Borough in 1897. The collections are crucial for maximising access to and understanding of Tamworth's heritage. These items are reported in the Balance Sheet at insurance valuation which is based on Market values. Acquisitions, although rare, are initially recognised at cost.
- **Art Collection:** The collection consists principally of views of Tamworth by local artists although some are nationally recognised. The mediums covered include oil, watercolour, lithographs, mezzotints and prints. These too are reported in the Balance Sheet at insurance valuation based on Market values.
- **Archaeological Collection and Ephemera:** The archaeological collection consists mainly of finds from various excavations local to Tamworth, usually as a result of building development around Tamworth Castle site but also in the town and further afield. These are not recognised on the Balance Sheet as cost or valuation information is not reliable for items of this type due to the diverse nature, and lack of comparable market values for the assets held.
- **Civic Collection and Statues:** The Authority's Civic Collection and Statues were valued in April 2012 by external valuers. These assets are deemed to have an indeterminate life with high residual values; hence the Authority does not consider it appropriate to charge depreciation.

**Tamworth Castle:** The castle dates from c.1070 but has been updated and modernised during the interim period. The current value is based on historic cost but there are regular works to maintain the property.

<b>Movement in 2025/26</b>	<b>Art Collection</b>	<b>Civic Regalia</b>	<b>Museum Exhibits</b>	<b>Statues</b>	<b>Castle</b>	<b>Total Heritage Assets</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or Valuation</b>						
<b>At 1st April 2025</b>	<b>97</b>	<b>174</b>	<b>624</b>	<b>254</b>	<b>3,176</b>	<b>4,325</b>
Additions	-	-	-	-	278	<b>278</b>
<b>At 31st March 2026</b>	<b>97</b>	<b>174</b>	<b>624</b>	<b>254</b>	<b>3,454</b>	<b>4,603</b>

<b>Movement in 2024/25</b>	<b>Art Collection</b>	<b>Civic Regalia</b>	<b>Museum Exhibits</b>	<b>Statues</b>	<b>Castle</b>	<b>Total Heritage Assets</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or Valuation</b>						
<b>At 1st April 2024</b>	<b>97</b>	<b>174</b>	<b>624</b>	<b>254</b>	<b>3,007</b>	<b>4,156</b>
Additions	-	-	-	-	169	<b>169</b>
<b>At 31st March 2025</b>	<b>97</b>	<b>174</b>	<b>624</b>	<b>254</b>	<b>3,176</b>	<b>4,325</b>

## 16. Investment Properties

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

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 any sale proceeds greater than £10k) the Capital Receipts Reserve.

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

<b>2024/25</b>	<b>Investment Properties</b>	<b>2025/26</b>
<b>£000</b>		<b>£000</b>
(2,365)	Rental income from Investment Property	(1,531)
1,590	Direct operating expenses arising from Investment Property	531
<b>(775)</b>	<b>Net (Gain) / Loss</b>	<b>(1,000)</b>

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

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

2024/25 £000	Fair Value of Investment Properties	2025/26 £000
20,154	<b>Balance at 1st April 2025</b>	18,996
6	Additions: Subsequent expenditure	340
(1,000)	Transfers: to / from Property, Plant and Equipment	-
(164)	Valuations: Changes in market valuation	61
<b>18,996</b>	<b>Balance at 31st March 2026</b>	<b>19,397</b>

**Fair Value Hierarchy** - All the Authority's investment properties have been value assessed as Level 2 on the fair value hierarchy for valuation purposes (see Note 1 for an explanation of the fair value levels).

**Valuation Techniques Used to Determine Level 2 Fair Values for Investment Property** - The fair value of investment property has been measured using an income approach, by means of discounted cashflow method, where the expected cash flows from the properties are discounted (using a market – derived discount rate) to establish the present value of the net income stream. The approach has been developed using the Authority's own data requiring it to factor in assumptions such as the duration and timing of cash inflows and outflows, rent growth, occupancy levels, bad debt levels, maintenance costs, etc.

There has been no change in the valuation techniques used during the year for investment properties.

**Highest and Best Use** - In estimating the fair value of the Authority's investment properties, the highest and best use is their current use.

**Valuation Process for Investment Properties** - The Authority's investment property has been valued as at 31<sup>st</sup> March 2026 by Jones Lang Lasalle, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

## 17. Financial Instruments

### Financial Liabilities

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

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

### Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics.

There are three main classes of financial assets measured at:

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

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

### Financial Assets Measured at Amortised Cost

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

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

## **Expected Credit Loss Model**

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

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

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

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

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

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

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

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

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

## a) Categories of Financial Instruments

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

Financial Assets	Non-Current		Current			
	Investments		Investments		Debtors	
	31st March 2025	31st March 2026	31st March 2025	31st March 2026	31st March 2025	31st March 2026
	£000	£000	£000	£000	£000	£000
<b>Amortised Cost</b>						
Principal	-	-	45,000	43,000	-	-
Investment Interest Accrual	-	-	1,021	860	-	-
Cash & Cash Equivalents (CCE)	-	-	-	-	9,704	6,894
CCE Accrued Interest	-	-	-	-	40	25
<b>Total Investments</b>	-	-	<b>46,021</b>	<b>43,860</b>	<b>9,744</b>	<b>6,919</b>
Trade Debtors	183	171	-	-	4,065	3,820
<b>Total Amortised Cost</b>	<b>183</b>	<b>171</b>	<b>46,021</b>	<b>43,860</b>	<b>13,809</b>	<b>10,739</b>
<b>Fair Value Through Profit and Loss (Investment in Property Funds)</b>	10,406	6,786	-	-	-	-
<b>Total Financial Assets</b>	<b>10,589</b>	<b>6,957</b>	<b>46,021</b>	<b>43,860</b>	<b>13,809</b>	<b>10,739</b>

The current trade debtors outstanding includes contractual debtors but excludes non-contractual debtors for council tax, business rates and Government departments.

Financial Liabilities	Non-Current		Current	
	Borrowings		Creditors	
	31st March 2025	31st March 2026	31st March 2025	31st March 2026
	£000	£000	£000	£000
<b>Amortised Cost</b>				
Principal	63,060	63,060	-	-
Interest Payable Accrual	-	-	309	301
<b>Total Borrowings</b>	<b>63,060</b>	<b>63,060</b>	<b>309</b>	<b>301</b>
Bank Overdraft	-	-	1	-
Trade Creditors	-	-	5,987	5,626
<b>Total Financial Liabilities at Amortised Cost</b>	<b>63,060</b>	<b>63,060</b>	<b>6,297</b>	<b>5,927</b>

## b) Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement and Movement in Reserves Statements in relation to financial instruments are made up as follows.

Financial Instruments	Surplus or Deficit on the Provision of Services 2024/25 £000	Surplus or Deficit on the Provision of Services 2025/26 £000
Net gains/losses on:		
Financial Assets Measured at Fair Value Through Profit or Loss	(262)	92
<b>Total Net Gains/Losses</b>	<b>(262)</b>	<b>92</b>
Interest revenue:		
Financial Assets Measured at Amortised Cost	(4,757)	(3,864)
<b>Total Interest Revenue</b>	<b>(4,757)</b>	<b>(3,864)</b>
<b>Interest expense</b>		
Fee expense:		
Financial Assets or Financial Liabilities that are not at Fair Value Through Profit or Loss	3,514	3,403
<b>Total Fee Expense</b>	<b>3,514</b>	<b>3,403</b>

## c) Fair Value of Financial Assets

Some of the authority's financial assets are measured at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

Financial Assets Measured at Fair Value				
Recurring Fair Value Measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	31st March 2025 £000	31st March 2026 £000
<b>Fair Value Through Profit and Loss</b>				
Other Financial Instruments Classified as Fair Value Through Profit and Loss	Level 1	Unadjusted quoted prices in active markets for identical shares (Investments in Property Funds)	10,406	6,786
<b>Total</b>			<b>10,406</b>	<b>6,786</b>

Investments made in property funds are as follows:-

Schroders UK Real Estate Fund - £1.4m, with a gross return/yield of 3.2% at 31<sup>st</sup> March 2026.

Threadneedle Property Unit Trust - £5.4m, with a gross return/yield of 4.3%

Hermes Federated Property Unit Trust – Nil balance funds were repaid 31<sup>st</sup> August 2025.

Total investments - £6.9m, with an estimated return of c. 3.4% plus any capital growth. The total value of these investments at 31<sup>st</sup> March 2026 is £6.8m (£10.6m at 31<sup>st</sup> March 2025).

**d) The Fair Values of Financial Assets and Financial Liabilities that are not measured at Fair Value (but for which Fair Value Disclosures are required)**

Except for the financial assets carried at fair value (described above), all other financial liabilities and financial assets represented by amortised cost and long-term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the PWLB payable, PWLB new market rates have been applied to provide the fair value under PWLB debt redemption procedures. An additional note to the tables sets out the alternative fair value measurement applying the premature repayment/borrowing rates, highlighting the impact of the alternative valuation;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount;

The fair value of trade and other receivables is taken to be the invoiced or billed amount. The fair values calculated are as follows:

Financial Liabilities	31st March 2025		31st March 2026	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
PWLB Debt*	63,369	46,726	63,361	44,857
Creditors	5,987	5,987	5,626	5,626
<b>Total Financial Liabilities</b>	<b>69,356</b>	<b>52,713</b>	<b>68,987</b>	<b>50,483</b>

\* includes short term interest accrual of £301k.

The fair value of the liabilities is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the balance sheet date. This shows a notional future loss (based on economic conditions at 31<sup>st</sup> March 2026) arising from a commitment to pay interest to lenders above current market rates.

The fair value of Public Works Loan Board (PWLB) loans of £44.9m measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet

date. The difference between the carrying amount and the fair value measures the additional interest that the authority will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates.

The authority has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. If a value is calculated on this basis, the carrying amount of £63.1m would be valued at £44.9m. But, if the authority were to seek to avoid the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge for early redemption in addition to charging a premium for the additional interest that will not now be paid/giving a discount for the reduced interest income that will be avoided.

Loans and Receivables	31st March 2025		31st March 2026	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Money Market Loans <1 year	46,021	46,021	43,860	43,860
Cash & Cash Equivalents	9,742	9,742	6,919	6,919
Long Term Investments	10,406	10,406	6,786	6,786
Debtors	4,065	4,065	3,820	3,820
Long Term Debtors	183	183	171	171
<b>Total Financial Assets</b>	<b>70,417</b>	<b>70,417</b>	<b>61,556</b>	<b>61,556</b>

The current trade debtors outstanding includes contractual debtors but excludes non-contractual debtors for council tax, business rates and Government departments.

Where the fair value of the assets is lower than the carrying amount this is because the Authority's portfolio of investments includes a number of fixed rate loans where the interest rate receivable is lower than the rates available for similar loans at the Balance Sheet date and vice versa. For 2025/26, a notional future gain (based on economic conditions at 31<sup>st</sup> March 2026) was attributable to the commitment to receive interest above current market rates.

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

e) Fair value hierarchy for financial assets and financial liabilities that are not measured at fair value

Recurring Fair Value Measurements Using:	Other Significant Observable Inputs (Level 2) 31st March 2025 £000	Other Significant Observable Inputs (Level 2) 31st March 2026 £000
<b>Financial Liabilities</b>		
Financial Liabilities Held at Amortised Cost: PWLB	63,369	63,361
<b>Total</b>	<b>63,369</b>	<b>63,361</b>
<b>Financial assets</b>		
Financial Assets Held at Amortised Cost:	55,765	50,779
<b>Total</b>	<b>55,765</b>	<b>50,779</b>

18. Debtors

2024/25 £000	Debtors	2025/26 £000
490	<b>Trade Receivables:</b>	
2,503	Other Local Authority	193
1,515	Housing Rent	2,635
	Other Entities and Individuals	1,372
<b>4,508</b>		<b>4,200</b>
	<b>Other Receivable Amounts:</b>	
1,444	Government Departments	1,348
65	Business Rates	146
143	Council Tax Payers	167
<b>1,652</b>		<b>1,661</b>
(443)	<b>Invoices raised in Advance in 2023/24 for 2024/25</b>	(380)
<b>(443)</b>		<b>(380)</b>
(2,965)	<b>Less Provision for Bad Debt/Expected Credit Losses</b>	(2,972)
<b>(2,965)</b>		<b>(2,972)</b>
<b>2,752</b>	<b>Total Debtors</b>	<b>2,509</b>

The past due amount for local taxation (council tax and non-domestic rates) can be analysed by age as follows:

<b>Debtors 2024/25 £000</b>	<b>Bad debt Provisions 2024/25 £000</b>	<b>Debtors for Local Taxation Council Tax &amp; Non-domestic Rates</b>	<b>Debtors 2025/26 £000</b>	<b>Bad Debt Provisions 2025/26 £000</b>
1,696	536	Less than one year	2,467	1,007
111	605	One to two years	1,054	522
852	549	Two to three years	834	501
2,477	2,149	More than three years	2,986	2,601
<b>5,136</b>	<b>3,839</b>	<b>Total</b>	<b>7,341</b>	<b>4,631</b>

## 19. Cash & Cash Equivalents

Cash is represented by Cash in Hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

<b>2024/25 £000</b>	<b>Cash and Cash Equivalents</b>	<b>2025/26 £000</b>
6	Cash held by the Authority	4
389	Bank current accounts	1,312
9,353	Short term deposits with Banks and Building Societies	5,607
<b>9,748</b>	<b>Total Cash and Cash Equivalents</b>	<b>6,923</b>

## 20. Assets Held for Sale

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

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to Non Current Assets and valued at the lower of their carrying amount before they were classified as Held for Sale; adjusted for depreciation, amortisation or

revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

There were no assets held for sale at 31<sup>st</sup> March 2026 (there were no assets held for sale at 31<sup>st</sup> March 2025).

## 21. Creditors

2024/25 £000	Creditors	2025/26 £000
	<b>Trade Payables:</b>	
516	Other Local Authorities	740
415	Housing Rent	573
5,056	Other Entities and Individuals	4,313
<b>5,987</b>		<b>5,626</b>
	<b>Other Payables:</b>	
798	Government Departments	803
150	Council Tax Payers	168
2,688	Precepting Authorities (Business Rates)	1,771
514	Precepting Authorities (Council Tax)	566
845	Business Rates Payments	659
<b>4,995</b>		<b>3,967</b>
<b>10,982</b>	<b>Total Creditors</b>	<b>9,593</b>

## 22. Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

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

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

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as

income for the relevant service if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

#### a) Municipal Mutual Insurance (MMI)

This provision has been established as a result of the decision to trigger the 'Scheme of Arrangement' (SOA) with regard to Municipal Mutual Insurance (MMI), at a meeting of the Board of Directors on 13<sup>th</sup> November 2012. Under this SOA, the Authority is liable to pay a levy up to the value of claims paid since 1993 (£252k) and a provision of £33k was established to cover the potential additional levy of up to 28%. There is currently a remaining provision of £8k

#### b) Business Rates Appeals

Under the new Business Rates Retention arrangements, Billing authorities acting as agents on behalf of the major preceptors (10%), central government (50%) and themselves (40%) are required to make provisions for refunding ratepayers who have successfully appealed against the rateable value of their properties on the rating list. The Authority has included a provision of **£1.2m** (the overall provision in the Business Rates Collection Fund is **£3.1m** and this Authority's share of the Local Business Rates Retention scheme is 40%) for appeals outstanding on the 31<sup>st</sup> March 2026 of **£23.7m**. Further details regarding the approach to determining the NDR provision can be found in Note 38 - Contingent Liabilities. The cut-off date for appeals against the 2017 list was 31<sup>st</sup> March 2024, however, under the 'Check, Challenge, Appeal' methodology, completed checks can subsequently progress to challenges after this date, and rejected challenges can progress to appeals.

Provisions	Municipal Mutual Insurance £000	Short-Term Non Domestic Rates Appeals £000	Short Term Provisions Total £000	Long-Term Non Domestic Rates Appeals £000
<b>Balance at 1st April 2024</b>	<b>8</b>	<b>670</b>	<b>678</b>	<b>1,748</b>
Additional provisions made in year	-	140	140	421
Amount used in year	-	(281)	(281)	(842)
Unused amounts reversed in year	-	(165)	(165)	(497)
<b>Balance at 31st March 2025</b>	<b>8</b>	<b>364</b>	<b>372</b>	<b>830</b>
Additional provisions made in year	-	204	204	613
Amount used in year	-	(190)	(190)	(572)
Unused amounts reversed in year	-	(5)	(5)	(16)
<b>Balance at 31st March 2026</b>	<b>8</b>	<b>373</b>	<b>381</b>	<b>855</b>

## 23. Unusable Reserves

31st March 2025 £000	Unusable Reserves	31st March 2026 £000
130,336	Revaluation Reserve	134,599
(515)	Financial Instruments Revaluation Reserve	(607)
119,656	Capital Adjustment Account	111,291
(8,077)	Pensions Reserve	(4,412)
93	Deferred Capital Receipts Reserve	93
(405)	Accumulated Absences Account	(377)
(149)	Collection Fund Adjustment Account	(518)
<b>240,939</b>	<b>Total Unusable Reserves</b>	<b>240,069</b>

### a) Revaluation Reserve

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

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

The Reserve contains only revaluation gains accumulated since 1<sup>st</sup> 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	Revaluation Reserve	2025/26 £000
<b>118,792</b>	<b>Balance at 1st April 2025</b>	<b>130,336</b>
14,293	Revaluation of assets and impairment losses not charged to the (Surplus) or Deficit on the Provision of Services	7,782
<b>14,293</b>	Surplus or deficit on the revaluation of non-current assets not posted to the (Surplus) or Deficit on the Provision of Services	7,782
(2,749)	Difference between fair value depreciation and historical cost depreciation	(3,519)
<b>(2,749)</b>	Amount written off to the Capital Adjustment Account	(3,519)
<b>130,336</b>	<b>Balance at 31st March 2026</b>	<b>134,599</b>

## b) Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its investments that are measured at fair value through Other Comprehensive Income. The balance is reduced when investments with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- disposed of and gains are realised.

2024/25 £000	Available for Sale Financial Instruments Reserve	2025/26 £000
(594)	Balance at 1st April 2025	(515)
79	Upward revaluation of investments	(92)
(515)	Balance at 31st March 2026	(607)

## c) Capital Adjustment Account

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

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1<sup>st</sup> April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 9 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2024/25 £000	Capital Adjustment Account	2025/26 £000
<b>116,996</b>	<b>Balance at 1st April 2025</b>	<b>119,656</b>
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(9,986)	Charges for depreciation and impairment of Non Current Assets;	(18,134)
(4,179)	Revaluation losses on Property, Plant and Equipment;	(7,629)
183	Movement in Fair Value of Capital Property Fund Investments	-
(151)	Amortisation of Intangible Assets;	(69)
(495)	Revenue Expenditure Funded from Capital Under Statute;	(567)
(1,490)	Amounts of Non Current Assets written off on disposal or sale as part of the gains / loss on disposal to the Comprehensive Income and Expenditure Statement;	(3,128)
(16,118)		(29,527)
2,749	Adjusting amounts written out of the Revaluation Reserve	3,519
<b>(13,369)</b>	<b>Net written out amount of the cost of Non Current Assets consumed in the year</b>	<b>(26,008)</b>
	Capital financing applied in the year:	
3,172	Use of Capital Receipts Reserve to finance new capital expenditure;	7,734
2,629	Use of Major Repairs Reserve to finance new capital expenditure;	5,131
6,569	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing;	1,238
597	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances - Minimum Revenue Provision;	955
3,226	Capital expenditure charged against the General Fund and HRA Balances.	1,541
<b>16,193</b>		<b>17,582</b>
<b>(164)</b>	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement.	<b>61</b>
<b>119,656</b>	<b>Balance at 31st March 2026</b>	<b>111,291</b>

#### d) Pension Reserve

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

The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2024/25 £000	Pensions Reserve	2025/26 £000
<b>(9,306)</b>	<b>Balance at 1st April 2025</b>	<b>(8,077)</b>
746	Remeasurement of the Net Defined Benefit Liability / (asset)	2,544
(2,649)	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	(2,175)
3,132	Employer's contributions and direct payments to pensioners payable in the year	3,296
<b>(8,077)</b>	<b>Balance at 31st March 2026</b>	<b>(4,412)</b>

#### e) Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of Non Current Assets but for which cash settlement has yet to take place. Under statutory arrangements, the Authority 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. The majority of the current balance relates to the accounting arrangements for finance leases under IFRS.

2024/25 £000	Deferred Capital Receipts Reserve	2025/26 £000
<b>12,637</b>	<b>Balance at 1st April 2025</b>	<b>93</b>
(12,544)	Transfer to Capital Receipts Reserve upon receipt of cash	-
<b>93</b>	<b>Balance at 31st March 2026</b>	<b>93</b>

#### f) Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31<sup>st</sup> March 2026. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2024/25 £000	Accumulated Absences Account	2025/26 £000
(316)	<b>Balance at 1st April 2025</b>	(405)
316	Settlement or cancellation of accrual made at the end of the preceding year	405
(405)	Amounts accrued at the end of the current year	(377)
(89)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	28
<b>(405)</b>	<b>Balance at 31st March 2026</b>	<b>(377)</b>

#### g) Collection Fund Adjustment Account

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

2024/25 £000	Collection Fund Adjustment Account	2025/26 £000
(1,846)	<b>Balance at 1st April 2025</b>	(149)
1,697	Amount by which council tax and non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(369)
<b>(149)</b>	<b>Balance at 31st March 2026</b>	<b>(518)</b>

The increase in the balance on the CFAA is due to a increase in the deficit on the Collection Fund of £0.8m (£4.1m decrease in 2024/25), mostly arising from adjustments made to provisions for appeals and bad debts. See Note 22 Provisions for details.

It should be noted however, that this represents the total Collection Fund impact, and the Council's share of this equates to £0.5m which has been reflected in the Council's

accounts and transferred to reserve to fund the deficit carried forward to 2026/27 (in line with collection fund accounting practice – whereby the deficit is funded in the following financial year as part of the budget process).

## 24. Cash Flow Statement – Operating Activities

The cash flows for the operating activities include the following items:

2024/25 £000	Cash Flow Statement - Operating Activities	2025/26 £000
	The cash flows for operating activities include the following items	
2,221	Interest received	1,196
3,514	Interest paid	3,403
<b>5,735</b>		<b>4,599</b>
<b>(10,881)</b>	Net Surplus or (Deficit) on the Provision of Services	<b>(17,797)</b>
	Adjusted for non cash movements	
9,986	Depreciation and Impairment	18,134
4,179	Downward Valuations	7,629
151	Amortisation	69
(478)	Increase / Decrease in Creditors	(2,158)
206	Increase / Decrease in Debtors	948
2	Increase / Decrease in Inventories	(4)
117	Movement in Pension Liability	(531)
1,489	Carrying amount of Non Current Assets and Non Current Assets Held for Sale, sold or de-recognised	3,127
(1,431)	Other non cash items charged to the Net (Surplus) or Deficit on the Provision of Services	(21)
<b>14,221</b>		<b>27,193</b>
	Adjusted for items that are Investing or Financing Activities	
(6,568)	Proceeds from Short-Term (Not Considered to be Cash Equivalents) and Long-Term investments (Includes Investments in Associates, Joint Ventures and Subsidiaries)	(569)
(1,713)	Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(2,975)
<b>(8,281)</b>		<b>(3,544)</b>
<b>(4,941)</b>	<b>Net Cash Flows from Operating Activities Surplus/(Deficit)</b>	<b>5,852</b>

## 25. Cash Flow Statement – Investing Activities

2024/25 £000	Cash Flow Statement - Investing Activities	2025/26 £000
15,324	Purchase of Property, Plant and Equipment; Investment Property and Intangible Assets	16,872
(1,713)	Proceeds from the sale of Property, Plant and Equipment; Investment Property and Intangible Assets	(2,975)
(3,737)	Proceeds from Short Term and Long Term Investments	(5,620)
(15,615)	Other receipts from Investing Activities	(1,121)
<b>(5,741)</b>	<b>Net Cash Flows from Investing Activities</b>	<b>7,156</b>

## 26. Cash Flow Statement – Financing Activities

2024/25 £000	Cash Flow Statement - Financing Activities	2025/26 £000
(1,228)	Other receipts from Financing Activities	(1,521)
<b>(1,228)</b>	<b>Net Cash Flows from Financing Activities</b>	<b>(1,521)</b>

## 27. Acquisitions & Discontinued Operations

### Acquired Operations

There were no acquired operations during 2025/26. (In 2024/25: Ankerside Shopping Centre and Car park came back under full control of the Authority)

### Discontinued Operations

The results of discontinued operations are shown as a single amount on the face of the Comprehensive Income and Expenditure Statement comprising the profit or loss of discontinued operations and the gain or loss recognised either on measurement to fair value less costs to sell or on the disposal of the discontinued operation. A discontinued operation is a unit that has been disposed of or is classified as an Asset Held for Sale.

There were no discontinued operations during 2025/26 (none in 2024/25).

## 28. Members' Allowances

The Authority paid the following amounts to members of the Authority during the year.

2024/25 £000	Members Allowances	2025/26 £000
172	Basic Allowance	171
102	Special Responsibility	104
5	Other Allowances/Expenses	4
<b>279</b>	<b>Total</b>	<b>279</b>

## 29. Officers' Remuneration

### Benefits Payable During Employment

Short term employee benefits are those due to be settled wholly within 12 months of the year end. They include such benefits as wages and salaries, paid annual leave and paid sick leave and non-monetary benefits (e.g. staff health cover) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to (Surplus) or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

The remuneration paid to the Authority's Senior Employees is as follows:

<b>Officers Remuneration</b>	<b>Year</b>	<b>Salary, Fees and Allowances £</b>	<b>Expenses Allowances £</b>	<b>Sub- Total £</b>	<b>Pension Contribution £</b>	<b>Total £</b>
Chief Executive	2025/26	<b>138,228</b>	<b>1,015</b>	<b>139,243</b>	<b>30,479</b>	<b>169,722</b>
	2024/25	135,285	989	136,274	29,830	166,104
Executive Director Organisation *	2025/26	<b>83,753</b>	<b>758</b>	<b>84,511</b>	<b>18,459</b>	<b>102,970</b>
	2024/25	108,123	1,015	109,138	23,826	132,964
Executive Director Communities & Housing **	2025/26	<b>60,671</b>	<b>727</b>	<b>61,398</b>	<b>13,369</b>	<b>74,767</b>
	2024/25	105,581	1,291	106,872	23,264	130,135
Executive Director Finance	2025/26	<b>104,255</b>	<b>52</b>	<b>104,307</b>	<b>22,957</b>	<b>127,264</b>
	2024/25	149,145	788	149,933	28,454	178,387
Executive Director Place ***	2025/26	<b>32,629</b>	<b>-</b>	<b>32,629</b>	<b>7,189</b>	<b>39,818</b>
	2024/25	-	-	-	-	-
Assistant Director Neighbourhoods	2025/26	<b>90,499</b>	<b>1,015</b>	<b>91,514</b>	<b>19,931</b>	<b>111,445</b>
	2024/25	87,703	1,015	88,718	19,313	108,031
Assistant Director Growth and Regeneration	2025/26	<b>90,286</b>	<b>1,015</b>	<b>91,301</b>	<b>19,884</b>	<b>111,185</b>
	2024/25	87,496	1,015	88,511	19,268	107,778
Assistant Director People	2025/26	<b>89,757</b>	<b>1,291</b>	<b>91,048</b>	<b>19,767</b>	<b>110,815</b>
	2024/25	86,983	1,291	88,274	19,154	107,428
Assistant Director Partnerships	2025/26	<b>78,121</b>	<b>1,291</b>	<b>79,412</b>	<b>17,196</b>	<b>96,608</b>
	2024/25	76,392	1,291	77,683	16,781	94,464
Assistant Director Operations and Leisure	2025/26	<b>75,792</b>	<b>1,291</b>	<b>77,083</b>	<b>16,681</b>	<b>93,764</b>
	2024/25	72,860	1,291	74,151	16,033	90,184
Assistant Director Finance	2025/26	<b>6,112</b>	<b>100</b>	<b>6,212</b>	<b>1,345</b>	<b>7,557</b>
	2024/25	35,093	25	35,118	7,723	42,841
Assistant Director Asset Management	2025/26	<b>78,121</b>	<b>1,292</b>	<b>79,413</b>	<b>17,196</b>	<b>96,609</b>
	2024/25	75,709	1,297	77,006	16,663	93,669
Assistant Director Policy & Performance	2025/26	<b>77,636</b>	<b>1,002</b>	<b>78,638</b>	<b>17,089</b>	<b>95,727</b>
	2024/25	21,522	282	21,804	4,736	26,540

Changed hours during 25/26 \*

Left July 25 replaced January 26 \*\*

New role December 25 \*\*\*

With regard to pension contribution levels - following the triennial review carried out by the Actuary employed by the Pension Fund in March 2022 - contribution levels remained unchanged for the 3 years commencing 1<sup>st</sup> April 2023. This includes an ongoing lump sum relating to past liabilities and a set rate for future employer contributions 22.1% p.a. The Authority's employees receiving more than £50k remuneration for the year (excluding employer's pension contributions) not including those reported in the Senior Employees table above were paid the following amounts:

2024/25 Total Number of Employees	Remuneration Band	2025/26 Number of Employees Left During Year	2025/26 Number Employed at 31st March 2026	2025/26 Total Number of Employees
10	£50,000 - £54,999	-	7	7
5	£55,000 - £59,999	-	9	9
1	£60,000 - £64,999	-	5	5
1	£100,000 - £104,999	-	-	-
17	Total	-	21	21

This table excludes the senior officers reported earlier.

### 30. External Audit Costs

The agreed external audit fees paid for 2025/26 were £206k (£201k 2024/25).

2024/25 £000	External Audit Costs	2025/26 £000
161	Fees payable to Bishop Fleming with regard to the external audit services carried out by the appointed auditor for the year;	166
40	Fees payable to Grant Thornton for the certification of grants & Pooling and returns for the year;	40
201	Total	206

The indicative fee for certification of grants and returns for 2025/26 is £40k. The agreed fee for the 2025/26 audit (payable in 2026/27) is £166k.

### 31. Government Grants and Contributions

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

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

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

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

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

### **Community Infrastructure Levy**

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

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a proportion of the charges for this Authority may be used to fund revenue expenditure. CIL income of £43k was received in 2025/26 (£78k in 2024/25) including income for monitoring costs of £3k (£7k in 2024/25).

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2025/26:

2024/25 £000	Grant Income	2025/26 £000
	<b>Credited to Taxation and Non Specific Grant Income</b>	
322	Revenue Support Grant	363
14,833	NNDR	14,406
(11,137)	Non Domestic Rates - Tariff	(11,311)
(1,350)	Non Domestic Rates - Levy to Staffs Pool	(1,000)
503	New Homes Bonus	286
2,553	S31 Grant - Small Business Rate Relief	2,297
701	Other Grants	735
6,635	Capital Grants and Contributions	1,082
<b>13,060</b>	<b>Total</b>	<b>6,858</b>

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The Authority credited the following grants, contributions and donations to Cost of Services within the Comprehensive Income and Expenditure Statement in 2025/26:

2024/25 £000	Credited to Services Government Grant	2025/26 £000
(182)	DWP Admin Grant	(178)
(93)	NNDR Cost of Collection	(88)
(10,849)	Benefits	(8,622)
(98)	Discretionary Housing Payment	(98)
(11)	Nature Reserve	(31)
(25)	Safer Stronger Communities	(60)
(52)	Electoral Process	-
(24)	Homelessness Reduction Act	-
(35)	Arts Council	-
(49)	Welfare Benefit Reform Changes	(43)
(383)	Homelessness Prevention	(535)
(24)	EU Exit	-
-	New Burdens Funding for Renters Right Act	(18)
-	New Burdens Supported Housing Strategies Funding; 2025-26	(44)
(263)	Future High Street Funds	-
(15)	GBSLEP Town Centre Ecosystems	-
(28)	Improve and Development Agency - Cyber Security	-
(224)	Covid marshalls	-
(47)	Skills officer - GBSLEP	-
-	Biodiversity Net Gain Grant	(27)
(1,092)	Local Council Tax Support Scheme	-
(1)	Asylum Dispersal Grant	(287)
(17)	NNDR3 Audit	-
-	UKSPF Culture and Heritage	(62)
-	DEFRA	(13)
-	Shared Prosperity Fund	(619)
-	Community Recovery	(463)
-	Green Belt Fund	(40)
-	Local Plan Implementation Fund; 2025-26	(37)
-	Local Planning Grant	(228)
-	New Burdens Funding for Accommodation-based DA ; 2025-26	(36)
-	Waste	(211)
-	Other	(5)
<b>(13,512)</b>	<b>Total</b>	<b>(11,745)</b>

The Authority 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 will require the monies or property to be returned to the giver. The balances at the year end are as follows:

<b>31st March 2025 £000</b>	<b>Capital Grants Receipts in Advance</b>	<b>31st March 2026 £000</b>
753	Other	186
1,513	S106 Leisure Grants	1,513
1,541	DFG	1,739
-	MHCLG Peeps funding	31
<b>3,807</b>	<b>Total</b>	<b>3,469</b>

## **32. Related Parties**

The Authority is required to disclose material transactions with related parties – bodies or individuals that have control or joint control, or significant influence over the Authority, or are a member of the key management personnel of the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

### **a) Central Government**

Central Government has effective control over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. Council Tax bills, housing benefits). Grants received from government departments are set out in the subjective analysis in Note 8. Grant receipts outstanding at 31<sup>st</sup> March 2026 are shown in Note 31.

### **b) Members**

Members of the Authority have direct control over the Authority's financial and operating policies. The total of Members' Allowances paid in 2025/26 is shown in Note 0. During the financial year ended 31<sup>st</sup> March 2026, there were no material transactions between the Authority and its Members, other than the payment of Member Allowances. Details of all transactions are recorded in the Register of Members' Interests, available on the Council's website.

Members are required to disclose information regarding any material transactions between them and any other organisation in which they could exert control. During the financial year ended 31<sup>st</sup> March 2026, there were no such transactions.

### c) Officers

During the financial year ended 31<sup>st</sup> March 2026, there were no material transactions between the Authority and its Chief Officers, other than the payment of officer salaries. The total of Senior Officers' Remuneration is shown in Note 29.

Senior Officers are required to disclose information regarding any material transactions between them and any other organisation in which they could exert control. During the financial year ended 31<sup>st</sup> March 2026, there were no such transactions.

### d) Staffordshire County Council, OPCC and Fire Authority Precepts.

31st March 2025 £000	Precepts	31st March 2026 £000
36,267	Staffordshire County Council	38,266
6,423	OPCC Staffordshire	6,786
2,037	Staffordshire Commissioner Fire and Rescue Authority	2,165
<b>44,727</b>	<b>Total</b>	<b>47,217</b>

During the year, there was 1 Councillor who was both a Member of the Council and Staffordshire County Council (3 in 2024/25).

### e) Staffordshire County Council

Under the Recycling Credit Scheme, the Authority also receives recycling credits from Staffordshire County Council. These are then paid over to the Joint Waste Service under arrangements with Lichfield District Council.

31st March 2025 £000	Recycling Credit Scheme	31st March 2026 £000
453	Recycling Credits	431
<b>453</b>	<b>Total</b>	<b>431</b>

### f) Joint Waste Service

The Authority's Joint Waste Service with Lichfield District Council was launched in July 2010, and a joint committee - 'Lichfield and Tamworth Waste Collection Services' - was established. The organisation provides waste and recycling services across the two Authorities. Lichfield District Council is responsible for hosting the service including employment of staff.

The parties have an agreement in place for funding this operation with contributions to the agreed budget of 58.48% from Lichfield District Council and 41.52% from Tamworth Borough Council (was 58.43% to 41.57% respectively in 2024/25). The same proportions are used to meet any deficit or share any surplus arising on the operation's budget at the end of each financial year.

The revenue outturn of the Joint Waste Service for the year ended 31<sup>st</sup> March 2026 is as follows:

2024/25 £000	Joint Waste Arrangement Income / Expenditure	2025/26 £000
	<b>Funding Provided to the Operation</b>	
(2,787)	Contribution from Lichfield District Council	(3,272)
(1,983)	Contribution from Tamworth Borough Council	(2,323)
<b>(4,770)</b>	<b>Total Funding Provided to the Operation</b>	<b>(5,595)</b>
	<b>Expenditure</b>	
4,413	Employee Costs	4,741
-	Premises Related Expenses	5
1,726	Transport Costs	2,142
1,578	Supplies and Services	1,359
13	Third Party Payments	9
607	Central Support Costs	822
<b>8,337</b>	<b>Total Expenditure</b>	<b>9,078</b>
	<b>Income</b>	
(1,141)	Recycling Credits	(1,042)
(1,761)	Green Waste Service	(1,819)
(842)	Other Income	(826)
<b>(3,744)</b>	<b>Total Income Received</b>	<b>(3,687)</b>
<b>4,593</b>	<b>Total Net Expenditure</b>	<b>5,391</b>
	<b>Net (Surplus)/Deficit arising on the pooled budget during the year</b>	
(177)		(204)
<b>41.57%</b>	<b>Tamworth Borough Council's share of Service</b>	<b>41.52%</b>
	<b>Tamworth Borough Council's share of Net (Surplus)/Deficit</b>	
(74)		(85)

Lichfield District Council are the lead Authority for this arrangement, with the Tamworth Borough Council reimbursing Lichfield for services on the basis of a proportion of actual spend. For 2025/26, the cost of the arrangement to the Authority was £2.3m.

### 33. Capital Expenditure & Financing

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

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

2024/25 £000	Capital Expenditure and Financing	2025/26 £000
74,593	<b>Opening Capital Financing Requirement</b>	74,364
	Capital Investment	
15,281	Property, Plant and Equipment	15,961
169	Heritage Assets	278
6	Investment Properties	340
13	Intangible Assets	97
495	Revenue Expenditure Funded from Capital under Statute	567
	Sources of Finance	
(3,172)	Capital receipts	(7,734)
(6,284)	Government grants and other contributions	(1,653)
(5,855)	Sums set aside from revenue - Direct Revenue Contributions	(6,672)
(597)	Sums set aside from revenue - Minimum Revenue Provision	(955)
(285)	Grants - Revenue Expenditure Funded from Capital Under Statute	(567)
<b>74,364</b>	<b>Closing Capital Financing Requirement</b>	<b>74,026</b>
	<b>Explanation of movements in year:</b>	
	Increase in underlying need to borrow:	
368	Unsupported by government financial assistance	617
(597)	Sums set aside from revenue - Minimum Revenue Provision	(955)
<b>(229)</b>	<b>Increase/(Decrease) in Capital Financing Requirement</b>	<b>(338)</b>

## 34. Leases

### a) Authority as Lessee

#### International Financial Reporting Standard 16 (IFRS 16)

In 2025/2026, the Authority has applied IFRS 16 Leases as adopted by the Code of Accounting Practice. The main impact of the new requirements is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as liability), a Right of Use asset and a lease liability are to be brought into the balance sheet at 1st April 2024. Leases for items of low value and leases that expire on or before 31st March 2024 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1st April 2024. This means that Right of Use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/2025 and not by adjusting prior year figures. The details of the changes in accounting policies and transitional provisions are disclosed below.

#### A. Definition of a lease

On transition to IFRS 16, the Authority elected to apply the practical expedient not to reassess whether a contract is, or contains, a lease at 1st April 2024, except in relation to leases for nil consideration and housing tenancies. It has applied IFRS 16 only to contracts that were previously identified as leases under IAS 17 and IFRIC 4

#### B. As a lessee

As a lessee, the Authority previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Authority. Under IFRS 16, the Authority recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The Authority decided to apply recognition exemptions to short-term leases and has elected not to recognise Right of Use assets and lease liabilities for short term leases that have a term of 12 months or less and leases of low value assets (less than £10k in line with capitalization policy). The Authority recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### i. Leases classified as operating leases under IAS 17

The Authority used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Lease liabilities are measured at the present value of the remaining lease payments at 31<sup>st</sup> March 2026, discounted by the Authority's incremental borrowing rate at that date
- A single discount rate has been applied to portfolios of leases with reasonably similar characteristics

- Right of Use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments on 31<sup>st</sup> March 2026 – any initial direct costs have been excluded
- All leases were assessed as to whether they were onerous at 31<sup>st</sup> March 2026, so Right of Use assets have not been subject to an impairment review – carrying amounts have been reduced by any provisions for onerous contracts that were in the 31<sup>st</sup> March 2026 balance sheet

Application of the Code's adaptation of IFRS16 has resulted in the following additions to the balance sheet at 31<sup>st</sup> March 2026:

- £113k Property, Plant and Equipment, Vehicles– Land and Buildings (Right of Use assets)
- £93k Non current creditors (Lease Liabilities)
- £19k Current creditors (Lease Liabilities)

#### **ii. Leases classified as finance leases under IAS 17**

For leases that were classified as finance leases under IAS 17, the carrying amount of the Right of Use asset and the lease liability at 31<sup>st</sup> March 2026 are determined at the carrying amount of the lease asset and lease liability under IAS 17 at 31<sup>st</sup> March 2026.

#### **C. As a lessor**

The Authority is not required to make any adjustment on transition to IFRS 16 for leases in which it acts as a lessor, except for authorities acting as an intermediate lessor (subletting an asset it has acquired under a lease), or where the Authority is party to a lease for nil consideration.

The Authority was not party to any sublease arrangements as lessor as at 31<sup>st</sup> March 2026

As at 31<sup>st</sup> March 2026 the Authority was not party to as lessor to lease for nil consideration

#### **D. Sale-and-leaseback**

The Authority did not have any Sale and Leaseback transactions as at 31<sup>st</sup> March 2026.

## Authority as Lessee

### Right of Use Assets

The table below shows the change in the value of Right of Use assets held under leases by the authority:

2024/25 £000		2025/26 £000
813	Balance at 1 April 2025	3,758
3,309	Additions	87
1	Revaluations	-
(365)	Depreciation and Amortisation	(787)
3,758	<b>Balance at 31 March 2026</b>	3,058

### Transactions under leases

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

2024/25 £000		2025/26 £000
45	Interest expense on lease liabilities	52
7	Expense relating to short-term leases	7
6	Expense relating to exempt leases of low-value items	6
468	Total cashflow for leases	486
45	Cash payments for interest portion of lease liabilities	52
7	Short term lease payments where exemptions taken	7
6	Low value lease payments where exemptions taken	6

### Maturity analysis of lease liabilities

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

31st March 2025 £000		31st March 2026 £000
907	Up to 1 year	822
2,541	One to five years	2,259
910	More than five years	455
4,358	<b>Total Undiscounted Liabilities</b>	3,536

## **b) Authority as Lessor**

### **i. Finance Leases**

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal.

At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal.

A gain, representing the Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (Long Term Debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

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

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement.

Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

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

The Authority does not set aside any amount for future uncollectable amounts.

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

ii. Operating Leases

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Credits are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

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

- for the provision of community services, such as community centres; and
- for investment purposes to provide suitable affordable accommodation for local businesses.

The future minimum lease payments receivable under non cancellable leases in future years are:

<b>31st March 2025 £000</b>	<b>Future Minimum Lease Payments</b>	<b>31st March 2026 £000</b>
912	Operating Leases Not later than one year	931
3,417	Later than one year not later than five years	3,771
30,190	Later than five years	33,725
<b>34,519</b>	<b>Total</b>	<b>38,427</b>

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

The minimum lease payments do not include cancellable rents received during the period, these amounted to £570k in 2025/26 (£601k in 2024/25). There were 20 void units at the 31<sup>st</sup> of March 2026 (17 voids at the 31<sup>st</sup> March 2025).

### **35. Impairment Losses**

Charges for impairment of £12.3m have been made during 2025/26 (£5.0m in 2024/25). This amount reflects the expenditure on capital assets which has not produced a similar increase in the value of the assets.

Total HRA Capital Expenditure was £7.3m (£6.6m in 2024/25) of which £6.4m (£3.9m in 2024/25) related to improvements to bathrooms, kitchens, central heating, electrical upgrades, improvements to high rise flats and disabled adaptations. The impairment has been recognised as the advice of the Authority's valuer is that such improvements have not increased the overall value of the asset.

A further £5.0m impairment related to the future High Street Scheme the Authority's valuer is of the opinion that such improvements have not increased the overall value of the asset.

### **36. Termination Benefits**

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

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund or Housing Revenue Account to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards.

In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

There were no compromise agreements or termination payments to employee contracts during 2025/26 at a value of £0 (£37,682 in 2024/25).

### **37. Defined Benefit Pension Schemes**

The pension costs included in these accounts have been determined in accordance with government regulations and IAS 19. The standard requires the full recognition of the pensions liability (and the movement of its constituent parts) in the Comprehensive Income and Expenditure Statement. These requirements are included within the accounts in accordance with CIPFA recommended practice.

The Local Government Pension Scheme (LGPS) is accounted for as a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme Regulations 2013:

- i. The liabilities of the Staffordshire Local Government Pension Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit credit 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.
- ii. Liabilities are discounted to their value at current prices, using a discount rate of 6.2%.

This is based on an approach whereby a Corporate Bond yield curve is constructed based on the constituents of the iBoxx AA Corporate Bond Index.

Separate discount rates are then set (and corresponding RPI/CPI inflation assumptions) for individual employers, dependent on their own weighted average duration.

- iii. The assets of Staffordshire Local Government Pension Fund attributable to the Authority are included in the Balance Sheet at their fair value:
  - quoted securities – current bid price;
  - unquoted securities – professional estimate;
  - unlisted securities – current bid price;
  - property – market value.
- iv. The change in the net pensions liability is analysed into the following components:

**Service Cost Comprising:**

- **Current Service Cost:** The increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- **Past Service Cost:** The increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the (Surplus) or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
- **Net Interest Cost:** net interest on the net defined benefit liability (asset), ie net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

## **Remeasurements comprising:**

**Expected 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 – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- **Contributions paid to the Staffordshire Local Government Pension Fund:** Cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund and the Housing Revenue Account to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund and Housing Revenue Account of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

## **Discretionary Benefits**

The Authority 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.

### **a) Participation in Pension Schemes**

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

The authority participates in two post employment schemes:

- The Local Government Pension Scheme, administered locally by Staffordshire County Council – this is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a

level intended to balance the pensions liabilities with investment assets.

- Arrangements for the award of discretionary post retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

## b) Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits 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 we are required to make against Council Tax is based on the cash payable in the year, so the real cost of post employment / retirement benefits is reversed out of the General Fund (and HRA) via the Movement in Reserves Statement. 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:

### Comprehensive Income and Expenditure Statement

Local Government Pension Scheme 2024/25 £000	Discretionary Benefit Arrangements 2024/25 £000	Defined Benefit Pension Schemes	Local Government Pension Scheme 2025/26 £000	Discretionary Benefit Arrangements 2025/26 £000
2,266	71	<b>Comprehensive Income and Expenditure Statement:</b> Service Cost Comprising: Current service costs	1,769	67
1,060		<b>Financing and Investment Income and Expenditure</b> Interest on the effect of the asset ceiling	2,240	
5,330		Interest costs	5,546	
(6,007)		Expected return on scheme assets	(7,380)	
<b>2,649</b>	<b>71</b>	<b>Total Post Employment Benefit Charged to the (Surplus) or Deficit on the Provision of Services</b>	<b>2,175</b>	<b>67</b>
2,069	(74)	<b>Remeasurement of the Net Defined Benefit Liability Comprising:</b> Return on plan assets (excluding amounts included in net interest expense)	(3,979)	(11)
(195)		Actuarial gains and losses on changes in demographic assumptions	(2,012)	
(16,891)		Actuarial gains and losses on changes in financial assumptions	(2,887)	
15,499		Impact of Net asset Ceiling	694	
(1,154)		Other	5,651	
<b>1,977</b>	<b>(3)</b>	<b>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>	<b>(358)</b>	<b>56</b>

## Movement in Reserves Statement

Local Government Pension Scheme 2024/25 £000	Discretionary Benefit Arrangements 2024/25 £000	Defined Benefit Pension Schemes	Local Government Pension Scheme 2025/26 £000	Discretionary Benefit Arrangements 2025/26 £000
(1,977)	3	<b>Movement in Reserves Statement:</b>  Reversal of net charges made to the (Surplus) or Deficit on the Provision of Services for post employment benefits in accordance with the code  Actual amount charged against the General Fund Balance for pensions in the year: Employers' contributions payable to the scheme Retirement benefits payable to pensioners	358	(56)
3,132	-		3,296	-
-	71		-	67
<b>1,155</b>	<b>74</b>	<b>Total Movement in Reserves Statement</b>	<b>3,654</b>	<b>11</b>

Under the Housing Repairs contract, a separate pension scheme is operated for staff transferred as part of a TUPE arrangement.

### c) Pensions Assets and Liabilities Recognised in the Balance Sheet

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

Local Government Pension Scheme 2024/25 £000	Pensions Assets and Liabilities Recognised in the Balance Sheet	Local Government Pension Scheme 2025/26 £000
97,258	Present Value of the Defined Benefit Obligation	103,991
38,645	Impact of Net asset Ceiling	41,579
(128,416)	Fair Value of Plan Assets	(141,158)
<b>7,487</b>	<b>Net Liability Arising From Defined Benefit Obligation</b>	<b>4,412</b>

**d) Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets**

Local Government Pension Scheme 2024/25 £000	Reconciliation of Fair Value of Scheme Assets	Local Government Pension Scheme 2025/26 £000
<b>103,949</b>	<b>Balance at 1st April 2025</b>	<b>89,771</b>
4,947	Interest Income on Plan Assets	5,140
(1,995)	Return on Assets excluding amounts included in net interest	3,990
2,532	Employer contributions	2,706
756	Contributions by scheme participants	808
(4,919)	Benefits paid	(5,906)
(15,499)	Impact of Net asset Ceiling	(694)
-	Other Experience	3,764
71	Contributions in respect of unfunded benefits	67
(71)	Unfunded benefits paid	(67)
<b>89,771</b>	<b>Balance at 31st March 2026</b>	<b>99,579</b>

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

Local Government Pension Scheme 2024/25 £000	Discretionary Benefit Arrangements 2024/25 £000	Reconciliation of Present Value of Scheme Liabilities (Defined Benefit Obligation)	Local Government Pension Scheme 2025/26 £000	Discretionary Benefit Arrangements 2025/26 £000
<b>111,255</b>	<b>810</b>	<b>Balance at 1st April 2025</b>	<b>96,593</b>	<b>665</b>
2,337	-	Current service costs	1,836	
5,330	-	Interest Cost on Defined Benefit Obligation	5,546	
756	-	Plan Participants Contributions	808	
(195)	-	<b>Remeasurements (gains)/losses</b>		
(16,817)	(74)	Changes in Demographic Assumptions	(2,012)	
(1,154)	-	Changes in Financial Assumptions	(2,876)	(11)
(4,919)	(71)	Other Experience	9,415	
-	-	Benefits paid	(5,906)	(67)
-	-	Past service costs		
<b>96,593</b>	<b>665</b>	<b>Balance at 31st March 2026</b>	<b>103,404</b>	<b>587</b>

**f) Local Government Pension Scheme Assets Comprised:**

The asset values shown below are at bid value as required under IAS19.

As at 31st March 2025					As at 31st March 2026			
Quoted Prices in Active Markets	Quoted Prices Not in Active Markets	Total	Percentage of Total Assets	Fair Value of Employers Assets	Quoted Prices in Active Markets	Quoted Prices Not in Active Markets	Total	Percentage of Total Assets
£000	£000	£000	%		£000	£000	£000	%
1,850	-	1,850	1.4	<b>Equity Securities</b>				
-	-	-	0.0	Consumer	-	-	-	0.0
-	-	-	0.0	Manufacturing	-	-	-	0.0
				Energy & Utilities	-	-	-	0.0
1,781	-	1,781	1.4	Financial Institutions	-	-	-	0.0
1,071	-	1,071	0.8	Health Care	-	-	-	0.0
				Information Technology	-	-	-	0.0
1,091	-	1,091	0.8	Other	-	-	-	0.0
-	-	-	0.0					
				<b>Debt Securities</b>				
				Corporate Bonds (Investment Grade)	5,759	-	5,759	4.1
9,689	-	9,689	7.5					
				<b>Private Equities</b>				
-	6,707	6,707	5.2	All	-	7,961	7,961	5.6
				<b>Real Estate</b>				
-	10,732	10,732	8.4	UK Property	-	12,552	12,552	8.9
				<b>Investment Funds &amp; Unit Trusts</b>				
63,212	-	63,212	49.0	Equities	76,147	-	76,147	53.9
9,801	-	9,801	7.6	Bonds	12,789	-	12,789	9.1
	7,652	7,652	6.0	Infrastructure		9,454	9,454	6.7
6,420	5,488	11,908	9.3	Other	7,542	6,292	13,833	9.8
				<b>Cash &amp; Cash Equivalents</b>				
2,923	-	2,923	2.3	All	2,663	-	2,663	1.9
<b>97,838</b>	<b>30,579</b>	<b>128,417</b>	<b>100</b>	<b>Total Assets</b>	<b>104,900</b>	<b>36,258</b>	<b>141,158</b>	<b>100</b>
		(38,645)		Impact of net asset ceiling			(41,579)	
		<b>89,772</b>					<b>99,579</b>	

## g) 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 levels, etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 31<sup>st</sup> March 2026. The significant assumptions used by the actuary have been:

Local Government Pension Scheme 2024/25	Discretionary Benefit Arrangements 2024/25	Assumptions	Local Government Pension Scheme 2025/26	Discretionary Benefit Arrangements 2025/26
5.80%	-	Long-term expected rate of return on assets in the scheme:		
		Equity Investments	6.20%	-
5.80%	-	Government Bonds		
5.80%	-	Bonds	6.20%	-
5.80%	-	Property Managed Funds	6.20%	-
5.80%	-	Cash	6.20%	-
5.80%	-	Other	6.20%	-
		Mortality assumptions (in years):		
		Longevity at 65 for current pensioners:		
21.1	21.1	Men	21.8	21.8
23.8	23.8	Women	24.5	24.5
		Longevity at 65 for future pensioners:		
21.8	21.8	Men	22.4	22.4
25.6	25.6	Women	26.0	26.0
2.80%	2.80%	CPI Rate	3.00%	3.00%
3.30%	3.30%	Rate of increase in salaries	3.50%	3.50%
2.80%	2.80%	Rate of increase in pensions	3.00%	3.00%
4.80%	4.80%	Rate for discounting scheme liabilities	6.20%	6.20%
65.00%	-	Take-up of option to convert annual pension into retirement lump sum	75.00%	-

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis 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 assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from that used in the previous period.

Impact on the Defined Benefit Obligation in the Scheme		Change in Assumptions at 31st March 2026	Impact on the Defined Benefit Obligation in the Scheme	
Approx. % Increase to Liability 2024/25 %	Approx. Monetary Value 2024/25 £000		Approx. % Increase to Liability 2025/26 %	Approx. Monetary Value 2025/26 £000
2.00%	1,583	0.1% Decrease in Real Discount Rate	1.00%	1,466
4.00%	3,890	1 Year in Member Life Expectancy	4.00%	4,160
-	78	0.1% Increase in the Salary Increase Rate	-	73
2.00%	1,549	0.1% Increase in the Pension Increase Rate	1.00%	1,392

The total contributions expected to be made to the Local Government Pension Scheme by the Authority in the year to 31<sup>st</sup> March 2027 is £2.7m (£2.5m in 2025/26).

### 38. Contingent Liabilities

A Contingent Liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent Liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

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

The Authority has included a provision –detailed in Note 22 – relating to Business Rate appeals outstanding as at 31<sup>st</sup> March 2026.

Under the Business Rates Retention arrangements, Billing authorities acting as agents on behalf of the major preceptors (normally 10%, 35% for 2019/20), central government (normally 50%, 25% for 2019/20) and themselves (40%) are required to make provisions for refunding ratepayers who have successfully appealed against the rateable value of their properties on the rating list. The overall provision for appeals outstanding in the Business Rates Collection Fund is **£3.1m** and this Authority's share of the Local Business Rates Retention scheme is **40%**. The Authority has therefore included a provision of **£1.2m** for **£23.7m** appeals outstanding on the 31<sup>st</sup> March 2026.

With effect from the 2017 Rating List, there is a fresh approach to appeals known as "Check, Challenge & Appeal" (CCA) which means that before an appeal is made the Rateable Value may be amended upon negotiation between the Valuation Office and the ratepayer (or their agents). This process will inevitably lead to a delay in appeals being made.

It is difficult to estimate the likelihood of businesses both submitting and being successful with an appeal and the Authority has therefore made provision in the accounts based on professional advice from independent valuers. The contingent liability element relates to any potential successful appeals beyond the provision made. The level of historic appeals together with the average level of success and savings in Rateable Value is shown for the 2005, 2010, 2017 and 2023 lists below:

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Indicator	2005 List	2010 List	2017 List	2023 List	Total
<b>A</b> Total of original Rateable Values resolved	£116.06m	£239.73m	£211.40m	£61.44m	£628.63m
<b>B</b> Total original Rateable Value of successful check/ challenge/ appeal	£51.93m	£70.41m	£28.16m	£12.50m	£163.00m
Average success rate (% of RV) <b>(B/A)</b>	44.74%	29.37%	13.32%	20.35%	25.93%
<b>C</b> Total revised Rateable Value of successful check/ challenge/ appeal	£47.63m	£62.27m	£24.49m	£11.20m	£145.59m
<b>D Total reduction in Rateable Value (C-B)</b>	<b>£4.29m</b>	<b>£8.14m</b>	<b>£3.67m</b>	<b>£1.30m</b>	<b>£17.40m</b>
Average % reduction in Rateable Value <b>(D/B)</b>	8.27%	11.56%	13.03%	10.40%	10.68%
<b>E</b> Years the List has been active	5	7	6	3	-
<b>F</b> Average annual reduction in Rateable Value <b>(D/E)</b>	£0.86m	£1.16m	£0.61m	£0.43m	-
<b>G</b> Standard Business Rate Multiplier in 2026/27	48.0p	48.0p	48.0p	48.0p	48.0p
<b>H Average annual cost of reduction based on 2026/27 Multiplier (FxG)</b>	<b>£0.41m</b>	<b>£0.56m</b>	<b>£0.29m</b>	<b>£0.21m</b>	<b>£1.47m</b>
<b>District Council Share at 40% (Hx0.4)</b>	<b>£0.16m</b>	<b>£0.22m</b>	<b>£0.12m</b>	<b>£0.08m</b>	<b>£0.59m</b>
<b>I</b> Checks/ challenges/ appeals outstanding 31/03/26	£0.00m	£0.00m	£0.02m	£23.70m	£23.72m
<b>J</b> Provision included	£0.00m	£0.00m	£0.00m	£3.07m	£3.07m
Provision as a % of checks/ challenges/ appeals outstanding <b>(J/I)</b>			0.00%	12.95%	12.96%

Indicator 2024/25	2005 List	2010 List	2017 List	2023 List	Total
<b>A</b> Total of original Rateable Values resolved	£116.06m	£239.73m	£211.37m	£29.15m	£596.31m
<b>B</b> Total original Rateable Value of successful check/ challenge/ appeal	£51.93m	£70.41m	£28.16m	£5.63m	£156.13m
Average success rate (% of RV) <b>(B/A)</b>	44.74%	29.37%	13.32%	19.31%	26.18%
<b>C</b> Total revised Rateable Value of successful check/ challenge/ appeal	£47.63m	£62.27m	£24.49m	£5.02m	£139.41m
<b>D Total reduction in Rateable Value (C-B)</b>	<b>£4.29m</b>	<b>£8.14m</b>	<b>£3.67m</b>	<b>£0.61m</b>	<b>£16.71m</b>
Average % reduction in Rateable Value <b>(D/B)</b>	8.27%	11.56%	13.03%	10.83%	10.70%
<b>E</b> Years the List has been active	5	7	6	2	-
<b>F</b> Average annual reduction in Rateable Value <b>(D/E)</b>	£0.86m	£1.16m	£0.61m	£0.31m	-
<b>G</b> Standard Business Rate Multiplier in 2025/26	55.5p	55.5p	55.5p	55.5p	55.5p
<b>H Average annual cost of reduction based on 2025/26 Multiplier (FxG)</b>	<b>£0.48m</b>	<b>£0.65m</b>	<b>£0.34m</b>	<b>£0.17m</b>	<b>£1.63m</b>
<b>District Council Share at 40% (Hx0.4)</b>	<b>£0.19m</b>	<b>£0.26m</b>	<b>£0.14m</b>	<b>£0.07m</b>	<b>£0.65m</b>
<b>I</b> Checks/ challenges/ appeals outstanding 31/03/25	£0.00m	£0.00m	£0.05m	£6.00m	£6.05m
<b>J</b> Provision included	£0.00m	£0.00m	£0.07m	£2.92m	£2.99m
Provision as a % of checks/ challenges/ appeals outstanding <b>(J/I)</b>			140.00%	48.67%	49.49%

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## 39. Nature & Extent of Risks Arising from Financial Instruments

### Key Risks

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

- **Credit risk** - the possibility that other parties might fail to pay amounts due to the Council;
- **Liquidity risk** - the possibility that the Council might not have funds available to meet its commitments to make payments;
- **Re-financing risk** - the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- **Market risk** - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates or stock market movements.

The Authority's overall risk management programme focuses on the unpredictability of financial markets, and seeks to minimise potential adverse effects on the resources available to fund services and is based on the framework set out in the Local Government Act 2003 and associated regulations.

As directed by the Act, the Authority has formally adopted the CIPFA Treasury Management Code of Practice and complies with the CIPFA Prudential Code. As part of the adoption of the Treasury Management Code, the Authority approves a Treasury Management Strategy before the commencement of the year to which it relates, this strategy sets out the parameters for the management of risks associated with financial instruments.

The Treasury Management Strategy for 2025/26 (including the Annual Investment Strategy) was approved by Full Council on and is available on the Authority's website.

The strategy also includes an Annual Investment Strategy for the forthcoming year, setting out its criteria for both investing and selecting investment counterparties in compliance with Government guidance.

Risk management is carried out by a central treasury team, under policies approved by the Authority in the annual Treasury Management Strategy. The Authority provides written principles for overall risk management, as well as written policies (covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash).

## **a) Credit Risk**

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the Annual Investment Strategy, which is available on the Authority's website.

### **Credit Risk Management Practices**

The authority's credit risk management practices are set out in the Annual Investment Strategy. With particular regard to determining whether the credit risk of financial instruments has increased significantly since initial recognition.

The Annual Investment Strategy requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution located in each category.

The credit criteria in respect of financial assets held by the Council are detailed below:

This Authority uses the creditworthiness service provided by MUFG. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard and Poor's, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council.

The Authority's maximum exposure to credit risk in relation to its investments in financial institutions of £48.6m cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Authority's deposits, but there was no evidence at the 31<sup>st</sup> March 2026 that this was likely to crystallise.

## Amounts Arising from Expected Credit Losses

### Credit Risk Exposure

The Authority has assessed its short and long term investments and concluded that the expected credit loss is not material therefore no allowances have been made.

A summary of the credit quality of the Council's investments at 31<sup>st</sup> March 2026 is shown below, along with the potential maximum exposure to credit risk, based on experience of default and uncollectability.

Credit Risk	Amount at 31st March 2026 £000 A	Historical Experience of Default % B	Historical Experience Adjusted for Market Conditions at 31st March 2026 % C	Estimated Maximum Exposure to Default and Uncollectability at 31st March 2026 £000 (A x C)	Estimated Maximum Exposure at 31st March 2025 £000
AAA rated counterparties	5,607	0.04%	0.04%	2	1
AA rated counterparties	43,800	0.02%	0.02%	9	6
A rated counterparties	-	0.05%	0.05%	-	15
Trade Debtors	3,820	22.19%	22.19%	848	1,579
<b>Total</b>	<b>53,227</b>			<b>859</b>	<b>1,601</b>

The Authority does not generally allow credit for customers, such that £0.9m is past its due date for payment. The past due amount as at 31<sup>st</sup> March 2026 but not impaired amount can be analysed by age as follows:

31st March 2025 £000	Arrears	31st March 2026 £000
194	Less than six months	144
24	Six months to one year	24
84	More than one year	35
842	More than two years	707
<b>1,144</b>	<b>Total</b>	<b>910</b>

The Authority initiates a legal charge on property where, for instance, works have to be carried out in default but those responsible cannot afford to pay immediately. The total collateral at 31<sup>st</sup> March 2026 was £29.3k (£29.3k in 2024/25).

## b) Liquidity Risk

The Authority manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when needed.

The Authority has ready access to borrowings from the money markets to cover any day to day cash flow need, and the PWLB and money markets for access to longer term funds. The Authority is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. The maturity analysis of financial assets, excluding sums due from customers, is as follows:

31st March 2025		Financial Assets	31st March 2026	
Average Rate %	Amount £000		Average Rate %	Amount £000
5.16%	46,021	Less than one year	4.32%	43,860
<b>5.16%</b>	<b>46,021</b>	<b>Total</b>	<b>4.32%</b>	<b>43,860</b>

All trade and other payables are due to be paid in less than one year – debtors of are not included in the table above.

## c) Refinancing and Maturity Risk

The Authority maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer term risk to the Authority relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Authority approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and

- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Authority's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The maturity analysis of financial liabilities is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period (approved Council in the Treasury Management Strategy)

31st March 2025		Financial Liabilities	Approved Limits		31st March 2026	
Average Rate %	Amount £000		Minimum	Maximum	Average Rate %	Amount £000
4.05%	63,060	PWLB			4.05%	63,060
<b>4.05%</b>	<b>63,060</b>	<b>Total</b>			<b>4.05%</b>	<b>63,060</b>
-	309	Less than one year (Interest Due)	0%	20%	-	301
-	-	Less than one year	0%	20%	-	-
-	-	Maturing in 1 - 2 years	0%	20%	-	-
-	-	Maturing in 2 - 5 years	0%	25%	-	-
4.75%	3,000	Maturing in 5 - 10 years	0%	75%	4.75%	3,000
4.43%	2,000	Maturing in 10 - 15 years	0%	100%	4.43%	2,000
4.00%	58,060	Maturing in over 15 years	0%	100%	4.00%	58,060
<b>4.05%</b>	<b>63,369</b>	<b>Total</b>			<b>4.05%</b>	<b>63,361</b>

#### d) Market Risk

##### i) Interest Rate Risk

The Authority is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority, depending on how variable and fixed interest rates move across differing financial instrument periods.

For instance, a rise in variable and fixed 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; and
- **Investments at fixed rates:** The fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact on the (Surplus) or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. 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 and affect the General Fund Balance, subject to influences from Government grants (i.e. HRA). Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in the Other Comprehensive Income and Expenditure Statement.

The Authority has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together Authority's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The central treasury 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, similarly the drawing of longer term fixed rates borrowing would be postponed.

The risk of interest rate loss is partially mitigated by Government grant payable on financing costs. As at 31<sup>st</sup> March 2026, the Authority had no variable rate debt or investments. There would therefore be no material impact if all interest rates had been higher or lower during the year.

#### ii) Price Risk

The Council holds £6.8m (valued at £10.4m in 2024/25) in property funds, and their price varies. However, any movements in price will not impact on the General Fund Balance as regulations are in force to ameliorate the impact of fair value movements.

The market prices of the Council's fixed rate bond investments and its units in pooled bond funds are governed by prevailing interest rates and the market risk associated with these instruments is managed alongside interest rate risk.

The Council's investment in a pooled property fund is subject to the risk of falling commercial property prices. This risk is limited by the Council's maximum exposure to property investments of £6.8m. A 5% fall in commercial property prices would result in a £0.3m charge to Other Comprehensive Income & Expenditure – this would have no impact on the (Surplus) or Deficit on the Provision of Services until the investment was sold.

## Approval of Accounts

I confirm that these accounts were approved by the Audit and Governance Committee at the meeting held on

Signed on behalf of Tamworth Borough Council

Councillor K Norchi Chair of the Audit and Governance Committee

Dated

*This is an electronic copy without an electronic signature. The original was signed as dated above and a copy can be obtained from the Executive Director Finance and Commercial.*

## Housing Revenue Account

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. The Authority charges rents to cover expenditure in accordance with legislative framework; this may be different from accounting cost. The increase or decrease in the year, on the basis which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

2024/25 £000	HRA Comprehensive Income and Expenditure Statement	2025/26	
		£000	£000
	<b>Expenditure:</b>		
7,375	Repairs and Maintenance	8,666	
7,675	Supervision and Management	7,724	
89	Rents, rates, taxes and other charges	88	
12,826	Depreciation and impairment of Non Current Assets	11,024	
20	Debt management costs	17	
262	Movement in the allowance for bad debts	293	
<b>28,247</b>	<b>Total Expenditure</b>		<b>27,812</b>
	<b>Income:</b>		
(22,999)	Dwelling rents	(23,024)	
(326)	Non dwelling rents	(330)	
(1,165)	Charges for services and facilities	(1,129)	
(1,913)	Contributions towards expenditure	(1,288)	
<b>(26,403)</b>	<b>Total Income</b>		<b>(25,771)</b>
<b>1,844</b>	<b>Net Expenditure of HRA Services as included in the Comprehensive Income and Expenditure Statement</b>		<b>2,041</b>
37	HRA services' share of Corporate and Democratic Core		48
<b>1,881</b>	<b>Net Expenditure / (Income) for HRA Services</b>		<b>2,089</b>
	<b>HRA Share of the Operating Income and Expenditure Included in the Comprehensive Income and Expenditure Statement:</b>		
(192)	(Gain) or loss on sale of HRA Non Current Assets	(576)	
2,982	Interest payable and similar charges	3,084	
9	Interest payable ROU Assets	2	
(922)	Interest and investment income	(865)	
91	Pensions interest cost and expected return on pensions assets	102	
<b>3,849</b>	<b>(Surplus) or Deficit for the Year on HRA Services</b>		<b>3,836</b>

## Statement of Movement on the HRA Balance

2024/25 £000	Statement of Movement on the HRA Balance	2025/26	
		£000	£000
2,220	Balance on the HRA at the end of the previous year		4,334
(3,849)	Surplus or (Deficit) for the year on the HRA Income and Expenditure Statement	(3,836)	
6,593	Adjustments between Accounting Basis and Funding Basis Under Statute	4,661	
<b>2,744</b>	<b>Net Increase or (Decrease) before transfers to or from reserves</b>	<b>825</b>	
(630)	Transfers (to) / from Reserves	(1,424)	
2,114	Increase or (Decrease) on the HRA		(599)
<b>4,334</b>	<b>Balance on the HRA at 31st March 2026</b>		<b>3,735</b>

## Analysis of Adjustments

2024/25 £000	Analysis of Adjustments	2025/26 £000
7	Difference between any other item of income and expenditure determined in accordance with the code and determined in accordance with HRA requirements	21
(192)	Gain or loss on sale of HRA Non Current Assets	(576)
(98)	HRA share of contributions to or from the Pensions Reserve	(264)
17	Amortisation of intangible assets	1
(2,175)	Capital expenditure funded by the HRA	(1,636)
(3,827)	Transfer to / from the Major Repairs Reserve	(3,924)
12,861	Transfer to / from the Capital Adjustment Account	11,039
<b>6,593</b>	<b>Total Adjustments Between Accounting Basis and Funding Basis Under Statute</b>	<b>4,661</b>

## NOTES TO THE HRA

### HRA1. Number & Type of Dwelling

	Houses and Bungalows	High and Medium Rise Flats	Low Rise Flats	Total
<b>Housing Stock as at 1st April 2025</b>	<b>2,730</b>	<b>689</b>	<b>878</b>	<b>4,297</b>
Sales	(29)	-	(5)	(34)
Additions	-	6	-	6
<b>Housing Stock as at 31st March 2026</b>	<b>2,701</b>	<b>695</b>	<b>873</b>	<b>4,269</b>

In order to comply with the requirements of Resource Accounting, garages are now identified within other property. Non operational assets are those held by an authority but not directly occupied or used in the delivery of its services.

### HRA2. Vacant possession value of dwellings

The Vacant Possession Valuation as at 31<sup>st</sup> March 2026 is £642.8m (31<sup>st</sup> March 2025 Vacant Possession Value was £637.8m).

However, assets are valued on the Balance Sheet at their existing use reflecting the valuation of a property if it were to be disposed with sitting tenants benefiting from sub-market rents. This reflects the economic cost to the Government of providing council housing at less than open market value.

Council dwellings are held on the Balance Sheet at Existing Use Value Social Housing (EUV-SH) which for 2025/26, a nationally set adjustment factor for the West Midlands of 40% of vacant possession value has been used (40% in 2025/26).

<b>Movement in 2025/26</b>	<b>EUV-SH Council Dwellings £000</b>	<b>Other Land and Buildings £000</b>	<b>Plant , Vehicles and Equipment £000</b>	<b>Asset Under Construction £000</b>	<b>Total £000</b>
<b>Cost or Valuation</b>					
<b>As at 1st April 2025</b>	<b>255,121</b>	<b>2,686</b>	<b>229</b>	<b>934</b>	<b>258,970</b>
Additions;	6,899	-	52	327	<b>7,278</b>
Accumulated Depreciation and Impairment written off to Gross Carrying Amount;	(10,690)	93	-	-	<b>(10,597)</b>
Revaluation increases/ (decreases) recognised in the Revaluation Reserve;	7,095	84	-	-	<b>7,179</b>
Revaluation increases/ (decreases) recognised in the (Surplus) or Deficit on the Provision of Services;	(210)	9	-	-	<b>(201)</b>
Derecognition - Disposals.	(2,365)	(11)	-	-	<b>(2,376)</b>
Other movements in cost or valuation	1,261	-	-	(1,261)	-
<b>As at 31st March 2026</b>	<b>257,111</b>	<b>2,861</b>	<b>281</b>	<b>-</b>	<b>260,253</b>
<b>Accumulated Depreciation &amp; Impairment</b>					
<b>As at 1st April 2025</b>	-	-	<b>(125)</b>	-	<b>(125)</b>
Depreciation Charge;	(3,806)	(98)	(18)	-	<b>(3,922)</b>
Accumulated Depreciation and Impairment written off to Gross Carrying Amount;	10,690	(93)	-	-	<b>10,597</b>
Impairment losses/ (reversals) recognised in the (Surplus) or Deficit on the Provision of Services;	(6,899)	-	-	-	<b>(6,899)</b>
Derecognition - disposals.	15	-	-	-	<b>15</b>
<b>As at 31st March 2026</b>	<b>-</b>	<b>(191)</b>	<b>(143)</b>	<b>-</b>	<b>(334)</b>
<b>Net Book Value</b>					
As at 1st April 2025	255,121	2,686	104	934	<b>258,845</b>
<b>As at 31st March 2026</b>	<b>257,111</b>	<b>2,670</b>	<b>138</b>	<b>-</b>	<b>259,919</b>
<b>Nature of holdings at year end Owned</b>	<b>257,111</b>	<b>2,670</b>	<b>138</b>	<b>-</b>	<b>259,919</b>

### HRA3. Movement on the Major Repairs Reserve (MRR)

The Major Repairs Reserve represents the long term average amount of capital spending required to maintain the stock in its current condition.

The Capital Expenditure shown was spent on maintaining council dwellings.

2024/25 £000	Major Repairs Reserve	2025/26 £000
2,319	Balance at 1st April 2025	3,517
3,827	Contributions to the Major Repairs Reserve	3,924
(2,629)	Capital Spending on Dwellings	(5,131)
<b>3,517</b>	<b>Balance at 31st March 2026</b>	<b>2,310</b>

The contribution in 2025/26 represents the depreciation charge of £3.9m (2024/25 contribution included £3.9m depreciation).

### HRA4. Capital Expenditure Summary

The following table details how £7.3m Capital Expenditure was financed during the year.

2024/25 £000	Capital Expenditure	2025/26 £000
	<b>Capital Expenditure Type:</b>	
4,962	Dwellings	6,899
520	Land	-
82	Plant, Vehicles and Equipment (PVE)	52
1,044	Assets Under Construction	327
<b>6,608</b>	<b>Total Capital Expenditure</b>	<b>7,278</b>
	<b>Funded by:</b>	
1,804	Usable capital receipts	511
2,175	Revenue contributions	1,636
2,629	Major Repairs Reserve	5,131
<b>6,608</b>	<b>Total Funding</b>	<b>7,278</b>

## HRA5. Capital Receipts

During the year capital receipts totalling £3.0m were received in respect of dwellings sold.

2024/25 £000	Capital Receipts	2025/26 £000
1,691	Sale of dwellings under Right to Buy	2,963
<b>1,691</b>	<b>Net Capital Receipts</b>	<b>2,963</b>

## HRA6. Depreciation & Impairment Charges

Council Dwellings are depreciated on a straight line basis over the period of their useful economic life. The charge for the year was £3.8m.

The charge for depreciation of £0.1m on non council dwellings has been calculated on a straight line basis over the period of their useful economic life.

Charges for impairment of £6.9m have been made during 2025/26. This amount reflects the expenditure on capital assets which has not produced a similar increase in the value of the assets.

## HRA7. HRA Pensions Reserve

2024/25 £000	Pensions	2025/26 £000
288	Difference between current service cost of pensions and past service cost in accordance with IAS 19 and actual employers' contributions	631
1,527	Interest on share of pensions liability	1,954
1,435	Expected return on share of assets	(1,852)
<b>3,250</b>	<b>Total</b>	<b>733</b>

## HRA8. HRA Rent Arrears

2024/25 £000	Rent Arrears	2025/26 £000
2,203	Gross arrears	2,316
9.6%	Gross arrears as percentage of gross rent income	10.1%

Of the rent arrears, 59.7% (57.6% in 2024/25) refer to former tenants.

2024/25 £000	Provision for Bad Debts	2025/26 £000
<b>1,694</b>	<b>Rent Arrears</b>	
	<b>Balance at 1st April 2025</b>	<b>1,806</b>
237	Contribution from / (to) HRA in year	324
(125)	Written off in year	(201)
<b>1,806</b>	<b>As at 31st March 2026</b>	<b>1,929</b>
	<b>Sundry Debtors</b>	
<b>63</b>	<b>Balance at 1st April 2025</b>	<b>87</b>
24	Contribution from / (to) HRA in year	(14)
-	Written off in year	(31)
<b>87</b>	<b>Balance at 31st March 2026</b>	<b>42</b>
<b>1,893</b>	<b>Total Provision for Bad Debts</b>	<b>1,971</b>

## Collection Fund

The Collection Fund statement shows the transactions of the Authority, as billing authority, in relation to the collection of Council Tax income on behalf of Staffordshire County Council, the OPCC, the Staffordshire Commissioner Fire and Rescue Authority and this Authority's General Fund together with non-domestic rates collected on behalf of the Government, Staffordshire County Council, the Staffordshire Commissioner Fire and Rescue Authority and this Authority's General Fund.

2024/25 Council Tax £000	2024/25 NDR £000	2024/25 Total £000	Collection Fund Income and Expenditure Statement	2025/26 Council Tax £000	2025/26 NDR £000	2025/26 Total £000
			<b>INCOME</b>			
(49,961)		(49,961)	Income from Council Tax	(53,156)		(53,156)
(54)		(54)	Transfers from General Fund - Council Tax benefits	(20)		(20)
	(37,152)	(37,152)	Income collectable from business ratepayers		(38,821)	(38,821)
<b>(50,015)</b>	<b>(37,152)</b>	<b>(87,167)</b>	<b>Total Income</b>	<b>(53,176)</b>	<b>(38,821)</b>	<b>(91,997)</b>
			<b>EXPENDITURE</b>			
			<b>Precepts</b>			
4,759		4,759	- Tamworth Borough Council	4,926		4,926
6,423		6,423	- OPCC Staffordshire	6,786		6,786
2,037		2,037	- Staffordshire Commissioner Fire and Rescue Authority	2,165		2,165
36,267		36,267	- Staffordshire County Council	38,266		38,266
			<b>Business rates</b>			
	14,265	14,265	- Tamworth Borough Council		14,877	14,877
	17,831	17,831	- Central Government		18,597	18,597
	357	357	- Staffordshire Commissioner Fire and Rescue Authority		372	372
	3,210	3,210	- Staffordshire County Council		3,347	3,347
	87	87	<b>Costs of Collection</b>		88	88

2024/25 Council Tax £000	2024/25 NNDR £000	2024/25 Total £000	Collection Fund Income and Expenditure Statement	2025/26 Council Tax £000	2025/26 NNDR £000	2025/26 Total £000
		-	Amounts Retained in respect of Renewable Energy Schemes		3	3
	3	-	Transfer Credits to GF		-	-
492	231	723	<b>Bad and Doubtful Debts</b>	565	723	1,288
	(252)	(252)	- Provisions		1,990	1,990
			- Provision for appeals			
			<b>Distribution of previous year's surpluses/deficits</b>			
27	(1,152)	(1,125)	- Tamworth Borough Council	33	(93)	(60)
36		36	- OPCC Staffordshire	44	-	44
12	(29)	(17)	- Staffordshire Commissioner Fire and Rescue Authority	14	(2)	12
202	(259)	(57)	- Staffordshire County Council	253	(21)	232
	(1,440)	(1,440)	- Central Government		(116)	(116)
<b>50,255</b>	<b>32,852</b>	<b>83,104</b>	<b>Total Expenditure</b>	<b>53,052</b>	<b>39,765</b>	<b>92,817</b>
240	(4,300)	(4,060)	<b>(Surplus)/ Deficit for the year</b>	(124)	944	820
(733)	4,791	4,058	Fund Balance Brought Forward	(493)	491	(2)
<b>(493)</b>	<b>491</b>	<b>(2)</b>	<b>Fund Balance at 31st March 2026</b>	<b>(617)</b>	<b>1,435</b>	<b>818</b>
			<b>Analysis of Fund Balance (Surplus)/ Deficit</b>			
(47)	196	149	- Tamworth Borough Council	(57)	574	517
(64)	-	(64)	- OPCC Staffordshire	(82)	-	(82)
(20)	5	(15)	- Staffordshire Commissioner Fire and Rescue Authority	(26)	14	(12)
(362)	44	(318)	- Staffordshire County Council	(452)	129	(323)
	246	246	- Central Government		718	718
<b>(493)</b>	<b>491</b>	<b>(2)</b>	<b>Total</b>	<b>(617)</b>	<b>1,435</b>	<b>818</b>

# NOTES TO THE COLLECTION FUND

## CF 1. NDR Rateable Value

The rateable value of Non Domestic properties in the Borough as at 31<sup>st</sup> March 2026 was £84,797,802 (£85,044,232 at 31<sup>st</sup> March 2025).

The NDR multiplier for 2025/26 was 55.5p in the pound (54.6p in 2024/25). The qualifying small business multiplier for 2025/26 was 49.9p in the pound (49.9p in 2024/25).

## CF 2. Council Tax Base Calculation

The Council base was as follows:

Number of Chargeable Properties 2024/25	Adjusted Property Base (Band D Equivalent) 2024/25	Calculation of Ctax Base	Number of Chargeable Properties 2025/26	Adjusted Property Base (Band D Equivalent) 2025/26
		<b>Valuation Band (Multiplier)</b>		
18	10	A - Disabled Relief Reduction (5/9)	17	9
8,185	5,457	A - (6/9)	8,150	5,433
11,096	8,630	B - (7/9)	11,095	8,629
5,653	5,025	C - (8/9)	5,682	5,051
3,776	3,776	D - (9/9)	3,793	3,793
2,076	2,537	E - (11/9)	2,110	2,579
562	812	F - (13/9)	565	816
120	200	G - (15/9)	130	217
3	6	H - (18/9)	3	6
	(2,713)	<b>LCTS ADJUSTMENT</b>		(2,675)
31,489	23,740	<b>Totals</b>	<b>31,545</b>	<b>23,858</b>
	98.90%	<b>Assumed Collection Rate</b>		<b>98.90%</b>
	<b>23,479</b>	<b>Total Taxbase</b>		<b>23,596</b>

## CF 3. Authorities making precepts or demands on the fund

### Council Tax

Precept 2024/25 £	Distribution of Previous Years Estimated Surplus/ (Deficit) 2024/25 £	Total Movement on the Collection Fund 2024/25 £	Precepts Analysis	Precept 2025/26 £	Distribution of Previous Years Estimated Surplus/ (Deficit) 2025/26 £	Total Movement on the Collection Fund 2025/26 £
4,759,193	47,188	4,806,381	Tamworth Borough Council	4,925,901	57,042	4,982,943
6,423,150	64,078	6,487,228	OPCC Staffordshire	6,785,502	82,197	6,867,699
2,037,273	20,362	2,057,635	Staffordshire Commissioner Fire and Rescue Authority	2,165,405	26,352	2,191,757
36,266,602	361,668	36,628,270	Staffordshire County Council	38,265,869	452,301	38,718,170
49,486,218	493,296	49,979,514	<b>Total</b>	52,142,677	617,892	52,760,569

### NDR

Business Rates 2024/25 £	Distribution of Previous Years Estimated Surplus/ (Deficit) 2024/25 £	Total Movement on the Collection Fund 2024/25 £	Precepts Analysis	Business Rates 2025/26 £	Distribution of Previous Years Estimated Surplus/ (Deficit) 2025/26 £	Total Movement on the Collection Fund 2025/26 £
14,264,548	196,535	14,461,083	Tamworth Borough Council	14,877,204	574,671	15,451,875
356,614	4,914	361,528	Staffordshire Commissioner Fire and Rescue Authority	371,930	14,367	386,297
3,209,523	44,218	3,253,741	Staffordshire County Council	3,347,371	129,299	3,476,670
17,830,686	245,668	18,076,354	Central Government	18,596,505	718,339	19,314,844
35,661,371	491,335	36,152,706	<b>Total</b>	37,193,010	1,436,676	38,629,686

The decrease in the balance on the CFAA is due to an increase in the deficit on the Collection Fund of £0.8m (£4.1m reduction in 2024/25), mostly arising from a reduction in NDR deficit.

## CF 4. NDR credits

NDR credit accounts relate to credit balances in the Collection Fund which could not be repaid to the businesses concerned as they cannot be traced, have not responded to efforts made to repay funds or no longer exist.

No credits have been transferred to the General Fund during 2025/26.

## CF 5. Bad and Doubtful Debts

The following provisions and write offs were made in the year:

2024/25 £000	Provision for Bad Debts	2025/26 £000
<b>2,488</b> 492 (32)	<b>Council Tax</b> <b>Balance at 1st April 2025</b> Increase /(decrease) in provision Written off in year	<b>2,948</b> 570 (53)
<b>2,948</b>	<b>As at 31st March 2026</b>	<b>3,465</b>
<b>851</b> 231 (191)	<b>Business Rates</b> <b>Balance at 1st April 2025</b> Increase /(decrease) in provision Written off in year	<b>891</b> 724 (448)
<b>891</b>	<b>As at 31st March 2026</b>	<b>1,167</b>

## CF 6. Appeals – Business Rates

The following provisions and settlements were made in the year:

2024/25 £000	Provision for Appeals	2025/26 £000
<b>6,045</b> (252) (2,807)	<b>Business Rates</b> <b>Balance at 1st April 2025</b> Increase /(decrease) in provision Resolved in year	<b>2,986</b> 1,990 (1,906)
<b>2,986</b>	<b>As at 31st March 2026</b>	<b>3,070</b>

## Annual Governance Statement 2025/26

### Executive Summary

The Council is responsible for ensuring that its business is carried out in line with the law and statutory legislation, and that public money is spent wisely and properly accounted for.

We have approved and adopted a Code of Corporate Governance which is consistent with principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. The Code demonstrates the supporting principles which underpin the core principles and identifies the assurance as outlined in the Framework. It also demonstrates what level of assurance we get and where, if necessary, areas for improvement are required.

The Annual Governance Statement sets out the actions we have taken to monitor and evaluate the effectiveness of our governance arrangements during 2025/26. Each member of the corporate management team has completed an Assurance Statement and Internal Control Checklist to support the Annual Governance Statement for 2025/26 and has contributed to reviewing and updating this document. The overall opinion is that governance arrangements were fit for purpose. No new significant governance issues were identified during the review.

Looking forward, in anticipation of the announcement of the Government's decision with regard to local government reorganization, clear governance arrangements are being established with the creation of both internal and a Staffordshire-wide Programme Management Office. Following approval by Full Council in May 2026, Tamworth Borough Council will also be commencing the consultation process around a Community Governance Review to ascertain the appetite for a parish council for the borough of Tamworth. Clear governance arrangements will be set in place to ensure that decisions are made on the basis of robust information and are transparent and mindful of the risks involved.

### What is Governance?

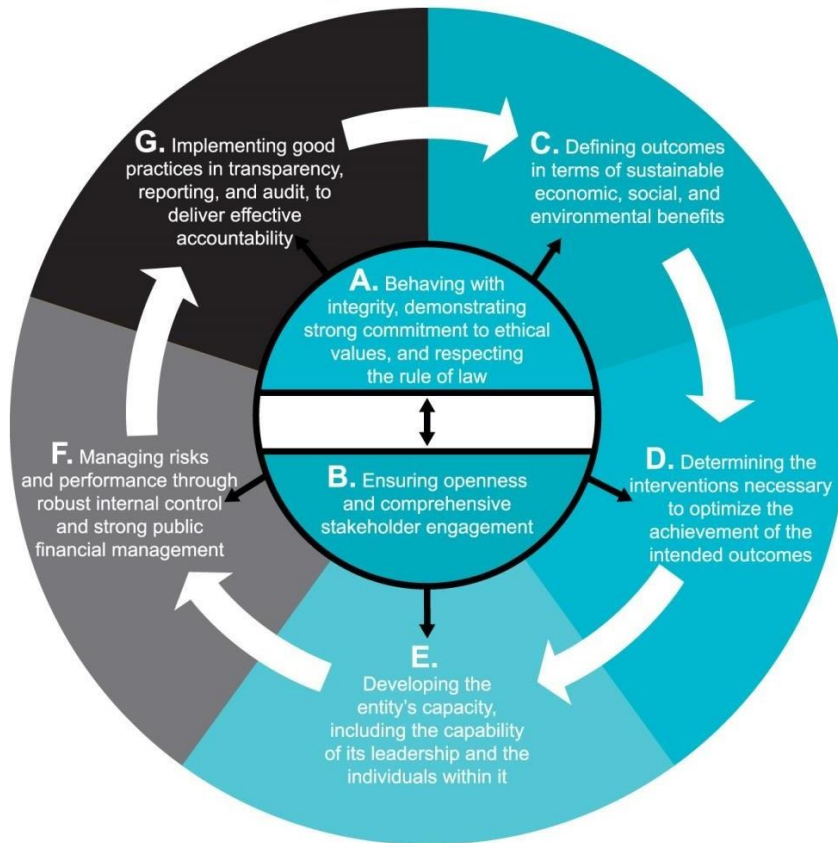
Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

To deliver good governance in the Authority, both governing bodies (Members) and individuals working for it, must try to achieve the Authority's objectives whilst acting in the public interest.

Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.

## The Core Principles of Good Governance

The diagram below, taken from the International Framework: Good Governance in the Public Sector, illustrates the core principles of good governance in the public sector and how they relate to each other. The Council aims to achieve good standards of governance by adhering to these core principles.



## Responsibility

The Authority is responsible for ensuring that its business is completed in line with the law and statutory legislation, and that public money is spent wisely and properly accounted for. We ensure that we continually improve the way we provide our services, whilst considering value for money.

We also ensure that we put in place proper arrangements to ensure our risks are managed, and that controls and the governance process are in place.

We have approved and adopted a Code of Corporate Governance which is consistent with principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. The Code demonstrates the supporting principles which underpin the core

principles and identifies the assurance as outlined in the Framework. It also demonstrates what level of assurance we get and where, if necessary, areas for improvement are required. This forms the assurance framework for good governance and demonstrates that we know our governance arrangements are working. Links to all supporting evidence identified in the assurance framework are contained within the Code of Corporate Governance and are not repeated in this statement. The Code of Corporate Governance document is available on the Council's website.

## Our Outcomes

The year 2025/26 was the first year of our new 2025-30 Corporate Plan, 'Building a Better Tamworth.' The new Corporate Plan was developed through extensive consultation with our residents, businesses, partners, staff and community organisations. It represents both our ambitions for the borough and our commitment to addressing the challenges we face together. Our vision is to 'Build a Better Tamworth' which we will achieve by delivering our key priorities over the next five years:



All outcomes we aim to achieve, along with changes we want to see and supporting information are detailed in the Corporate Plan. The outcomes against our priorities for 2025/26 will be presented to Cabinet and Corporate and Finance Overview and Scrutiny Committee in June/July 2026, and include:-

We said	We achieved
<b>PROSPERITY AND PLACE</b>	
<p>Work with businesses to help them grow and create jobs</p>	<p>Launched our new business engagement platform to support business communication and engagement            Opened Town Hall Place, supporting seven new businesses to begin trading, supporting business growth and town centre vibrancy            Strengthened local enterprise through the IMPACT Tamworth programme, supporting 6 new businesses, assisting 10 businesses with investment-readiness, and securing over £750,000 of new investment.            Opened a second Enterprise Centre offering new managed office space for business to locate and grow in the heart of the town centre.</p>
<p>Identify and address skills shortages</p>	<p>Economic Development Strategy completed            Official opening of South Staffordshire College's new Tamworth College, supporting skills and regeneration            The council currently has 2 apprentices            Recruitment is underway for two graduates to support workforce sustainability by addressing skills shortages, building future leadership capacity, and bringing fresh perspectives into the organisation through structured development aligned to service priorities.</p>
<p>Make the town centre more vibrant and accessible</p>	<p>Range of events delivered including St George's Day, St Editha's Square launch, Tamworth Tribute Festival, Christmas Lights Switch On            Appointed a new market operator to commence 1<sup>st</sup> April 2026 to improve the offer and vibrancy of Tamworth Market.</p>
<p>Regenerate and create spaces for people to use and enjoy</p>	<p>Regeneration Strategy Adopted.            Purchased Tamworth's former police station as part of the Gungate regeneration project.            Delivery of public realm improvements including the refurbished St Editha's square.</p>
<p>Promote tourism and nightlife by using our culture and heritage sites</p>	<p>The Assembly Rooms hosted a range of new events showcasing its growing role as a vibrant community venue            Launch of the Visit Tamworth website, created in partnership with county peers and LVEP, supporting tourism and economic growth            Tamworth Castle was awarded £1.7m from Arts Council England's Museum Estate and Development Fund (MEND) to fund urgent</p>

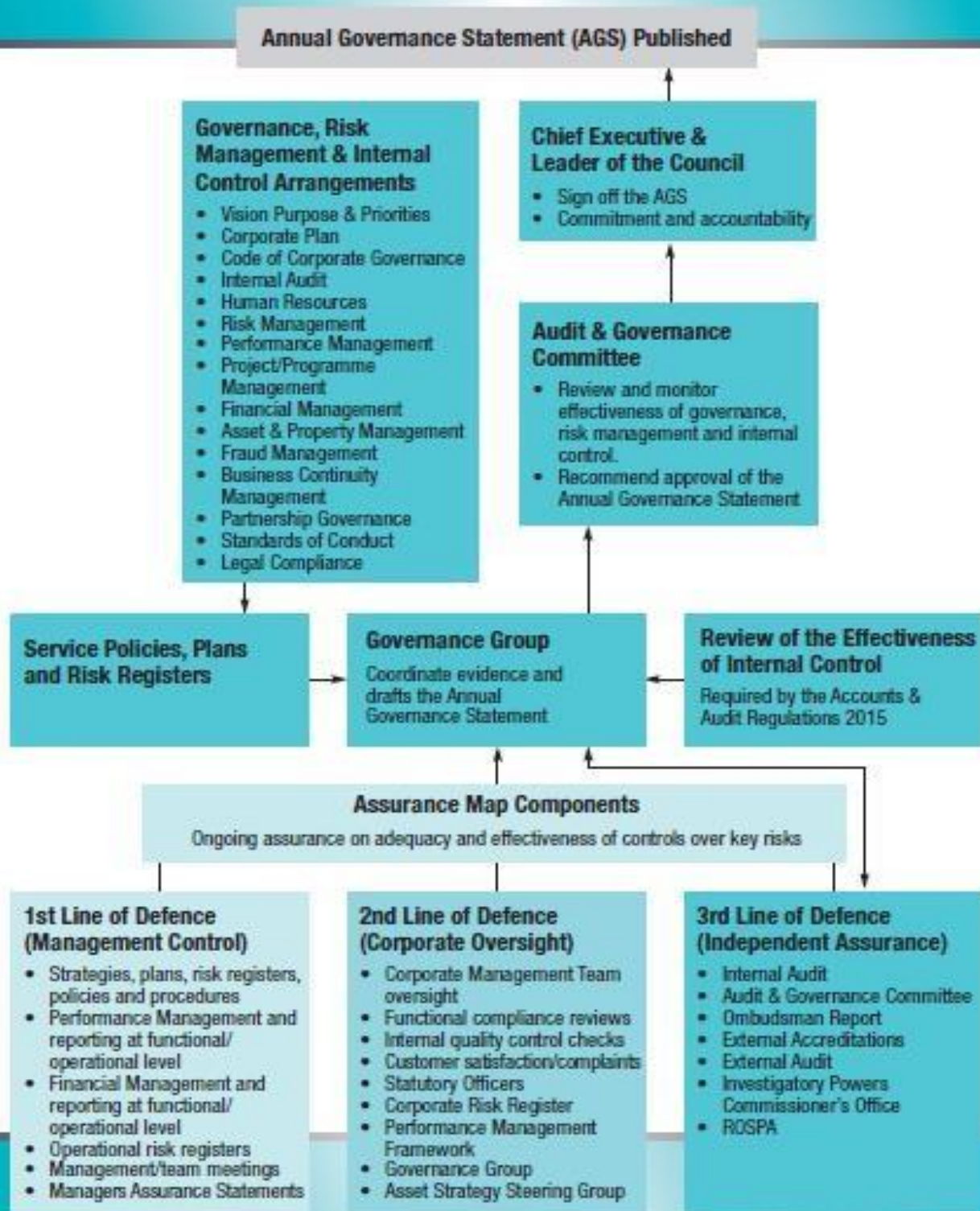
	<p>structural repairs to protect the historic castle and the museum collections it houses.</p> <p>'Threads of Victoria' exhibition held at Tamworth Castle, in partnership with students from South Staffordshire College, bringing together the castle's rich Victorian heritage with the fresh ideas from the next generation of fashion and textile makers.</p>
<b>ENVIRONMENT</b>	
Keep Tamworth's local areas clean	Two new Streetscene apprentices recruited Awarded a new tractor tender, modernising essential equipment.
Tackle fly-tipping, littering and environmental offences	New food complaints procedure and policy. Increased public messaging and awareness via campaigns such as Recycle for Good. Used deployable cameras at identified hotspot.
Cut down on using carbon in our operations	Investment in new fleet branding and vehicle upgrades for the Joint Waste service, along with a route optimisation exercise to support efficient operations. Carbon emissions reduced by 23% between FY23/24 and FY24/25. Purchase of some battery powered hand tools for the Street scene team.
Collaborate with partners to protect the environment	Worked with Joint Waste Service to prepare for food waste collection. Inaugural TSP Environment and Sustainability Partnership meeting held. We were awarded 'Bee Friendly Status' by the Bee Friendly Trust. Free tree giveaway event, 500 trees to the local community to support nature and biodiversity.
Provide eco-friendly housing options	Supported community focussed schemes to enhance outdoor spaces, eg Plant a Pot scheme in sheltered housing. Working to ensure that sustainability principles are increasingly embedded within housing and neighbourhood services eg implementation of tree policy.
<b>COMMUNITY WELLBEING</b>	
Work with our partners to support children and vulnerable individuals' wellbeing	Welcomed 3 new members to Tamworth Vulnerability Partnership from Staffordshire Fire and Rescue Service, Mental Health and Children's Services, this has helped with information sharing and support to the most vulnerable. Continued roll-out of targeted wellbeing initiatives across schools, health partners and community organisations.

	<p>The Kaleidoscope of Dreams event strengthened community bonds through arts, education, and partnership working.</p> <p>Tamworth Borough Council achieved Compassionate Communities status.</p> <p>Successfully implemented Year 2 of the Local Council Tax Reduction Scheme, continuing targeted financial support for the borough's most vulnerable residents.</p>
<p>Ensure our active health and wellbeing offer supports the improvement in residents physical and mental health</p>	<p>Funding secured through the Community Cohesion funding to deliver Active Wellbeing Activity.</p> <p>Locality Improvement Framework Delivery Group established to tackle health inequalities bringing together local partners to drive real change and help everyone live healthier lives.</p> <p>The council teamed up with the Aston Villa Foundation to host a Refugee Football Tournament, drawing over 120 players from across the Midlands celebrating a year of football sessions for hotel residents at Anker Valley.</p> <p>A range of opportunities in place in the borough from table tennis to active agers and tea dances supporting physical and mental wellbeing and reducing potential social isolation.</p>
<p>Improve our offer to provide suitable homes and make good quality, eco-friendly and affordable housing available</p>	<p>Tenants and leaseholders at the heart of service improvement with new strategy approved June 2025.</p> <p>Delivering growth in affordable housing and new acquisitions through the HRA business plan, boosting supply.</p> <p>Advancing the Social Housing Regulatory Programme, reinforcing compliance, safety and a higher standard of tenant experience.</p>
<p>Work with our partners to reduce homelessness and rough sleeping</p>	<p>Successful HOME SUMMIT in May 2025 with over 100 partners and guest CEO from St Basil's. triggering big conversations around homelessness for the council's strategy work.</p> <p>Built new Finding a Home site.</p> <p>Embedding the Housing, Homelessness and Rough Sleeping strategy.</p>
<p>Work with our partners to reduce crime and help our residents feel safe</p>	<p>We Are Tamworth Building Better Communities Strategy endorsed by Cabinet.</p> <p>Embedding insights from the Honest Conversations project ensuring community voices shape priorities.</p> <p>Working with enforcement partners to close shops selling illegal and illicit tobacco, supporting safer local high streets.</p>

<b>COUNCIL</b>	
<p>Being visible, accessible, approachable and accountable to the community</p>	<p>ICT received the Platinum Award for Address and Street Data from The Geoplace Exemplar Awards. This prestigious recognition highlights our dedication to maintaining the highest standards of address and street data quality throughout the year. Use of Marmion House reception space going from strength to strength, with increased enquiry handling and successful partnership working set up. Negative gender pay gap achieved (first time) and expanded pay gap reporting to ethnicity and disability. Successfully delivered Let's Talk Tamworth, a series of drop-in events held across the borough designed to engage directly with residents to find out what matters to them. Improved customer access and organisational efficiency through digital transformation, including a new omnichannel contact centre, chatbot and Teams telephony. ICT cyber security arrangements continue to support the organisation through robust governance, proactive monitoring, and continual improvement of controls to protect systems, data and service delivery.</p>
<p>Learn and work with communities to provide broader social benefits</p>	<p>Work with West Midlands Combined Authority benefits from external accreditation from CCTV commissioner. Equality and Diversity Strategy embedded, and action plan developed to bring the strategy to life as a golden thread running through our activities. Tamworth Borough Council has successfully achieved Housemark's Anti-Social Behaviour Accreditation. Continued work to integrate social value into procurement processes.</p>
<p>Maintain balanced budgets in our financial strategies</p>	<p>2024/25 Statement of Accounts signed off at Audit &amp; Governance Committee in December, within statutory timeframe. External auditor found no significant weaknesses in financial sustainability or governance. Delivered the council's budget consultation to help inform budget decisions for the coming years. Delivered strong financial management, including balanced General Fund budgets for 3 years, HRA budgets for 5 years, and a 5-year capital programme.</p>

# The Assurance Framework

The diagram below shows how the Assurance Framework is made up



## What have we done to monitor and evaluate the effectiveness of our governance arrangements during 2025/26

The Authority has the responsibility for conducting an annual review of the effectiveness of its governance framework. This includes the system of internal control which is informed by:

- The work of Internal Audit which is detailed in Internal Audit's Annual Report.
- The development and maintenance of the internal control environment by the Corporate Management Team.
- Reports received from our External Auditors and any other review agencies or inspectorates.

The following pages provide a summary of actions taken by the Authority to monitor and evaluate the effectiveness of our governance arrangements:

The Code of Corporate Governance, set out in line with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*, has been reviewed and updated.

Internal audit has reported to the Audit & Governance Committee on a quarterly basis and provided an opinion on the overall effectiveness of the system of internal control based upon the work completed. The statement provided by BDO in their Annual Report for the 2025/26 financial year is as follows:

*'We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion as to the adequacy and effectiveness of Tamworth Borough Council's risk management, control and governance processes. Our opinion is as follows: Generally satisfactory with improvements required in some areas.'*

Our External Auditors provide a report to each Audit & Governance Committee. In their Auditors Annual Report (2024/25), they gave an unqualified opinion on the Statement of Accounts and an unqualified conclusion in respect of the Authority securing economy, efficiency and effectiveness.

The Council has a robust approach to risk management, with risk registers maintained at a corporate, service unit and project specific level where appropriate. Corporate risks are reviewed and updated collectively by CMT on a quarterly basis and are reported to Audit & Governance Committee. Further support on the corporate risk register and its development is sourced from the Council's insurers (Zurich Municipal) and training provided to officers and members on a regular basis.

As part of the remit of the Audit & Governance Committee during 2025/26 the Committee had regular oversight of the risks around the Future High Street Fund Programme.

Manager's Assurance Statements have been completed by Executive Directors and Assistant Directors. Some concerns have been noted around compliance with procurement procedures which are being reviewed, with further guidance and refresher training planned for managers and budget holders.

Financial Guidance and Financial and Contract Procedure Rules are reviewed on a regular basis, the latest review being approved by the Audit & Governance Committee in April 2026.

The Authority complies with the Financial Management Transparency Code.

Waivers to the Council's procurement processes are reported on a quarterly basis to Audit & Governance Committee.

A full review of the Constitution took place during 2024/25 and was presented to Audit & Governance Committee in April 2025 in advance of its submission to Full Council in May 2025. Prior to this, it was reviewed by Audit & Governance Committee in February 2024 and Full Council in July 2024.

The Chief Finance Officer and Internal Audit Manager (BDO) are suitably experienced and qualified and comply with the CIPFA Statements in their respective roles.

The Council's Statutory Officers (Chief Executive (HoPS) Monitoring Officer and S151 Officer) meet regularly as part of 'golden triangle' arrangements.

The Data Protection Officer recorded 18 data security breaches during 2025/26, none of which required reporting to the Information Commissioner's Office.

Internal Audit were required to comply with the Public Sector Internal Audit Standards (PSIAS) during 2025/26. PSIAS was replaced from 1 April 2025 by the Global Internal Audit Standards (GIAS) and relevant CIPFA guidance. Internal Audit completed an annual self-assessment against the PSIAS during 2024/25 and undertook a gap analysis of their practice against the new GIAS, which was reported to Audit & Governance Committee, together with a new GIAS compliant Audit Charter, in March 2025. A Quality Assurance & Improvement Programme (QAIP) remains in place under the new standards. This identifies areas for improvement to ensure compliance with the Standards and other quality areas. The requirement for a five yearly External Quality Assessment (EQA) also remains in place under the GIAS and was last completed during 2022/23. The next EQA is required in 2027/28.

The Performance Management Framework (which has been completely reviewed and updated during 2024/25) ensures that the Financial Health Check is reported to Cabinet and Corporate Finance and Overview Scrutiny Committee on a quarterly basis and made readily available on the Authority's website.

The Authority is currently working through the annual PSN Code of Connection compliance re-approval. The process includes assessments against governance, service management, information assurance conditions and technical controls and assures access to the Public Services Network. The mandatory Network Health Check has been completed.

An annual update report is presented to the Audit & Governance Committee on the use of RIPA powers. During 2025/26, no RIPA authorisations were made. The Council remains compliant with the Investigatory Powers Commissioners Office (IPCO) guidelines.

A self-assessment of the Audit & Governance Committee's effectiveness was completed in March 2026.

An independent member was recruited to the Audit & Governance Committee and has regularly attended meetings since September 2025, enhancing the scrutiny role of the Committee.

The Chairs of the Audit & Governance and Scrutiny Committees submitted their Annual Reports to Full Council.

Counter-fraud work continues to be completed with the retained expertise of in-house staff to investigate corporate fraud.

Internal Audit completes an assessment of the risk of fraud which is reported to the Audit & Governance Committee annually. The counter fraud plan was reported to the Committee in November 2025 and it was concluded that the Authority has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.

In compliance with the Localism Act 2011, a report was presented to Audit & Governance Committee in March 2026 with regard to Regulations of Standards of Conduct.

The Local Government and Social Care Ombudsman annual report was reported to Audit & Governance Committee in August 2025.

The Counter Fraud & Corruption Policy & Strategy, Whistleblowing Policy and Anti Money Laundering Policy were all refreshed and approved by Audit & Governance Committee in November 2025, along with a new Prevention of the Facilitation of Tax Evasion Policy. No issues were raised during the year through the application of the Counter Fraud and Corruption and Whistleblowing Policies.

A new Diversity and Equality Strategy for the period 2025 to 2028 was approved by Full Council for implementation and publication in December 2024. The strategy is further supported by an action plan.

The annual pay policy was approved in January 2026.

The authority has continued to progress implementation of the organisation's response to the General Data Protection Regulations (GDPR). The Data Protection Officer continues to raise awareness of GDPR across the authority. As part of wider IT Governance work, policies and procedures have been reviewed or are being developed to meet our obligations under the GDPR and to ensure a robust governance framework is in place for our ICT systems and information assets.

The Information Security Policy and Data Protection Policy is a mandatory requirement for new starters. The authority's Corporate Privacy Notice along with Departmental Fair Processing Notices have been developed with reviews being undertaken when necessary.

Information on our website has been reviewed and updated with guidance to support our customers' rights of access to their data. Work is progressing with suppliers to ensure the security and compliance of personal data held within our software systems. An ongoing programme of cyber security awareness and training is undertaken across the Authority with regular signposted updates on Infozone.

The Council is progressing the development of a data protection complaints process in response to the Data (Use and Access) Act 2025.

Partnership working arrangements continued to strengthen and further develop with both our statutory and community and voluntary sector partners through the re-institution of the Tamworth Strategic Partnership framework.

The Tamworth Advice Centre continues to provide valuable generalist debt and specialist advice to our most vulnerable citizens and was successfully procured and awarded in April 2022 to Mid Mercia CAB by the partnership team. Investment by the Council represents a return of approx. £23 support for clients for every £1 invested.

We value our community and voluntary sector and the work they do within our community. Our Community Grants and Councillor Grants Programme, now administered through the Community Foundation for Staffordshire, continues to provide valuable support to our community sector.

During 2025/26 we invested a substantial amount of funds through the Community Resilience Funding, including the We Are Tamworth strategy and crowd funding platform.

Financial resilience is a key requirement for local authorities. In February 2025 the Council set budgets balanced over 3 years for the General Fund, and over 5 years for the HRA. The budget recognized the challenges and pressures in the years ahead exacerbated by the uncertainty over the future of local government funding and the impact of the business rates reset (implemented 2026/27), and the associated Financial Resilience Plan detailed a number of measures to generate savings and additional income. The 30-year HRA business plan was refreshed during 2025/26, and this continues to indicate significant resilience issues over the longer term, particularly when factoring the potential cost of energy efficiency measures. Approval was previously given for the creation of a HRA Business & Viability Planning Project within the Social Housing Regulatory Programme in February 2024 to start to address these issues.

The Authority has a moral and legal obligation to ensure a duty of care for children and adults with care and support needs across its services. We are committed to ensuring that all children and adults with care and support needs are protected and kept safe from harm whilst engaged in services organised and/or provided by the Council. We do this by:

- Having a Safeguarding Children & Adults at Risk of Abuse & Neglect Policy and procedures in place.
- Having Safeguarding Children & Adults Processes which give clear, step-by-step guidance if abuse is identified.
- A Safeguarding training programme is in place for staff and members.
- Carrying out of the appropriate level of Disclosure and Barring Service (DBS) checks on staff and volunteers.
- Working closely with Staffordshire Safeguarding Children's Board & Staffordshire & Stoke-on-Trent Adult Safeguarding Partnership; and Staffordshire Police.
- Working with the Staffordshire Prevent Board to ensure that the Council has due regard to the Prevent Duty, ensuring that young people and adults at risk of radicalisation are identified and supported.

The Authority recognises that it has a responsibility to take a robust approach to slavery and human trafficking. In addition to the Authority's responsibility as an employer, it also acknowledges its duty as a Borough Council to notify the Secretary of State of suspected victims of slavery or human trafficking as introduced by section 52 of the Modern Slavery Act 2015. The Authority is committed to preventing slavery and human trafficking in its corporate activities and to ensuring that its supply chains are free from slavery and human trafficking. The Authority has included modern slavery and human trafficking information within the corporate safeguarding policy and training. A Modern Slavery statement is prepared each year and endorsed by Corporate Management Team and Audit and Governance Committee.

The Tamworth Vulnerability Partnership continues to meet each week and the Council is also committed to the Multi Agency Risk Assessment Conference (MARAC) to ensure that partner organisations are working together to coordinate efforts to support high risk victims of domestic abuse, children, young people, families and vulnerable people across Tamworth.

Tamworth launched a Social Housing Regulatory Programme in April 2023, building on a commissioned self-assessment of its regulatory compliance with the consumer standards. This assessment resulted in a risk based improvement plan, areas of which were built into service plans for 2022-2025. The Programme oversight is championed by tenants and forms part of the Council's reporting on performance. Significant work was undertaken by the project team during 2025/26 to ensure compliance with key indicators.

In December 2024, the government published plans for local government re-organisation and devolution. The government views these proposals as parallel processes, although they are distinct from each other. The plans outlined in the 'Power and Partnership: Foundations for Growth' White Paper aim to:

- 1) Devolve decision making powers from central government to local 'strategic authority areas', enabling them to make decisions tailored to their specific economic, social, and geographic circumstances (devolution)
- 2) Simplify the current two-tier system of local government, as seen in Staffordshire, where services are provided by both county and district/borough councils, moving instead to larger unitary authorities that would deliver all services within their area. (local government reorganization).

In response to the government requirements, the Authority submitted its preferred option, for a three Council unitary model for Staffordshire, with two southern unitaries and one northern, in line with Government's deadline for business case submissions in November 2025, following Council approval. Statutory consultation on the options submitted concluded in March 2026 and we await notification of the Government's preferred option. In the meantime, various workstreams with staff from across the County have been established, with A Project Management Office (PMO) and governance frameworks in place.

Following the Local Government Association's Corporate Peer Review in October 2024, the areas for improvement and key recommendations have been linked to our performance management framework and delivery plan actions, and implementation is monitored as part of our performance management arrangements.

One of the key recommendations from the CPC report was to review the Council's Overview and Scrutiny structures to ensure they are effectively aligned with the new

Corporate Plan 2025–2030. As a result, a review was undertaken and a number of recommendations approved by Audit & Governance Committee and Full Council. These included realigning the three existing committees to reflect the Council’s corporate priorities; strengthening work planning and prioritization by establishing a structured framework to prioritise scrutiny topics; improving member engagement by developing role profiles for Scrutiny Committee members, introducing pre-meetings and providing further scrutiny-specific training; enhancing reporting and meeting management with standardized report formats and executive summaries; and improving governance and accountability by strengthening the tracking of recommendations.

## Declaration

We have been advised on the implications of the result of the review of the effectiveness of the Governance Framework by the Audit & Governance Committee and that the arrangements continue to be regarded as fit for purpose. The issues which remain outstanding from previous years’ Annual Governance Statements are detailed at **Annex 1** with actions to address them. No additional significant governance issues were highlighted during 2025/26. Other minor issues highlighted through the assurance gathering process have been noted with planned actions to address these.

We propose over the coming year to take steps to address those matters raised to further enhance our governance arrangements. 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 operations as part of our next review.

Signed

C. Dean

S. Gabriel

Leader

Chief Executive

Date

On behalf of the Authority

*This is an electronic copy without an electronic signature. The original was signed as dated above and a copy can be obtained from the Executive Director Finance and Commercial*

## Significant Governance Issues

The significant governance issues identified in relation to previous iterations of our Annual Governance Statement, which remained significant issues for us during 2025/26 are detailed below:

No	Issue	Previous Action	Update 2025/26 and Action to be Undertaken in 2026/27
1	<p><b>Medium Term Financial Strategy (MTFS)</b></p> <p>Whilst actions have been taken to ensure that the MTFS remains balanced, this is still a significant risk to the Authority. The Business Rate Reset and Fair Funding Review will directly affect levels of income over the coming years and pose a financial risk to the Authority. These have been planned for so far as possible within the MTFS. The increasing demands of our customers also need to be considered.</p>	<p>During 2024/25 work continued on monitoring the Medium-Term Financial Strategy and on setting a balanced budget for 2025/26 and the subsequent period.</p> <p>On 5th February 2025, the Minister for Housing, Communities and Local Government published a written ministerial statement on the 2025/26 local government finance settlement. This confirmed a further one year settlement for 2025/26, and confirmed that there would be a business rates reset effective from 2026/27. It is likely that Tamworth will lose a significant amount of retained business rates growth as this is re-distributed to Councils with adult social care responsibilities and in higher deprivation areas. There is also uncertainty about the level of any transitional relief which may be provided.</p> <p>In February 2025, Council approved a balanced budget for the General Fund over the three year time frame, and for HRA for the next five years. General Fund budgets were set based on the</p>	<p>During 2025/26 the Government confirmed its intention to go ahead with the Fair Funding review and full Business Rates Reset with effect from 2026/27, and that they would go ahead with major changes to the main funding formula with a stronger link to levels of deprivation and population. They also confirmed that there would be a three year settlement covering the period 2026/27 – 2028/29. On 9th February 2026, the Minister for Housing, Communities and Local Government published a written ministerial statement on the 2026/27 local government finance settlement. Whilst this did redistribute resources and pooling gains across the sector, the impact of the final settlement was smoothed by the Government's phasing in of the new funding formula over the three year timeframe. This provides the Council with more certainty over the three year settlement period.</p> <p>In February 2026, Council approved a balanced budget for the General Fund over the three year time frame, and for HRA for the next five years.</p>

No	Issue	Previous Action	Update 2025/26 and Action to be Undertaken in 2026/27
		<p>maximum council tax increase of 2.99% allowed without triggering a referendum, but there is still a requirement to use balances and reserves to deliver a balanced budget.</p> <p>In order to ensure that the Council's finances are on a more sustainable footing over the medium to longer term, a Financial Resilience Plan has been developed including a number of workstreams under Income Maximisation; Financial Management; and Service Transformation/Organisational Review headings. Progress in a number of areas has already been made, for example identification of year on year underspends, and zero-based budgeting reviews, which were reflected in the policy changes included within the budget report.</p> <p>This is also in line with the results of the LGA Corporate Peer Challenge report, which recommended that the Council develops a clear savings plan incorporating tangible, costed and deliverable savings with robust senior management and member oversight.</p> <p>Progress against the Financial Resilience Plan workstreams will be monitored by CMT as part of the performance management framework.</p>	<p>General Fund budgets were set based on the maximum council tax increase of 2.99% allowed without triggering a referendum, but there is still a requirement to use balances and reserves to deliver a balanced budget.</p> <p>The Financial Resilience Plan was reviewed and updated as part of the budget report. Work has continued to deliver on a number of priorities within the Plan, for example a full review of fees and charges was undertaken during the year, with a more commercial approach adopted at the Assembly Rooms where appropriate. Zero-based budgeting exercises were undertaken in two more service areas. A savings tracker was developed in conjunction with the Policy and Performance team to assist with the capture of savings and efficiencies which will be further rolled out during 2026/27.</p> <p>Transformational work is also planned during 2026/27, following the establishment of the Policy and Performance team, to identify savings, the potential for different and more efficient delivery models, and opportunities for additional income, and to ensure that the organization is fit to meet the challenges of local government reorganisation.</p>

No	Issue	Previous Action	Update 2025/26 and Action to be Undertaken in 2026/27
2	<p><b>Regeneration/Capital Projects</b></p> <p>The Authority needs to ensure that capital projects are managed effectively to ensure that they are delivered and grant monies are spent appropriately and timely.</p> <p>There is a risk that developers will not develop timely in accordance with the Local Plan need.</p>	<p>Re-profiling of capital scheme spend from 2023/24 into 2024/25 is forecast at c. £30.15m relating mainly to the Future High Street Fund Regeneration schemes of c.£15m together with Gungate Development (£2m) and Disabled Facilities Grants (£1.7m). There is also a requirement for re-profiling for new affordable Housing development (£1m).</p> <p>It is anticipated that this spend will now occur during 2024/25 but the situation will be closely monitored.</p> <p>As part of the MTFS, Council in February 2023 approved the updated Capital Strategy which sets out the Council's approach to capital investment and the approach that will be followed in making decisions in respect of the Council's Capital assets.</p> <p>As part of the approved Strategy, the following action plan tasks have been implemented:</p> <ul style="list-style-type: none"> <li>a) A post implementation review is completed for each scheme where learning is identified which could assist future projects or where there is a significant financial or political impact;</li> </ul> <p>The Asset Strategy Steering Group meet on a quarterly basis to scrutinise the completed</p>	<p>Significant progress has been made during 2024/25 with regard to FHSF schemes and the vast majority of the government grant funding is anticipated to have been spent by 31<sup>st</sup> March in line with DLUHC requirements.</p> <p>Post implementation reviews continue to be identified as part of the ASSG remit and reports brought for consideration by the group, which now has meetings scheduled on a bi-monthly basis.</p>

No	Issue	Previous Action	Update 2025/26 and Action to be Undertaken in 2026/27
		<p>post implementation reports and review the management and monitoring of the capital programme with appropriate feedback and challenge – identifying improvements to the future management of the capital programme.</p>	

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# GLOSSARY

## **Accrual**

A sum included in the accounts for income or expenditure in relation to the financial year, but not received or paid as at 31<sup>st</sup> March.

## **Amortisation**

A measure of the cost of economic benefits derived from intangible fixed assets that are consumed during the period.

## **Balances**

The total sum available to the Council, including the accumulated surplus of income over expenditure. Balances form part of the Council's reserves.

## **Balance Sheet**

This shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council.

## **Business Rates Retention Scheme**

This was introduced with effect from 1<sup>st</sup> April 2013 and requires the Council to operate a Collection Fund to account for Business Rates in a similar way to Council Tax. Rather than collecting Business Rates on behalf of the Government, the Council can now retain a share of the Business Rates it collects, and pays out a share to Government, Staffs County Council and the Staffordshire Commissioner (Fire and Rescue).

## **Capital Adjustment Account**

This reserve reflects the difference between the cost of fixed assets consumed and the capital financing set aside to pay for them.

## **Capital Expenditure**

Expenditure on the acquisition and enhancement of significant fixed assets that will be of use or benefit to the Council in providing its services beyond the year of account e.g. land and buildings.

## **Capital Financing Requirement**

This represents the Council's underlying need to borrow for capital purposes.

## **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.

## **Capital Receipts**

Proceeds from the sale of assets e.g. land or buildings, which may be used to finance new capital expenditure or are payable to the Central Government Housing Capital Receipts Pool.

### **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 the year-end.

### **Cash and Cash Equivalents**

Cash includes bank balances and on demand deposits. Cash Equivalents are short term, highly liquid investments where the date of maturity is three months or less from the date of acquisition that are readily convertible to cash with an insignificant risk of change in value.

### **Cash Flow Statement**

This shows the changes in cash and cash equivalents of the Council during the reporting period.

### **CIPFA**

The Chartered Institute of Public Finance and Accountancy (CIPFA) is the professional body for accountants working in the public sector.

### **Code of Practice**

The Code of Practice on Local Authority Accounting in the United Kingdom is produced by CIPFA and complied with by local authorities in the production of the financial statements.

### **Collection Fund**

A fund administered by the Borough Council into which Business Rates and Council Tax monies are received and paid out to Government and precepting authorities.

### **Collection Fund Adjustment Account**

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

### **Community Assets**

The class of fixed assets held by the Council in perpetuity that have no determinable useful life and may have restrictions on their disposal, such as parks, historical buildings, works of art, etc.

### **Component Accounting**

Where a Property, Plant or Equipment asset has major components, with a cost significant in relation to the overall cost of the asset; materially different useful lives; and/or different methods of depreciation, the components are separately identified and depreciated.

### **Comprehensive Income and Expenditure Statement**

This statement shows the total income received and expenditure incurred by the Council during the year in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

### **Contingency**

The sum of money set aside to meet unforeseen expenditure.

### **Contingent Assets**

A contingent asset arises where an event has taken place that gives the Council a possible asset which will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the Council's control. Contingent Assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

## **Contingent Liabilities**

A contingent liability arises where an event has taken place that gives the Council a possible obligation, subject to uncertain future events not wholly within the Council's control. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

## **Creditors**

Amounts owed by the Council for work done, goods received or services rendered which have not been paid for by the end of the financial year.

## **Current Service Cost**

An estimate of the true economic cost of employing people in a financial year.

## **Debtors**

Amounts due to the Council for work done or services supplied, for which income has not been received by the end of the financial year.

## **Deferred Capital Receipts Reserve**

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of Non Current Assets but for which cash settlement has yet to take place.

## **Depreciation**

The measure of the wearing out, consumption, or other reduction in the useful economic life of a fixed asset, whether arising from use, passage of time or obsolescence through technical or other changes.

## **Exceptional Items**

A material item of income or expenditure, significant to an understanding of the Council's financial performance, disclosed separately within the CIES or in a note to the accounts.

## **Expected Credit Loss Model**

The Expected Credit Loss Model was introduced under IFRS 9 Financial Instruments, and applies to financial assets, lease receivables and contract assets.

## **Fixed Assets**

Tangible assets that yield benefits to the Council for a period of more than one year.

## **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 (however, 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.

## **IFRS**

International Financial Reporting Standards (IFRS) are a set of accounting standards used for the production of accounts from 2010/11 onwards. The introduction of IFRS is intended to make the

Statement of Accounts more robust and comparable with other local authorities and the wider public sector.

### **Intangible Assets**

Non-financial assets that do not have physical substance but are controlled by the Council as a result of past events or through custody or legal rights (e.g. software licences).

### **Investment Property**

Under IFRS, investment property is defined as a property which is held exclusively for revenue generation or for the capital gains that the asset is expected to generate - not used directly to deliver the Council's services.

### **Joint Operations**

These are activities undertaken by the Council in conjunction with other venturers that involve the use of the assets and resources of the venturers rather than the establishment of a separate entity.

### **Leasing**

A method of financing capital expenditure where rental charges are paid over a specified period of time. There are two main types of leasing arrangements:

- (a) finance leases which transfer all the risks and rewards of ownership of a fixed asset to the lessee and such assets are included within the fixed assets in the Balance Sheet;
- (b) operating leases where the ownership of the asset remains with the lessor and annual rental is charged direct to the revenue account.

### **Liabilities**

Amounts due to individuals or organisations which will have to be paid some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

### **Major Repairs Reserve**

The Major Repairs Reserve represents the long term average amount of capital spending required to maintain the HRA Council housing stock in its current condition.

### **Materiality**

An item is material if its omission, non disclosure or misstatement could be expected to lead to a distortion of the view given by the financial statements.

### **Minimum Revenue Provision**

The minimum amount which must be charged to a revenue account each year and set aside to repay debt, presently 4% of the General Fund Capital Financing Requirement. No MRP is required for the Housing Revenue Account.

### **Movement in Reserves Statement**

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

### **National Non Domestic Rates (NNDR)**

The tax paid on non domestic properties, set annually by Government. In previous years, this tax was collected by billing authorities and paid over to the Government, with the Council receiving a share of the national pool as part of its resources used to meet total net expenditure. Under the new scheme introduced with effect from 1<sup>st</sup> April 2013, local authorities now retain a proportion of the Business Rates generated in their area.

### **Non Current Assets Held For Sale**

Non Current Assets held for sale are those where the value of the asset will be recovered mainly by selling the asset rather than through its continuing use.

**Pension Reserve**

This absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions.

**Post Balance Sheet Events**

Those events, both favourable and unfavourable, that occur between the Balance Sheet date and the date on which the Statement of Accounts is signed by the responsible financial officer.

**Precept**

This is a demand for payment made by Staffordshire County Council, Staffordshire Commissioner (Police and Crime) and Staffordshire Commissioner (Fire and Rescue). The payment is met from the Council's collection fund and is based on the Council Tax base.

**Prior Period Adjustments**

Those material adjustments applicable to prior years, arising from changes in accounting policies or from the correction of material errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

**Provision**

An amount set aside to meet a liability that is likely to be incurred, and a reasonable estimate can be made, charged as an expense to the appropriate service line in the CIES.

**Public Works Loans Board (PWLB)**

A government agency that provides longer-term loans to local authorities, at interest rates below market rate. It also acts as a lender of last resort (at a higher rate of interest).

**Related Party**

Two or more parties are related parties when at any time during the financial period:

One party has direct or indirect control of the other party; or

The parties are subject to common control from the same source; or

One party has influence over the financial and operational policies of the other party, to an extent that the other party might be inhibited from pursuing at all times its own separate interests; or

The parties, in entering a transaction, are subject to influence from the same source, to such an extent that one of the parties to the transaction has subordinated its own separate interests.

**Remuneration**

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

**Revenue Expenditure Funded from Capital Under Statute (REFCUS)**

This is expenditure that is defined as Capital but where there is no matching asset in the accounts - legislation allows the treatment of some expenditure as capital where it does not result in the creation of a fixed asset. An example of this is where grants are awarded to third parties for capital expenditure.

**Revaluation Reserve**

This reserve records the net gain from revaluations of the Council's plant, property and equipment, and Intangible Assets, made after 1<sup>st</sup> April 2007.

**Revenue Expenditure**

The day-to-day expenditure incurred by the Council in providing services. It is financed by government grants, non-domestic rates, Council Tax and fees and charges.

**Revenue Support Grant (RSG)**

A general government grant in support of local authority expenditure.

**Specific Grants**

Government Grants to local authorities in aid of particular projects or services.

**Usable Reserves**

The purpose of each usable reserve is detailed below:

*General Fund Balance*

These funds are available to meet the future running costs for the Council for non-housing services.

*Housing Revenue Account*

This reserve holds funds that are available to meet future running costs relating to the Council's housing stock.

*Capital Receipts Reserve*

This reserve holds all of the Council's receipts generated from the disposal of Non Current Assets and although this is in the usable reserves section, this reserve can only be used to finance new capital investment or to repay debt.

*Major Repairs Reserve*

This reserve is to meet the capital investment requirements of the Council's housing programme.

*Capital Grants Unapplied*

This reserve is used to hold capital grants without conditions or where conditions have been satisfied, but the grant has yet to be used to finance capital expenditure.

*Earmarked Reserves – General Fund / Housing Revenue Account*

Earmarked Reserves are amounts set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years. Further details of the significant reserves within this heading are shown in Note 10.

## **Appendix to Comprehensive Income and Expenditure Statement**

### **Chief Executive**

Chief Executive  
Audit & Governance

### **Assistant Director Growth & Regeneration**

Strategic Planning & Development  
Environmental Health  
Economic Regeneration  
Tourism  
Tamworth Castle

### **Executive Director Organisation**

Executive Director Organisation

### **Assistant Director People**

Human Resources  
Payroll  
Customer Services  
Communications and Public Relations  
Information Technology  
Electoral Process

### **Assistant Director Policy & Performance**

Legal Services  
Democratic Services  
Land Charges  
Mayoralty

### **Assistant Director Environment, Culture and Wellbeing**

Streetscene  
Arts & Events  
Community Leisure  
Environmental Management  
Joint Waste Arrangement

### **Executive Director Finance**

Executive Director Finance

### **Assistant Director Finance**

Corporate Finance  
Procurement  
Corporate Risk  
Revenue Services  
Benefits

**Executive Director Communities**

Executive Director Communities

**Assistant Director Partnerships**

Partnerships

Community Safety

Safeguarding

Private Sector Housing

Strategic Housing

**Assistant Director Neighbourhoods – General Fund**

Civil Contingencies

Street Wardens

CCTV

**Assistant Director Neighbourhoods – HRA**

Landlord Services

**Assistant Director Assets – General Fund**

Commercial Property

Facilities Management

**Assistant Director Assets - HRA**

Asset Management and Investment

**HRA Summary**

**Housing Repairs**

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