

To Members of the Audit and Corporate Governance Committee

Cllr. Mark Jackson (Chairman)
Cllr. Dillan Shikotra (Vice-Chairman)

Cllr. Lee Breckon JP
Cllr. Alex DeWinter

Cllr. Richard Holdridge
Cllr. Roger Stead

Cllr. Jane Wolfe
Helen King (Independent Member)

Dear Councillor,

A meeting of the **AUDIT AND CORPORATE GOVERNANCE COMMITTEE** will be held in the Council Chamber - Council Offices, Narborough on **MONDAY, 28 JULY 2025 at 5.30 p.m.** for the transaction of the following business and your attendance is requested.

Yours faithfully



Gemma Dennis
Corporate Services Group Manager and Monitoring Officer



AGENDA

1. Apologies for Absence

2. Disclosures of Interest

To receive disclosures of interests from Members (i.e. the existence and the nature of those interests in respect of items on this agenda).

3. Minutes (Pages 3 - 10)

To approve and sign the minutes of the meeting held on 28 April 2025.

4. Internal Audit Annual Report 2024/25 (Pages 11 - 22)

To consider the report of the Shared Service Audit Manager (enclosed).

5. Internal Audit Progress Report Q1 2025/26 (Pages 23 - 46)

To consider the report of the Shared Service Audit Manager (enclosed).

6. Unaudited Statement of Accounts 2024/25 (Pages 47 - 212)

To consider the report of the Accountancy Services Manager (enclosed).

7. Risk Management Q1 2025/26 (Pages 213 - 248)

To consider the report of the Council Tax Income and Debt Manager (enclosed).

8. Audit & Corporate Governance Committee Work Programme (Pages 249 - 252)

AUDIT AND CORPORATE GOVERNANCE COMMITTEE

Minutes of a meeting held at the Council Offices, Narborough

MONDAY, 28 APRIL 2025

Present:-

Cllr. Mike Shirley (Chairman)
Cllr. Mark Jackson (Vice-Chairman)

Cllr. Richard Holdridge

Cllr. Dillan Shikotra

Cllr. Roger Stead

Officers present:-

Sarah Pennelli	- Executive Director - S.151 Officer
Katie Hollis	- Finance Group Manager
Sharon Evans	- Council Tax and Benefits Service Manager
Kerry Beavis	- Shared Service Audit Manager
Diane Kennington	- Internal Audit Assistant
Bethany Hinks	- Azets External Auditor
Chris Brown	- Azets External Auditor
Nicole Cramp	- Democratic & Scrutiny Services Officer
Avisa Birchenough	- Democratic Services & Scrutiny Officer

Apologies:-

Cllr. Lee Breckon

284. DISCLOSURES OF INTEREST

No disclosures were received.

285. MINUTES

The minutes of the meeting held on 6 February, as circulated, were approved and signed as a correct record.

286. GRANT CERTIFICATION 2021/22

Considered – Report of the Finance Group Manager

DECISION

That the Grant Certification Report be approved.

Reason:

The Audit and Corporate Governance Committee should be made aware of the contents of any reports from the external auditors.

287. ANNUAL AUDIT REPORT 2023/24

Considered – Report of the Finance Group Manager

DECISION

That the Annual Audit Report be acknowledged and approved.

Reason:

The Audit and Corporate Governance Committee should be made aware of the contents of any reports from the external auditors.

288. EXTERNAL AUDIT PLANNING REPORT 2024/25

Considered – Report of the Finance Group Manager

DECISIONS

1. That Azets Audit Planning Report for 2024/25 be approved.
2. That the Committee grants delegated authority to the Executive Director (Section 151) in consultation with the Chair of the Audit and Corporate Governance Committee for any minor amendments to be made to the plan if required.

Reason:

The Audit Planning Report sets out the proposed audit approach and the scope of the work to be carried out by Azets, and their fees for undertaking that work.

289. ACCOUNTING POLICIES 2024/2025

Considered – Report of the Finance Group Manager

Cllr. Mike Shirley queried future financial forecasting given the implications of Local Government Reorganisation. Will the MTFS forecast for the period of 2029/30 no longer be relevant?

The Finance Group Manager responded advising that Officers are considering the implications of LGR to assist with financial forecasts.

DECISION

That the accounting policies set out in Appendix A be approved.

Reasons:

1. The Council should select appropriate accounting policies to be applied in the preparation and presentation of its annual Statement of Accounts.
2. It is considered good practice for the Audit and Corporate Governance Committee to review and comment upon the proposed accounting policies to be used in the preparation of the Council's annual accounts.

290. 2025-26 INTERNAL AUDIT ANNUAL AUDIT PLAN

Considered – Report of the Shared Service Audit Manager

DECISIONS

1. That the Audit Committee notes this report and comments as appropriate.
2. That the 2025/26 Internal Audit Annual Audit Plan be approved.

Reason:

To comply with the Global Internal Audit Standards and the CIPFA.
Application Note: Global Internal Audit Standards in the UK Public Sector.

291. ANNUAL REPORT OF THE AUDIT & CORPORATE GOVERNANCE COMMITTEE 2024-25

Considered – Report of the Shared Service Audit Manager

DECISIONS

1. That the report be approved in advance of it being presented to Council.
2. That the report is presented at Council to be noted.

Reason:

To ensure compliance with the CIPFA Position Statement: Audit Committees in Local Authorities and Police 2022

292. INTERNAL AUDIT CHARTER

Considered – Report of the Shared Service Audit Manager

DECISION

That the Internal Audit Charter report be approved.

Reason:

One of the core functions of the Committee, as defined within its terms of reference, is to approve the Internal Audit Charter which includes the internal audit mandate and the scope and types of internal audit services (an essential condition of the Global Internal Audit Standards).

293. INTERNAL AUDIT PROGRESS REPORT 2024/25 Q4

Considered – Report of the Shared Service Audit Manager

DECISION

That the Internal Audit progress report be noted.

Reason:

To keep the Audit and Corporate Governance Committee informed of progress and recent Internal Audit findings and recommendations, in line with the Public Sector Internal Audit Standards requirements.

294. INTERNAL AUDIT STRATEGY

Considered – Report of the Shared Service Audit Manager

DECISION

That the Internal Audit Strategy 2025/26 – 2027/28 be approved.

Reasons:

1. It is a requirement of the Global Internal Audit Standards for the Chief Audit Executive to develop and implement a strategy for the internal audit function that supports the strategic priorities and success of the organisation and aligns with the expectations of the board, senior management, and other key stakeholders.
2. Within its terms of reference, the Audit Committee has a clear role in relation to oversight of the Council's Internal Audit service.

295. AUDIT & CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME

Members accepted the items on the Audit & Corporate Governance Committee Work Programme

DECISION

That the Audit & Corporate Governance Committee Work Programme be noted.

Reason:

It is appropriate that the Audit & Corporate Governance Committee set the Work Programme for the year.

296. RISK MANAGEMENT QUARTER 4 2024/25

Considered – Report of the Council Tax Income & Debt Manager

DECISION

That the latest information in respect of the Council's major corporate risks be accepted.

Reason:

The overview of the Council's risk management processes is a key responsibility of the Audit and Corporate Governance Committee. It is important that members are aware of the corporate risks and their potential impact on Council business, and that they review the control measures in place to mitigate risks.

297. EXCLUSION OF PRESS & PUBLIC

Considered – A proposed resolution to exclude the public from the meeting.

DECISION

That under Section 100(A)(4) of the Local Government Act, 1972, the public be excluded from the meeting for the following item on the grounds that the item involves the likely disclosure of exempt information as defined in paragraph 1 of Part 1 of Schedule 12A of the said Act.

Exemption Category: 3

Reason for Exemption: Appendix B of the Risk Management Q4 2024/25 report contains information relating to the financial or business affairs of any particular person (including the authority holding that information)

298. RISK MANAGEMENT QUARTER 4 2024/25 - APPENDIX B

Considered – Report of the Council Tax Income & Debt Manager, presented by the Finance Group Manager.

Members considered Appendix B of the Risk Management Quarter 4 2024/25 report in closed session. Members approved the Risk Management Report Quarter 4 2024/25 as set out at agenda item 14.

THE MEETING CONCLUDED AT 6.35 P.M.

Blaby District Council

Audit & Corporate Governance Committee

Date of Meeting **28 July 2025**
Title of Report **Internal Audit Annual Report**
Report Author **Shared Service Audit Manager**

1. What is this report about?

- 1.1 The report presents the Internal Audit Annual Report for 2024/25 for the Audit and Corporate Governance Committee.

2. Recommendation

- 2.1 That the Audit and Corporate Governance Committee notes this report and comments as appropriate.

3. Reason for Decision Recommended

- 3.1 To comply with the Public Sector Internal Audit Standards

4. Matters to consider

4.1 Background

The Public Sector Internal Audit Standards require that the Chief Audit Executive must deliver an annual internal audit opinion on the overall adequacy and efficiency of the Council's framework of governance, risk management and control. This report should be used to inform the Annual Governance Statement.

4.2 Relevant Consultations

N/A

4.3 Significant Issues

None.

5. What will it cost and are there opportunities for savings?

- 5.1 No costs or opportunities for savings in the context of this report.

6. What are the risks and how can they be reduced?

6.1 There are no risks relating to this report.

7. Other options considered

7.1 Not applicable.

8. Other significant issues

8.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

9. Appendix

9.1 Appendix 1 – Internal Audit Annual Report 2024-25

10. Background paper(s)

Public Sector Internal Audit Standards

11. Report author's contact details

Kerry Beavis
Kerry.beavis@blaby.gov.uk



INTERNAL AUDIT SHARED SERVICE

Blaby District Council

Internal Audit Annual Report 2024/25

1. INTRODUCTION

- 1.1 This is the annual report of the Chief Audit Executive (Audit Manager) as required by the Public Sector Internal Audit Standards (PSIAS). It covers the period 1 April 2024 to 31 March 2025 for Blaby District Council.
- 1.2 This report includes the Audit Manager's annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
- 1.3 This report also includes:
 - A summary of internal audit work carried out during 2024/25 which supports the opinion.
 - Issues relevant to the preparation of the Annual Governance Statement.
 - Internal Audit's Quality Assurance and Improvement Programme (QAIP).
 - A statement on conformance with the Public Sector Internal Audit Standards.

2. CHIEF AUDIT EXECUTIVE (AUDIT MANAGER) OPINION 2024/25

- 2.1 In line with the Public Sector Internal Audit Standards Internal Audit have worked flexibly throughout the year whilst still ensuring a sufficient level of audit coverage to allow me to give an opinion on the overall adequacy and effectiveness of the framework of governance, risk management and control (the control environment). In giving this opinion it should be noted that assurance cannot be absolute.
- 2.2 For the 12 months ended 31 March 2025, I am able to give **reasonable assurance** on the overall control environment. To be consistent with our Internal Audit opinion definitions, this means that there is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the areas audited. This is a positive assurance opinion overall.
- 2.3 My opinion is based on the following:
 - All internal audit work undertaken during the year, this includes advisory work as well as assurance and supports the view on internal control arrangements.
 - Follow up audit work in respect of audit recommendations.
 - My knowledge of the Council's governance and risk management structure and processes.
- 2.4 There have been no impairments to the independence of internal auditors during the year.

3. SUMMARY OF INTERNAL AUDIT WORK DURING 2024/25

- 3.1 The risk based internal audit plan for 2024/25 was presented and approved by the Audit and Corporate Governance Committee on 22 April 2024. The plan was developed to provide assurance on the adequacy and effectiveness of internal controls across a range of financial and organisational areas that were identified as part of the risk-based planning process. Progress against the plan has been reported to Audit and Corporate Governance Committee throughout the year as part of the quarterly Internal Audit progress reports.
- 3.2 A summary of the audit opinions given in 2024/25 is detailed in Table 1 below. The opinion for individual audits is included in Appendix A for information, along with a comparison of the work delivered against the audit plan.

Table 1

Opinion	Definition	Number
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited	1
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited	14
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	1
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited	-
Total number of audit reports		16

- 3.3 Internal Audit follow up progress against recommendations in line with the timescales agreed at the time of issuing reports. The Audit and Corporate Governance Committee is updated on the Council's progress against the recommendations as part of the quarterly Internal Audit progress reports, as well as giving details of ongoing or overdue recommendations. A summary of the recommendation tracking results for 2024/25 is included at Appendix B.

4. ISSUES RELEVANT TO THE PREPARATION OF THE ANNUAL GOVERNANCE STATEMENT

- 4.1 One audit report has been issued with limited assurance during 2024/25. This should be considered when preparing the Annual Governance Statement:
- HR
The main area identified for improvement was around the management of sickness absence.

Additionally, assurance has been able to be obtained in relation to the management of risks and controls within the ICT service area other than evidence of a Public Sector Network Certificate.

5. QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME (QAIP) FOR INTERNAL AUDIT

- 5.1 The Public Sector Internal Audit Standards (PSIAS) require the QAIP to include internal and external assessments (see Appendix C for more detail).
- 5.2 The internal assessments applicable to 2024/25 include the following:
- The Audit Manager carried out documented reviews of engagement plans, working papers and draft reports prior to issue.
 - Monthly performance review meetings attended by the Audit Manager and the Strategic Directors.
 - Customer satisfaction surveys were sent out to all managers who had an audit in their service area. Ten returns for 2024/25 were received, all with overall positive feedback.
 - Quarterly progress reports to senior management and Audit and Corporate Governance Committee which include monitoring of activity and performance.
 - Annual review of the Internal Audit Charter was carried out in March 2024 to ensure that it conforms with the Global Internal Audit Standards in the Public Sector from 1 April 2025.
- 5.3 The PSIAS require external assessments to be conducted at least once every five years. In December 2020 the shared internal audit service had an external quality assessment, and the full report was presented to Audit and Standards Committee on 1 February 2021.
- 5.4 It was the assessor's opinion that Internal Audit at Blaby, Charnwood, and North West Leicestershire Councils **conforms with the PSIAS**.
- 5.5 In addition to delivering the annual audit plan and opinion, Internal Audit have added value in the following ways:

- Providing ad-hoc advice throughout the year to a wide range of services to help ensure that internal controls are maintained or strengthened.
- Delivering a successful shared service to Blaby District Council and Charnwood Borough Council from 1st April 2020. This adds value to all Councils as the audit team shares learning, expertise and best practice.

6. **CONFORMANCE WITH THE PUBLIC SECTOR INTERNAL AUDIT STANDARDS**

- 6.1 The external assessment conducted in December 2020 concluded that there were no significant gaps in compliance.
- 6.2 I can confirm that during 2024/25 the Internal Audit Shared Service conformed to the Public Sector Internal Audit Standards.

RESULTS OF INDIVIDUAL AUDIT ASSIGNMENTS AGAINST THE 2024/25 AUDIT PLAN

Audit Area	Type	Planned Days	Actual Days	Status	Assurance Level	Recommendations				Comments
						C	H	M	L	
HR	Audit	8	11	Completed	Limited	-	2	6	2	
IT Asset Management	Advisory	5		As required						
IT Implementation Support	Advisory	4		As required						
Customer Complaints	Audit	8	8	Management Response						
Parks & Open Spaces	Audit	10	8	Completed	Reasonable	-	-	3	-	
Disabled Facilities Grant Determinations	Grant	3	3	Completed	N/A					
Building Control	Audit	10	12	Completed	Reasonable	-	-	4	-	
Lightbulb	Advisory	3		As required						
Licensing	Audit	8	12	Management Response						
Temporary Accommodation	Audit	10	9	Completed	Reasonable	-	4	2		
Safeguarding Process	Advisory	5	2.5	Completed	N/A					
Implementation of Elections Act	Audit	3	3	Completed	Substantial	-	-	-	-	
Service Planning & Performance	Audit	8	18	Management Response						
Benefits	Audit	5	2.5	Completed	Reasonable	-	-	1	-	
Council Tax	Audit	8	10	Completed	Reasonable	-	1	1	1	
NNDR	Audit	3	2.5	Completed	Reasonable	-	-	1	-	
Creditors	Audit	4	5	Completed	Reasonable	-	-	1	-	
Debtors	Audit	4	3	Completed	Reasonable	-	-	-	-	
Main Accounting	Audit	4	7	Completed	Reasonable	-	-	3	-	
Payroll	Audit	4	6	Completed	Reasonable	-	1	2	-	
Treasury Management	Audit	9	10	Completed	Reasonable	-	-	1	-	

Property Services Compliance	Audit	15	15	Completed	Reasonable	-	1	4	4	
Planning	Audit	15		Q4						Carried forward to 2025/26
Culture	Audit	8		Q2/3						Carried forward to 2025/26
Garden Waste Collection	Audit	5	1.5	Completed	Reasonable	-	-	-	-	Addition to the plan
Benefits Subsidy	Advisory		7							Addition to the plan

Recommendations key – see Appendix B.

Appendix B

SUMMARY OF INTERNAL AUDIT RECOMMENDATIONS FOLLOW UP 2024/25

Internal Audit follow up progress against critical, high and medium priority recommendations in line with the timescales agreed at the time of issuing reports. Any overdue recommendations are highlighted to Audit Committee. The table below shows the progress against recommendations made by Internal Audit during 2024/25.

Recommendation Priority	Recommendations Made	Recommendations Implemented	Recommendations Outstanding (In Progress or Not Yet Due)
Critical	-	-	-
High	9	1	8
Medium	28	14	14
Total	37	15	

Level	Definition
Critical	Recommendations which are of a very serious nature and could have a critical impact on the Council, for example to address a breach in law or regulation that could result in material fines/consequences.
High	Recommendations which are fundamental to the system and require urgent attention to avoid exposure to significant risks.
Medium	Recommendations which, although not fundamental to the system, provide scope for improvements to be made.
Low/Advisory	Recommendations concerning issues which are considered to be of a minor nature, but which nevertheless need to be addressed. Issues concerning potential opportunities for management to improve the operational efficiency and/or effectiveness of the system.

Appendix C

QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME 2024-25

Activity	PSIAS	Result/comments	Frequency
External Quality Assessment	1310	December 2020 Assessment - no significant gaps in compliance.	Every 5 years.
Annual Declaration of Interests	1130	Forms completed in April 2024, this includes Code of Ethics and Principles.	Annual
Customer satisfaction surveys	1311	Ten returns during 2024/25. All positive overall.	After each audit
Performance indicators reported in progress reports	1311	Performance indicators included in all quarterly reports to senior management and Audit and Corporate Governance Committee.	Quarterly
Improvement actions/continuous improvement	1311	An internal action plan produced for 2024/25 detailing improvement actions which included rolling review of the internal audit service to ensure compliance with standards.	Ongoing
Review of all audit engagements and reports	1311, 2340	All audit engagements and reports are reviewed by another auditor to ensure compliance with PSIAS in terms of meeting audit objectives and quality.	Every audit
Monthly performance reporting and meetings	1311	Monthly performance meetings with both Strategic Directors.	Monthly
Annual review of internal audit charter	1000	Shared Service Charter updated to include the changes required to conform with the Global Internal Audit Standards in the Public Sector. This was reported to Audit & Corporate Governance Committee in April 2025. Annual review takes place in March each year.	Annual
Performance and development review process for staff and training and development records.	1200	All review meetings with the team have taken place and the training and development recorded within system for all training and development identified and completed. Officers recording their CPD in line with their professional body requirements do not need to duplicate records.	Annual review meetings

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Blaby District Council

Audit & Corporate Governance Committee

Date of Meeting	28 July 2025
Title of Report	Internal Audit Progress Report 2025/26 Q1
Report Author	Shared Service Audit Manager

1. What is this report about?

- 1.1 The purpose of this report is to inform the Committee of the progress against the Internal Audit plan for 2025/26 and to highlight incidences of any significant control failings or weaknesses that have been identified between 1 April 2025 and 30 June 2025 (Q1)

2. Recommendation

- 2.1 To note the Internal Audit Progress Report and comment as appropriate.

3. Reason for Decision Recommended

- 3.1 To keep the Audit and Corporate Governance Committee informed of progress and recent Internal Audit findings and recommendations, in line with the Global Internal Audit Standards in the Public Sector.

4. Matters to consider

4.1 Background

The Global Internal Audit Standards require the Audit and Corporate Governance Committee to approve the audit plan and monitor progress against it. They should receive periodic reports on the work of internal audit. The Audit and Corporate Governance Committee approved the 2025/26 audit plan on 28 April 2025. This is the first progress report for 2025/26.

4.2 Progress Report

The Internal Audit Progress Report for the period from 1 April 2025 to 30 June 2025 (Q1) is attached at Appendix 1.

4.2 Relevant Consultations

The report was presented to the Senior Leadership Team on 1 July 2025

4.3 Significant Issues

None.

5. What will it cost and are there opportunities for savings?

5.1 No costs or opportunities for savings in the context of this report.

6. What are the risks and how can they be reduced?

6.1 There are no risks relating to this report.

7. Other options considered

7.1 Not applicable.

8. Other significant issues

8.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

9. Appendix

9.1 Appendix 1 – Internal Audit Progress Report 2025/26 Q1

10. Background paper(s)

Global Internal Audit Standards

CIPFA Application Note: Global Internal Audit Standards in the UK Public Sector

11. Report author's contact details

Kerry Beavis
Kerry.beavis@blaby.gov.uk



INTERNAL AUDIT SHARED SERVICE

Blaby District Council

Internal Audit Progress Report 2025/26 Q1

1. Introduction

- 1.1 Internal Audit is provided through a shared service arrangement led by North West Leicestershire District Council and delivered to Blaby District Council and Charnwood Borough Council. The assurances received through the Internal Audit programme are a key element of the assurance framework required to inform the Annual Governance Statement. The purpose of this report is to highlight progress against the 2025/26 Internal Audit Plan up to 17 June 2025.

2 Internal Audit Plan Update

- 2.1 The 2025/26 audit plan is included at Appendix A for information and shows the audits in progress.

Since the last update report five final reports have been issued, with three reports awaiting management responses, this will then complete the audit plan for 2024/25.

The executive summaries for the final reports are included at Appendix B.

3 Internal Audit Recommendations

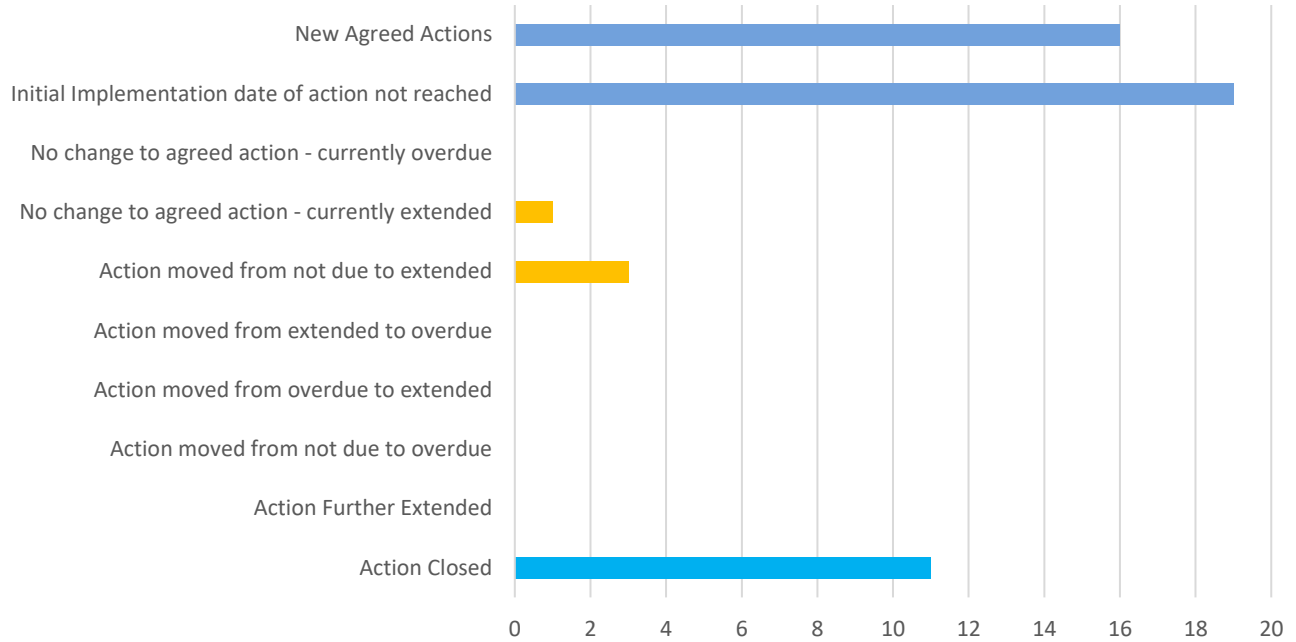
- 3.1 Internal Audit monitor and follow up all critical, high and medium priority recommendations. Further details of overdue and extended recommendations are detailed in Appendix C for information.

Year	Not Due		Extended		Overdue	
	High	Medium	High	Medium	High	Medium
22/23	-	-	1	-	-	-
23/24	-	-	-	-	-	-
24/25	6	13	2	1	-	-

4 Internal Audit Performance Indicators

- 4.1 Progress against the agreed Internal Audit performance targets are documented in Appendix D. There are no areas of concern at this stage.

Action Movement during Q1 2025/26

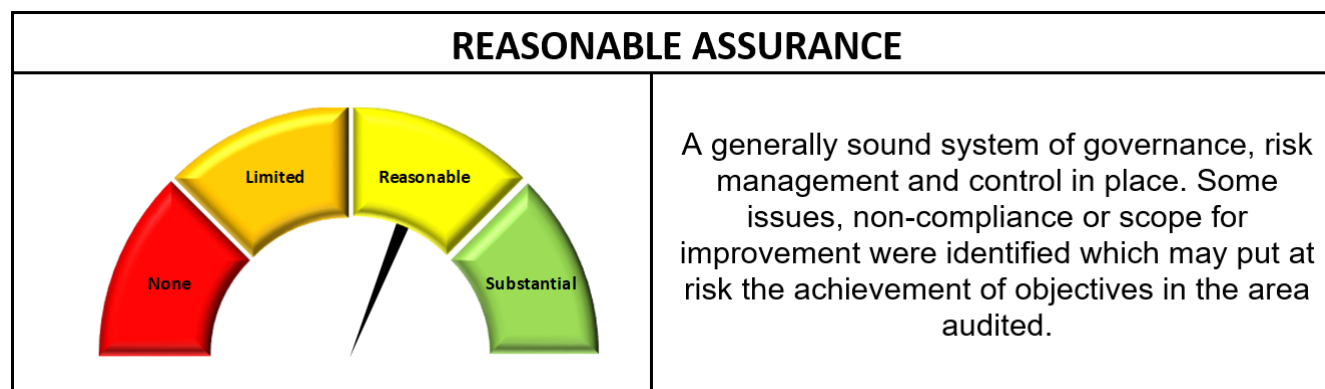


2025/26 AUDIT PLAN PROGRESS

Audit Area	Type	Planned Days	Actual Days	Status	Assurance Level	Recommendations				Comments
						C	H	M	L	
IT Key Controls	Audit	10		TBC						
Food Waste Project	Advisory	3		As required						
Disabled Facilities Grant Determinations	Grant	3	2	In progress						
Green Strategy	Audit	10		Q2						
Home Support Grant	Audit	5		Q3						
Licensing (Street Trading)	Audit	10		Q4						
Data Protection	Audit	15		Q3						
Key Financial Systems	Audit	49		Q3/Q4						
Insurance	Audit	8	0.5	Engagement Planning						
Benefits Subsidy	Advisory	5	3	As required						
Community Development	Audit	12		Q3						
UKSPF	Audit	8	1	In progress						
Planning (2 audits)	Audit	30	0.5	Engagement Planning						
Culture	Audit	15	0.5	Engagement Planning						
Fleet Management and Grey Fleet	Audit	10	0.5	Engagement Planning						
Procurement and Contract Management	Audit	15	5	In progress						
Devolution and LGR Support	Advisory	4		As required						
Outstanding Audits from 2024/25										
Customer Complaints	Audit	8	11	Management Response						
Licensing	Audit	8	14	Management Response						
Temporary Accommodation	Audit	10	10	Completed	Reasonable	-	4	1	1	
Service Planning & Performance	Audit	8	19	Management Response						

Council Tax	Audit	8	9.5	Completed	Reasonable	-	1	1	1	
Payroll	Audit	4	6	Completed	Reasonable	-	1	2	-	
Treasury Management	Audit	9	10	Completed	Reasonable	-	-	1	-	
Property Services Compliance	Audit	15	15.5	Completed	Reasonable	-	1	4	4	

COUNCIL TAX



Key Findings

Areas of positive assurance identified during the audit:

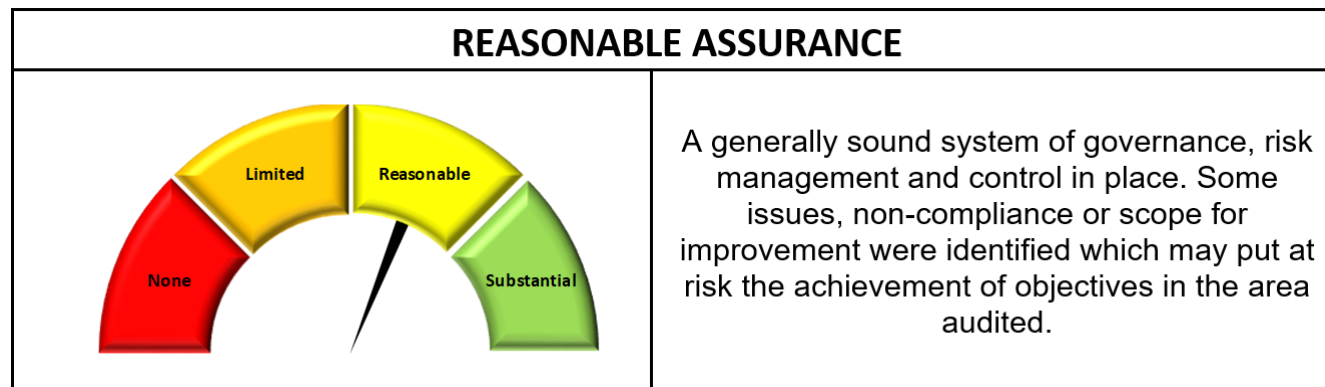
- Procedures relating to Council Tax billing and administration are in place and up to date.
- System parameters were updated as required to reflect the 2024/25 charges.
- VO schedules are actioned promptly and regularly reconciled to the Council's database.
- The Council Tax system is regularly reconciled to its feeder systems and the general ledger.
- The suspense account is regularly reviewed and items cleared where possible.
- Refunds and amounts written off are authorised in accordance with procedure.
- Performance is monitored and reported appropriately.

The main areas identified for improvement are:

- Supervisory monitoring.
- Recovery procedures and processes.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. The operational recovery procedures are reviewed and updated as required and consideration is given to the development of a comprehensive procedure manual for reference and training purposes.	Medium	The procedures are regularly reviewed, however a review date on the procedures is not currently being added. This will now be introduced and actioned. The procedures held are adequate for training of the team, however the locations of the procedures will be reviewed to ensure file locations are clear and easy to access.	Council Tax Income and Debt Manager	June 2025
2. The full summons process is reinstated, and all available Courts are utilised going forward.	High	The number of summonses issued had been reduced due to vacancies within the team. The team is now at full capacity and has already planned an increase in cases in Court runs from 1 st April 2025.	Council Tax Income and Debt Manager	June 2025
3. The operational and approval process relating to dividend payments and write offs are reviewed and streamlined where possible to reduce manual intervention and increase efficiency.	Low	A review of the processes is already underway to see how this can be streamlined, to help reduce the manual intervention and increase efficiency.	Council Tax and Benefits Service Manager and Council Tax Income and Debt Manager in conjunction with the Financial Services Group Manager.	June 2025

TREASURY MANAGEMENT



Key Findings

Areas of positive assurance identified during the audit:

- Comprehensive written procedures are in place, up to date and accessible to relevant staff.
- The Treasury Management Strategy is compliant with the CIPFA Code of Practice.
- There is adequate separation of duties.
- Loans and investments have been made, authorised and recorded appropriately.
- Appropriate Fidelity Insurance is in place.

The main area identified for improvement is:

- Control account reconciliations.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
The outstanding control account reconciliations are completed and reviewed and controls put in place to ensure that they are completed promptly going forward.	Medium	<p>The outstanding reconciliations are in the process of being brought up to date.</p> <p>The reconciliation process will be reviewed to determine the required frequency of each individual control account reconciliation and a new schedule will be put in place for 2025/26.</p>	Accountancy Services Manager	<p>June 2025</p> <p>August 2025</p>

PROPERTY SERVICES COMPLIANCE



Key Findings

Areas of positive assurance identified during the audit:

- There are documented policies, procedures and processes in place for all areas of corporate compliance.
- Compliance with statutory duties is adhered too and a key theme within the Property Services environment.
- Key documents such as certificates are filed promptly, consistently and securely and are easily retrievable when required.
- Testing on the PPM (Planned Preventive Maintenance) Service Plan identified that inspections are being monitored and are undertaken in line with legislative requirements and timings.
- There is a robust risk assessment process for health and safety compliance and risk assessments have been undertaken and stored. Risk assessments had been regularly reviewed.
- Testing confirmed that for compliance managed in house there is evidence that data is obtained and retained to support property compliance inspections.
- Awareness of responsibilities is relevantly disseminated.

The main areas identified for improvement are:

- A more robust performance monitoring process should be implemented to identify areas of poor performance by contractors.
- A more robust process of managing mandatory training is implemented.

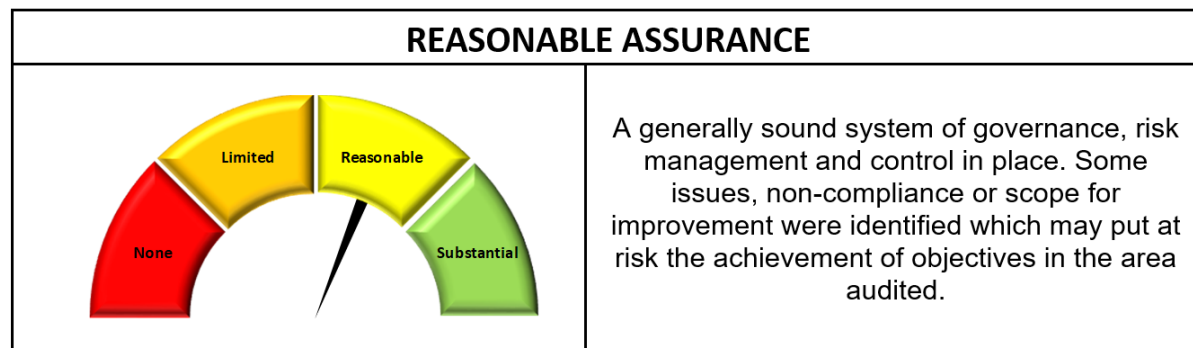
- Staff should be reminded of the terms and conditions relating to the leisure centres management company contract (Sports and Leisure Management- SLM) in relation to property services compliance, and processes implemented to ensure the requirements of both parties are met.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. A more robust performance monitoring process should be implemented to identify areas of poor performance by contractors.	Medium	Property Services do closely monitor contractors' work, scope out projects carefully, obtain multiple quotes for higher-value jobs, and store all RAMS/method statements in SharePoint as required. We will now integrate a KPI performance document to measure contractor performance, attitude to work and outcome.	Property & Assets Service Manager Property & Assets Officer	Q1 2025/26
2. Consideration is given to periodically reporting to senior management on the overall performance of contractors.	Low	Property Services to send the contractor performance document to Group Manager quarterly.	Property & Assets Service Manager	Q1 2025/26
3. Contract arrangements should be reviewed and a new formal arrangement signed by both parties. This should be in adherence to the council's contract procedure rules.	Medium	Shortland Parsley have managed ERIE for 20 years and have an abundance of knowledge and relations across the estate. There is a legacy aspect here however agreed that a review / procurement is required. Property Services to pick this action up with Welland and schedule for Q2 2025/26.	Property & Assets Service Manager	Q2 2025/26
4. On commencement of the visits and site checks, evidence should be	Low	Shortland Parsley conduct regular checks however will only send documented evidence through if there is an issue with the estate. Property Services to Join Shortland Parsley on a quarterly review or	Property & Assets Service Manager	Q1 2025/26

documented and retained within the SharePoint Property Service area.		the estate and request evidence of all checks moving forwards.	Property & Assets Manager	
5. Although a project into the use of an alternative method of storing compliance documentation is due to take place, consideration should be given to streamlining the current folders within SharePoint.	Low	Property Services to cross reference historical data that has been moved across from the N-Drive and delete as required. Property Services to link with information and governance to ensure all required data is stored appropriately. Trackplan project has commenced which will help as a tool to aid facility management across the business.	Property & Assets Service Manager/ Property & Assets Officer Health & Safety Advisor	Q2 2025/26
6. The Health Leisure and Tourism Service Manager should liaise with SLM (the Contractor) to discuss having read only access to the PPM Database maintained by SLM, as is required by the contract.	Medium	The expectation is that SLM would manage all PPM and compliance aspects as they are the managing agent of the facilities. SLM do send PPM documentation and compliance documents monthly to The Health Leisure and Tourism Service Manager prior to the monthly meeting. Action – The Health Leisure and Tourism Manager to pick areas ahead of compliance to spot check at random prior to the quarterly contracts management meeting.	Team Leader, Economic & Community Development, Work & Skills	Q2 2025/26
7. There should be a process in place to evidence the spot checks undertaken by the Health Leisure and Tourism Service Manager.	Medium	Action - Spot checks to be completed formally every quarter by the Health Leisure and Tourism Service Manager	Team Leader, Economic & Community Development, Work & Skills	Q2 2025/26

8. All data to confirm Legionella testing undertaken by SLM is received promptly by the Health Leisure and Tourism Service Manager and retained as evidence as set out in the terms of the contract.	High	<p>All records are safely secured and stored at each leisure centre and picked up as part of the management agreement.</p> <p>Action – SLM to email The Health Leisure and Tourism Manager with the monthly check sheets and evidence stored accordingly.</p>	Team Leader, Economic & Community Development, Work & Skills	Q2 2025/26
9. All records relating to alarm tests undertaken at the depot should be sent to the Property & Admin mailbox and if not received should be followed up in a timely manner.	Low	Action completed. Call Point test was delayed due to the Solar PV project however since the project has been completed the checks have been restored as required and store in SharePoint.	Neighbourhood Services Support Team Leader/Health & Safety Team Leader	Complete

TEMPORARY ACCOMMODATION



Key Findings

Areas of positive assurance identified during the audit:

- The Council has produced a Homelessness Strategy that complies with legislative requirements.
- Procedures and guidance are in place, up to date and available to all relevant staff.
- The authority works with landlords to provide early intervention and prevent homelessness wherever possible.
- Temporary accommodation is provided only to qualifying homeless households.
- Performance is appropriately monitored and reported.
- Staff are relevantly trained and aware of the legislative requirements.

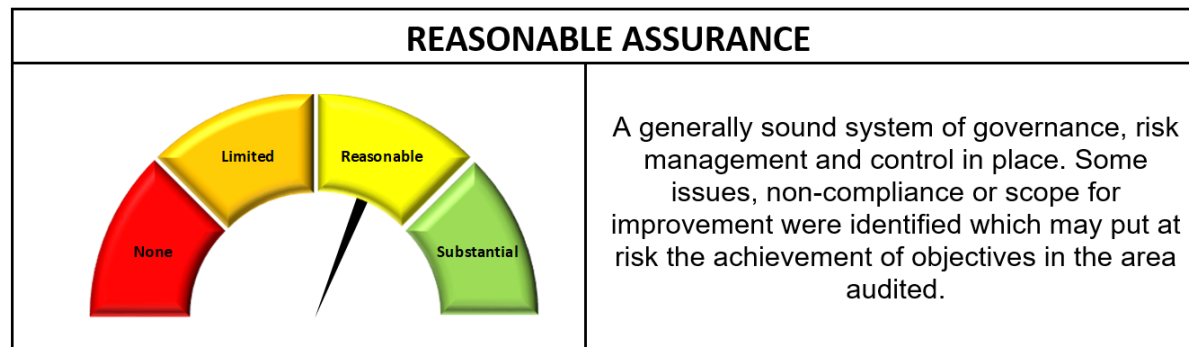
The main areas identified for improvement are:

- The process to check that consent to share data has been obtained.
- The recovery of costs.
- The procurement arrangements for the provision of temporary accommodation.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. Officers are reminded of the necessity to obtain consent from the customer prior to sharing any information and the written procedure is updated to reflect this.	High	Customer consent is always obtained prior to obtaining or sharing information with third parties. We have carried out training to officers and updated the procedure to ensure that consent is obtained as early as possible in the triage process.	Homelessness and Housing Systems Team Leader	Completed during the audit.
2. Compliance is monitored through the supervisory checking process.	High		Homelessness and Housing Systems Team Leader	Immediate and ongoing.
3. The corporate approach and process for the recovery of accommodation and additional costs is reviewed, formally agreed and communicated to relevant staff to ensure that it is consistent and cost effective.	High	The corporate approach to recover debts will be documented and approved.	Environmental Health, Housing and Community Services Group Manager	September 2025
4. The arrangement for the provision of temporary accommodation is appropriately formalised through either the completion of a full procurement exercise or the approval of a waiver of procurement legislation.	High	We need to ensure that accommodation is sourced and provided at extremely short notice and sometimes there are no options available with our regular supplier, therefore flexibility in finding alternatives is key. The main booking platform "click travel" does have a contract in place and exemptions are being explored in relation to this area.	Housing Services Manager	August 2025
5. The contract for the supply of residential furniture for homeless accommodation is appropriately reviewed and renewed.	Low	There has been a delay with this on the supplier's side, but a signed contract has now been received from the supplier. Negotiation commenced in January 2025.	Housing Services Manager	Completed during the audit.

6. The Contracts Register is updated to include the current maintenance contract.	Medium	Agreed.	Financial Services Group Manager	Completed during the audit.
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PAYROLL



Key Findings

Areas of positive assurance identified during the audit:

- Written procedures are in place and accessible to all relevant staff
- There is adequate separation of duties.
- The establishment is reviewed annually.
- The monthly payroll is independently reviewed prior to authorisation and payment.

The main areas identified for improvement are:

- Control account reconciliations.
- Review of the establishment list and system access levels.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. The establishment list is reviewed and updated to close the posts which are no longer valid and a process is put in place to ensure that HR are notified of relevant changes to maintain accuracy going forward.	Medium	The establishment records on ITrent will be reviewed to close the dormant posts. Existing processes to notify HR will be revised to ensure the detail of any changes to Establishment posts is documented when approval of recruitment is obtained to enable ITrent to be updated accordingly.	HR Services Manager in conjunction with the Financial Services Group Manager	March 2026
2. The establishment list, held within ITrent, is reviewed by managers at least annually to confirm accuracy. This review should be carried out independently of the budget setting process.	High	HR will facilitate an independent check and cross reference with the establishment list held by Finance to ensure all records are accurate.	HR Services Manager	October 2026
3. Implement a regular review of system access levels to ensure they are appropriate, and that all leaver accounts have been correctly deactivated.	Medium	An annual review will be undertaken during July/August each year by HR and Finance.	HR Services Manager in conjunction with the Financial Services Group Manager	September 2025

EXTENDED RECOMMENDATIONS

Audit Year	Audit	Recommendation	Priority	Response/ Agreed Action	Responsible Officer	Due Date	1st Follow up comments	Extension Date	Second Follow up comments	Extension Date	Further Management update	Further Extension date
2022/23	Policy Management	2. HR policies reflecting current legislation, corporate values and industry best practice should be produced for all key employment areas. These should be supported by relevant procedure documents	High	Agreed. A process and timetable to produce the key documents will be in place within six months.	Human Resources Strategic Manager	Jul-23	Aug-23 No response received		Sep-23 All HR policies have been imported to iPlan. A timeline for reviewing/producing (including prioritisation) the HR policies for all key employment areas with supporting procedure documents will now be agreed.		An action plan has been developed that details dates of when all HR policies, procedures and guidance are to be reviewed and updated. Audit will monitor the action plan and, if there is slippage, this will be reported to Audit and Corporate Governance Committee. June-25 The majority of policies and procedures have now been updated, finalised and published. There are five policies/ procedures that have been updated but further consultation is required prior to them being finalised and published. This will be completed over the next few months with the expected completion date of all policies being finalised by March 2026. Audit will continue to monitor the progress of this and where there are further delays this will be reported to the committee.	Apr-25 Mar-26
2024/25	HR	5. Sickness absence is managed in accordance with a robust and detailed documented process to ensure consistency, with action being taken within the agreed timescales, and any deviation from the procedure fully documented and relevantly approved.	High	The two cases highlighted were known to management and the decision taken to extend the interval between stages of the procedure. The Sickness Absence and Reporting documents are currently being reviewed and updated. Following the approval of the documents managers will be advised of the updated process.	HR Services Manager	Apr-25	June 2025 - Extension to Oct-25 requested and agreed as the Sickness Absence and Reporting Documents form part of the policies/ procedures audit/ action plan. The documents are drafted however further consultation is required prior to final approval and publication.	Oct-25				
2024/25	Benefits (Key Controls)	1. Consideration is given to reviewing the monitoring process to ensure that it is relevant, proportionate and effective throughout the Council Tax and Benefits service.	Medium	Agreed.	Council Tax and Benefits Service Manager	Jun-25	Jun-25 Consideration is being giving to reviewing the monitoring process, however an extension has been requested due to higher priorities relating to ICT taking longer than expected and using additional resources within the team. Monthly monitoring has	Aug-25				

							been reinstated in line with the current procedure.					
2024/25	Council Tax	2. The full summons process is reinstated, and all available Courts are utilised going forward.	High	The number of summons issued had been reduced due to vacancies within the team. The team is now at full capacity and has already planned an increase in cases in Court runs from 1st April 2025.	Council Tax Income and Debt Manager	Jun-25	July-25 Due to further staffing issues arising within the team it is not possible to confirm when the Courts will resume. It is hoped that a Court will be feasible in Sep-25.	Sep-25				

2025/26 INTERNAL AUDIT PERFORMANCE

Performance Measure	Position as at 17/06/2025	Comments
Achievement of the Internal Audit Plan	0%	
Quarterly Progress Reports to Management Team and Audit and Standards Committee	On track	
Follow up testing completed in month agreed in final report	On track	
Annual Opinion Report	Achieved	
95% Customer Satisfaction with the Internal Audit Service	100%	Based on ten returns for 2024/25
Compliance with Global Internal Audit Standards in the UK Public Sector		Inspection is due to be carried out November/ December 2025
Completion of planned QAIP audits and all actions arising are implemented.		This will follow the annual inspection
To provide an efficient and compliant audit service		Audits have yet to reach a milestone for performance reporting.
<ul style="list-style-type: none"> Fieldwork is completed within two months of the start date. 		
<ul style="list-style-type: none"> Management Debriefs are scheduled within 2 weeks of field work being completed. 		
<ul style="list-style-type: none"> *Management Responses are received within 2 weeks of the debrief meeting. 		
<ul style="list-style-type: none"> Draft audit reports are issued within 1 week of receipt of full management responses 		
<ul style="list-style-type: none"> Final audit reports are issued within 1 week of draft audit reports. 		
*, **Agreed actions are completed and result in the desired outcomes.		
<ul style="list-style-type: none"> 100% of high priority 		
<ul style="list-style-type: none"> 90% of medium 		

*This measure is not exclusively a reflection on the Internal Audit Service's performance.

**Whilst Internal Audit will track the implementation of agreed actions, management is responsible for completing the actions and ensuring that desired outcomes are achieved.

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Blaby District Council

Audit & Corporate Governance Committee

Date of Meeting	28 July 2025
Title of Report	Unaudited Statement of Accounts 2024/25
Report Author	Accountancy Services Manager

1. What is this report about?

- 1.1 The report sets out details of the Council's financial performance for 2024/25, covering the General Fund, the Capital Programme, the Collection Fund, and Treasury Management activities.
- 1.2 It also provides Members with details of the key balance sheet movements that are reflected in the draft Statement of Accounts for 2024/25.

2. Recommendation(s)

- 2.1 That the financial performance for 2024/25 is accepted.

3. Reason for Decision(s) Recommended

- 3.1 To give Members the opportunity to comment and ask questions in respect of the Council's financial performance, and unaudited accounts for 2024/25.

4. Matters to consider

4.1 Background

The Council is required to prepare its annual accounts in accordance with CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom (the Code), and in line with International Financial reporting Standards (IFRS). The reason for this is to attempt to produce the accounts in a standardised and consistent format across both the public and private sectors, and to give greater transparency to stakeholders.

The Accounts and Audit Regulations require local authorities to publish their audited accounts by 27th February 2026. This means that the public inspection period for 2024/25 must commence on 1st July 2025, meaning that the unaudited accounts had to be signed off by the Executive Director (Section 151) and published on the Council's website by 30th June 2025.

Blaby was one of 76% of local authorities across England that met the deadline for publishing their unaudited accounts.

To give further context for Members of the Audit and Corporate Governance Committee, since the onset of Covid-19, local authorities in general have experienced significant delays with the timely completion of the audit of accounts, even though publication dates were relaxed between 2020/21 and 2022/23. These delays have mainly centred around the difficulties that external audit firms have experienced in recruiting suitably qualified public sector auditors and consequently being unable to adequately resource their audits.

On 30 September 2024, The Accounts and Audit Regulations 2015 were amended via The Accounts and Audit (Amendment) Regulations 2024, to introduce backstop dates by which point local public bodies must publish audited accounts, to address the Audit backlog. At that time the Council had outstanding Accounts for 2020/21, 2021/22 and 2022/23. The back stop date for the outstanding accounts was confirmed as 13th December 2024.

The Council's Audited Financial Accounts for 2020/21, 2021/22 and 2022/23 were presented on 25th November at an Extraordinary Audit and Corporate Governance Committee meeting with the Auditor's (Ernst and Young) report and following the meeting the outstanding accounts were approved and signed on 12th December 2024.

The backstop date set for the approval and publication of the 2023/24 audited accounts was set as 28th February 2025, and the Council published their audited accounts on this date.

The Councils current auditors, Azets, are planning on undertaking the audit of the 2024/25 accounts during September 2025; the interim audit was undertaken during February and March 2025.

4.2 General Fund Revenue Account

The Council's net expenditure for 2024/25 is summarised in Appendix A.

When the Quarter 3 budget review report was presented to Cabinet Executive in February 2025, the forecast was that a contribution to General Fund balances of £31,682 would be made. This was partly due to underspends in the Establishment, and the Investment income exceeding the budget.

At 31st March 2025, the Council had achieved a surplus for 2024/25, resulting in a contribution of £656,691 transferred to General Fund balances. This is a variance of £732,789 against the revised budget.

This surplus has arisen due, primarily, to investment income performing significantly better than budgeted as interest rates have remained high, and a significant increase in planning application fees. This is partly due to a 25% - 35% increase in fees in December 2023 and an increase in the number of applications made. Although this is an extremely positive outcome for 2024/25, it does not eliminate the risk of the future budget gap

highlighted in the Medium-Term Financial Strategy (MTFS). Furthermore, the bank rate is expected to continue to reduce over the course of the financial year, meaning that investment income will be unlikely to reach the same level in 2025/26 and beyond.

The annual pay award for 2025/26 has not yet been agreed. The council has budgeted 3% within services. For every 1% that the pay award exceeds the budget, the cost will be approximately £183,000. Whilst vacant posts may reduce the financial impact, they create additional pressure on the rest of the workforce and can affect service delivery standards unless filled quickly.

The table below gives a snapshot of the main variances against the revised budget.

	£	
<u>Underspends and Additional Income</u>		
Investment Income	(231,998)	Due to higher interest rates throughout the year
Homelessness (including B&B)	(130,629)	Expenditure on temporary accommodation was higher than budget however, offset against this increased expenditure, Housing Benefit Receipts were higher. Budget was in lie with prior year
Planning Fees & Charge	(102,450)	Planning Fees surpassed £1m for the first time, increasing £481k year on year
Establishment	(94,147)	Savings arising from vacant posts
Other	(1,247,657)	Various savings and additional income under £90k
<u>Overspends and Reduced Income</u>		
Housing Benefit payable net of Subsidy	769,859	Cap on temporary accommodation costs recoverable through subsidy. The purchase of 15 properties, with the support of funding from the Local Authority Housing Fund, has assisted in reducing the need to use bed and breakfast accommodation however we are seeing a significant rise in cases
Bad Debt Provision and Write-offs	133,953	Formulaic provision based on the age of debts. Vacancies in the team led to an increase in the age of debts, this vacancy is now filled and hence a reduced provision is expected going forward
Other	170,280	Various overspends and reduced income under £90k

Carry Forward of Unspent Budgets

As part of the closedown process an exercise has been undertaken to identify where it is reasonable to carry forward unspent budgets from 2024/25 to the new financial year. As a rule, this applies to one-off project related budgets, which are usually externally funded. A total of £3,037,165 has been carried forward to 2025/26, of which £2,192,631 relates

specifically to external funding, which is ring fenced and cannot be used for anything other than what it is initially intended for.

Earmarked Reserves

In addition to the General Fund balance the Council also maintains several Earmarked Reserves. Some of these are set aside for specific purposes whilst others have been created to mitigate the uncertainties that still surround local government funding and to support Spend to Save opportunities. A detailed breakdown of the movement on Earmarked Reserves appears at Appendix B. The overall balance on Earmarked Reserves has increased from £9,691,882 at the beginning of the financial year to £11,584,407 as at 31st March 2025.

General Fund Balances

As a result of the outturn referred to above, £656,691 has been added to the General Fund balance. This leaves a year-end balance of £7,246,467 representing 42.5% of the 2025/26 net budget requirement, after considering planned contributions to support the budget. This compares favourably with the 35.9% estimated at budget stage, enhancing the Council's resilience going into 2025/26. The Council's upper policy limit was reviewed in 2024/25 and increased to 45% and the current General Fund Balance is within this upper policy limit.

4.3 Business Rates Retention

When setting the budget for 2024/25 it was expected that business rates income would be approximately £52.6m, of which Blaby's share would be just over £21.1m (40%). This allowed for around £0.6m of growth from unoccupied units at Fosse Park and the new Fosse Way Prison that were expected to be brought into the rating list during the year. Various reliefs, such as small business rate relief, empty property relief, and retails, hospitality and leisure relief were also netted off the gross rates payable, as well as provisions for appeals and bad debts.

The outturn income from business rates in 2024/25 was £52.8m of which Blaby's share was just under £21.1m. The difference between the budgeted NNDR income and the outturn position flows through the Collection Fund, resulting in a surplus on 31st March 2025. This will then be taken into account when setting the budget for 2026/27. Out of Blaby's 40% share of the £21.1m estimated income, the Council is required to pay a tariff to central government (£14.7m) and a levy on growth (£2.8m), giving a net income from business rates of £3.5m. This is supplemented by Section 31 grant compensation in respect of various reliefs implemented by government (£3.1m).

In overall terms, the Business Rates Collection Fund has moved from a surplus of £1,509,052 on 31st March 2024 to a surplus of £2,277,744 on 31st March 2025. Blaby's share of that surplus is £911,097 (£603,622 surplus on 31st March 2024).

Due to the way in which local authorities are required to account for business rates income, the year-end surplus will not be felt until 2026/27. The Council has already allowed for an estimated surplus of £1,405,505, when setting the 2025/26 budget; the difference between the estimated surplus and actual surplus on 31st March 2025 will be brought into account in the 2026/27 budget setting process.

4.4 Council Tax

The Council Tax Collection Fund has moved from a deficit of £815,382 on 31st March 2024 to a deficit of £121,485 at the end of 2024/25. This represents an in-year surplus of £693,897. The outturn position was better than anticipated when setting the 2024/25 budget, where a deficit of £298,450 was anticipated.

Blaby's share of the deficit on 31st March 2025 is £17,175 compared with the previous year deficit share of £114,460.

Accounting for council tax is like NNDR, in that any difference between the estimated income and the outturn income flows through the Collection Fund in the form of a surplus or deficit. That surplus or deficit will then be factored in when setting the 2026/27 budget.

4.5 The Capital Programme

In 2024/25 the Council spent £4,608,979 on Capital schemes, compared with the latest Capital Programme budget of £10,650,011. This represents an underspend of £6,041,032 or 56.72% against planned capital expenditure, of which £5,884,382 has been carried forward to 2025/26 to enable the schemes to be completed.

Appendix C shows expenditure against the budget by scheme, whilst the table below provides a high-level summary of capital expenditure and financing.

<u>Capital Expenditure:</u>	Approved Budget £	Revised Budget £	Actual Outturn £	(Under)/ Overspend £
Invest to Save Schemes	200,000	1,651,767	183,248	(1,468,519)
Essential/Contractual Schemes	2,396,900	5,386,723	2,843,306	(2,543,417)
Desirable Schemes	130,000	130,000	0	(130,000)
Externally Funded Schemes	1,100,000	3,481,521	1,582,425	(1,899,096)
Other Schemes	0	0	0	0
Contingency Budget	0	0	0	0
Total Capital Expenditure	3,826,900	10,560,011	4,608,979	(6,041,032)
<u>Financed by:</u>				
Borrowing	1,665,938	3,785,774	1,238,120	(2,547,654)
Capital Receipts	574,000	1,494,710	470,922	(1,023,788)
Earmarked Reserves	94,315	145,315	89,227	(56,088)

Revenue Contributions	0	100,082	82	(100,000)
External Funding	1,492,647	5,124,130	2,810,628	(2,313,502)
Total Capital Financing	3,826,900	10,650,011	4,608,979	(6,041,032)

The main variances against budget are as follows:

- Food Waste Vehicles and Receptacles – Underspend of £970,000. The vehicles, which will use Hydrotreated Vegetable Oil (HVO), have been procured but are awaiting future delivery. Accommodating these vehicles at the depot due to a limited footprint is being considered as part of the Food Waste project.
- Fleet Vehicles Replacement Programme – Underspend of £805,047. Orders for three new waste collection vehicles have been placed with delivery expected by October 2025 and expenditure to be realised in 2025/26.
- Regeneration Property – Underspend of £682,057. Approval was given at Council on 25th October 2023 to use the budget set aside for strategic investment for the purchase of 16 dwellings to reduce homelessness pressures. This followed the award of grant funding from the Local Authority Housing Fund. £1,000 has been spent during 2024/25 and work continues to purchase the final property utilising the LAHF2 funding.
- Net Zero at the Depot – Underspend of £591,000. Work is continuing to investigate appropriate infrastructure solutions for the Electric Vehicle infrastructure at the Council's depot which are being proposed by consultants/specialists in this field.
- Disabled Facilities Grants (DFGs) – Underspend of £443,762. DFG allocation has been increased by central government over recent years. Lightbulb have seen a permanent rise in the complexity of cases coming through due to an increase in residents' health complications. We have also experienced an increase in child cases where the needs can be complex resulting in cases taking longer to complete. Lightbulb is currently going through a service review and streamlining ways of working which will increase the number of DFG's completed throughout the year.
- Strategic Review: Land Rear of Enderby Leisure Centre – Underspend of £372,721. Consultants are engaging with the Council's Local Plan team to provide information for the site to be assessed for inclusion in the new Local Plan.
- IT Infrastructure Improvements – Underspend of £320,433. Works to move IT to an in-house service are well under way, expenditure is due to increase during the final phase, with the service going live at the end of June 2025 (delayed by three months).

- Section 106-backed schemes – Underspend of £293,058. The Planning Obligation Monitoring Group approved a large S106 project at Ellis Park (Glenfield) in November 2024 which is currently being undertaken.
- Strategic Review: Council Offices - Underspend of £223,858. External consultants are currently advising on viable options on the future of the Council Offices at Narborough Road.
- Replacement CRM/Granicus solutions – Underspend of £186,405. The procurement of a new CRM solution is currently on hold and will be revisited once the Council's IT infrastructure project is complete.
- Income Management System – Underspend of £163,211. Final testing is being completed to ensure the new system is fully integrated with other essential Council finance systems. The new system go live will be at the end of June 2025.
- EV Charging Hub at Enderby Leisure Centre – Underspend of £147,200. A planning application is being submitted to install 12 electric vehicle charging points at Enderby Leisure Centre. It's forecast that the charging points will be installed by August 2025.
- Walk & Ride, Blaby – Underspend of £140,000. Substantial parts of the new walk and cycle route between Lubbethorpe and the City are complete. There is a delay at the Meridian roundabout due to required amendments to the existing highways by Leicester County Council.
- Resurfacing of Main & Overflow Car Parks, Fosse Meadows – Underspend of £130,000. Following the agreement with Green Circle to manage Fosse Meadows, Green Circle will look to access external funding opportunities to progress with the project.

4.6 Treasury Management

Full details of the Council's treasury activities during 2024/25 are included in the Treasury Outturn report to Cabinet Executive on 23rd June 2025.

The following table shows the Council's overall treasury position on 31st March 2025 compared with the position 12 months earlier. This excludes other long-term liabilities such as finance lease arrangements.

	Principal at 31 st March 2024	Rate/ Return	Average Life	Principal at 31 st March 2025	Rate/ Return	Average Life
PWLB Debt	£5,713,439	2.25%	18.8 years	£4,857,602	2.25%	17.8 years
Market Debt	0	n/a	n/a	0	n/a	n/a
Total debt	£5,713,439	2.25%	18.8 years	£4,857,602	2.25%	17.8 years

Capital Financing Requirement	£17,365,910			£17,269,227		
Over/ (under) borrowing	(£11,652,471)			(£12,411,626)		
Short Term investments	(£22,089,000)	5.34%		(£22,575,200)	4.34%	
Long Term Investments	(£742,726)	5.27%		(£754,697)	3.90%	
Net debt	(£34,484,197)			(35,741,523)		

The interest rates in the table above are based on the loans and investments outstanding at the year end and are not necessarily the same as the average rate payable during the financial year.

During 2024/25, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used as an interim measure.

4.7 Financial Statements

In 2024/25 IFRS16 Leases was adopted for the first time. Apart from this there were only minor changes in terms of new accounting standards, none of which had any material effect on the format and content of Blaby's accounts.

The net asset position on the Balance Sheet has increased from £30.772m on 31st March 2024 to £37.734m at 31st March 2025.

Significant movements on the Balance Sheet include:

- Short Term Investments/Cash and Cash Equivalents have increased from £22.424m to £23.176m. Two outstanding short-term investments at 31st March 2025, in addition, £0.090m in relation to the Lothbury Property Trust is now classified as a Short-Term Investment.
- Land and Buildings have increased from £29.857m to £32.607m. A full valuation was completed at 31st March 2025 which resulted in an increase in valuations as follows; £1.236m increase of Enderby Leisure Centre and Huncote Leisure Centre due to the use of updated build costs, £0.859m increase of Enderby Road Industrial Estate and Council owned car parks due valuations being based on the latest income figures and a £0.553m increase of Whetstone Depot due to the in-year capital expenditure on solar panels. Other movements in valuations and reclassifications to/from other land and buildings totalled £0.102m.
- Surplus Assets have increased from £0.241m to £1.020m. This is due to a revaluation of land at South Drive Recreational Ground (increase of £0.950m) due to its development potential (previously classified as a deminimus asset). Other assets have been reclassified to/from Surplus Assets totalling a decrease of £0.171m.

- Right of Use Assets totalling £0.726m have been recognised as a result of the adoption of IFRS16, linked to this, lease liabilities of £1.786m have been recognised.
- Long Term investments have reduced from £0.743m to £0.665m. The prior year balance was in relation to the Lothbury Property Trust. The total remaining investment at 31st March 2025 is £0.090m which has been reclassified as a Short-Term Investment due to the assets being sold and the funds transferred to UBS. UBS Triton Property Trust is held as a Long-Term Investment (£0.665m at 31st March 2025).
- Short Term Debtors have increased from £6.732m to £8.216m, UKSPF and Right to Buy income accounts for £0.781m of this increase, election costs due to be reimbursed increased by £0.113m year on year.
- Grants in advance - Capital– increased from £1.002m to £2.415m, in line with section 4.5 above.
- Usable Reserves – increase of £1.151m, mainly due to the net of unused external funding and other one-off budgets to be utilised in 2025/26 have been transferred to the ongoing projects reserve. The Councils Share of the levy contributions from the Leicestershire Business Rates Pool have also been transferred to the Business Rates Pool Reserve.
- Unusable Reserves – these are non-cash backed reserves that reflect adjustments made to bring IFRS-based accounting entries into line with legislative requirements. The Balance Sheet position has changed by £5.811m.

The Council's overall borrowing fell by £4.9m leading to an increase in the Council's "under-borrowed" position as internal resources continue to be used as a cheaper form of financing capital expenditure than external borrowing.

4.8 Significant Issues

In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities and there are no areas of concern.

5 Environmental impact

5.1 No direct impact arising from this report

6. What will it cost and are there opportunities for savings?

6.1 Not applicable.

7. What are the risks and how can they be reduced?

7.1

Current Risk	Actions to reduce the risks
That the draft accounts are misstated.	The accounts presented at Appendix D are subject to independent inspection by the Council's external auditors, Azets. The audit is not expected to commence until September 2025.

8. Other options considered

- 8.1 None. It is good practice to give Members an opportunity to review the financial performance and comment on the headline issues affecting the 2024/25 accounts

9. Appendix

- 9.1 Appendix A – General Fund Revenue Account Summary 2024/25
- 9.2 Appendix B – Earmarked Reserves
- 9.3 Appendix C – Capital Expenditure and Financing 2024/25
- 9.4 Appendix D – Unaudited Statement of Accounts 2024/25

10. Background paper(s)

- 10.1 None

11. Report author's contact details

Jo Davis Accountancy Services Manager
Joanne.davis@blaby.gov.uk 0116 272 7625

OUTTURN SUMMARY BY PORTFOLIO 2024/25

(excluding Accounting Adjustments)

	Approved Budget 2024/25 £	Revised Estimate 2024/25 £	Outturn 2024/25 £	Variance vs Revised £
Expenditure by Portfolio:				
Finance, People & Performance	3,504,581	3,502,596	4,342,088	839,492
Housing, Community & Environmental Services	2,286,511	2,727,293	1,767,646	(959,647)
Health, Community Safety & Environmental Services	(62,982)	804,807	(649,741)	(1,454,548)
Leader	2,410,477	2,812,249	2,370,059	(442,190)
Neighbourhood Services & Assets	3,672,637	4,073,037	3,282,343	(790,694)
Planning, Transformation and ICT	3,047,156	3,094,656	2,172,062	(922,594)
Blaby share of Leicestershire Business Rates Pool	0	(811,881)	(1,665,207)	(853,326)
	14,858,380	16,202,757	11,619,250	(4,583,507)
Central Items:				
Revenue Contributions towards Capital Expenditure	94,315	254,126	89,310	(164,816)
Minimum Revenue Provision	748,865	610,820	610,520	(300)
Voluntary Revenue Provision	300,000	300,000	300,000	0
Other Appropriations	205,390	10,590	30,319	19,729
Contribution to/(from) Earmarked Reserves	(349,315)	(1,908,416)	2,115,241	4,023,657
	15,857,635	15,469,877	14,764,640	(705,237)
Financed By:				
NNDR	(3,624,577)	(3,864,751)	(3,532,661)	332,090
Contributions from NNDR Reserves	(290,204)	138,521	(222,716)	(361,237)
S31 Grant - Business Rates Compensation	(2,922,373)	(3,110,924)	(3,081,777)	29,147
NNDR (Surplus)/Deficit	237,154	237,154	237,154	0
<i>Sub-total: Total NNDR-related Transactions</i>	(6,600,000)	(6,600,000)	(6,600,000)	0
New Homes Bonus	(14,280)	(14,280)	(14,280)	0
Funding Guarantee	(2,245,863)	(2,245,863)	(2,245,863)	0
Services Grant	(15,571)	(15,571)	(15,571)	0
Levy Account Surplus Grant	0	0	(18,702)	(18,702)
Sales, Fees and Charges	0	0	(8,850)	(8,850)
Revenue Support Grant	(79,550)	(79,550)	(79,550)	0
BDC Demand on Collection Fund	(6,526,402)	(6,526,402)	(6,526,402)	0
Council Tax (Surplus)/Deficit	87,887	87,887	87,887	0
	(15,393,779)	(15,393,779)	(15,421,331)	(27,552)
Overspend/(Underspend) for year	463,856	76,098	(656,691)	(732,789)
Contribution to/(from) General Fund Balances	(463,856)	(76,098)	656,691	732,789

OUTTURN SUMMARY BY PORTFOLIO 2024/25

(Inclusive of Accounting Adjustments)

	Approved Budget 2024/25 £	Revised Estimate 2024/25 £	Outturn 2024/25 £	Variance vs Revised £
Expenditure by Portfolio:				
Finance, People & Performance	2,587,720	2,373,862	2,624,307	250,445
Housing, Community & Environmental Services	3,846,862	3,233,176	1,794,221	(1,438,955)
Health, Community Safety & Environmental Services	2,344,407	1,883,873	(516,395)	(2,400,268)
Leader	1,946,656	2,886,659	2,144,025	(742,634)
Neighbourhood Services & Assets	7,010,240	7,065,875	4,948,970	(2,116,905)
Planning, Transformation and ICT	2,694,650	3,770,766	2,544,762	(1,226,004)
Blaby share of Leicestershire Business Rates Pool	0	(811,881)	(1,665,207)	(853,326)
	20,430,535	20,402,330	11,874,683	(8,527,647)
Central Items:				
Revenue Contributions towards Capital Expenditure	94,315	254,126	89,310	(164,816)
Minimum Revenue Provision	748,865	610,820	610,520	(300)
Voluntary Revenue Provision	300,000	300,000	300,000	0
Other Appropriations & Accounting Adjustments	(5,366,765)	(4,188,983)	(225,114)	3,963,869
Contribution to/(from) Earmarked Reserves	(349,315)	(1,908,416)	2,115,241	4,023,657
	15,857,635	15,469,877	14,764,640	(705,237)
Financed By:				
NNDR	(3,624,577)	(3,864,751)	(3,532,661)	332,090
Contributions from NNDR Reserves	(290,204)	138,521	(222,716)	(361,237)
S31 Grant - Business Rates Compensation	(2,922,373)	(3,110,924)	(3,081,777)	29,147
NNDR (Surplus)/Deficit	237,154	237,154	237,154	0
<i>Sub-total: Total NNDR-related Transactions</i>	(6,600,000)	(6,600,000)	(6,600,000)	0
New Homes Bonus	(14,280)	(14,280)	(14,280)	0
Funding Guarantee	(2,245,863)	(2,245,863)	(2,245,863)	0
Services Grant	(15,571)	(15,571)	(15,571)	0
Levy Account Surplus Grant	0	0	(18,702)	(18,702)
Sales, Fees and Charges	0	0	(8,850)	(8,850)
Revenue Support Grant	(79,550)	(79,550)	(79,550)	0
BDC Demand on Collection Fund	(6,526,402)	(6,526,402)	(6,526,402)	0
Council Tax (Surplus)/Deficit	87,887	87,887	87,887	0
	(15,393,779)	(15,393,779)	(15,421,331)	(27,552)
Overspend/(Underspend) for year	463,856	76,098	(656,691)	(732,789)
Contribution to/(from) General Fund Balances	(463,856)	(76,098)	656,691	732,789

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NOTES TO THE FINANCIAL STATEMENTS 2024/25

APPENDIX B

TRANSFERS TO/FROM EARMARKED RESERVES

	GL Code	Balance at 3/31/2023 £	Reallocated Reserves £	Contributions from I&E A/c £	Utilisation of Balances £	Balance at 3/31/2024 £	Reallocated Reserves £	Contributions from I&E A/c £	Utilisation of Balances £	Balance at 3/31/2025 £
Leisure Centre Renewals Fund	9999/VBA	(73,607)	0	0	0	(73,607)	0	0	0	(73,607)
Computer Room Environment	9999/VBB	(140,840)	0	0	5,020	(135,820)	0	0	12,472	(123,348)
Licensing Reserve	9999/VBC	(27,868)	0	0	0	(27,868)	0	0	0	(27,868)
Insurance Reserve Fund	9999/VBD	(100,000)	0	0	0	(100,000)	0	0	0	(100,000)
Blaby Plan Priorities Reserve	9999/VBJ	(365,823)	0	0	371	(365,452)	0	0	76,755	(288,697)
General Reserve Fund	9999/VBK	(1,612,310)	0	0	0	(1,612,310)	0	0	0	(1,612,310)
Ongoing Projects Reserve	9999/VBM	(3,762,841)	567,201	(2,181,245)	3,086,911	(2,289,974)	0	(3,021,712)	2,181,245	(3,130,441)
Elections Reserve	9999/VBQ	(141,944)	0	0	54,685	(87,259)	0	(35,000)	0	(122,259)
Homelessness Grant Reserve	9999/VBR	(952)	0	(104,000)	0	(104,952)	0	0	40,000	(64,952)
New Homes Bonus Reserve	9999/VBT	(41,327)	0	0	41,327	0	0	0	0	0
Contractual Losses Support Reserve	9999/VBU	(700,000)	445,000	0	0	(255,000)	0	0	0	(255,000)
Economic Development Initiatives	9999/VBX	(50,000)	0	0	0	(50,000)	0	0	0	(50,000)
Provision - ERIE Sinking Fund	9999/VCA	(26,777)	0	0	17,630	(9,147)	0	0	660	(8,487)
Community Rights Reserve	9999/VCB	(48,724)	0	0	0	(48,724)	0	0	0	(48,724)
Hardship Reserve	9999/VCD	(325,000)	0	0	0	(325,000)	0	0	0	(325,000)
Parish New Homes Bonus Reserve	9999/VCE	(881)	0	0	0	(881)	0	0	0	(881)
NNDR Income Reserve	9999/VCF	(2,453,926)	0	0	798,708	(1,655,218)	0	0	222,716	(1,432,502)
Flexible Working Reserve	9999/VCG	(162,678)	0	0	886	(161,792)	0	0	0	(161,792)
Local Plan Reserve	9999/VCH	(456,306)	0	0	41,730	(414,576)	(221,070)	0	269,891	(365,755)
Lottery Reserve	9999/VCK	(26,466)	0	(6,233)	5,334	(27,365)	0	(15,452)	6,233	(36,584)
IT System Replacement Reserve	9999/VCL	(39,815)	0	0	0	(39,815)	0	0	0	(39,815)
Property Fund Reserve	9999/VCM	(128,462)	0	(39,111)	0	(167,573)	0	(34,055)	0	(201,628)
Tax Income Guarantee Reserve	9999/VCN	0	0	0	0	0	0	0	0	0
S31 Grant Reserve	9999/VCO	(1,516,792)	0	0	1,516,792	0	0	0	0	0
Huncote Major Reserve	9999/VCP	(500,843)	(200,000)	0	58,317	(642,526)	0	0	0	(642,526)
Court Fees Income Reserve	9999/VCQ	(31,813)	0	0	0	(31,813)	0	0	0	(31,813)
Business Rates Pool Reserve	9999/VBV	0	0	(1,065,210)	0	(1,065,210)	0	(1,665,207)	290,000	(2,440,417)
		(12,735,995)	812,201	(3,395,799)	5,627,711	(9,691,882)	(221,070)	(4,771,426)	3,099,972	(11,584,406)
Less Earmarked Reserves set aside to meet the Collection Fund Deficit		1,516,792				(0)				(0)
Usable Earmarked Reserves		(11,219,203)				(9,691,882)				(11,584,406)
General Fund Balance		(4,619,445)	0	(1,725,331)	(245,000)	(6,589,776)		(656,691)		(7,246,467)

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	Approved Capital Programme 2024/25 £	Budgets Brought Forward from 2023/24 £	Virements / Additions etc within the year £	Project completed Saving realised £	Latest Capital Programme 2024/25 £	Capital Expenditure to 31st March 2025 £	Variance as at 31st March 2025 £
<u>Invest to Save Schemes</u>							
Regeneration Property	0	662,067	20,990	0	683,057	1,000	682,057
Strategic Review : Council Offices	0	250,000	0	0	250,000	26,142	223,858
Strategic Review : Land Rear of Enderby Leisure Centre	0	503,710	0	0	503,710	130,989	372,721
Revenues & Benefits - Document Management & MyView	0	0	28,595	0	28,595	25,117	3,478
Replacement CRM/Granicus solutions	200,000	0	(13,595)	0	186,405	0	186,405
	200,000	1,415,777	35,990	0	1,651,767	183,248	1,468,519
<u>Essential/Contractual Schemes</u>							
Net Zero at the Depot	0	1,176,000	(71,704)	0	1,104,296	513,296	591,000
Refurbishment of Vacant Units at Enderby Road Industrial Estate	0	11,825	0	0	11,825	11,825	0
Walk & Ride Blaby	0	140,000	0	0	140,000	0	140,000
Finance System Upgrade	0	0	87,320	0	87,320	5,000	82,320
Installation of PV Panels at Enderby Leisure Centre	385,400	0	(13,493)	(192,647)	179,260	140,000	39,260
Installation of PV Panels at Holt Way	0	0	13,493	0	13,493	13,043	450
CCTV Upgrade at Council Offices	0	0	29,033	0	29,033	0	29,033
Capital Grants Programme	54,500	15,642	0	0	70,142	45,755	24,387
Blaby Town Centre Improvements	0	17,000	0	0	17,000	0	17,000
Works to Landfill Gas Monitoring System, Huncote	40,000	0	0	0	40,000	3,056	36,944
Replacement of Air Quality Analysers	0	10,000	0	0	10,000	7,042	2,958
Income Management System	0	220,000	(15,000)	0	205,000	41,789	163,211
Replacement BACS Submission Software	20,000	0	0	0	20,000	10,600	9,400
HR & Payroll System	0	100,000	0	0	100,000	9,339	90,661
Replacement AV System for Council Chamber	75,000	0	20,000	0	95,000	0	95,000
End User Device Replacement - Phase 1	0	15,000	101,551	0	116,551	89,229	27,322
Office 365 Consultancy	0	16,000	(15,461)	0	539	539	0
Network Upgrades - Phase 2	0	24,961	(24,961)	0	0	0	0
ICT Security Upgrades	0	72,076	(61,130)	0	10,946	3,214	7,732
ICT Infrastructure Improvements	500,000	497,378	0	0	997,378	676,945	320,433
Multi-factor Authentication	0	5,000	0	0	5,000	253	4,747
Fleet Vehicle Replacement Programme	1,308,000	142,000	354,000	(175,672)	1,628,328	823,281	805,047
Vehicle CCTV & Tracking Upgrade	0	13,000	0	0	13,000	7,150	5,850
Mobile Working Software	0	0	50,412	0	50,412	0	50,412
Upgrades to IDOX DMS and UNI-form Public Access	14,000	0	0	0	14,000	13,750	250
Refurbishment of Council Offices	0	2,950	967	0	3,917	3,917	0
IFRS16 Leases	0	0	424,283	0	424,283	424,283	0
	2,396,900	2,478,832	879,310	(368,319)	5,386,723	2,843,306	2,543,417
<u>Desirable Schemes (subject to affordability)</u>							
Resurfacing of Main & Overflow Car Parks, Fosse Meadows	130,000	0	0	0	130,000	0	130,000
	130,000	0	0	0	130,000	0	130,000
<u>Externally Funded Schemes</u>							
Disabled Facilities Grants	630,000	512,790	79,853	0	1,222,643	778,881	443,762
Housing Support Grants	30,000	34,707	0	0	64,707	50,441	14,266
Air Quality Particulates Matter	0	0	65,046	0	65,046	34,236	30,810
CCTV cameras at 3 Other sites in District	0	1,632	(1,632)	0	0	0	0
Car Park Improvements, Bouskell Park, Blaby	440,000	0	57,690	0	497,690	497,690	0
Public Realm Works - Parks & Open Spaces	0	0	133,000	0	133,000	133,000	0
EV Charging Hub at Enderby Leisure Centre	0	0	147,200	0	147,200	0	147,200
Food Waste Vehicles and Receptacles	0	0	970,000	0	970,000	0	970,000
Section 106-backed Schemes	0	84,692	296,543	0	381,235	88,177	293,058
	1,100,000	633,821	1,747,700	0	3,481,521	1,582,425	1,899,096
TOTAL CAPITAL PROGRAMME 2024/25	3,826,900	4,528,430	2,663,000	(368,319)	10,650,011	4,608,979	6,041,032

	Approved Capital Programme 2024/25 £	Budgets Brought Forward from 2023/24 £	Virements / Additions etc within the year £	Project completed Saving realised £	Latest Capital Programme 2024/25 £	Capital Expenditure to 31st March 2025 £	Variance as at 31st March 2025 £
<u>FINANCED BY:</u>							
<u>Internally Resources</u>							
Prudential Borrowing	1,665,938	2,540,411	(244,903)	(175,672)	3,785,774	1,238,120	2,547,654
Usable Capital Receipts	574,000	890,710	30,000	0	1,494,710	470,922	1,023,788
Blaby District Council Plan Priorities Reserve	54,500	31,000	0	0	85,500	76,755	8,745
IT Reserve	0	20,000	0	0	20,000	12,472	7,528
IT Systems Replacement Reserve	39,815	0	0	0	39,815	0	39,815
Revenue Funded Capital Expenditure	0	100,082	0	0	100,082	82	100,000
<u>External Resources</u>							
Disabled Facilities Grant	660,000	547,497	42,974	0	1,250,471	792,444	458,027
DFG Contribution from East Midland Housing	0	0	36,880	0	36,880	36,880	0
Defra - Air Quality Grant	0	0	65,046	0	65,046	34,236	30,810
Defra	0	0	1,489,212	0	1,489,212	567,201	922,011
LA Housing Fund Round 2	0	312,406	20,990	0	333,396	1,000	332,396
S106 Contributions - Various	0	84,692	296,543	0	381,235	88,177	293,058
UK Shared Prosperity Fund	510,000	1,632	779,058	0	1,290,690	1,290,690	0
Sport England	192,647	0	0	(192,647)	0	0	0
Local EV Infrastructure Fund	0	0	147,200	0	147,200	0	147,200
Unconfirmed Government Grant	130,000	0	0	0	130,000	0	130,000
TOTAL FUNDING	3,826,900	4,528,430	2,663,000	(368,319)	10,650,011	4,608,979	6,041,032

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BLABY DISTRICT COUNCIL

STATEMENT OF ACCOUNTS
2024/25

SUBJECT TO AUDIT

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NARRATIVE REPORT BY SARAH PENNELLI, EXECUTIVE DIRECTOR (SECTION 151)

I am pleased to present Blaby District Council's Statement of Accounts for the financial year ended 31st March 2025. The published accounts are an important element of the overall arrangements for demonstrating the Council's financial stewardship of public money. Although the accounts are backward-looking, they provide the context for the challenging financial position in which many local authorities find themselves. Some of our key income streams have now exceeded pre-pandemic levels, planning income being one of them, however, we now accept that some of our income streams have reached new 'normal levels' and will not recover fully.

The ongoing impact of the current economic climate continues to cause financial management challenges to the Council.

The future of local government funding remains uncertain, with the expected reset of the Business Rates Baseline planned for 2026/27 and the changes anticipated with the Funding and Local Government Reform.

Part of my role as Executive Director (Section 151) is to ensure that the Council's financial affairs are properly administered, and its financial position remains stable and robust. This is essential to ensure that the Council can continue to provide quality services to our residents.

The Accounts and Audit Regulations 2015 set out the requirements and timelines for production of the unaudited accounts, as well as approval and production of the audited accounts. Since the onset of Covid-19, local authorities in general have experienced significant delays with the timely completion of the audit of accounts.

On 30 September 2024 The Accounts and Audit Regulations 2015 were amended via The Accounts and Audit (Amendment) Regulations 2024, to introduce backstop dates by which point local public bodies must publish audited accounts, to address the Audit backlog. At that time the Council had outstanding Accounts for 2020/21, 2021/22 and 2022/23. The back stop date for the outstanding accounts was confirmed as 13th December 2024.

The Council's Audited Financial Accounts for 2020/21, 2021/22 and 2022/23 were presented on 25th November at an Extraordinary Audit and Corporate Governance Committee meeting with the Auditor's (Ernst and Young) report and following the meeting the outstanding accounts were approved and signed on 12th December 2024.

The backstop date set for the approval and publication of the 2023/24 audited accounts was set as 28th February 2025, and the Council published their audited accounts on this date.

The backstop date set for the publication of the audited accounts for 2024/25 is 27th February 2026. The Council will be working with their Auditors, Azets to ensure the Accounts are audited and published by this date.

The Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code). It aims to provide sufficient information to ensure that members of the public, including electors and residents of Blaby, Council Members, partners, stakeholders, and other interested parties can:

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

This Narrative Report provides an organisational overview of Blaby District Council and the external environment within which it operates. It also provides a summary of the financial position on 31st March 2025, including the following:

- About Blaby – key facts and figures
- The Blaby District Plan
- Local Government Reorganisation
- The 2024/25 Budget and Council Tax Setting Process
- The Capital Programme 2024/25
- The Council's financial performance in 2024/25
- Non-Financial Performance of the Council
- Performance against Corporate Objectives
- Other Issues
- Summary position
- Receipt of further information
- Acknowledgements

This is followed by an explanation of the Financial Statements and content of the Statement of Accounts.

About Blaby District Council

Blaby District Council is situated in the southwest corner of Leicestershire within the East Midlands region. It is one of seven districts within the County, also bordering the City of Leicester. Blaby District covers a geographical area of about 129 km² and is a mix of urban and rural areas with 80% of the population live in areas classed as 'urban'. There are 27 settlements, which are diverse in nature and size.



There are major transport links running through the district including the M1 and the M69 the A563, A5460 and the B4114. Travel-to-work patterns indicate a strong functional relationship between the city and many settlements in the district.

The railway station at Narborough has direct links to Leicester and Birmingham. The district is within easy travelling distance of two international airports.

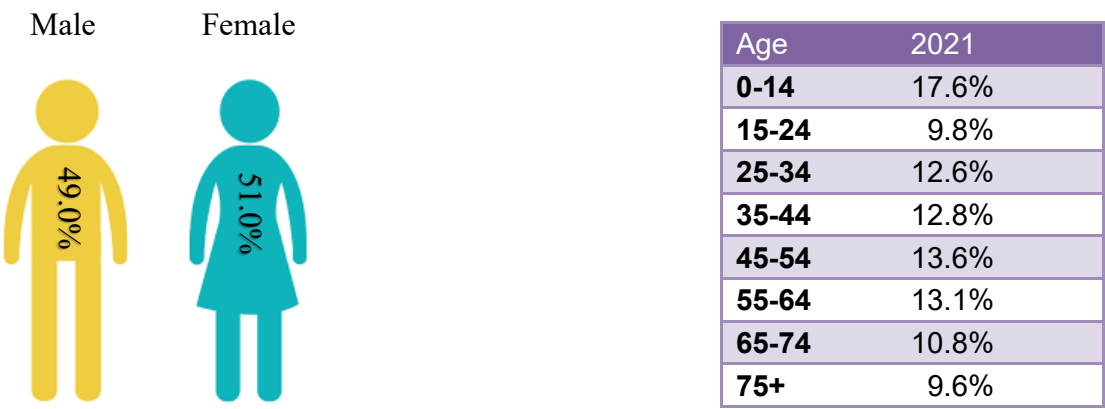
Fosse Park is within the district boundary and is one of the busiest retail parks in the country, attracting 11 million visitors a year. There are also large-scale business parks and business headquarters including Next and Santander within the District. There are also several headquarters for public sector organisations such as Leicestershire Police and Leicestershire County Council as well as a large hospital.



Key Facts and Information about Blaby

Blaby’s population size grew by 9.6%, from around 93,900 in 2011 to 102,900 at the time of the most recent census in 2021. This is higher than the overall increase for England (6.6%), where the population grew by nearly 3.5 million to 56,489,800. As of 2021, Blaby is the 12th most densely populated of the East Midlands' 35 local authority areas, with around six people living on each football pitch-sized area of land.

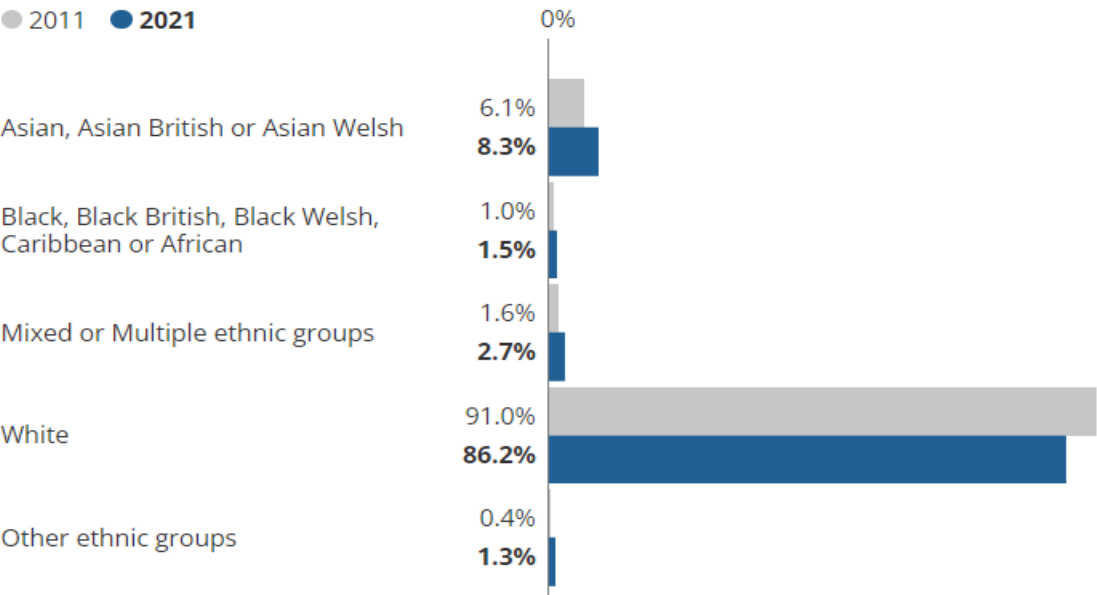
The graphic below shows the gender split and the age breakdown of the population in Blaby District.



Life expectancy is good at nearly 82 years for men and 85 years for women compared to 80 and 83 years nationally.

The ethnic minority population of the district has shown an increase when comparing the 2021 data against 2011. The ethnic minority proportion is at 13.8% compared to 9.1% in 2011.

Percentage of usual residents by ethnic group, Blaby



Source: Office for National Statistics – 2011 Census and Census 2021

Employment

For the period January to December 2024, 86.8% of Blaby population is considered to be economically active, representing 57,500 residents. This compares well to the East Midlands overall position, which is 79.1% and Great Britain 78.6%.

Unemployment is at 2.8% of residents who were economically active.

Gross weekly pay for full time workers in Blaby District is £716.5, slightly higher than the median figure of £664.9 for the East Midlands.

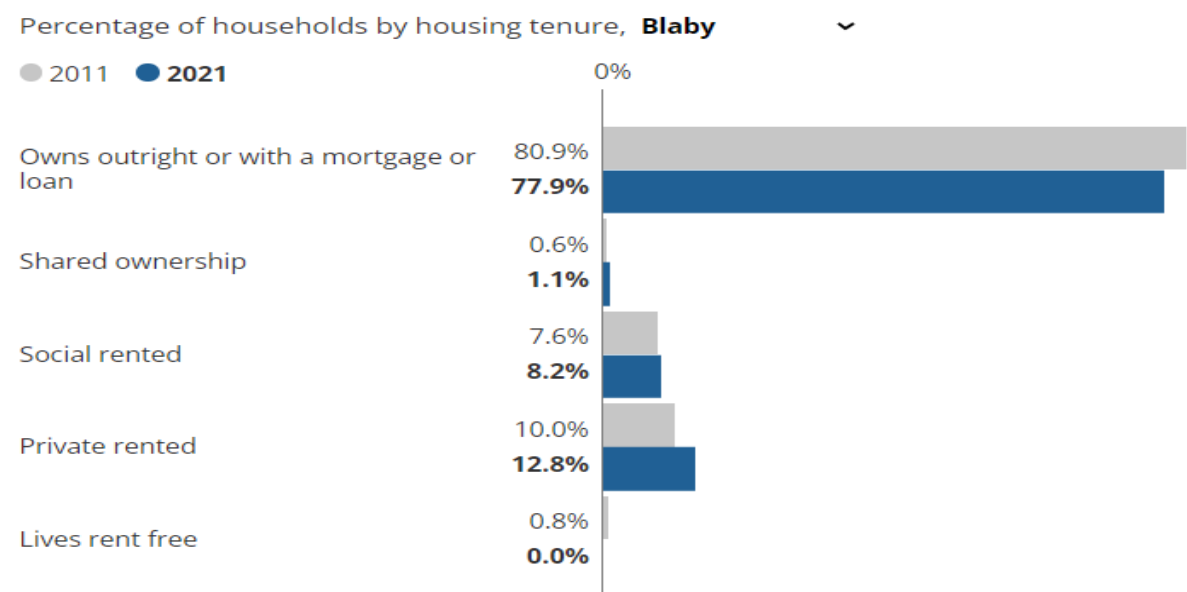
Housing

As of May 2025 the average house price in the district is £286,000 compared to £277,375 for the whole of Leicestershire.

The current average Private Rental cost for Blaby stands at £924 compared against the Leicestershire average of £892.

We continue to seek to provide as many affordable homes as possible and in the previous financial year (2024/25) we oversaw the completion of 41 new affordable units for rent and shared ownership. This represents a small fall on the average number of units per year for the last four years of delivery which stands at an average of 51 units per financial year.

In terms of the tenure type infrastructure in Blaby the most up to date information is below. This data is taken from the 2021 census (published in 2023).



Source: Office for National Statistics – 2011 Census and Census 2021

Health

The health of people in Blaby is generally better than the England average. Blaby is one of the 20% least deprived district authorities in England, however about 9.3% of children live in low income families. The life expectancy of both men and women is higher in Blaby than the England average (Source – Department of Health and Social care).

The Health Partnership meets to better understand local need with regards health and wellbeing and the variance to England and other areas in Leicestershire. The partnership is governed by a Community and Health and Wellbeing Plan. The plan outlines priorities and areas of focus including:

- Reducing Obesity Levels in Adults and Children
- Reducing the level and impact of Alcohol Consumption
- Reduce the number of Falls and Hip Fractures
- Improve Cancer Diagnosis Rates
- Improved Mental Health
- Reduce Levels of Smoking and Vaping in Young People & Non Smokers
- Housing in Blaby District
- Integration of Health & Social Care

The Council's community garden in Enderby 'A Place to Grow' continues to offer support with mental health and wellbeing during its weekly public sessions. The Council has two leisure centres in Huncote and Enderby that are managed by Sport and Leisure Management Ltd. The contract in 24/25 brought over £3million in social value benefits to the District.

Political Management Arrangements

At the start of 2024/25 the Council comprised of 36 elected Members representing 18 Wards in the District.

Members set the strategy and policy framework for the Council, and within which officers deliver services. Blaby operates a Cabinet Executive model which comprises six Cabinet Members. During the year 2024/25, the Leader of the Council was Councillor Terry Richardson (Conservative), and the Deputy Leader was Councillor Maggie Wright (Conservative). The Leader has responsibility for the appointment of Members of the Cabinet, the allocation of Portfolios and the delegation of executive functions.

The Cabinet Executive is currently made up of six Members, including the Leader. Five Members appointed by the Leader to make decisions on key strategic matters. Each Cabinet Member has portfolio responsibilities in respect of specific Council functions.

The portfolios during 2024/25 which broadly reflect the service groups within the Council are as follows:

1. Leader
2. Finance, People and Performance
3. Neighbourhood Services & Assets
4. Health, Wellbeing, Community Safety and Economic Development
5. Housing, Community and Environmental Services
6. Planning, Transformation and ICT

The political composition of the Council changed following the district election held on 4th May 2023, although the Conservative party still maintains overall control with a reduced majority. The political make up is during 2024/25 was:

- 19 – The Conservative Party
- 9 – Liberal Democrats
- 6 – The Labour Party
- 2 – Green Party

The Council's Constitution is subject to a continuous review process and a delegation by exception scheme forms an integral part of the arrangements. Amendments to the Constitution are brought before Council as part of the continuous review process.

Blaby District is split between two constituencies- South Leicestershire Parliamentary Constituency and Mid Leicestershire Parliamentary Constituency. South Leicestershire comprises of Blaby District Wards Blaby, Cosby & Whetstone, Countesthorpe, Enderby, Fosse Highcross, Fosse Normanton, Fosse Stoney Cove, North Whetstone, and Glen Parva. Mid Leicestershire comprises of Braunstone Millfield, Braunstone Ravenhurst, Glenfield Ellis, Glenfield Faire, Kirby Muxloe, Leicester Forest & Lubbethorpe and Thorpe Asley & St Mary's.

A predominantly in-house, comprehensive Member induction package has been, and continues to be, delivered across the Council. It is recognised that there needs to be an ongoing development programme that equips Members with the skills and appropriate levels of knowledge to face future challenges and ensure effective succession planning. A Member Development Steering Group takes a proactive approach to the training programme and guiding projects such as Member ICT.

The Council has previously approved a recommendation from the Member Development Steering Group to adopt a comprehensive "Members Roles and Responsibilities" paper which sets out role profiles and the required skills and knowledge for the various roles Members fulfil in discharging their responsibilities. This includes the role of a Portfolio Holder and what is required of them.

Portfolio Holder roles are intensive with a broad range of responsibilities; some are also appointed to other appropriate committees including the Appointments and Appeals Committees. Executive Members can also be appointed to Outside Bodies and represent the Council on external partnerships. Cabinet Members cannot be Members of the Scrutiny Commission; however, they are required to attend meetings. They are supported by the Senior Leadership Team. Although, the role is not a full-time position, Portfolio Holders currently combine their role with employment and/or a range of caring responsibilities.

The Scrutiny process provides an opportunity for councillors and, in some cases, external representatives, to examine various functions of the Council, to ask questions about how decisions have been made and to consider whether service improvements can be put in place. It provides an opportunity for them to champion issues of public concern and to participate in the development of new policies.

Scrutiny facilitates debate about priorities, budget, the strategy of the Council and its vision for the district. Scrutiny reinforces the local authority's leadership role in promoting the well-being of the local community because it can enable reviews of services, provided by other organisations to be carried out.

Scrutiny Commission has the power to review and scrutinise:

- a. The priorities and objectives of the Council
- b. The policies the Council adopts to meet those objectives
- c. The Council's performance in meeting its objectives
- d. The decisions taken by the Cabinet Executive, committees, and officers
- e. Services, bodies, or issues which affect the well-being of people in the district

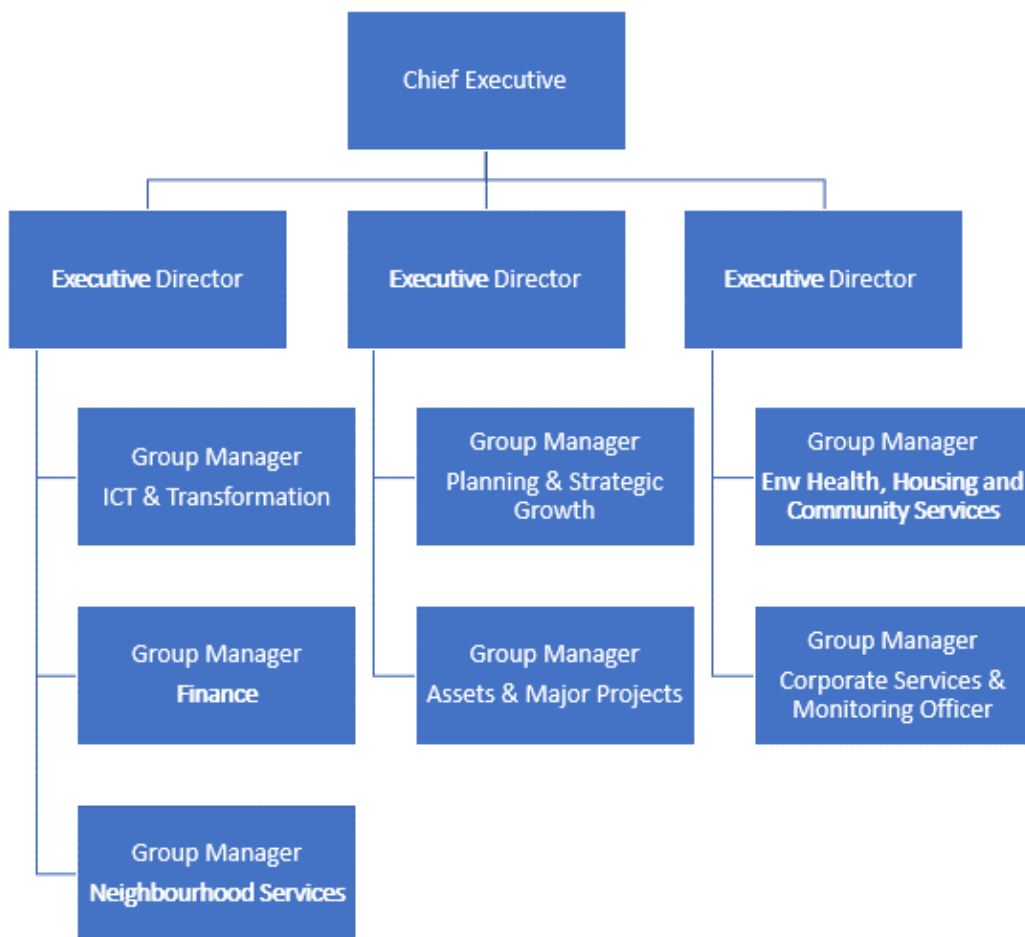
Most non-executive members serve on Scrutiny Working Groups with 11 members making up the Scrutiny Commission.

Councillors are kept informed of the activity of the Council through a variety of channels such as: Portfolio briefings, Informal Cabinet, presentations and briefings at Council meetings, member newsletter emails.

Management Structure

Corporate management is provided by the Strategic Leadership Team (SLT) which implements the strategic goals of the Council as decided by Members.

The SLT Structure during 2024/25:



Our Staff

On 31st March 2025 the Council employed 348 members of staff working across a range of services, compared with 350 on 31st March 2024. The number of full-time equivalents (FTEs) on 31st March 2025 was 322.07 (324.05 on 31st March 2024).

The demographic make-up of our staff.	
Females	54.02%
Males	45.98%
Employees disclosing that they have a disability	6.03%
White British	78.16%
Minority Ethnic	12.93%
Undeclared	8.91%
18 to 29	12.07%
30 to 39	16.67%
40 to 49	21.84%
50 to 59	33.90%
60 and over	15.52%

At the end of March 2025 sickness stood at 10.6 days per employee.

The Blaby District Plan

The Blaby District Plan covering the period 2024 – 2028 was approved by Council, on 28th November 2023. The Blaby District Plan sets out our vision, values, and strategic themes for the next four years. This was one of the key recommendations arising from the Peer Review that took place in March 2022, with the intended outcome of driving the Council and its priorities forward in the wake of the pandemic.

The document sets out where the Council is now, what it wants to achieve, and how we will achieve those objectives. A detailed process was followed to arrive at the final plan, including full Council workshops, employee workshops, public focus group discussions, and engagement with Scrutiny, the Youth Council, parishes, and other partners.

Our Vision

Our vision is to ensure that Blaby District is a great place to live, work and visit.

Our Organisational Values

Our organisational values define our culture, embody our beliefs and principles, and provide guidance for our interactions with customers, colleagues, and communities.

They are:

1. Put the customer at the heart of everything we do.
2. Be innovative, adaptable, and resourceful.
3. Understand the needs of our communities and treat everyone fairly.
4. Be open, honest, and clearly communicate.

Our Strategic Themes

Our strategic themes, as set out in the Blaby District Plan are as follows:

- Enabling our communities and supporting our vulnerable residents.
- Enhancing and maintaining our natural and built environments.
- Growing and supporting our economy.
- Keeping you safe and healthy.
- Ambitious and well-managed Council, valuing our people.
-

Beneath each theme, the Blaby District Plan sets out what we want to achieve, and how we will achieve this.

In addition to this the plan includes the Council's key achievements from the previous plan period, 2021 – 2024.

All major corporate projects, as well as more significant service projects, are presented to Programme Board with a Business Case stating how they contribute to the Blaby District Plan Priorities. Programme Board provides both challenge and support, ensuring that there is a clear link to our priorities, that they are fully costed and resourced. Each month Project Managers report progress along with new issues and risks. Requests for additional finance or staff etc must be approved by Programme Board.

We monitor the delivery of our priorities regularly through our annual plans, which set out our delivery for the year against these, and report progress to Programme Board each quarter. Currently we produce a formal report of outcomes to Full Council every 6 months, along with performance monitoring.

A statement of achievements is presented at each Council meeting as part of the Leader's Statement. We also monitor our resident's priorities through our bi-annual Resident's Survey and annual Budget Survey when gathering feedback on our performance, priorities, council tax and communication.

The Council's corporate performance management framework, introduced in 2022/23, is fully embedded in our culture and working practices. The framework allows us to collect metric performance data for all services, focusing on outcomes, and to develop service plans that map out the aims and objectives of all services, with a clear link to the Blaby District Plan and vision.

Performance improvement and service transformation is owned by the people who know and deliver the services best, i.e., our employees and service managers. We make it clear how everybody contributes to the Council priorities and ambitions.

As a Council we feel that it is important to look outside of the organisation. We include benchmarking data in our regular Blaby District Plan Progress and performance reports. We are also active members of the East Midlands Performance Group and Benchmarking Subgroup and members of APSE.

Medium Term Financial Strategy

The Medium-Term Financial Strategy (MTFS) is the Council's key financial planning document. The MTFS contains a financial forecast which is updated each year to reflect the changes to funding.

It had been hoped that the Secretary of State would announce a multi-year settlement effective from 2024/25 but, as has been the case in recent years, only a single year settlement was released. This, coupled with the ongoing uncertainty over the funding reviews, made it more difficult to gauge the financial picture for future financial years, since many of the funding streams for 2024/25 were either one-off grants or were expected to be discontinued in the medium term.

The Council approved an updated MTFS as part of the 2024/25 budget setting process in February 2024. The MTFS was predicated on the assumption that the business rates baseline would be rebased from 1st April 2026, which was expected to lead to a significant loss of business rates growth accumulated since 2013/14, when the current methodology was introduced. As a result, a budget deficit of around £1.2m was forecast for 2025/26 even allowing for the potential inclusion of some form of damping to cushion the effect of the loss in funding. The shortfall was forecast to increase to £2.3m in 2026/27 and £3.5m in 2027/28. The future funding estimates within the MTFS were based upon the best available information that could be gained from the national picture and documents within the public domain at the time the budget was set.

The key risks to the Council's future financial position, the outcome of which remain uncertain, are:

- **New Homes Bonus** – It is the government's stated intention to discontinue New Homes Bonus., although it remains unclear as to whether it will be replaced by an alternative funding stream. The funding stream had reduced considerably in 2024/25 with the Council receiving £14,280 in 2024/25 (compared with £430,029 in 2023/24). Ultimately, New Homes Bonus was still part of the 2025/26 budget settlement, it is now confirmed that it will be discontinued after 31st March 2026.
- **Business Rates** – There continues to be a great deal of uncertainty over how changes to Business Rates retention will impact the Council's Financial position. Indications are that there will be a reset of the business rates baseline, effective from 2026/27. Any baseline reset could lead to Blaby losing the benefit of much of the significant growth in business rate income that it has achieved over recent years.
- **Fair Funding Review** – the government had previously stated its intention to review the formula that it uses to determine the distribution of funding to local authorities. The Funding reform is expected to be implemented in 2026/27.
- **Local Government Reform** – Interim plans have been submitted to Government and dates confirmed for April 2028 as the vesting day for new authorities. This means that on the 31st March 2028 the Council will no longer exist and will be merged into a new Unitary Council. Decisions will not be made by Government until full plans have been submitted later on in the year, therefore it is currently unclear what impact the LGR will have on the 2025/26 budget.
- **The current economic climate** – Continues to prove challenging for the Council in terms of financial management and future financial sustainability is currently in a period of great uncertainty.

Transforming Blaby Together

Transforming Blaby Together (TBT) is our over-arching response to the challenges that we face as a council.

This TBT Strategy and its associated work programme will continue to act as an enabler for the authority to adopt a culture of continuous improvement to facilitate opportunities and different ways of working to drive operational effectiveness and build in cost effective efficiencies.

This particularly important as we move into Local Government Reorganisation.

At the centre of Transforming Blaby Together are four key themes, those being:

- Customers at our heart.
- Prioritise digital.
- Challenge the way we work.
- Financial Resilience.

Our aspirations, commitments, and action plans for each of these key themes are set out in more detail in our Transforming Blaby Together Strategy which is available on our website.

Net Zero

In 2020, we published our ambition to be carbon neutral as an organisation by 2030, and to work with partners to support the district in becoming carbon neutral by 2050.

Our Climate Change Strategy supports this ambition and provides a vision for a “green recovery” to create sustainable communities, low carbon transport networks, and a thriving local economy.

Since 2019, our greenhouse gas emissions have reduced from 775tCO₂e to an estimated 174tCO₂e. The main contributory factors to our remaining carbon footprint are gas for heating our buildings, diesel for part of our fleet vehicles and business mileage undertaken by employees.

In addition to switching to an alternative fuel source (hydro treated vegetable oil (HVO) for the majority our vehicle fleet we have also secured funding from the government under the banner of Let's Go Electric which has enabled us to purchase our first electric road sweeper, and to convert an existing refuse collection vehicle from diesel to electric.

In addition to this we have completed or begun a number of new projects that will support our 2030 net zero ambition, including:

- The installation of solar PV at our depot in Whetstone, and at Enderby Leisure Centre.
- The introduction of electric charging infrastructure across some of our sites.
- Replacement of old, inefficient gas boilers at our main offices
- Improvements in energy management

Further details are available in our Climate Change Strategy and Net Zero Action Plan on the Council's website.

Risk Management

The management of risk is a critical success factor in helping the Council to achieve its objectives. We manage risk in several ways and revised our Risk Management Strategy in July 2023 to reflect this. The new Strategy covers the period 1st April 2023 to 31st March 2026.

- **Corporate Risks** – the Corporate Risk Register is monitored on a quarterly basis by the Corporate Risk Group, which comprises the Chief Executive, the Executive Directors, the Finance Group Manager, and the Council Tax Income and Debt Manager. The group re-evaluates risks considering actions that have been put in place, and assesses potential future risks, as well as reviewing significant service risks.
- **Service Risks** – Service Managers closely monitor the major risks within their own services and update the Service Risk Register on a quarterly basis to reflect any changes to perceived risk.
- **Project-related Risks** – the Council has a robust project management process in place that includes a specific requirement to consider all risks associated with new projects. The Senior Leadership Team, sitting as Programme Board, maintains an overview of project risks as part of its monthly meetings.

The Audit and Corporate Governance Committee plays an important role in the management of risk in considering the effectiveness of the Council's risk management arrangements and control environment, and reviewing the risk profile of the organisation and assurances that action is being taken. The Committee receives quarterly reports highlighting the latest position and any significant changes in relation to corporate risks. All committee reports are required to include a risk assessment. Risks are assessed for their impact on the Council's business, and the likelihood that those risks might arise. Scores for impact and likelihood are combined using a "5x5" matrix to arrive at a rating of high, medium, or low.

Risk Score	Matrix Category
16-25	High
9-15	Medium
1-8	Low

The Corporate Risk Group has identified 25 corporate risks. The following table provides a summary of the status of those corporate risks both before and after control measures are put in place.

Summary by Risk Type	Red	Amber	Green	Total
All Corporate Risks Uncontrolled Rating	15	10	0	25
All Corporate Risks Controlled Rating	6	7	12	25

The Council's Corporate Risks on 31st March 2025 were:

Risk Description	Uncontrolled Rating	Controlled Rating
Impact of financial position as a result of lack of certainty around future funding streams and cost of living crisis	High	High
Failure of ICT systems	High	High
ICT security breaches	High	High
Failure to provide affordable housing and supporting infrastructure in the district in line with identified need	High	High
Failure to provide appropriate temporary accommodation for homelessness	High	High
The Council is unable to meet its 5-year land supply target	High	High
Structural, legislative, and budgetary changes in other organisations	High	Medium
Cost of living crisis leading to increased demand for services	High	Medium
Partners lose confidence in the Leicestershire Building Control Partnership model	High	Medium
Transition from LICT Partnership to in-house provision	High	Medium
Inability to deliver a new Local Plan	High	Medium
Impact of closure, downsizing of premises or relocation of major district employer	High	Medium
Partners do not reach agreement on the future Lightbulb delivery model and business case	High	Low
Failure to identify, record, monitor and report health and safety risks	High	Low
Impact of industrial action on services and residents	High	Low
2030 net zero carbon reduction target has a detrimental impact on our finances	Medium	Medium
Engagement of elected Members negatively impacts on decision making	Medium	Low
Blaby District Plan not deliverable within existing resource	Medium	Low
Failure to have effective safeguarding arrangements in place	Medium	Low
Failure to ensure adherence to internal control arrangements	Medium	Low
Lack of effective emergency planning and business continuity arrangements	Medium	Low
Failure of contracts to deliver intended outcomes	Medium	Low
Delivery of Hospital Enablement Team model becomes unsustainable	Medium	Low
Failure to comply with legislation	Medium	Low
Huncote Leisure Centre and surrounding site – risk of elevated methane levels	Medium	Low

A separate risk register is held for risks specifically relating to Local Government Reorganisation (LGR) and Devolution.

The Corporate Risk Group has identified 3 LGR and Devolution risks. The following table provides a summary of the status of those corporate risks both before and after control measures are put in place.

Summary by Risk Type	Red	Amber	Green	Total
All Corporate Risks Uncontrolled Rating	2	1	0	3
All Corporate Risks Controlled Rating	0	3	0	3

The Council's LGR/Devolution Risks on 31st March 2025 were:

Risk Description	Uncontrolled Rating	Controlled Rating
Failure to recruit and retain the right people for the right jobs	High	Medium
Officer and Member emotional wellbeing impacted by service demand and financial pressures	High	Medium
Business as usual is negatively impacted due to the Focus on Devolution	Medium	Medium

Further information, including the control measures in place, is available on the Council's website – see agendas and minutes of the Audit and Corporate Governance Committee.

Partnership Working

Partnership working makes a significant contribution to the way we deliver our services, and many of our achievements are only possible because of the valuable contributions made by our partners. Many of our aims and objectives set out in the Blaby District Plan have been identified and supported by our partners as part of our vision for the district.

Partnership working takes place in all aspects of our services and our ambitions including:

- **Joint Community Safety Partnership** - which represents both Blaby district and Hinckley and Bosworth borough. It comprises a range of organisations that work together to make safer places to live, work, and visit. Community safety remains a top priority to the district and our communities. Blaby District Council and Hinckley and Bosworth Borough Council have joined together, along with Leicestershire Police and Leicestershire Fire and Rescue Service, to share their expertise to help deliver effective and efficient community safety services across both areas.
- **Blaby District Tourism Partnership** – launched in March 2018 to deliver opportunities for growth in the tourism sector within Blaby district. The partnership quickly established a tourism website for the district called Visit Blaby and has successfully attracted funding through the Heritage Lottery Fund to support local restoration and archaeological projects. The Partnership has over 70 members and includes a diverse cross section of businesses. A new Tourism Growth Plan covering 2025 through to 2030 was approved by the Council in February 2025, it provides clear direction for tourism growth across the district.
- **Lightbulb** – a multi-award winning, integrated housing support service that brings together the County Council, Leicestershire district and borough councils, and other local partners to help people stay safe and keep well in their homes for as long as possible by way of a range of practical housing support. Lightbulb continues to be innovative with the introduction of a hospital

discharge grant to help people leave hospital and return home, a smart technology project which helps people remain independent in their own home and a safe spaces project which supports those individuals who live in hoarded properties.

- **The Housing Enablement Team (HET)** - places specialist housing professionals into the University Hospitals Leicester and the Bradgate Mental Health Unit, with the goal of assisting patients with housing issues so that they can be safely discharged, reducing, or preventing discharge delays and improving patient outcomes. HET is a service that is offered across Leicester, Leicestershire & Rutland (LLR), also covering patients from out-of-area and those with no recourse to public funds, where they are occupying an inpatient bed and have a housing related barrier. The team is funded by the Clinical Commissioning Group for LLR and the Leicestershire Partnership Trust, and the service is run on their behalf by the Council.
- **The Leicestershire Building Control Partnership** - is a fully delegated operating model led by Blaby. Under this arrangement, Blaby delivers the building control function on behalf of Harborough District Council, Hinckley and Bosworth Borough Council, Melton Borough Council, Oadby and Wigston Borough Council and Rutland County Council.

Local Plan

We are proud of our place shaping approach to growth, which is a clear shared priority across members and officers. We continue to prioritise this area through our dedicated Strategic Growth Team to ensure we can deliver in this area.

The team focuses on finding the right homes in the right locations and making sure there is infrastructure to support them to build the new communities of tomorrow, today.

The culture is present throughout the entire organisation and led to many awards for our Sustainable Urban Extension project at New Lubbethorpe.

This approach is demonstrated in numerous ways including working closely with key stakeholders on a number of significant areas. In addition we have now had for a number of years a cross organisation Affordable Housing Working Group. This group continues to produce results to ensure the Council can deliver on its provision of affordable housing and has more recently provided housing to meet other specialist requirements, such as dementia friendly dwellings.

The Council continue to be part of joint strategic planning in the wider Leicester and Leicestershire area. Which continues to be highlighted as a beacon of collaboration with strategic partnerships being enhanced both through the officer led Strategic Planning Group and the member led Members Advisory Group (MAG) which is chaired by the Leader of Blaby District Council.

These groups have been actively working on several important projects aimed at promoting growth throughout the City and County.

This work includes ensuring suitable provision and distribution of both housing and strategic employment across the wider Leicester and Leicestershire Area, which has been particularly challenging against the ever changing backdrop of planning legislation. Specially the revisions to the National Planning Policy Framework or the NPPF as its commonly known in December 2024, which led to the imposition of mandatory housing targets for all Local Authorities moving forward. However, with a strong focus on partnership working, all the authorities are continuing to work together to overcome these obstacles and deliver for the wider Leicester and Leicestershire area.

We are currently working on our emerging Local Plan, which will deliver our vision for the district to 2042.

The new Local Plan will cover housing and employment allocations, as well as a range of development policies to continue to deliver our place shaping narrative.

Community Engagement

As we work to put the customer at the heart of everything we do, we strive to continually improve services to residents. Consultation supports this by involving people and ensuring services are appropriate to the needs of the customer. To deliver fit for purpose services, projects, and policies it is important that we consult our residents, stakeholders, and partners in a co-ordinated, well-planned, robust and accessible way.

The Council regularly engages with residents, partners, and stakeholders. We undertake corporate consultation and engage at a service specific level. We want to listen to the needs of our residents and ensure we understand their needs and views.

In January 2024, we undertook our corporate Resident's Survey. Each year we alternate a full resident's survey with a shorter, budget focussed questionnaire. Both cover value for money, potential council tax increases, and an assessment of the priorities for the district.

However, during each year several consultation exercises take place. Some of these are regular service satisfaction surveys such as for customer services, while others are one off surveys to inform our plans, policies, and changes to services. Examples of these include consultation on Car Parking Charges and Homelessness.

Local Government Reorganisation

The English Devolution White Paper (published on 16 December 2024) set out the government's vision for simpler local government structures. Alongside the publication of the English Devolution White Paper on the 16 December, the Minister of State for Local Government and English Devolution, wrote to all councils in remaining two-tier areas and neighbouring small unitaries to set out plans for a joint programme of devolution and local government reorganisation.

On the 5 February 2025 the Minister of State for Local Government and English Devolution issued a statutory invitation to all councils in 2-tier areas and small neighbouring unitary authorities to develop proposals for unitary local government. These will bring together lower and upper tier local government services in new unitary councils to deliver local government reorganisation. This invitation requested that councils produce interim plans and submit these to government by Friday 21 March, setting out their progress on developing proposals in line with the criteria and guidance.

These interim plans that have been submitted in proposals to Government:

- one by Leicestershire County Council.
- a north/south (Rutland) approach – with North West Leicestershire, Charnwood and Melton in the north, Hinckley, and Bosworth, Blaby, Oadby and Wigston, Harborough and Rutland in the south, and
- a third by Leicester City Council

The Government decision on which proposal goes forward will not be until after the full plan have been submitted later this year.

The table below gives the expected timeline.

LGR full plan submission deadline	Friday 28 th November 2025
Elections to shadow authorities	April/May 2027
Vesting day for new authorities	April 2028

This would mean that Blaby District Council would cease to be a council on the 31 March 2028, and would be merged into the new unitary council as from the 1 April 2028, referred to as the vesting day. Up until then Blaby District Council will continue to deliver services as normal.

The 2024/25 Budget Process

The 2024/25 budget process commenced in September 2023 with the Finance team meeting with services to formulate a base budget. The estimates were refined over the course of the next few months before being presented to Scrutiny Commission in January 2024, where Scrutiny Members were provided with the opportunity to question Portfolio Holders about their service spending plans for the forthcoming financial year

Scrutiny Members were advised of the results of the provisional settlement, received on 18th December 2023, and its impact on the Council's 2024/25 budget.

Key elements of the Statement that impact on the budget position for 2024/25 were:

- Confirmation of settlement figures for 2024/25, which were expected to align with those suggested in the 2023/24 Settlement.
- Continuation of New Homes Bonus
- Council Tax increase thresholds
- Any changes to Business Rate Baseline
- Additional funding streams.

As had been the case in recent years, only a single year settlement was released. Unusually additional funding was announced in the Final Local Government Settlement on 5th February 2024. Whilst the majority of this funding was provided to upper tier authorities to support the costs of social care, the Council did benefit from a further £111k compared to the Settlement levels announced in December.

There was also much uncertainty surrounding the proposed future changes to Business Rates Retention and the Fair Funding Review, and what the impact of those changes would be for Blaby, however these measures are expected to be implemented in 2026/27.

Blaby continued to benefit from the Funding Guarantee Grant which was introduced in 2023/24 and ensures that every authority has an increase in core spending power of at least 3%. It is this grant that has compensated for the forecast loss of New Homes Bonus funding, lost over a number of years, and has contributed significantly (£2.136m) to minimise the funding gap for 2024/25.

At its meeting of 26th February 2024, Cabinet Executive was presented with a net expenditure budget of £15.993m, which was consequently approved.

Cabinet Executive recommended the budget proposals to Council, and the budget was approved by Council at its meeting on 27th February 2024. At the same meeting the Council also approved the Council Tax for 2024/25, the Prudential Indicators and Treasury Management Strategy, and the five-year Capital Programme 2024/25 to 2028/29.

Council Tax

Council Tax is the largest single revenue stream that is used to support the Council's revenue budget, contributing just over 42% towards the net budget requirement.

Each year the government sets out the principles which determine whether a local authority's proposed council tax increase is excessive. For 2024/25, the basic amount of council tax for a shire district council, such as Blaby, would be considered excessive if:

- It was 3%, or more than 3%, greater than the basic amount of council tax in 2023/24; and
- It was more than £5 greater than the basic amount of council tax in 2023/24.

This means that Blaby was able to increase its Band D council tax by the greater of 2.99% or £5 in 2024/25 without triggering a referendum. If a referendum were triggered this would require the local electorate to be given an opportunity to vote to support or veto the increase in council tax.

Given the continuing uncertainty over the future of local government funding, coupled with a potentially significant future budget shortfall, Council decided to increase the Band D Council Tax by 2.99%, the maximum increase permissible under the referendum rules. A comparison of Council Tax levels for 2023/24 and 2024/25 is shown in the following table.

	2023/24 £	2024/25 £	Change %
Leicestershire County Council			
Main element*	1,324.31	1,369.92	2.99
Adult Social Care element*	201.15	231.66	2.00
- Total	1,525.46	1,601.58	4.99
Leicestershire, Leicester & Rutland			
Combined Fire Authority	79.29	81.65	2.98
Office of the Police & Crime Commissioner			
for Leicestershire	273.23	286.23	4.76
Blaby District council	183.65	189.14	2.99
Average Parish Councils	122.61	133.91	9.22
Total	2,184.24	2,292.51	4.96

*In accordance with Government guidance each percentage is calculated as an increase to the 2023/24 total of £1,525.46

Council Tax Base

The Council Tax Base for 2024/25 was set at 34,505.83, an increase of 136.11 Band D equivalent properties compared with the previous year (34,369.72).

Income Generation and Commercialisation

The Council's Commercial Strategy aligns closely with the Blaby District Plan and other key strategies, contributing towards our ambition to make Blaby District Council financially sustainable and creating a district where people are happy to live, work and visit.

We aim to achieve this ambition in the following ways:

- By creating a commercial culture/ethos.
- Maximising income but still retaining the status as the 'safety net for the vulnerable'.
- Maximising the Blaby pound.
- Proactively identifying opportunities for commercial investments.
- Focusing resources on initiatives that will drive financial or social benefit.
- Encouraging communication and access to services with residents and customers through digital channels, and furthering Blaby's reputation for delivering quality services.
- Reviewing chargeable, Non-Statutory Services to generate income.

The Commercial Strategy, covering the period 2022 to 2027 was approved by Council on 24th February 2022 and is available to download on the Council's website.

Reserves and Balances

The 2024/25 budget was formulated and approved on the basis that a contribution of £463,856 would be required from General Fund Balances, with an additional £349,315 being released from earmarked reserves to support specific one-off expenditure, to set a balanced budget. The estimated General Fund balance on 31st March 2025 would, therefore, be £4.719m representing 30.7% of the proposed net revenue budget for 2024/25. This is within the Council's policy limit of holding between 10% and 45% of the proposed relevant annual net revenue budget.

In addition to the unallocated General Fund Balance, the Council maintains several earmarked reserves set aside to provide for future expenditure plans, as mentioned above. These are covered in detail in Note 9 to the Financial Statements.

Although the Council's current reserves and balances remain in a relatively healthy position it is not prudent to expect that they are sufficient to sustain the Council's current level of spending in the longer term, in the light of uncertainties over the future of local government funding.

Budget Monitoring

The Council has well established and robust financial management procedures in place to monitor budgets and to identify and mitigate any forecast over spending. The process for the management and monitoring of budgets is continuously refined to help ensure that the Council's longer term financial position is sustainable.

Budget managers are aligned to named Business Accountants to ensure continuity and understanding of the budgetary needs of the service. The Finance team provides budget reports to services and facilitate regular meetings to jointly monitor progress against the budget. The Finance team continues to look to strengthen and bring greater resilience to the budget monitoring process, which will become increasingly important over the next few years as the Council strives to meet its savings targets.

Quarterly revenue and capital budget monitoring reports are presented to the Cabinet Executive and/or Council throughout the financial year. The first quarterly revenue monitoring report to Cabinet included the confirmed pay award for Chief Officers, 0.5% below the 3% budgeted. The report highlighted the impact of the economic climate on the Building control income stream, with it falling below the profiled budget, however the investment income followed the same trend as was seen in 2023/24 due to the high interest rates and exceeded the profiled budget. As detailed above, £221,070 was added to the Local Plan Reserve, leading to a projected contribution of just under £516,978 being required from General Fund balances. By quarter 2, Building Control income continued to be considerably lower than the profiled budget with changes to Building Control regulations impacting the work that the team were able to undertake. Investment income continued to exceed the profiled budget and Planning Fee income was also surpassing the profiled budget. By the time the Quarter 3 report was presented to Cabinet, it was forecast that the Council would be able to contribute £31,682 to balances, helped by vacancy savings and further increases in investment and Planning fee income.

Financial Performance of the Council 2024/25

General Fund Revenue Account

The Council's 2024/25 revenue outturn position is shown in the table below. The original budget set at the Council meeting on 27th February 2024 was £15,393,779, supported by contributions of £463,856 from General Fund Balances and £349,315 from earmarked reserves. However, budgetary changes in the year meant that, by February 2025, a contribution of £31,682 to General Fund Balances, and £1,973,462 from Earmarked Reserves were predicted. By the end of the financial year, the Council achieved a surplus of £656,691 representing a positive variance of £732,789 compared to the latest forecast. This surplus has been credited to General Fund balances, representing a crucial contribution towards ensuring the Council's future financial sustainability.

Some of the more significant variances that have contributed to the in-year surplus include Investment income received during the year, and Planning Fees and charges surpassing the budget set.

2024/25 Outturn	2024/25 Approved Budget £	2024/25 Revised Budget £	2024/25 Actual Outturn £
Finance, People & Performance	2,587,720	2,373,862	2,624,307
Housing, Community & Environmental Services	3,846,862	3,233,176	1,794,221
Health, Community Safety & Environmental Services	2,344,407	1,883,873	(516,395)
Leader	1,946,656	2,886,659	2,144,025
Neighbourhood Services & Assets	7,010,240	7,065,875	4,948,970
Planning, Transformation and ICT	2,694,650	3,770,766	2,544,762
Blaby share of Leicestershire Business Rates Pool	0.00	(811,881)	(1,665,207)
	20,430,535	20,402,330	11,874,683
Central Items:			
Revenue Contributions towards Capital Expenditure	94,315	254,126	89,310
Minimum Revenue Provision	748,865	610,820	610,520
Voluntary Revenue Provision	300,000	300,000	300,000
Capital Accounting Adjustments	(3,719,859)	(2,347,277)	(1,330,482)
Pension Fund Adjustments	(1,852,296)	(1,852,296)	1,068,989
Employee Benefits Adjustments	0	0	6,061
Property Fund Adjustments	0	0	11,972
Other Central Provisions	205,390	10,590	18,346
Contribution to/(from) Earmarked Reserves	(349,315)	(1,908,416)	2,115,241
Net Revenue Expenditure	15,857,635	15,469,877	14,764,640
Financed by:			
Income from National Non-Domestic Rates	(6,600,000)	(6,600,000)	(6,600,000)

2024/25 Outturn	2024/25 Approved Budget £	2024/25 Revised Budget £	2024/25 Actual Outturn £
New Homes Bonus Grant	(14,280)	(14,280)	(14,280)
Funding Guarantee	(2,245,863)	(2,245,863)	(2,245,863)
Services Grant	(15,571)	(15,571)	(15,571)
Levy Account Surplus Grant	0	0	(18,702)
Sales, Fees and Charges Grant	0	0	(8,850)
Revenue Support Grant	(79,550)	(79,550)	(79,550)
Council Tax Demand on the Collection Fund	(6,526,402)	(6,526,402)	(6,526,402)
Council Tax (Surplus)/Deficit	87,887	87,887	87,887
	(15,393,779)	(15,393,779)	(15,421,331)
Contribution to/(from) General Fund Balances	(463,856)	(76,098)	656,691

Reserves and Balances – Financial Resilience

The level of General Fund balances, included in the Balance Sheet at £7.246m, contribute to the Council's financial health. The General Fund balance plays an important part in maintaining the financial stability of the authority primarily by: -

- Meeting unforeseen expenditure pressures and income reductions that arise in the financial year;
- Meeting the cost of one-off items of expenditure; and
- Supporting the stability of the Council's financial position by providing a source of funding in times of uncertainty.
-

As referred to above, the Council added £656,691 to its General Fund balances because of the positive financial performance in 2024/25.

This resulted in a General Fund balance of £7.246m being held as of 31st March 2025.

The Council's policy in respect of its General Fund balances is that they must sit within a range of 10% to 45% of the net budget requirement in any given year. The result of the transfers made in 2024/25 is that balances represent 42.5% of the 2025/26 net budget requirement, after considering planned contributions to support the budget. This compares favourably with the 35.9% estimated at budget stage, enhancing the Council's resilience going into 2025/26.

The Council also holds earmarked reserves on the Balance Sheet with a total value of £11.584m on 31st March 2025 (£9.692m on 31st March 2024). Further detail on the balance and purpose of each earmarked reserve appears in note 9 to the Financial Statements. These reserves are held to manage future risks and expenditure priorities.

There were several other significant movements in earmarked reserves during 2024/25. A net of £0.840m has been added to the Ongoing Projects Reserve, reflecting the balance of unused external funding and other one-off budgets carried forward into 2025/26. A further £0.223m has been taken from the NNDR Income Reserve to ensure that the overall position in relation to business rates equates to that required to balance the budget. Approval was given by the Council in September 2024 for £0.221m to be added to the Local Plan Reserve in year, and just under £0.270m has been transferred from the Reserve to fund Local Plan expenditure. Finally, the Council received a share of income from the Leicestershire Business Rates Pool, which had accumulated from the levy contributions made by Pool members during 2022/23 and 2023/24. This share amounted to £1.665m, which has been transferred to the Business Rates Pool Reserve, £0.290m has been transferred from the Reserve to support Economic Development during 2024/25.

Treasury Management

The importance of the treasury management function cannot be understated. As a key component of the Council's day-to-day operations, it deals with:

- Cash flow planning – ensuring that cash is available when needed and investing surplus balances whilst minimising risk to the Council's financial position.
- Funding capital spending plans – capital expenditure often requires longer term cash flow planning. This may involve arranging loans or using longer term cash flow surpluses.

The Council has the facility to raise finance for capital expenditure and operational requirements from several approved borrowing institutions subject to it not exceeding its authorised limit for external debt, as required by the Prudential Code for Capital Finance in Local Authorities. The

Council's Treasury Management Strategy, approved on 27th February 2024, sets a range of prudential indicators including the authorised and operational limits on borrowing.

Borrowing

On 31st March 2025, the Council had total borrowings of £4.858m.

The following table illustrates the limits and levels of borrowing as of 31st March 2025 as compared to the preceding year end.

Borrowing Limits and Levels	31 st March 2025 £	31 st March 2024 £
Borrowing Limits:		
Authorised Limit for External Debt	23,000,000	23,000,000
Operational Boundary	20,700,000	20,700,000
Actual Borrowing:		
Long Term Borrowing	4,000,000	4,857,602
Short Term Borrowing	872,446	880,031
	4,872,446	5,737,633

Although the Council has a borrowing requirement of £17.690m its actual external borrowing is just £4.858m. This is due to the Council's policy of using internal balances and reserves to fund capital expenditure on a temporary basis to manage interest rate risk and make revenue savings. It is expected that the Council will need to externalise some of its existing internal debt by taking longer-term funding during 2025/26. However, the timing of any such borrowing will be dependent upon the trajectory of PWLB rates.

Investing

At the end of the financial year the Council had £22.575m of cash invested, compared with £22.089m at the beginning of the year.

The Council's investment strategy set out a benchmark for the average rate of return on investments. However, the pursuit of a target rate of return is tempered by the need to maintain sufficient liquidity for the Council's day-to-day operations and, most importantly, to ensure that funds are invested with secure institutions. In 2024/25 the Council achieved a rate of return of 4.34%.

The Council invested £1m in the Lothbury Property Trust in December 2019. Following the unprecedented withdrawal of a number of investors, notice was given by Lothbury for the termination of the fund on the 31st March 2024 if a viable merger option could not be found by this date.

Following an extraordinary general meeting held in March 2024, the deadline for terminating the fund was extended to the end of May 2024. Unfortunately, due to a difference in opinion over the valuation of certain assets that were to be transferred from Lothbury to UBS, the merger option did not proceed, and the fund was wound up on 30th May.

Although the merger fell through, officers maintained communication with UBS Triton fund managers. Due to the opportunity to transfer the Council's share of proceeds from Lothbury to UBS Triton, as and when funds are distributed, at a preferential management fee rate, under delegated authority the Executive Director (Section 151), in consultation with the Portfolio Holder for Finance, People and Performance determined that the transfer of funds from Lothbury to UBS Triton remained the Council's best opportunity to recover its investment loss. Following the

winding up of this fund on the 30th May 2024 Lothbury continue to dispose of all assets and making distributions to investors.

Capital Programme

The 2024/25 Capital Programme of £3,826,900 was approved by Council on 27th February 2024 as part of the rolling 5-year capital planning process. The 5-year Capital Programme, along with the accompanying Capital Strategy for the same period, provided the framework within which the Council's capital investment plans were to be delivered. The following table shows the original proposed capital expenditure plan for 2024/25 through to 2028/29.

Capital 5 Year Plan	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £
Invest to Save Schemes	200,000	0	0	150,000	0
Essential & Contractual Schemes	2,396,900	1,024,792	127,500	3,279,500	274,500
Desirable Schemes	570,000	0	0	0	0
Externally Funded Schemes	660,000	660,000	660,000	660,000	660,000
Total Expenditure	3,826,900	1,684,792	787,500	4,089,500	934,500

As the financial year progressed, the initial plans were revised to incorporate unspent budget reprofiled from the previous financial year, new assumptions, approvals, and scheme updates, as information became available. This led to a Revised Capital Programme total of £10,650,011 for 2024/25.

However, the final expenditure on capital schemes in 2024/25 was £4,608,979 compared to the revised forecast spend above, leading to a variance between the forecast and outturn of £6,041,032 or 56.72%. This was mainly due to schemes which were not completed by the end of the financial year, although there were some savings achieved. Incomplete schemes amounting to £5,884,382 will be carried forward to 2025/26 together with the associated resources.

The table on the following page provides an analysis of capital expenditure and how it was financed, compared with the revised forecast.

Analysis of Capital Expenditure to Revised Forecast	2024/25 Revised Forecast £	2024/25 Actual Expenditure £	Variance Overspend (Underspend) £
Invest to Save Schemes	1,651,767	183,248	(1,468,519)
Essential and/or Contractual Schemes	5,386,723	2,843,306	(2,543,417)
Desirable Schemes (subject to affordability)	130,000	0	(130,000)
Externally Funded Schemes	3,481,521	1,582,425	(1,899,096)
Total Expenditure	10,650,011	4,608,979	(6,041,032)
Financed by:			
Borrowing	3,785,774	1,238,120	(2,547,654)
Capital Receipts	1,494,710	470,922	(1,023,788)
Capital Reserves	145,315	89,227	(56,088)
Revenue Contributions	100,082	82	(100,000)
External Funding	5,124,130	2,810,628	(2,313,502)
Total Resources	10,650,011	4,608,979	(6,041,032)

The most significant variances between actual expenditure and planned expenditure in 2024/25 are shown below.

	Planned Capital Expenditure £	Actual Capital Expenditure £	Variance Overspend (Underspend) £
Food Waste Vehicles and Receptacles	970,000	0	(970,000)
Fleet Vehicle Replacement Programme	1,628,328	823,281	(805,047)
Regeneration Property	683,057	1,000	(682,057)
Net Zero at the Depot	1,104,296	513,296	(591,000)
Disabled Facilities Grants	1,222,643	778,881	(443,762)
Strategic Asset Review: Land Rear of ELC	503,710	130,989	(372,721)
ICT Infrastructure Improvements	997,378	676,945	(320,433)
Section 106-backed schemes	381,235	88,177	(293,058)
Strategic Asset Review: Council Offices	250,000	26,142	(223,858)
Replacement CRM/Granicus solutions	186,405	0	(186,405)
Income Management System	205,000	41,789	(163,211)
EV Charging Hub at Enderby Leisure Centre	147,200	0	(147,200)
Walk and Ride Blaby	140,000	0	(140,000)
Other variances	2,230,759	1,528,479	(702,280)
	10,650,011	4,608,979	(6,041,032)

The Balance Sheet Position

The Council's Balance Sheet reflects a net asset position despite the presence of the pension liability.

Explained below. Long term assets comprise property, plant, and equipment, as well as intangible assets and long-term debtors.

	31 st March 2024 £	31 st March 2025 £
Long Term Assets	37,753,839	42,294,073
Current Assets	29,410,692	31,653,231
Current Liabilities	(22,549,248)	(23,909,930)
Long Term Liabilities (Including net Pension Liability)	(13,843,403)	(12,303,127)
Net Assets/ (Liabilities)	30,771,880	37,734,247
Funded by:		
Usable Reserves	(19,135,730)	(20,286,761)
Unusable Reserves	(11,636,150)	(17,447,486)

Pension Liability

The Council participates in the Local Government Pension Scheme (LGPS), administered by Leicestershire County Council, through which pension provision is made for those officers who wish to join the scheme. The Council's net pension asset of £4,313,000 on 31st March 2024 increased to £20,733,000 on 31st March 2025.

IAS19 states that when a local authority has a surplus in a defined benefit plan, it is required to consider the recoverability of any such asset. There must be an economic benefit available to the employer to enable this recovery, for example, through reduced pension contributions or a cash refund. Where an authority has a surplus in a defined benefit plan, the Code requires the net defined benefit asset to be measured at the lower of:

- The surplus in the defined benefit plan, and
- The asset ceiling determined using the discount rate specified in the Code.

The IAS19 asset ceiling is a specified estimate of the present value of the economic benefit that the employer can realise, either through refunds or by reductions in future pension contributions.

Blaby has commissioned the actuary for the Leicestershire Pension Fund, Hymans Robertson LLP, to produce an additional report setting out the asset ceiling calculation. This has demonstrated that the economic benefit available as a reduction in future contributions is lower, meaning that there is an additional liability to recognise. An adjustment of £28,041,000 is therefore required to the net asset referred to above, and this results in the disclosure of a net pension liability of £7,308,000.

This is offset by the Pensions Reserve, movements on which are disclosed in the Movement in Reserves Statement, ensuring that there is no impact on the level of Council Tax.

During 2024/25, investment returns have typically been lower than assumed when compared to the previous year's accounting discount rate assumption. In terms of the fund's obligations, the net discount rate has increased significantly compared to 2023/24, a more up to date longevity improvement assumption has been used by the actuary, and the Pensions Increase Order of 1.7% has been applied to the benefits payable.

Provisions, Contingencies and Material Write-offs

The Balance Sheet includes provisions total £2,595,343 as of 31st March 2025 – these are detailed in note 22 to the Financial Statements. The most significant of these is the provision in respect of outstanding business rates appeals which stands at £2,410,938 on 31st March 2025 (£1,801,617 on 31st March 2024).

Where a liability is possible but not likely, or the cost cannot be reliably estimated, the Council is required to disclose a contingent liability. Further details concerning contingent liabilities and contingent assets recognised in 2024/25 are provided in note 38.

Write offs are processed during the financial year in line with Financial Regulations. Total write offs against key income streams are summarised below:

Write Offs	2024/25 £
Collection Fund Write Offs	20,337
General Fund Write Offs	33,360
	53,697

Non-Financial Performance of the Council 2024/25

Achievements

Some of our achievements against the Blaby District Plan

Enabling our Communities and Supporting our Vulnerable Residents:

- We have been supporting our residents to reduce their energy bills as well as their carbon footprint. As we have done in previous years, we offered two major reverse auction green schemes, Solar Together, where people can take advantage of hassle-free and cost-effective battery storage and solar panel installation, and the Big Community Switch, harnessing group buying power to deliver savings on 100% renewable energy tariffs. Almost 500 households registered an interest in Solar Together last year while those who joined our Big Community Switch in 2024 enjoyed savings of up to £93 a year.
- At the start of 2025, devastating flooding was seen in parts of our District. Roads were unpassable, fields submerged and scores of households were affected, both internally and externally. We worked with partner agencies and communities to help those in need. Emergency centres were opened and sandbags delivered. During the clear-up we arranged bulky goods collections, operated extra waste collections and sent out our sweepers to clean impacted areas. UK Shared Prosperity Funding was used to offer the most severely affected households free resilience surveys to help them plan and prepare for any future flooding. It is clear these flooding events are becoming more regular, so we are working diligently with partners to try and better understand the causes and put defence and reactionary mechanisms in place.
- Along with the rest of the UK, we have seen an increase in homelessness cases. This year we have been able to invest in several properties to provide temporary accommodation for homeless households, including people with mental health needs, by working in partnership with EMH Homes. We have helped bring forward a dedicated Mental Health Supported Unit providing 14 flats for people who need assistance maintaining tenancies. Going forward we plan to buy more accommodation to help with the increasing homelessness levels.
- Our ongoing Community Grants Scheme proved to be as popular as ever this last year. The first round of our 2024-25 scheme saw £18,000 split across 12 groups to fund projects as diverse as solar battery storage, new gazebos, room refurbishments, coaching costs and purchasing children's pyjamas. The funding is beneficial to our community organisations, helping them improve facilities or help deliver services to residents, often to the most vulnerable in our society.

Enhancing and Maintaining our Natural and Built Environment:

- Our award-winning community at New Lubbesthorpe continues to grow with several approvals granted over the last year for Phase 2 of the development. We are seeing innovative and sustainable house construction with features such as solar panels and wildlife friendly additions like swift boxes and hedgehog highways. One of the most exciting elements this year has been work to deliver the new local centre, the Brook Centre. When completed this will house a supermarket, medical centre and cafe as well as other retail outlets.
- The last few years have been incredibly challenging, particularly in our planning team as we dealt with the examination of the Hinckley National Rail Freight Interchange scheme by the Planning Inspectorate. We had openly opposed this 662-acre warehouse and rail hub development, citing concerns about its impact on the countryside and increased traffic congestion affecting our communities district wide. As a statutory consultee we've submitted official documents, attended,

and spoken at hearings and made our final comments to the Planning Inspectorate. The review of all information and evidence was undertaken and in March the Secretary of State for Transport made the decision that the scheme would not go ahead.

- We continue to work on our new Local Plan which will guide growth across the District up to 2041, shaping where housing, employment and retail sites should be developed and where development should be restricted. It is a complex and challenging piece of work, made more so by the change in Government last July and a shift in priorities. This has inevitably delayed the progress of our Local Plan as we seek to ensure our blueprint meets the new requirements but remains robust and true to our ambitions for development across the District.

Growing and Supporting our Economy:

- Our new Tourism Growth Plan was approved recently, outlining successes from the last five years and looking forward to how we will continue to drive the District's visitor economy, so supporting local jobs and businesses. Tourism is a great opportunity to raise our profile and reputation, not only regionally but nationally, putting Blaby District on the map and encouraging people to sample what we have to offer. Our festivals and attractions have something for everyone. Music events, crafting and community galas and of course, the country's largest Second World War re-enactment weekend, The Victory Show.
- While supporting the festivals and attractions which bring in visitors to enjoy our District and boost our economy, we have also been mindful of enriching our own offerings. Over the last few years the summer tours of our restored Ice House in Blaby village's Bouskell Park have been enormously popular, with guided sessions sold out. Last year we were able to extend our tours with a specially designed interactive trail to engage the younger generation. Sitting alongside the normal tours, it featured an activity map with puzzles to solve. It was a resounding success and will be another highlight of the summer this year.
- There are many business-focused ways we seek to support employment and our local economy, from our regular Job and Skills Fairs, to specialised coaching and training sessions. We have had some really well attended events over this last 12 months and, thanks to funding and strong links with partners we have been able to offer tailored advice to help District businesses grow. Our two-day, small business masterclass run in conjunction with De Montfort University was heralded a huge success by participants and our Business Breakfasts remain ever popular. Expert guidance from our Business Growth Advisers has also led to some fantastic outcomes.

Ambitious and Well-Managed Council:

- One of our major decisions from last year was to leave the LICT Partnership and bring our IT services back in house. We have made significant progress on this with our new network in place, including all our internet lines, cloud service infrastructure, VPN access for remote working and internal switching ready to go. We have rolled out new WIFI for guests at the offices. We are looking to roll out new devices shortly, ensuring users have the most reliable work tools available to help provide the best service to our residents. The new IT provision will help speed up data capture and production of reports, all improving our efficiency as a local authority and service provider.
- Over this last 12 months the Youth Council have continued to press ahead with their efforts to tackle their top three priorities, discrimination, vaping and climate change. Discrimination and hate crime have seen particular success with a video, Hate Has No Name Here, which was filmed at Winstanley School and launched there to resounding approval. A school competition with students urged to create a piece of artwork which included the tagline Hate Has No Name Here.

The drawings were displayed at our Council Offices in December and winners were chosen by a panel of judges who were incredibly impressed with the quality. In March we held our annual youth conference which was a huge success resulting in even more young people joining our Youth Council. At a time when society seems to be ever more divided and engagement with politics is wanting we must remember as an ambitious and responsible Council that the future of democracy lies in the hands of our young people. Let us continue to nurture our Youth Council and encourage them in their efforts.

Keeping you Safe and Healthy:

- We are progressing our Active Travel Strategy as we encourage residents to make walking and cycling their first choice for short journeys within the District. A project group has been established which will help inform the delivery of the strategy and we continue to liaise closely with housing developers to ensure our new communities feature attractive, safe and comprehensive walking and cycling connections. Changing perceptions is a key element as we promote the benefits of active travel, both from a health and wellbeing point of view but also an environmental aspect.
- Recently we installed new CCTV systems in Blaby village centre and at Narborough Train Station. The pan, tilt and zoom cameras record 24/7 and are centrally monitored by Hinckley and Bosworth Borough Council as part of the local Community Safety Partnership. They will augment our existing work to prevent crime and antisocial behaviour and we hope their presence will help make people feel safer in these areas.

More information is available in the Annual Leader's Statement presented to the Annual Council meeting on 20th May 2025.

Performance against Corporate Objectives

In 2023/24, the Council introduced a new Performance Management Framework in line with recommendations published in the Corporate Peer Challenge. This work has improved the infrastructure, systems, and culture of performance reporting across the Council services.

The framework incorporates the following key elements, which are identified as part of the annual service planning process and aligned to budget setting:

- Strategic objectives – identified within the Blaby District Plan.
- Projects – specific “one time only” initiatives to improve or change services or systems, with defined start and completion times. These may be corporate projects, which are kept under review by Programme Board, or service projects which are usually confined to a single service and have less impact on other services.
- Business As Usual (BAU) – a key periodic/repetitive piece of work.
- Metrics or measures – data captured periodically to provide insight into changing trends and to inform decision making.

All projects, BAU, and metrics/measures should link to one or more of the strategic objectives, thus providing a “golden thread”.

All work that takes place in support of achieving our strategic objectives is categorised based on their degree of management priority and their political sensitivity:

- Priority 1 – high political sensitivity and corporate priority
- Priority 2 – high political sensitivity and service level priority
- Priority 3 – low political sensitivity and corporate priority
- Priority 4 – low political sensitivity and service level priority
- Priority 5 – service level only, no political interest

Summary Position


Blaby has continued to maintain its reputation for sound financial stewardship and continues to seek innovative ways of delivering services and income generation. This approach has been reflected in the financial performance for 2024/25. Factors outside of Blaby's control, such as the continuing higher level investment interest rates have contributed to a positive variance. This is, in no small part, due to the diligence and hard work of officers across the Council, who continue to seek opportunities to generate additional income and service transformation opportunities. The Council faces many challenges going into the new financial year, and the 2024/25 financial performance gives our reserves a timely boost. This offers some stability in the short term but in the medium to longer term the Council will need to look at new measures to meet the expected future budget gaps. The MTFS will need to be regularly reviewed and budgets closely monitored to ensure the Council's ongoing financial sustainability.

Receipt of Further Information

For further information about these accounts please email finance@blaby.gov.uk or write to Finance Services, Blaby District Council, Council Offices, Narborough, Leicester LE19 2EP.

Acknowledgements

The production of the Statement of Accounts would not have been possible without the hard work and dedication of staff across the Council. I would like to express my thanks to all colleagues for their contribution towards the preparation of this document. I would also like to thank them for all their support during the financial year.



Sarah Pennelli
Executive Director (Section 151)

30th June 2025

Explanation of the Financial Statements

The Accounts and Audit Regulations 2015 require the Council to produce a Statement of Accounts for each financial year. These statements contain several different elements which are explained below:

Comprehensive Income and Expenditure Statement

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

Movement in Reserves Statement

This statement shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into usable reserves (that is, those that can be applied to fund expenditure or reduce local taxation) and other unusable reserves. The Statement shows how the movements in the Council's reserves in the year are broken down between gains and losses incurred in accordance with generally accepted accounting practices, and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following these adjustments.

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, that is, 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 to repay debt. The second category of reserves includes those that the authority is not able to use to provide services. This category of reserves includes those 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".

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 (that is, borrowing) to the authority.

Notes to the Financial Statements

These provide further explanation of specific items within the Financial Statements to which they relate.

Collection Fund

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection of council tax and non-domestic rates and its distribution to precepting bodies and the Government. For Blaby, the council tax precepting bodies are Leicestershire County Council, the Office of the Police and Crime Commissioner, and the Leicester, Leicestershire, and Rutland Combined Fire Authority.

The Statement of Responsibilities for the Statement of Accounts - sets out the principal responsibilities of the Authority and its officers in relation to the Accounting Statements. It confirms that the Statement of Accounts has been prepared in accordance with the requirements of the Code.

The Annual Governance Statement - sets out the framework within which financial and operational control is managed and reviewed and the main components of the system of control, including the arrangements for internal audit.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Executive Director (Section 151)
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- approve the Statement of Accounts

The Executive Director (Section 151)'s Responsibilities

The Executive Director (Section 151) 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 (Section 151) has:

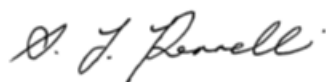
- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the local authority Code

The Executive Director (Section 151) has also:

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

Certification of Accounts

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



**Sarah Pennelli,
Executive Director (Section 151)
30th June 2025**

APPROVAL OF ACCOUNTS

This unaudited Statement of Accounts is to be presented to Blaby District Council's Audit and Corporate Governance Committee on 28th July 2025 but remains subject to completion of the annual audit process.

CORE FINANCIAL STATEMENTS and EXPLANATORY NOTES

Comprehensive Income and Expenditure Statement

2023/24 Gross Expenditure (Restated) £	2023/24 Gross Income (Restated) £	2023/24 Net Expenditure (Restated) £	Service	2024/25 Gross Expenditure £	2024/25 Gross Income £	2024/25 Net Expenditure £
3,420,423	(2,713,545)	706,878	Housing, Community Safety and Environmental Services	3,905,014	(2,148,310)	1,756,704
8,686,015	(2,163,765)	6,522,250	Neighbourhood Services and Assets	9,448,806	(3,559,553)	5,889,253
13,572,746	(10,055,006)	3,517,740	Finance, People and Performance	15,146,622	(9,859,270)	5,287,352
5,434,904	(4,054,001)	1,380,903	Health, Leisure, Climate, and Economic Development	3,939,666	(4,477,684)	(538,018)
2,488,101	(430,356)	2,057,745	Leader	3,064,758	(799,144)	2,265,614
3,659,288	(998,740)	2,660,548	Planning, Transformation, and ICT	3,799,185	(2,611,510)	1,187,675
0	(1,065,209)	(1,065,209)	Redistributed levy from Business rates pool	0	(1,665,207)	(1,665,207)
37,261,477	(21,480,622)	15,780,855	Cost Of Services	39,304,051	(25,120,678)	14,183,373
4,214,207	(5,155)	4,209,052	Other Operating Expenditure (Note 10)	4,620,807	(113,361)	4,507,446
637,398	(2,924,874)	(2,287,476)	Financing and Investment Income and Expenditure (Note 11)	790,741	(2,701,085)	(1,910,344)
0	(18,603,181)	(18,603,181)	Taxation and Non-Specific Grant Income and Expenditure (Note 12)	0	(18,958,048)	(18,958,048)
		(900,750)	(Surplus)/Deficit on Provision of Services			(2,177,573)
		(710,382)	(Surplus)/Deficit on Revaluation of Property, Plant and Equipment Assets			(4,420,783)
		5,990,602	Re-measurement of the net defined benefit liability			(364,011)
		5,280,220	Other Comprehensive Income and Expenditure			(4,784,794)
		4,379,470	Total Comprehensive Income and Expenditure			(6,962,367)

Movement in Reserves Statement

2024/25	General Fund Balance £	Collection Fund Reserve £	Capital Receipts Reserve £	Capital Grants Unapplied £	Total Usable Reserves £	Unusable Reserves £	Total Authority Reserves £
Balance at 31 March 2024	16,281,658	0	1,365,387	1,488,685	19,135,730	11,636,150	30,771,880
Movement in Reserves during 2024/25							
Surplus/(Deficit) on provision of Services	2,177,573	0	0	0	2,177,573	0	2,177,573
Other Comprehensive Income and Expenditure	0	0	0	0	0	4,784,794	4,784,794
Total Comprehensive Income and Expenditure	2,177,573	0	0	0	2,177,573	4,784,794	6,962,367
Adjustments between accounting basis and funding basis under regulations (Note 8)	371,642	0	(269,024)	(1,129,160)	(1,026,542)	1,026,542	0
Increase/(Decrease) in 2024/25	2,549,215	0	(269,024)	(1,129,160)	1,151,031	5,811,336	6,962,367
Balance at 31 March 2025	18,830,873	0	1,096,363	359,525	20,286,761	17,447,486	37,734,247

2023/24	General Fund Balance £	Collection Fund Reserve £	Capital Receipts Reserve £	Capital Grants Unapplied £	Total Usable Reserves £	Unusable Reserves £	Total Authority Reserves £
Balance at 31 March 2023	15,838,648	1,516,792	2,038,095	1,218,571	20,612,106	14,539,244	35,151,350
Movement in Reserves during 2023/24							
Surplus/(Deficit) on provision of Services	900,750	0	0	0	900,750	0	900,750
Other Comprehensive Income and Expenditure	0	0	0	0	0	(5,280,220)	(5,280,220)
Total Comprehensive Income and Expenditure	900,750	0	0	0	900,750	(5,280,220)	(4,379,470)
Adjustments between accounting basis and funding basis under regulations (Note 8)	(457,740)	(1,516,792)	(672,708)	270,114	(2,377,126)	2,377,126	0

2023/24	General Fund Balance £	Collection Fund Reserve £	Capital Receipts Reserve £	Capital Grants Unapplied £	Total Usable Reserves £	Unusable Reserves £	Total Authority Reserves £
Increase/(Decrease) in 2023/24	443,010	(1,516,792)	(672,708)	270,114	(1,476,376)	(2,903,094)	(4,379,470)
Balance at 31 March 2024	16,281,658	0	1,365,387	1,488,685	19,135,730	11,636,150	30,771,880

Balance Sheet

31 March 2024 £		Note	31 March 2025 £
36,377,635	Property, Plant and Equipment	13	40,946,042
450,000	Investment Property	15	490,000
76,849	Intangible Assets	16	101,751
742,726	Long Term Investments	17	664,651
106,629	Long Term Debtors	17	91,629
37,753,839	Long Term Assets		42,294,073
49,082	Inventories		14,590
2,015,641	Short Term Investments		4,199,108
6,732,396	Short Term Debtors	18	8,216,039
20,408,569	Cash and Cash Equivalents	19	18,977,571
205,004	Assets Held for Sale	20	245,923
29,410,692	Current Assets		31,653,231
(880,031)	Short Term Borrowing	17	(888,463)
(18,648,199)	Short Term Creditors	21	(18,010,872)
(2,019,494)	Provisions	22	(2,595,343)
(1,001,524)	Grants Receipts in Advance - Capital		(2,415,252)
(22,549,248)	Current Liabilities		(23,909,930)
(5,312,173)	Long Term Borrowing	17	(4,843,731)
(8,531,230)	Other Long-Term Liabilities		(7,459,396)
(13,843,403)	Long Term Liabilities		(12,303,127)
30,771,880	Net Assets/Liabilities		37,734,247
(19,135,730)	Usable Reserves		(20,286,761)
(11,636,150)	Unusable Reserves	23	(17,447,486)
(30,771,880)	Total Reserves		(37,734,247)



Sarah Pennelli
Executive Director (S151 Officer)
30th June 2025

Cash Flow Statement

2023/24 £		Note	2024/25 £
(900,750)	Net (surplus)/deficit on the provision of services		(2,177,573)
	Adjustments to the net (surplus)/deficit on the provision of services for non-cash movements:		
(2,494,992)	Depreciation		(3,119,961)
(25,292)	Amortisation		(29,564)
1,358,151	(Increase)/decrease in creditors		252,310
818,434	Increase/(decrease) in debtors		1,402,000
(721)	Increase/(decrease) in inventories		(34,492)
636,602	Movement in pension liability		688,989
(53,096)	Carrying amount of non-current assets and non-current assets held for sale, sold, or derecognised		(73,536)
35,183	Contributions to/(from) Provisions		(575,849)
(34,719)	Other non-cash items charged to the net (surplus)/deficit on the provision of services		0
239,550			(1,490,103)
(1,182,814)	Adjustments for items included in the net (surplus)/deficit on the provision of services that are investing and financing activities		(788,093)
(1,844,014)	Net cash flows from Operating Activities	24	(4,455,769)
4,239,852	Investing Activities	25	4,704,518
(1,041,144)	Financing Activities	26	1,182,249
1,354,694	Net (increase)/decrease in cash and cash equivalents		1,430,998
(21,763,263)	Cash and cash equivalents at the beginning of the reporting period		(20,408,569)
(20,408,569)	Cash and cash equivalents at the end of the reporting period		(18,977,571)

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1. Accounting Policies

i. General Principles

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-ended 31 March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, 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.

The Council's accounting policies have been developed to ensure that, as far as possible, the Council's accounts are understandable, relevant, free from material error or misstatement, reliable and comparable, and are applied consistently.

The Statement of Accounts has been prepared with reference to:

- The objective of providing information about the financial position, performance and cash flows in a way that meets the common needs of most users.
- The objective of showing the results of stewardship and accountability of elected members and management of the resources entrusted to them.
- The underlying assumption of going concern.

Going Concern Basis:

The provisions in the Code of Audit Practice in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting. Local authorities carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue raising powers arising only at the discretion of central government). If an authority were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year. Therefore, it would not be appropriate for local authority financial statements to be provided on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that a local authority's services will continue to operate for the foreseeable future.

During the Covid-19 pandemic there was a great deal of uncertainty over the Council's financial position due to added expenditure pressures and reductions to key income streams. Whilst the pandemic is now over, there is still a residual impact on income levels and service pressures are exacerbated by the cost-of-living crisis.

The Council updated its Medium-Term Financial Strategy (MTFS) in February 2025 as part of the 2025/26 budget setting process. The MTFS set out the financial forecast for the period through to 2029/30. A balanced budget was set for 2025/26, however the support from balances increased in comparison to 2024/25 due to inflationary pressures, increasing demand for services, and the ongoing reduction of income post- pandemic. There are increasingly significant budget shortfalls forecast from 2026/27 onwards with these pressures expected to continue. There is also considerable uncertainty over the future nature and level of central government funding for local

authorities, including the risk of changes to business rates which could result in a significant loss in retained business rate income from 2026/27. To counteract the forecast budget shortfalls, the Council has begun work on a range of measures designed to transform service delivery and generate budget savings.

In mitigation, the Council's balances and reserves are robust and this helps to underpin the assessment of going concern. Furthermore, the Council's cash flow forecast demonstrates that cash balances will remain in a positive position for a minimum of 12 months from the approval of these accounts, meaning that the going concern basis of accounting will continue to apply for the foreseeable future.

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. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when, or as, the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest payable on borrowings and receivable on investments is accounted for respectively as expenditure and income based on the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Expenditure is accrued where goods or services have been received before 31 March but the invoice relating to the goods or services is paid after 31 March. Similarly, income is accrued where it is due before 31 March, but an invoice has not been raised, or payment has not been received. 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.

iii. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months 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 Council's cash management.

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

Prior period adjustments may arise because of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, that is, 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 Council'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.

v. Charges to Revenue for Non-Current Assets

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

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

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement, equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. This is known as the Minimum Revenue Provision (MRP). Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the MRP 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.

In September 2022, the Council approved a change in its MRP Policy, effective from 1st April 2022.

- For supported capital expenditure incurred before 1st April 2008, the Council will apply the Asset Life Method using an annuity calculation over 50 years.
- For unsupported borrowing undertaken after 1st April 2008, MRP will be charged on an annuity basis over the weighted average life of the assets in question.

vi. Council Tax and Business Rates

The Council, as a billing authority, acts as agent in the collection of council tax and business rates (or non-domestic rates/NDR) on behalf of the major preceptors and government. The Council is principal in terms of collecting council tax and business rates for itself. Billing authorities are required by statute to maintain a separate account, known as the Collection Fund, for the collection and distribution of amounts due in respect of council tax and business rates. Under the legislative framework, billing authorities, major preceptors, and central government (for NNDR) share proportionately the risks and rewards that the amount of council tax and business rates collected could be less or more than predicted.

Accounting for Council Tax and Business Rates

The council tax and business rates income included in the Comprehensive Income and Expenditure Statement (CIES) is the Council's share of the accrued income for the year. However, regulations determine the amount of council tax and business rates that must be included in the General Fund. As a result, the difference between the income included in the CIES and the amount credited to the General Fund under regulation is credited to the Collection Fund Adjustment Account and included as a reconciling amount in the Movement in Reserves Statement.

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

Where debtor balances for the above are identified as impaired, due to a likelihood arising from a past event that payment might not be received, the balance 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.

vii. Employee Benefits

Benefits Payable During Employment – short term employee benefits are those due to be settled wholly within 12 months of the year end. They include such benefits as salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (for example, car loans) 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 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 salary rate applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services but then reversed out through the Movement in Reserves Statement to the Short-Term Accumulated Absences Account, so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits – termination benefits are amounts payable because of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits. They are charged on an accrual's basis to the appropriate service or, where applicable, to the Non-Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners, and any such amounts payable but unpaid at the year end.

Post-Employment Benefits – employees of the Council are members of the Local Government Pensions Scheme, administered by Leicestershire County Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

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

- The liabilities of the Leicestershire pension scheme attributable to the Council are included in

the balance sheet on an actuarial basis using the projected unit method – that is, 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, and so on, and estimates of projected earnings for current employees.

- Liabilities are discounted to their value at current prices, using a discount rate set by the actuary.
- The assets of the pension fund attributable to the Council are included in the balance sheet at their fair value:
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unitised securities – current bid price
 - property - market value

The change in the net pension liability is analysed into the following components:

Service cost comprising:

- current service cost – the increase in liabilities because of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employee worked.
- past service cost – the increase in liabilities because 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 on the net defined benefit liability, that is net interest expense for the Council – the change during the period in the net defined benefit liability 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 at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments

Re-measurements comprising:

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability – 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 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 balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement this means that there are transfers to and from the Pensions Reserve to

remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits based on cash flows rather than as benefits are earned by employees.

Discretionary Benefits – The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise because 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.

viii. Events After the Reporting Period

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

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

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

ix. Financial Instruments

Financial Liabilities - Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. 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 the type of borrowings that the Council 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 on a “classification and measurement” approach that reflects the business model for holding the financial assets, and their cash flow characteristics. There are three main classes of financial assets measured at:

- Amortised cost
- Fair value through profit or loss (FVPL)
- Fair value through other comprehensive income (FVOCI)

The Council’s business model is to hold investments to collect contractual cash flows. Financial assets are, therefore, measured at amortised cost. The only exception to this would be financial

assets whose contractual payments are not solely payment of principal and interest, that is 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 Council 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 Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

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

Expected Credit Loss Model

Where material, the Council recognises expected credit losses on 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 Council.

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 based on 12 month expected losses.

Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at Fair Value through Profit or Loss are recognised on the balance sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the surplus or deficit on the provision of services.

Fair Value Measurements of Financial Assets

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

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

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

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Council 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 derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

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

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

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.

xi. Heritage Assets

Heritage assets are assets that are held principally for their contribution to knowledge or culture. The Council's only heritage asset is the Ice House situated in the grounds of Bouskell Park, Blaby, a grade 2 listed building. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant, and equipment.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment, for example, where an asset has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment – see note xvi below.

xii. Intangible Assets

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

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods and services.

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

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

xiii. Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. They 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 also applied to gains or losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income and Expenditure 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 £10,000) the Capital Receipts Reserve.

xiv. Leases

The Authority as Lessee

The authority classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with £nil consideration, peppercorn, or nominal payments.

Initial Measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- Fixed payments, including in-substance fixed payments.
- Variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date.
- Amounts expected to be payable under a residual value guarantee.
- The exercise price under a purchase option that the authority is reasonably certain to exercise.
- Lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option.
- Penalties for early termination of a lease unless the authority is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received. However, for peppercorn, nominal payments or £nil consideration leases, the asset is measured at fair value.

Subsequent Measurement

The right-of-use asset is subsequently measured using the fair value model. The authority considers the cost model to be a reasonable proxy except for:

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

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

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

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

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

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

Low value and short lease exemption

As permitted by the Code, the authority excludes leases:

- For low-value items that cost less than £5,000 when new, provided they are not highly dependent on or integrated with other items, and
- With a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise).

Lease expenditure

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

Depreciation and impairment are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

The Authority as Lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant, or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Finance Leases

Where the authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment 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 (ie 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 (England and Wales) 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 (England and Wales).

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

Operating Leases

Where the Council 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 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 (for example, 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.

xv. Overheads and Support Services

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

xvi. Property, Plant and Equipment

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

Recognition – expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accrual's basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (that is, repairs and maintenance) is charged as an expense when it is incurred.

Measurement – assets are initially measured at cost, comprising:

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

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

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (that is, 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 Council.

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

- Infrastructure, community assets and assets under construction – depreciated historical cost.
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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

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

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

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

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

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

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 there is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

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

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

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

Depreciation – depreciation is provided for on all 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 (that is, freehold land and certain community assets) and assets that are not yet available for use (that is, assets under construction).

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- Vehicles, plant, furniture, and equipment – straight-line allocation over the useful life of the asset, based on the historic cost of that asset.
- Infrastructure – straight-line allocation over 1 to 15 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.

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.

Disposals and Non-current Assets Held for Sale – when it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any 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 the not been classified as held for sale), and their recoverable amount at the date of the decision not to sell.

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

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether 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 (that is, netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The 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 Council's underlying need to borrow (the capital financing requirement). 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 fixed 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.

xvii. Provisions, Contingent Liabilities and Contingent Assets

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

- That gives the Council a present obligation.
- That probably requires settlement by a transfer of economic benefits or service potential.
- Where a reliable estimate can be made of the amount of the obligation.

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

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Council 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.

Estimated settlements are reviewed at the end of each financial year. Where it becomes less 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 (for example, from an insurance claim), this is only recognised as income for the

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

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

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

Contingent Assets – a contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the 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.

xviii. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund Balance so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and they do not represent usable resources for the Council – these reserves are explained in the relevant policies.

xix. Revenue Expenditure Funded from Capital under Statute

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

xx. Value Added Tax (VAT)

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

2. Accounting Standards Issued but Not Yet Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information in relation to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

The code also requires that changes in accounting policy are applied retrospectively unless transitional arrangements are specified by the Code. This would result in an impact on disclosures spanning two financial years.

Accounting changes that are introduced by the 2025/26 Code where disclosures are required in the 2024/25 Financial Statements are as follows:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation, and disclosure of insurance contracts.
- The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant, and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8.

The above standards either do not apply to Blaby or are not expected to have a significant impact on the Council's accounts.

3. Critical Judgements in Applying Accounting Policies

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

Local Government Funding

There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

Embedded Leases and Derivatives

All material contractual arrangements have been reviewed in order to determine whether they contain embedded leases or embedded derivatives, although none have been identified as such.

Provision for Business Rates Appeals

The Council has set aside a provision which reflects its estimate of the potential cost of refunding ratepayers who successfully appeal against the rateable value of their property. The value of this provision has been determined as follows:

- 2017 Rating List – based on an assessment of outstanding appeals at 31 March 2025 in conjunction with an external expert. One key judgement made in arriving at the value of the

provision is that appeals that are assessed as likely to be withdrawn have not been included.

- 2023 Rating List – based upon checks and challenges submitted as at 31st March 2025, potential threats based on our external expert's assessment of the rating list, and an internal review of businesses with a rateable value of £250,000 or more. As above, where appeals are expected to be withdrawn, they have not been included.

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

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

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

Property, Plant and Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.

If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase by £295,979 for every year that useful lives had to be reduced.

As detailed in Note 13, a full valuation was undertaken as at 31 March 2025 by Mr K. Shirer BA (Hons) MRICS, of the District Valuation Office. The 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.

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries, Hymans Robertson LLP, is engaged by Leicestershire County Council on behalf of all Leicestershire authorities to provide specialist advice about the assumptions to be applied.

The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the discount rate assumption would result in an increase in the pension liability of 2% (£1,299k).

Arrears

On 31 March 2025, the Council had a balance of sundry debtors for £1,591,180. A review of significant balances suggested that on average an impairment of doubtful debts of just under 82% (£1,304,330) was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.

If collection rates were to deteriorate, a doubling of the amount of the impairment of doubtful debts would require an additional £157,824 to be set aside as an allowance.

5. Material Items of Income and Expense

This note identifies material items of income and expenditure that are not disclosed on the face of the Comprehensive Income and Expenditure Statement.

There were no material items of income and expenditure occurring during 2024/25.

6. Events after the Reporting Period

The Statement of Accounts was authorised for issue by the Strategic Director (Section 151) on 30 June 2025. Events taking place after this date are not reflected in the financial statements or notes.

There were no material post balance sheet events arising between 31 March 2025 and the date on which the accounts were authorised for issue.

7. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, 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 various Portfolios. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2023/24	2023/24	2023/24		2024/25	2024/25	2024/25
Net Expenditure Chargeable to the General Fund Balance £	Adjustments between the Funding and Accounting Basis £	Net Expenditure in the CIES £		Net Expenditure Chargeable to the General Fund Balance £	Adjustments between the Funding and Accounting Basis £	Net Expenditure in the CIES £
1,951,794	1,244,916	706,878	Housing, Community Safety and Environmental Services	1,767,649	10,945	1,756,704
4,741,740	(1,780,510)	6,522,250	Neighbourhood Services and Assets	4,722,802	(1,166,451)	5,889,253
2,255,528	(1,262,212)	3,517,740	Finance, People and Performance	4,354,065	(933,287)	5,287,352
626,647	(754,256)	1,380,903	Health, Leisure, Climate, and Economic Development	253,444	791,462	(538,018)
2,113,386	55,641	2,057,745	Leader	2,370,061	104,447	2,265,614
2,570,171	(90,377)	2,660,548	Planning, Transformation, and ICT	2,181,412	993,737	1,187,675
(1,065,209)	0	(1,065,209)	Redistributed Levy from Business Rates Pool	(1,665,207)	0	(1,665,207)
13,194,057	(2,586,798)	15,780,855	Net Cost of Services	13,984,226	(199,147)	14,183,373
(12,987,475)	3,694,130	(16,681,605)	Other Income and Expenditure	(16,833,440)	(472,494)	(16,360,946)
206,582	1,107,332	(900,750)	(Surplus) or Deficit	(2,849,214)	(671,641)	(2,177,573)
15,838,648			Opening General Fund Balance	16,281,658		
443,010			Less/Plus Surplus or (Deficit) on General Fund Balance in Year	2,549,215		
16,281,658			Closing General Fund Balance at 31 March	18,830,873		

The General Fund Balance is made up of reserves which have been earmarked for specific purposes(see note 9) and those which are as yet unallocated.

	Earmarked Reserves £	Unallocated General Fund Balances £	Total General Fund Balance £
Balance as at 31 March 2024	9,691,882	6,589,776	16,281,658
Movement in Earmarked Reserves	1,892,524	0	1,892,524
Movement in Unallocated General Fund Balances	0	656,691	656,691
Balance as at 31 March 2025	11,584,406	7,246,467	18,830,873

7a. Notes to the Expenditure and Funding Analysis

Adjustments between Funding and Accounting Basis 2024/25

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes £	Net change for the Pensions Adjustments £	Other Differences £	Total Adjustments £
Housing, Community Safety and Environmental Services	(130,290)	139,440	1,795	10,945
Neighbourhood Services and Assets	(1,634,558)	300,901	167,206	(1,166,451)
Finance, People and Performance	(57,950)	249,114	(1,124,451)	(933,287)
Health, Leisure, Climate, and Economic Development	(243,177)	143,720	890,919	791,462
Leader	(251)	109,764	(5,066)	104,447
Planning, Transformation, and ICT	872,744	126,050	(5,057)	993,737
Net Cost of Services	(1,193,482)	1,068,989	(74,654)	(199,147)
Other income and expenditure from the Expenditure and Funding Analysis	(589,943)	(380,000)	497,449	(472,494)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(1,783,425)	688,989	422,795	(671,641)

Adjustments between Funding and Accounting Basis 2023/24

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes £	Net change for the Pensions Adjustments £	Other Differences £	Total Adjustments £
Housing, Community Safety and Environmental Services	1,142,861	103,094	(1,039)	1,244,916
Neighbourhood Services and Assets	(1,904,112)	147,778	(24,177)	(1,780,511)
Finance, People and Performance	(47,820)	158,032	(1,372,425)	(1,262,213)
Health, Leisure, Climate, and Economic Development	(715,311)	172,387	(211,332)	(754,256)
Leader	0	54,912	730	55,642
Planning, Transformation, and ICT	(217,767)	125,399	1,992	(90,376)
Net Cost of Services	(1,742,149)	761,602	(1,606,251)	(2,586,798)
Other income and expenditure from the Expenditure and Funding Analysis	417,076	(125,000)	3,402,054	3,694,130
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(1,325,073)	636,602	1,795,803	1,107,332

Adjustments for Capital Purposes

This column adds in depreciation and impairment, and revaluation gains and losses in the service 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, that is, the 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 for those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS19 Employee Benefits related expenditure and income:

- For services this represents the removal of employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs
- For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement

Other Differences

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

- For Financing and investment income and expenditure – the other differences column recognises adjustments to the General Fund for the accrual of compensated absences (holiday pay). Other items such as investment property, interest payable and receivable, and trading operations are reallocated between this line and services.
- The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for council tax and NNDR 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.

7b. Expenditure and Income Analysed by Nature

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

	2024/25 £	2023/24 £
Expenditure		
Employee benefits expenses	15,764,756	14,954,869
Other services expenses	19,385,095	18,391,013
Depreciation, amortisation and impairment	4,107,082	3,958,369
Interest payments	837,859	594,624
Precepts and levies	4,620,807	4,214,207
Loss on the disposal of assets	0	0
Net of Non-Domestic Rates Income & Expenditure	0	0
Total Expenditure	44,715,599	42,113,082
Income		
Fees, charges, and other service income	(7,456,908)	(6,036,660)
Interest and investment income	(1,573,583)	(1,738,620)
Income from council tax	(11,156,607)	(10,464,387)
Government grants and contributions	(20,234,309)	(19,054,130)
(Gain) on the disposal of assets	(113,361)	(5,155)
(Surplus)/Deficit on Trading Operations	(1,090,213)	(1,155,597)
Net of Non-Domestic Rates Income & Expenditure	(3,602,984)	(3,494,074)
Redistributed Levy from Business Rates Pool	(1,665,207)	(1,065,209)
Total Income	(46,893,172)	(43,013,832)
(Surplus)/Deficit on the Provision of Services	(2,177,573)	(900,750)

Income received from services on a segmental basis is analysed in the following table:

	2024/25 £	2023/24 £
Housing, Community Safety and Environmental Services	(1,557,736)	(867,539)
Neighbourhood Services and Assets	(2,494,311)	(2,336,575)
Finance, People and Performance	(354,425)	(496,710)
Health, Leisure, Climate, and Economic Development	(3,032,275)	(2,759,177)
Leader	(232,927)	(270,868)
Planning, Transformation, and ICT	(1,087,550)	(791,121)
Total Revenue from External Customers	(8,759,224)	(7,521,990)

8. 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 Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance

The General Fund is the statutory fund into which all of the receipts of an authority are required to be paid and out of which all liabilities of the authority 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.

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.

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.

Collection Fund Earmarked Reserve

The Collection Fund Reserve holds the surplus of Business Rates Section 31 grant and Tax Income Guarantee payment which is to be used to offset the Collection Fund Deficit. The reserve balance has been utilised during the year to mitigate against the loss of Business Rate income deficit.

2024/25	General Fund Balance £	Collection Fund Earmarked Reserve £	Capital Receipts Reserve £	Capital Grants Unapplied £
Adjustments to Revenue Resources				
<i>Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:</i>				
Section 31 grants surplus and Tax Income guarantee transferred to the Collection Fund Reserve	0	0	0	0
Pensions costs (transferred to/from the Pensions Reserve)	(688,989)	0	0	0
Council tax and NNDR (transfers to/from Collection Fund Adjustment Account)	(404,761)	0	0	0
Holiday pay (transferred to the Accumulated Absences Reserve)	(6,061)	0	0	0
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	2,658,181	0	0	(547,497)
Total Adjustments to Revenue Resources	1,558,370	0	0	(547,497)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(186,898)	0	186,898	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(910,520)	0	0	0
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(89,310)	0	0	0
Total Adjustments between Revenue and Capital Resources	(1,186,728)	0	186,898	0
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	(470,922)	0
Application of capital grants to finance capital expenditure	0	0	0	(581,663)
Repayment of Capital Loans (Transfer to Capital Adjustment Account)	0	0	15,000	0
Total Adjustments to Capital Resources	0	0	(455,922)	(581,663)
Total Adjustments	371,642	0	(269,024)	(1,129,160)

2023/24	General Fund Balance £	Collection Fund Earmarked Reserve £	Capital Receipts Reserve £	Capital Grants Unapplied £
Adjustments to Revenue Resources				
<i>Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:</i>				
Section 31 grants surplus and Tax Income guarantee transferred to the Collection Fund Reserve	1,516,792	(1,516,792)	0	0
Pensions costs (transferred to/from the Pensions Reserve)	(636,602)	0	0	0
Council tax and NNDR (transfers to/from Collection Fund Adjustment Account)	(1,904,184)	0	0	0
Holiday pay (transferred to the Accumulated Absences Reserve)	6,233	0	0	0
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	1,407,088	0	0	694,307
Total Adjustments to Revenue Resources	389,327	(1,516,792)	0	694,307
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(58,251)	0	58,251	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(784,445)	0	0	0
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(4,371)	0	0	0
Total Adjustments between Revenue and Capital Resources	(847,067)	0	58,251	0
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	(730,959)	0
Application of capital grants to finance capital expenditure	0	0	0	(424,193)
Repayment of Capital Loans (Transfer to Capital Adjustment Account)	0	0	0	0
Total Adjustments to Capital Resources	0	0	(730,959)	(424,193)
Total Adjustments	(457,740)	(1,516,792)	(672,708)	270,114

9. Movement in Earmarked Reserves

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

	Balance at 31 March 2023	Reallocate d Reserves	Transfers In 2023/24	Transfers Out 2023/24	Balance at 31 March 2024	Reallocate d Reserves	Transfers In 2024/25	Transfers Out 2024/25	Balance at 31 March 2025
	£	£	£	£	£	£	£	£	£
Leisure Centre Renewal Fund	(73,607)	0	0	0	(73,607)	0	0	0	(73,607)
Computer Room Environme nt	(140,840)	0	0	5,020	(135,820)	0	0	12,472	(123,348)
Licensing Reserve	(27,868)	0	0	0	(27,868)	0	0	0	(27,868)
Insurance Reserve Fund	(100,000)	0	0	0	(100,000)	0	0	0	(100,000)
Blaby Plan Priorities Reserve	(365,823)	0	0	371	(365,452)	0	0	76,755	(288,697)
General Reserve Fund	(1,612,310)	0	0	0	(1,612,310)	0	0	0	(1,612,310)
Ongoing Projects Reserve	(3,762,841)	567,201	(2,181,245)	3,086,911	(2,289,974)	0	(3,021,712)	2,181,245	(3,130,441)
Elections Reserve	(141,944)	0	0	54,685	(87,259)	0	(35,000)	0	(122,259)
Choice Based Lettings Reserve	(952)	0	(104,000)	0	(104,952)	0	0	40,000	(64,952)
New Homes Bonus Reserve	(41,327)	0	0	41,327	0	0	0	0	0
COVID Support Reserve	(700,000)	445,000	0	0	(255,000)	0	0	0	(255,000)
Economic Developme nt Initiatives	(50,000)	0	0	0	(50,000)	0	0	0	(50,000)
Provision - ERIE Sinking Fund	(26,777)	0	0	17,630	(9,147)	0	0	660	(8,487)
Community Rights Reserve	(48,724)	0	0	0	(48,724)	0	0	0	(48,724)
Hardship Reserve	(325,000)	0	0	0	(325,000)	0	0	0	(325,000)
Parish New Homes Bonus Reserve	(881)	0	0	0	(881)	0	0	0	(881)
NNDR Income Reserve	(2,453,926)	0	0	798,708	(1,655,218)	0	0	222,716	(1,432,502)
Flexible Working Reserve	(162,678)	0	0	886	(161,792)	0	0	0	(161,792)
Local Plan Reserve	(456,306)	0	0	41,730	(414,576)	(221,070)	0	269,891	(365,755)
Lottery Reserve	(26,466)	0	(6,233)	5,334	(27,365)	0	(15,452)	6,233	(36,584)
IT System Replaceme nt Reserve	(39,815)	0	0	0	(39,815)	0	0	0	(39,815)
Property Fund Reserve	(128,462)	0	(39,111)	0	(167,573)	0	(34,055)	0	(201,628)
Tax Income Guarantee Reserve	0	0	0	0	0	0	0	0	0
S31 Grant Reserve	(1,516,792)	0	0	1,516,792	0	0	0	0	0
Huncote Major Reserve	(500,843)	(200,000)	0	58,317	(642,526)	0	0	0	(642,526)
Court Fees Income Reserve	(31,813)	0	0	0	(31,813)	0	0	0	(31,813)
Business Rates Pool Reserve	0	0	(1,065,210)	0	(1,065,210)	0	(1,665,207)	290,000	(2,440,417)

Total	(12,735,995)	812,201	(3,395,799)	5,627,711	(9,691,882)	(221,070)	(4,771,426)	3,099,972	(11,584,406)
Collection Fund – timing difference	1,516,792				0				0
Useable Earmarked Reserves	(11,219,203)				(9,691,882)				(11,584,406)

Earmarked Reserve	Purpose
Leisure Centre Renewals Fund	Periodic replacement of major plant and equipment.
I.T. Reserve Fund	Maintained to meet the costs of Information and Communications Technology (ICT) infrastructure issues, including plant and equipment.
Licensing Reserve	Licensing software developments and service improvements.
Insurance Reserve	Unforeseen claims liabilities in relation to self-funded public liability insurance policy.
On-Going Projects Reserve	Expenditure commitments from non-repeating budgets where delayed delivery results in deferral to a subsequent year.
General Reserve Fund	To offset the anticipated future reduction in grant funding from central Government, and to fund spend to save initiatives.
Blaby District Plan Priorities Reserve	A reserve for future expenditure in support of our district plan priorities.
Elections Reserve	To cover the cost of future District Council elections.
Choice Based Lettings Reserve	Support for setting up and development of new lettings system.
New Homes Bonus Reserve	Grant set aside to fund specific housing projects.
Contractual Losses Support Reserve	Set aside to mitigate the ongoing impact on services and key income that arose from the Covid-19 pandemic.
Economic Development Initiatives Reserve	To cover future economic development related projects.
ERIE Sinking Fund	To recognise the Service Charge income held in relation to future maintenance requirements at Enderby Road Industrial Estate.
Community Rights Reserve	Set aside monies to cover potential future costs associated with the Community Right to Challenge and/or Community Right to Bid initiatives.
Hardship Reserve	Set aside to mitigate the impact of the cost-of-living crisis on residents and businesses.
Parish New Homes Bonus Reserve	To hold the share of New Homes Bonus Grant awarded to parish councils/meetings which do not maintain their own bank account.
NNDR Income Reserve	Set aside to mitigate the potential risks and uncertainties in funding associated with the business rate retention scheme.
Agile Working Reserve	Set aside monies to cover potential future costs of introducing mobile and flexible working processes, a major corporate project.
Local Plan Reserve	To cover non-recurring expenditure linked to the delivery of the Council's Local Plan.
Lottery Reserve	To ring-fence the Council's share of proceeds from the Blaby Lottery, which will be used to support the Community Grants Programme.

IT System Replacement Reserve	Set aside to offset the cost of implementation of new IT systems, including additional maintenance and licensing costs.
Property Fund Reserve	To hold the interest earned from the Lothbury Property Fund to mitigate potential future fluctuations in the fund value.
Tax Income Guarantee Reserve	To hold the one-off compensatory Tax Income Guarantee payment to be used to offset the Collection Fund deficit that arose as a direct result of the Covid-19 pandemic.
S31 Grant Reserve	To hold the Council's share of Section 31 Grant, fully utilised during 2024/25.
Huncote Major Reserve	To allow immediate emergency mitigation works to be undertaken to make the Huncote Leisure Centre site safe following increased levels of Methane Gas.
Court Fees Income Reserve	Court costs reimbursed by HM Courts
Business Rates Pool Reserve	To hold the Council's share of Business Rates Pooled monies, to be used to support economic health and vibrancy of our community.

10. Other Operating Expenditure

	2024/25 £	2023/24 £
Parish Council Precepts	4,620,807	4,214,207
(Gains)/losses on the disposal of non-current assets	(113,361)	(5,155)
Impairment Loss on Assets Held for Sale	0	0
Total	4,507,446	4,209,052

11. Financing and Investment Income and Expenditure

	2024/25 £	2023/24 £
Interest payable and similar charges	448,184	410,450
Net interest on the net defined benefit liability	380,000	125,000
Interest receivable and similar income	(1,573,584)	(1,781,593)
Expenditure in relation to investment properties and changes in their fair value	(25,471)	42,773
Income on investment properties	(37,289)	(30,657)
Movement in value of Property Fund	(11,972)	102,148
Net (Surplus)/Deficit on Trading Operations	(1,090,212)	(1,155,597)
Total	(1,910,344)	(2,287,476)

12. Taxation and Non-Specific Grant Income and Expenditure

	2024/25 £	2023/24 £
Council tax income	(11,156,607)	(10,464,387)
Non domestic rates	(3,602,984)	(3,494,074)
Non ring-fenced government grants	(5,464,593)	(4,526,375)
Capital grants and contributions	1,266,136	(118,345)
Total	(18,958,048)	(18,603,181)

13. Property, Plant and Equipment

Movement on Balances

Movement on Balances in 2024/2025	Other Land & Buildings £	Other Land & Buildings RoUA £	Vehicles, Plant, Furniture & Equipment £	Infrastructure Assets £	Community Assets £	Surplus Assets £	Total Property, Plant & Equipment £
Cost or Valuation							
At 1 April 2024	30,032,331	0	10,366,696	482,312	2,414,607	241,000	43,536,946
Additions	1,203,962	460,279	1,609,382	0	188,328	0	3,461,951
Revaluation increases / (decreases) recognised in the Revaluation Reserve	834,033	281,097	0	0	(16,925)	438,677	1,536,882
Revaluation increases / (decreases) recognised in the surplus/deficit on the provision of services	547,624	0	0	0	0	96,000	643,624
Derecognition – disposals	0	0	(566,785)	0	0	0	(566,785)
Transfer between asset groups	(168,717)	0	(75,607)	0	(14,983)	259,307	0
Assets reclassified to / from held for sale	200,000	0	(4,674)	0	(228,766)	0	(33,440)
At 31 March 2025	32,649,233	741,376	11,329,012	482,312	2,342,261	1,034,984	48,579,178
Accumulated Depreciation and Impairment							
At 1 April 2024	(175,790)	0	(6,261,482)	(469,056)	(252,983)	0	(7,159,311)
Depreciation charge	(1,406,834)	(26,522)	(1,009,330)	(12,681)	(93,342)	(1,539)	(2,550,248)
Derecognition – disposals	0	0	493,248	0	0	0	493,248
Other movements in depreciation and impairment	1,540,206	11,310	10,350	0	34,755	(13,446)	1,583,175
At 31 March 2025	(42,418)	(15,212)	(6,767,214)	(481,737)	(311,570)	(14,985)	(7,633,136)
Net Book Value							
At 31 March 2025	32,606,815	726,164	4,561,798	575	2,030,691	1,019,999	40,946,042
At 31 March 2024	29,856,541	0	4,105,214	13,256	2,161,624	241,000	36,377,635

Movement on Balances in 2023/2024	Other Land & Buildings £	Vehicles, Plant, Furniture & Equipment £	Infrastructure Assets £	Community Assets £	Surplus Assets £	Assets under Construction £	Total Property, Plant & Equipment £
Cost or Valuation							
At 1 April 2023	27,234,886	9,080,498	482,312	2,335,920	241,000	53,411	39,428,027
Additions	3,408,619	1,903,084	0	78,687	0	0	5,390,390
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(830,673)	0	0	0	0	0	(830,673)
Revaluation increases / (decreases) recognised in the surplus/deficit on the provision of services	166,088	0	0	0	0	0	166,088
Derecognition – disposals	0	(616,886)	0	0	0	0	(616,886)
Transfers between asset groups	0	0	0	0	0	0	0
Assets reclassified to/from held for sale	53,411	0	0	0	0	(53,411)	0
At 31 March 2024	30,032,331	10,366,696	482,312	2,414,607	241,000	0	43,536,946
Accumulated Depreciation and Impairment							
At 1 April 2023	(163,664)	(5,855,402)	(442,169)	(172,122)	0	0	(6,633,357)
Depreciation charge	(1,251,285)	(969,870)	(26,887)	(80,861)	0	0	(2,328,903)
Derecognition – disposals	0	563,790	0	0	0	0	563,790
Other movements in depreciation and impairment	1,239,159	0	0	0	0	0	1,239,159
At 31 March 2024	(175,790)	(6,261,482)	(469,056)	(252,983)	0	0	(7,159,311)
Net Book Value							
At 31 March 2024	29,856,541	4,105,214	13,256	2,161,624	241,000	0	36,377,635
At 31 March 2023	27,071,222	3,225,096	40,143	2,163,798	241,000	53,411	32,794,670

Depreciation

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

- Other Land and Buildings – 1 to 50 years
- Other Land and Buildings RoUA – remainder of the lease
- Vehicles, Plant, Furniture & Equipment – 1 to 20 years
- Infrastructure – 1 to 15 years
- Community Assets – 1 to 50 years

Assets under construction are not depreciated until brought into use.

Capital Commitments

At 31 March 2025, the Council has entered into a number of contracts for the enhancement of Property, Plant and Equipment in 2024/25 and future years budgeted to cost £2,325,418. Similar commitments at 31 March 2024 were £752,183.

The major commitments are:

Capital Commitments	£
Food Waste Vehicles and Receptacles	936,420
Fleet Vehicle Replacements	683,215
Disabled Facilities and Housing Support Grants	269,609
Replacement of CRM system	127,995
Strategic Review of Land Rear of Enderby Leisure Centre	99,622
Landfill Gas Monitoring at Huncote	67,814
ICT Infrastructure Improvements	47,629
Implementation of Mobile Working Software	35,020
CCTV Upgrade at Council Offices	27,147
EV Infrastructure at Depot	13,584
Replacement of Income Management System	12,375
Upgrade of HR & Payroll System	4,988
	2,325,418

Effects of Changes in Estimates

The Council has reviewed its assumptions with regard to the useful economic life of its non-current assets but has concluded that no material changes are required to its accounting estimates.

Revaluations

The Council's valuation programme ensures that all Property, Plant and Equipment required to be measured at fair value is formally revalued at least every five years, although any material changes to valuations are adjusted in the interim period.

Land and buildings are valued by an independent external valuer. For the financial year 2024/25 a full valuation was undertaken at 31 March 2025 by Mr K. Shirer (Principal Surveyor – RICS Registered Valuer), of the Valuation Office Agency. The 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. For non-specialised operational assets, fair value equates to existing use value, and for specialised operational assets fair value is estimated using a depreciated replacement cost approach.

Vehicles, plant, and equipment are valued internally by reference to current replacement costs provided by suppliers and estimated disposal values (open market value in existing use). Assets not yet re-valued are shown at depreciated value based on historical cost but are not considered to be materially under or overvalued. The Council is not aware of any material change in value and these valuations have not been updated.

Surplus assets are measured at fair value, representing highest and best use value from a market participant's perspective.

	Land & Buildings	Land & Buildings RoUA	Vehicles, Plant & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Total
	£	£	£	£	£	£	£
Carried at historical cost	12,920	0	4,561,798	575	2,030,691	0	6,605,984
Valued at fair value as at:							
31 March 2025	32,593,895	726,164	0	0	0	1,019,999	34,340,058
31 March 2024	0	0	0	0	0	0	0
31 March 2023	0	0	0	0	0	0	0
Total	32,606,815	726,164	4,561,798	575	2,030,691	1,019,999	40,946,042

14. Heritage Assets

A heritage asset is defined by the Code as an asset with “historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture”.

The Council currently has only one asset that meets the definition of a heritage asset, and that is the Ice House situated in Bouskell Park, Blaby. Most of the Ice House is underground and part has been dated back to medieval times. It is a grade 2 listed building and is considered to be of historical interest. The Council secured external funding to enable it to undertake structural works which have now been completed. These works have enabled visitors to access the Ice House and learn its history.

The Ice House had not previously been reported in the Balance Sheet, as the Council held no information as to its cost or value. It was considered the cost of obtaining such information outweighed the benefit to the users of the financial statements. Since the completion of the renovation project in 2020, the asset is now held at the depreciated value of the project total. At 31 March 2025, this stands at £62,100.

15. Investment Properties

The Council owns just one investment property, The Old Bank (previously The Grange) in Narborough which it converted into 5 flats. These are currently rented out at market rate.

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.

	2024/25 £	2023/24 £
Rental income from investment property	37,289	30,657
Dilapidations	0	0
Operating expenses arising from investment property	(9,285)	(8,711)
Net gain/(loss) from fair value adjustments	34,000	(34,719)
Net gain/(loss)	62,004	(12,773)

	2024/25 £	2023/24 £
Balance as at 1 April	450,000	515,000
Additions and Transfers In	0	0
Net gain/(loss) from fair value adjustments	40,000	(65,000)
Balance as at 31 March	490,000	450,000

16. Intangible Assets

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include purchased licences, but the Council has no internally generated software.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The Council has no Intangible Assets that it has assessed as having an indefinite useful life.

The useful lives assigned to the major software suites used by the Council are:

Useful Life	Intangible Asset
10 years	Northgate Revenues & Benefits System
5 years	Customer Relationship Management/Electronic Document and Records Management System (CRM/EDRM) Xpress Elections Software Real Asset Management (Asset Register System) Idox/CAPS Planning System COA Solutions eFinancials (Financial Management System)

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

Movement on Intangible Asset Balances	2024/25 £	2023/24 £
Balance at 1 April		
• Gross carrying amount	306,277	277,665
• Accumulated amortisation	(229,428)	(217,839)
Net carrying amount at 1 April	76,849	59,826
Additions	54,466	42,315
Disposals	0	(13,703)
Amortisation for the period	(29,564)	(25,292)
Write back amortisation on disposals	0	13,703
Net carrying amount at 31 March	101,751	76,849
Comprising:		
• Gross carrying amount	360,744	306,277
• Accumulated amortisation	(258,992)	(229,428)
	101,751	76,849

There have been no changes in accounting estimates (e.g. residual values, useful lives, amortisation method) for Intangible Assets that have had an effect on the current period or that are expected to have an effect in subsequent financial years. Software assets are valued at historic cost.

17. Financial Instruments

Categories of Financial Instruments

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

Financial Assets	Non-Current 31/03/25 £	Current 31/03/25 £	Non-Current 31/03/24 £	Current 31/03/24 £
Cash and Bank Balance	0	291,852	0	150,207
Investments at amortised cost	0	22,768,292	0	22,233,675
Investments at Fair Value through Profit or Loss	664,651	0	742,726	0
Debtors carried at contract amounts	91,629	1,629,070	106,629	1,123,098
Total Financial Assets	756,280	24,689,214	849,355	23,506,980

Financial Liabilities	Non-Current 31/03/25 £	Current 31/03/25 £	Non-Current 31/03/24 £	Current 31/03/24 £
Borrowings at amortised cost	(4,000,000)	(872,446)	(4,857,602)	(880,031)
Other Long-Term Liabilities at amortised cost	(454,275)	0	(454,571)	0
Creditors carried at contract amounts	0	(8,385,025)	0	(7,951,005)
Total Financial Liabilities	(4,454,275)	(9,257,471)	(5,312,173)	(8,831,036)

Income, Expense, Gains and Losses

Income, Expense, Gains and Losses in 2024/25	Financial Liabilities measured at amortised cost £	Financial Assets loans and receivables £	Financial Assets Fair Value through profit or loss £	Total £
Interest expense – financial liabilities measured at amortised cost	(448,184)	0	0	(448,184)
Interest revenue – financial assets measured at amortised cost	0	1,539,528	0	1,539,528
Interest revenue – financial assets measured at Fair Value through Profit or Loss	0	0	34,055	34,055
Loss on Revaluation of Property Fund	0	0	245,303	245,303
Net gain/(loss) for the year	(448,184)	1,539,528	279,358	1,370,702

Fair Value of Assets and Liabilities

Financial liabilities and financial assets represented by loans and investments 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 and other loans payable, new loan rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures.
- For loans receivable prevailing benchmark rates have been used to provide the fair value
- No early repayment or impairment is recognised
- Where an instrument will mature in the next 12 months, the carrying amount is assumed to be approximate to fair value.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

	Carrying Amount 31 March 2025 £	Fair Value 31 March 2025 £	Carrying Amount 31 March 2024 £	Fair Value 31 March 2024 £
PWLB Debt	4,872,124	2,509,562	5,737,340	3,599,108
Non PWLB Debt	0	0	0	0
Short Term Creditors	8,385,025	8,385,025	7,951,005	7,951,005
Short Term Finance Lease Liability	322	322	293	293
Long Term Finance Lease Liability	454,275	454,275	454,571	454,571
Total Financial Liabilities	13,711,746	11,349,184	14,143,209	12,004,977

The fair value of Public Works Loan Board (PWLB) and market loans of £2,509,562 measures the economic effect of the terms agreed with the PWLB, and other lenders 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 and other lenders, against what would be paid if the loans were at prevailing market rates.

However, the authority has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. A supplementary measure of the additional interest that the authority will pay as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the new borrowing rates available from the PWLB. If a value is calculated on this basis, the carrying amount of £4,872,124 would be valued at £2,509,562. 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. The exit price for the PWLB loans, including the penalty charge, would be £2,008,741.

	Carrying Amount 31 March 2025 £	Fair Value 31 March 2025 £	Carrying Amount 31 March 2024 £	Fair Value 31 March 2024 £
Cash and Bank Balance	291,852	291,852	150,208	150,208
Money Market Loans less than 1 Year	23,432,943	23,432,943	22,976,400	22,976,400
Short Term Debtors	1,629,070	1,629,070	1,123,098	1,123,098
Long Term Debtors	91,629	91,629	106,629	106,629
Total Financial Assets	25,445,494	25,445,494	24,356,335	24,356,335

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

The Council's long-term debtors include mortgage advances and renovation loans in excess of twelve months. The balances are increased by payments/loans advanced during the financial year and reduced as repayments are made.

18. Debtors

	31 March 2025 £	31 March 2024 £
Central government bodies	1,606,259	647,985
Other local authorities	3,761,495	3,938,087
NHS Bodies	0	3,685
Other entities and individuals	2,848,285	2,142,639
Total	8,216,039	6,732,396

Each line item in the table above is presented net of impairment (that is, any allowance for non-collection). The impairment allowance for short term debtors (including council tax and non-domestic rate income) as at 31 March 2025 is £1,691,598 (£1,573,733 as at 31 March 2024).

19. Cash and Cash Equivalents

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

	31 March 2025 £	31 March 2024 £
Cash held by the Council	256	256
Bank current accounts	1,561,837	219,280
Deposits in Money Market Funds	3,208,118	2,987,937
Short-term deposits with banks and building societies	14,207,360	16,199,773
Deposits with other Local Authorities	0	1,001,323
Total Cash and Cash Equivalents	18,977,571	20,408,569

20. Assets Held for Sale

As at 31 March 2025, the Council had the following assets held for sale. The sites are:

- Holt Crescent Allotments, Thurlaston
- Jubilee Park and Car Park, Enderby
- Trinity Road, Whetstone
- College Road, Whetstone
- Church Lane / High Street, Whetstone
- Glen Hills Nature Reserve, Glen Parva
- Southey Close Recreation Ground, Enderby

The value of these sites are as shown in the below table

	Current 2024/25 £	Current 2023/24 £
Balance as at 1 April	205,004	205,004
Assets newly classified as Held forSale	230,919	0
Revaluation Gains/(Losses)	15,000	0
Disposals	(205,000)	0
Impairment losses	0	0
Balance as at 31 March	245,923	205,004

21. Creditors

	31 March 2025 £	31 March 2024 £
Central government bodies	(5,561,887)	(4,976,631)
Other local authorities	(7,070,945)	(4,267,943)
NHS bodies	(624,194)	(742,198)
Other entities and individuals	(4,753,846)	(8,661,427)
Total	(18,010,872)	(18,648,199)

Included within Central government bodies as at 31 March 2025 is £310,338 (£1,091,692 as at 31 March 2024) relating to the balance of Section 31 Grant which is owed back to the Government.

22. Provisions

The Council maintains an Insurance Reserve Fund to meet its own liability in relation to claims which may be made against the Council, not currently notified, which would not be fully met within the terms and conditions of its insurance policies. The principal policy to which this applies is the Council's public liability policy under which the Council is required to meet the first £12,500 costs of any claim. Movements in the Insurance Reserve Fund are included within note 9.

A provision has also been made in respect of potential claims liabilities arising under the above policies, based on Insurers' assessment of claims notified, limited to the amount of claim excess. Although the timing of outcomes is uncertain, claims may be paid either fully or in part, or may be repudiated, and so the cost cannot be estimated with certainty. The level of provision required is reviewed annually.

The Council also holds a provision to cover potential liabilities in relation to the Municipal Mutual Insurance (MMI) Scheme of Arrangement. In November 2012 it was announced that a levy of 15% would be applied to the total value of insurance claims paid through MMI since 1993 (less £50,000). For Blaby, this amounts to £295,000 in settled claims, less £50,000. Due to the uncertain position in respect of the most volatile classes of claim, such as mesothelioma, the scheme administrator increased the levy by 10% to 25%. Whilst the Council currently has no outstanding claims reserves with MMI, the provision level has been maintained at the same level to allow for the possibility of new liabilities arising out of past events, e.g., mesothelioma cases.

The Council also provides for losses that may arise due to appeals made by businesses against their rateable value. The timing of the outflows in the event of a successful appeal is entirely

dependent upon the Valuation Office Agency, with many appeals not settled for several years after they are submitted. The table below reflects the Council's 40% share of the cost of potential appeals, in accordance with the business rates retention scheme.

	Insurance Claims Provision £	MMI Scheme of Arrangement £	NNDR Appeals Provision £	Total £
Balance as at 31 March 2024	(37,500)	(180,377)	(1,801,617)	(2,019,494)
Additional Provisions made in year	(4,028)	0	(1,022,105)	(1,026,133)
Provisions used in year	0	0	412,784	412,784
Unused Provisions returned in year	37,500	0	0	37,500
Balance as at 31 March 2025	(4,028)	(180,377)	(2,410,938)	(2,595,343)

23. Unusable Reserves

	31 March 2025 £	31 March 2024 £
Revaluation Reserve	(15,605,412)	(11,706,167)
Capital Adjustment Account	(8,580,337)	(8,144,040)
Pensions Reserve	7,308,000	8,361,000
Collection Fund Adjustment Account	(893,922)	(489,160)
Accumulated Absences Account	78,882	84,943
Financial Instruments Adjustment Account	245,303	257,274
Total	(17,447,486)	(11,636,150)

Revaluation Reserve

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

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

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

	2024/25 £	2023/24 £
Balance at 1 April	(11,706,167)	(11,467,188)
Upward revaluation of assets	(4,306,573)	(880,180)
Downward revaluation of assets	459,418	370,607
Impairment Losses	(665,874)	(200,808)
Surplus or Deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	(4,513,029)	(710,381)

	2024/25 £	2023/24 £
Difference between fair value depreciation and historical cost depreciation	521,877	472,670
Accumulated gains/(losses) on assets sold or scrapped	(339)	(1,268)
Reversal of impairment charge from prior year	92,246	0
Balance at 31 March	(15,605,412)	(11,706,167)

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 Council as finance for the costs of acquisition, construction, or enhancement.

The Account contains accumulated gains and losses on Investment Properties.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 8 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2024/25 £	2023/24 £
Balance at 1 April	(8,144,040)	(7,727,916)
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non-current assets	2,546,333	2,328,902
Impairment losses	573,628	200,808
Amortisation of intangible assets	29,564	25,292
Revenue expenditure funded from capital under statute	1,128,558	1,563,887
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	73,876	54,364
	4,351,959	4,173,253
Adjusting amounts written out of the Revaluation Reserve	(521,877)	(472,670)
Net amount written out of the cost of non-current assets consumed in the year	3,830,082	3,700,583
Capital financing applied in the year:		
• Use of Capital Receipts Reserve to finance new capital expenditure	(470,922)	(730,959)
• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(2,228,965)	(2,169,371)
• Application of grants to capital financing from the Capital Grants Unapplied Account	(581,663)	(424,193)
• Statutory provision for the financing of capital investment charged against the General Fund	(910,520)	(784,445)

	2024/25 £	2023/24 £
balance.		
<ul style="list-style-type: none"> Capital expenditure charged against the General Fund balance. 	(89,309)	(7,739)
	(4,281,379)	(4,116,707)
Repayment of private sector housing loan	15,000	0
Balance at 31 March	(8,580,337)	(8,144,040)

Pensions Reserve

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

	2024/25	2023/24
Balance at 1 April	8,361,000	3,007,000
Re-measurements of the net defined benefit liability	(15,724,000)	(6,680,000)
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	2,540,000	2,421,000
Employer's pensions contributions and direct payments to pensioners payable in the year	(3,236,000)	(3,061,000)
Asset ceiling adjustment	15,367,000	12,674,000
Balance at 31 March	7,308,000	8,361,000

Collection Fund Adjustment Account

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

	2024/25 £	2023/24 £
Balance at 1 April	(489,160)	1,415,024

	2024/25 £	2023/24 £
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(97,285)	(3,114)
Amount by which non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from non-domestic rates income calculated for the year in accordance with statutory requirements	(307,477)	(1,901,070)
Balance at 31 March	(893,922)	(489,160)

During 2020/21 In response to COVID-19 pandemic and lockdown, the Government gave a retail relief to certain business sectors. This resulted in an extraordinary deficit on the Collection Fund which local authorities were permitted to spread across three financial years. To recompense local authorities, the Government paid Section 31 Grant, and this grant was transferred to an earmarked reserve to help offset the deficit. The grant was fully utilised during 2023/24.

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, for example, annual leave entitlement carried forward at forward 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2024/25 £	2023/24 £
Balance at 1 April	84,943	78,710
Settlement or cancellation of accrual made at the end of preceding year	(84,943)	(78,710)
Amounts accrued at the end of the current year	78,882	84,943
Balance at 31 March	78,882	84,943

Financial Instruments Adjustments Account

The Financial Instruments Adjustments Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to the Council's Property Fund investment and for bearing losses or benefiting from gains per statutory provisions.

	2024/25 £	2023/24 £
Balance at 1 April	257,274	155,126
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(11,971)	102,148
Balance at 31 March	245,303	257,274

24. Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

	2024/25 £	2023/24 £
Interest received	(1,580,163)	(1,788,706)
Interest paid	457,563	368,088

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

	2024/25 £	2023/24 £
Proceeds from Short Term and long-term Investments	(2,656,459)	(4,108,110)
Proceeds from the sale of property, plant and equipment	186,898	58,251
Capital grants and contributions received	1,681,468	2,867,045
	(788,093)	(1,182,814)

25. Cash Flow Statement – Investing Activities

	2024/25 £	2023/24 £
Purchase of property, plant and equipment, and intangible assets	3,124,257	5,185,088
Purchase of short-term and long-term investments	4,768,430	2,005,962
Other payments from investing activities	6,846	0
Proceeds from the sale of property, plant, and equipment	(77,973)	(75,392)
Other receipts from investing activities	(3,117,042)	(2,875,806)
	4,704,518	4,239,852

26. Cash Flow Statement – Financing Activities

	2024/25 £	2023/24 £
Cash payments for the reduction of finance lease liabilities	293	266
Repayments of short and long term borrowing	839,791	216,473
Other payments/receipts for financing activities	342,165	(1,257,883)
	1,182,249	(1,041,144)

27. Reconciliation of Liabilities Arising from Financing Activities

	1 st April 2024	Financing Cash Flows	Non-Cash Changes Acquisition	Non-Cash Changes Other	31 st March 2025
	£	£	£	£	£
Long Term Borrowing	(4,857,602)	857,602	0	0	(4,000,000)
Short Term Borrowing:	(879,738)	(1,765)	0	9,379	(872,124)
Lease Liabilities	(454,864)	(405,180)	0	(26)	(860,070)
Total Liabilities from Financing Activities	(6,192,204)	450,657	0	9,353	(5,732,194)

28. Agency Arrangements

Blaby District Council is the lead authority for Lightbulb which brings together the various services involved in the provision of Disabled Facilities Grants under one umbrella, including Occupational Therapists employed by Leicestershire County Council. As lead authority, Blaby employs Housing Support Co-ordinators, Technical Officers and Administrative Officers on behalf of most of the districts across Leicestershire, as well as running the Central Hub that oversees the delivery of services through Lightbulb. The district councils and the County Council contribute towards the cost of running the Central Hub, as well as reimbursing Blaby for the running costs associated with the various district localities. This ensures that Blaby's financial position remains cost neutral in terms of the services it provides to its partners. Expenditure and income is included within the Community Services line in the Comprehensive Income and Expenditure Statement.

As part of the Lightbulb service, Blaby also manages, administers and pays for Disabled Facilities Grants on behalf of Harborough District Council, Melton Borough Council, North West Leicestershire District Council, and Oadby and Wigston Borough Council. Under this arrangement the partner authorities have agreed to transfer their capital grant funding to Blaby in return for Blaby paying the disabled facilities grants on their behalf. Blaby also has responsibility for the procurement and administration of stairlift installations on behalf of the above authorities as well as Hinckley and Bosworth Borough Council and Charnwood Borough Council. This function was previously performed by Leicestershire County Council, prior to 2018/19.

The table below provides a summary of the expenditure and income for the year.

2024/25	Harborough District Council	Melton Borough Council	NW Leics. District Council	Oadby and Wigston Borough Council	Hinckley and Bosworth Borough Council	Charnwood Borough Council	Total
	£	£	£	£	£	£	£
Balance at 1 April 2024	(10,484)	(269,873)	(2,235,912)	(400,881)	(3,697)	845	(2,920,002)
Income received	(515,062)	(307,030)	(708,897)	(450,374)	(331,552)	(263,431)	(2,576,346)
Other contributions	0	0	0	0	0	0	0
Grant expenditure	586,883	289,457	623,934	549,812	331,750	262,691	2,644,527

2024/25	Harborough District Council	Melton Borough Council	NW Leics. District Council	Oadby and Wigston Borough Council	Hinckley and Bosworth Borough Council	Charnwood Borough Council	Total
	£	£	£	£	£	£	£
Balance at 31 March 2025	61,337	(287,446)	(2,320,875)	(301,443)	(3,499)	105	(2,851,821)

Comparative figures for 2023/24 are shown in the table below.

2023/24	Harborough District Council	Melton Borough Council	NW Leics. District Council	Oadby and Wigston Borough Council	Hinckley and Bosworth Borough Council	Charnwood Borough Council	Total
	£	£	£	£	£	£	£
Balance at 1 April 2023	(84,988)	(336,380)	(2,085,825)	(457,670)	(4,268)	0	(2,969,131)
Income received	(516,714)	(334,429)	(786,581)	(460,033)	(203,362)	(243,212)	(2,544,331)
Other contributions	(13,210)	(5,000)	(37,503)	0	0	0	(55,713)
Grant expenditure	604,428	405,936	673,997	516,822	203,933	244,057	2,649,173
Balance at 31 March 2024	(10,484)	(269,873)	(2,235,912)	(400,881)	(3,697)	845	(2,920,002)

The balances carried forward are included within debtors or creditors in the Balance Sheet.

29. Members Allowances

Allowances are paid to elected members in accordance with the Council's Members' Allowance scheme.

	2024/25 £	2023/24 £
Basic Allowances	218,838	213,308
Special Responsibility Allowances	105,152	92,109
Travel and Other Expenses	73	492
	324,063	305,909

30. Officer Remuneration

The Accounts and Audit Regulations require authorities to disclose details of senior officers' remuneration. In cases where the individual's salary exceeds £150,000 per annum (or pro rata to that amount) then the individual's name shall be disclosed. There were no senior officers of Blaby District Council whose salary exceeded £150,000 per annum in either 2024/25 or the preceding

year. Where the salary exceeds £50,000 per annum (or pro rata to that amount), the authority is required to provide a disclosure by job title.

Position	Year	Salary, Fees, Allowances £	Expenses Allowances £	Compensation for loss of office £	Pension Contribution £	Total £
Chief Executive	2024/25	119,466	1,239	0	26,986	147,691
	2023/24	116,552	1,239	0	27,550	145,341
Executive Director (S151)	2024/25	103,158	1,239	0	22,592	126,989
	2023/24	95,764	1,239	0	20,972	117,975
Executive Director (Place)	2024/25	89,099	835	0	19,513	109,447
	2023/24	66,108	882	0	14,478	81,468
Executive Director (Communities)	2024/25	89,705	1,239	0	19,646	110,590
	2023/24	20,804	306	0	4,556	25,666
Corporate Services & Monitoring Officer Group Manager	2024/25	46,562	401	0	10,206	57,169
	2023/24	51,977	933	0	11,436	64,346
Assets & Major Projects Group Manager	2024/25	72,884	1,239	0	15,962	90,085
	2023/24	1,632	0	0	357	1,989
Neighbourhood Services Group Manager	2024/25	79,928	1,239	0	17,504	98,671
	2023/24	77,979	1,239	0	17,077	96,295
Planning & Strategic Growth Group Manager	2024/25	66,434	1,239	0	14,549	82,222
	2023/24	77,979	1,239	0	17,077	96,295
Environmental Health, Housing Services Group Manager	2024/25	77,469	1,239	0	16,965	95,673
	2023/24	73,053	1,239	0	15,999	90,291
Resources Group Manager	2024/25	22,775	212	0	4,100	27,087
	2023/24	68,966	846	0	15,104	84,916
ICT & Transformation Group Manager	2024/25	74,880	1,239	0	16,398	92,517
	2023/24	68,255	1,239	0	14,948	84,442

The Group Manager - Corporate Services & Monitoring Officer commenced employment with the Council on 27th August 2024. The annualised salary for the post in 2024/25 was £78,579.

The Group Manager - Resources left the Council on 30th June 2024. The annualised salary for the post in 2024/25 was £73,053.

The new post holder of the Group Manager – Resources position commenced employment with the Council on 16th September 2024. The annualised salary for the post in 2024/25 was £68,966.

In accordance with Regulation 7(3) of the Accounts and Audit Regulations 2015 the Council is also required to disclose the number of other employees whose remuneration is in excess of £50,000 per annum, starting at that level and increasing in multiples of £5,000. There are 11 employees in this category in 2024/25 as follows.

Remuneration Band	No. of Employees 2024/25	No. of Employees 2023/24
£50,000 - £54,999	9	4
£55,000 - £59,999	1	0
£60,000 - £64,999	1	0

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

Exit Package Cost Band (including special payments)	Number of Compulsory Redundancies 2024/25	Number of Compulsory Redundancies 2023/24	Number of Other Departures Agreed 2024/25	Number of Other Departures Agreed 2023/24	Total Number of Exit Packages by Cost Band 2024/25	Total Number of Exit Packages by Cost Band 2023/24	Total Cost of Exit Packages in each Band 2024/25 £	Total Cost of Exit Packages in each Band 2023/24 £
£0 - £20,000	1	0	2	4	3	4	£26,964	£16,933
£20,001 – £40,000	0	0	1	0	1	0	£21,152	0
Total	1	0	3	4	4	4	£48,116	£16,933

31. External Audit Costs

The Council has incurred the following costs in relation to the audit of the statement of accounts and certification of grant claims.

The Councils External Auditor for 2024/25 and 2023/24 is Azets.

	2024/2025 £	2023/2024 £
Fees payable to the external auditors with regard to external audit services carried out by the appointed auditor	176,000	160,882
Fees payable to the external auditors for the certification of grant claims and returns	28,000	25,100
Total	204 000	185,982

Fees payable to the external auditors for 2024/25, in the table above, allows for estimated additional costs in excess of the scale fee. The final amounts will not be known until the audit for that period has been concluded.

32. Grant Income

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

	2024/25 £	2023/24 £
Debited / (Credited) to Taxation and Non-Specific Grant Income		
Non-Domestic Rates Contribution	(3,602,984)	(3,858,489)
New Homes Bonus Grant	(14,280)	(430,029)
Section 31 Grants – Business Rates	(3,081,775)	(2,382,198)
Lower Tier Services Grant	(2,245,863)	(1,530,635)
Services Grant	(15,571)	(90,200)
Revenue Support Grant	(79,550)	(74,609)
Other non-ring-fenced Government Grants	(27,554)	(18,704)
Government Grants	1,340,849	361,006
Section 106 Contributions	(74,715)	(479,351)
Total	(7,801,443)	(8,503,209)
Credited to Services		
Housing Benefit Subsidy	(9,197,007)	(8,792,475)
Other DWP Grants	(60,526)	(65,790)
NNDR Cost of Collection Allowance	(106,386)	(103,866)
Disabled Facilities Grant	(1,052,753)	(991,162)
Council Tax Support Grant	(14,317)	(32,255)
DEFRA Air Quality Monitoring Grants	(6,846)	0
Government contributions towards the cost of Elections	(462,465)	(15,880)
Covid 19 Grant	0	0
Redmond Review Grant	(19,594)	(19,490)
The Welcome Back Fund	0	0
New Burdens Grant – Electoral Registration	(20,137)	(2,000)
New Burdens Grant – Transparency	(8,103)	(8,572)
New Burdens Grant – Pavement Licenses	0	0
New Burdens Grant – Land Registry	0	(70,034)
New Burdens Grant - NNDR	0	0
New Burdens Grant – Local Elections	0	(25,544)
New Burdens – Council Tax Energy Rebate	0	600
New Burdens – Fuel Grants	0	(14,470)
Home Office Grant – Syrian and Afghan Vulnerable Persons Resettlement Scheme	(66,229)	(124,345)
Home Office Grant – Ukrainian Refugee Scheme	(130,623)	(63,881)
Biodiversity Net Gain Grant	(26,807)	(26,807)
Neighbourhood Planning Grant	(30,000)	0
Whetstone Garden Village	0	(45,000)
Local Authority Housing Fund	0	(1,386,990)
UK Shared Prosperity Fund	(1,345,083)	(513,390)
Council Tax Energy Rebate – Discretionary Scheme	0	0
Changing Places Grant – Public Conveniences	0	0
Other Grants	(421,248)	(452,489)

	2024/25 £	2023/24 £
Leicestershire and Rutland Sport Commissioning Programme	(56,224)	(60,297)
Better Care Fund – Hospital Housing Enabler	(386,695)	(279,760)
Leicestershire Partnership NHS Trust – Hospital Housing Enabler	(204,000)	(204,000)
Leicester City Clinical Commissioning Group – Hospital Housing Enabler	(315,848)	(355,673)
Children’s Support Contributions – Other Local Authorities	(65,997)	(3,083)
Major Schemes Funding	(3,500)	(38,284)
Early Years Physical Activity	(39,352)	(43,719)
Council Tax Support Scheme	0	(103,390)
GP Referral Scheme	(8,322)	0
Kickstart Government Gateway and BDC placements	0	0
Other Contribution	(1,987,789)	(567,364)
Total	(16,035,851)	(14,409,410)

The Council sometimes receives grants and contributions that are not immediately recognised as income as they have conditions attached to them that will require the monies to be returned to the giver. The balances at the year-end are as follows:

	2024/25 £	2023/24 £
Grants Receipts in Advance (Capital Grants)		
Disabled Facilities Grant	(1,743,244)	(403,396)
Section 106 Contributions	(672,008)	(598,129)
Total	(2,415,252)	(1,001,525)

Revenue grants and contributions which do not have conditions attached to their use are transferred to an earmarked reserve pending use in the following financial year.

33. Related Party Transactions

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

Central Government

Central Government has significant influence over the general operations of the Council - it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants, and prescribes the terms of many of the transactions that the Council has with other parties (for example council tax bills, housing benefits). Grants received from government departments are set out in Note 7b, Expenditure and Income Analysed by Nature. Grant receipts outstanding at 31 March 2025 are shown in Note 32.

Other Local Authorities

The Council administers, manages, and pays for disabled facilities grants on behalf of certain other Leicestershire districts. Further details are contained within Note 28, Agency Arrangements.

Members and Senior Officers

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2024/25 is shown in Note 29. Members are appointed to represent the Council on various outside bodies, some of which give or receive funding to/from the Council. Members and senior officers are required to complete an annual return in which they must declare any related party transactions in which they have been involved during the financial year. This exercise highlighted no material transactions requiring disclosure in 2024/25.

34. Capital Expenditure and Capital Financing

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

	2024/25 £	2023/24 £
Opening Capital Financing Requirement	17,365,910	14,486,025
Capital Investment		
Property, Plant and Equipment	3,425,954	5,390,390
Intangible Assets	54,467	42,315
Revenue Expenditure Funded from Capital under Statute	1,128,558	1,563,887
Sources of Finance		
Capital receipts applied	(470,922)	(730,959)
Government grants and other contributions	(2,899,855)	(2,596,932)
Sums set aside from revenue:		
Direct revenue contributions	(82)	(4,371)
Minimum revenue provision	(910,520)	(784,445)
IFRS16 adjustment	(3,916)	0
Closing Capital Financing Requirement	17,689,594	17,365,910
Explanation of movements in year		
Increase/(decrease) in underlying need for borrowing:	327,922	2,880,151
- unsupported by Government financial assistance		
Assets acquired under finance leases	(322)	(266)
IFRS16 adjustment	(3,916)	0
Increase/(decrease) in Capital Financing Requirement	323,684	2,879,885

35. Leases

International Financial Reporting Standard 16 (IFRS 16)

In 2024/2025, 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 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2024 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 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.

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 1 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.

Authority as 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. The Authority recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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 1 April 2024, discounted by the Authority's incremental borrowing rate at that date
- A single discount rate has been applied to portfolios of leases with reasonably similar characteristics
- The weighted average of the incremental borrowing rates used to discount liabilities was 5.36%
- Right-of use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024 – any initial direct costs have been excluded
- All leases were assessed as to whether they were onerous at 31 March 2024, so right-of-use assets have not been subject to an impairment review – carrying amounts have been reduced by any provisions for onerous contracts that were in the 31 March 2024 balance sheet
- For right-of-use assets for peppercorn or nominal lease payments a right-of use asset has been recognised at fair value on 1 April 2024 with the between that fair value and the lease liability credited as a gain in the surplus/deficit on the provision of services.
- Application of the Code's adaptation of IFRS16 has resulted in the following additions to the balance sheet at 1 April 2024:
 - £460,279 Property, plant and equipment – land and buildings (right-of-use assets)
 - £405,474 Non-current creditors (lease liabilities)
 - £14,893 Current creditors (lease liabilities)

The newly recognised leases liabilities of £420,367 compare with the operating lease commitments of £1,777,278 at 31 March 2024 disclosed in the notes to the 31 March 2024 financial statements. When these are discounted to their present value of £420,367 (using the incremental borrowing rate at 1 April 2024), there is a difference of (£45,100) from the newly recognised lease liabilities. This is explained by the assumption that the rolling short term leases for homelessness properties have a 3 year lease term.

Finance Leases - 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 1 April 2024 are determined at the carrying amount of the lease asset and lease liability under IAS 17 at 31 March 2024.

The Council has acquired buildings at Enderby Road Industrial Estate, Whetstone under ~~finance~~leases. This was subject to a full revaluation at 31st March 2025 as part of the Council's annual asset revaluation exercise. The assets acquired under this lease are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts.

Other Land and Buildings	2024/25 £	2023/24 £
Value at 1 April	2,640,181	2,704,000
Adjustment for Right of Use Assets	0	0
Additions during the year	11,825	410,721
Revaluation gains/losses	425,077	-315,613
Depreciation charge for the year	-167,883	-158,927
Value at 31st March	2,909,200	2,640,181

The Council is committed to making minimum payments under this lease comprising settlement of the long- term liability for the interest in the property acquired by the Council and finance costs that will be payable by the Council in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

	31 March 2025 £	31 March 2024 £
Finance lease liabilities (net present value of minimum lease payments)		
Current	322	293
Non-current	454,275	454,571
Finance costs payable in future years	1,926,067	1,971,556
Minimum lease payments	2,380,664	2,426,420

The minimum lease payments will be payable over the following periods:

	Minimum Lease Payments 31/03/2025 £	Minimum Lease Payments 31/03/2024 £	Finance Lease Liabilities 31/03/2025 £	Finance Lease Liabilities 31/03/2024 £
Not later than one year	45,782	45,782	322	293
Later than one year and not later than five years	183,128	183,128	1,646	1,496
Later than five years	2,151,754	2,197,510	452,629	453,075
	2,380,664	2,426,420	454,597	454,864

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. In 2024/25 contingent rents amounting to £227,339 were payable by the Council (2023/24 £184,511).

Operating Leases – Leases that do not meet the definition of a finance lease are accounted for as operating leases. Rental payments, net of benefits received, under operating leases are charged to the relevant service on a straight-line basis over the life of the lease.

Other land and buildings and vehicles, plant, furniture & equipment that fall under the scope of IFRS16 have been reclassified as right of use assets on the balance sheet. The disclosure below relates to low value (below £10k assets) and leases that have less than 12 months to run. The amounts charged to the Comprehensive Income and Expenditure Statement under these arrangements are the value of future payments under operating leases is shown below.

Under these operating leases, the Council is committed to pay the following sums:

	2024/25 £	2023/24 £
Future Repayment Period		
Not later than one year	6,339	0
Later than one year and not later than five years	21,887	0
Later than five years	0	0
	28,226	0
Value at 31st March		
Vehicles, Plant, Furniture & Equipment	28,226	0
Recognised as an expense during the year	528	0

Right of Use Assets

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

	Other Land and buildings £	Vehicles, plant, and equipment £	Total £
At 1st April 2024	0	0	0
Additions	460,279	0	460,279
Revaluations	281,097	0	281,097
Depreciation charge	(26,522)	0	(26,522)
Other movements	11,310	0	11,310
Disposals	0	0	0
At 31st March 2025	726,164	0	726,164

Transactions under leases

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

Comprehensive income and expenditure statement	2024/25 £	2023/24 £
Interest expense on lease liabilities	21,647	0
Cash Flow Statement	2024/25 £	2023/24 £
Total cashflow for leases	36,540	0
Cash payments for interest portion of lease liabilities	21,647	0

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):

	31 March 2025 £	31 March 2024 £
Not later than one year	36,894	0
Later than one year and not later than five years	101,194	0
Later than five years	1,647,750	0
Total undiscounted liabilities	1,785,838	0

Authority as 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.

As at 1st April 2024 the Authority:

- was not party to any sublease arrangements as lessor
- was not party to as lessor to lease for nil consideration
- did not have any Sale and Leaseback transactions

Finance Leases – the Council does not lease any property, plant, or equipment to a third party under the terms of a finance lease.

Operating Leases – the Council leases units at the Enderby Road Industrial Estate, Whetstone to various local businesses and received rental income of £384,382 in 2024/25 (£324,783 in 2023/24).

The council rents 4 apartments The Old Bank and received rental income of £37,289 in 2024/25 (£30,657 in 2023/24)

36. Defined Benefit Pension Schemes

Participation in Pensions Schemes

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

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

Transactions Relating to Post-Employment Benefits

The Council recognises 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 the Council is required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund 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:

	2024/25	2023/24
	£	£
Comprehensive Income and Expenditure Statement		
Cost of Services		
• Current Service Cost	2,130,000	2,296,000
• Past Service Cost/(Gain)	30,000	0
• (Gain)/Loss from Settlements	0	0
Financing and Investment Income and Expenditure		
• Net Interest Expense	380,000	125,000
Total Post-Employment Benefits charged to the Surplus or Deficit on the Provision of Services	2,540,000	2,421,000
Other Post-Employment Benefits Charged to the Comprehensive Income and Expenditure Statement		
Re-measurement of the net defined benefit liability comprising:	(1,009,000)	(3,772,000)
• Return on plan assets (excluding the amount included in the net interest expense)		
• Actuarial gains and losses arising on changes in demographic assumptions	(141,000)	(465,000)
• Actuarial gains and losses arising on changes in financial assumptions	(13,223,000)	(4,931,000)
• Other experience gains and losses	(736,000)	2,488,000
Changes in the effect of the asset ceiling	15,367,000	12,674,000

	2024/25	2023/24
	£	£
Comprehensive Income and Expenditure Statement		
Total Post-Employment Benefits charged to Comprehensive Income and Expenditure Statement	2,798,000	8,415,000
Movement in Reserves Statement		
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	(2,540,000)	(2,421,000)
Actual amount charged against the General Fund Balance for pensions in the year:		
• Employer's contributions payable to the scheme	3,136,549	3,005,618
• Capital costs	39,847	0
• Retirement benefits payable to pensioners	52,592	51,984

Pension Assets and Liabilities Recognised in the Balance Sheet

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

	2024/25 £	2023/24 £
Present value of the defined benefit obligation	(98,317,000)	(92,969,000)
Fair value of plan assets	91,009,000	84,608,000
Net liability arising from defined benefit obligation	(7,308,000)	(8,361,000)

Asset Ceiling Adjustment

The Council's share of the net pension liability at 31st March 2025 had decreased by £16,420,000, giving an overall surplus of £21,238,000. The most significant contributory factor leading to this change is the increase in the net discount rate (net of CPI inflation).

Under IAS19 the authority is required to measure the defined benefit asset reported as the lower of the surplus in the defined benefit plan and the asset ceiling.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Under IFRIC14 there is no option for refunds from the plan, and the component of the asset ceiling available through reductions in contributions, is calculated as the Present value of future service costs less the Present value of future service contributions:

Annuity (into perpetuity) x 2025-26 future service cost, less

Annuity (into perpetuity) x future service element employer contribution, so

40.5 years x £1.532m = £62.046m, less

40.5 years x £2.608m = £105.624m

As B is greater than A, then the economic benefit available as a reduction in future contributions is floored at 0, meaning that the net asset becomes an additional liability.

The authority also has an obligation under a minimum funding requirement to pay contributions to cover an existing shortfall in respect of services already received. This is calculated by taking the funding 'time horizon' of 17 years and multiplying by the present value of agreed past service contributions. The present value of agreed past service contributions equates to £6.803m. These agreed Past service contributions have been committed to be paid to the pension fund and are added to the net asset position (£21.238m + £6.803m = £28.041m). This position is then compared to the economic benefit available as a reduction in future contributions to determine if there is an additional liability to recognise.

	£'000
Net Asset (unadjusted)	21,238
Add back present value of unfunded obligations	(505)
Net Asset (adjusted)	20,733
Expected net asset after past service contributions	(28,041)
Economic benefit available as a reduction in future contributions	0
Adjusted Net Liability	(7,308)

Reconciliation of the Movements in the Fair Value of Scheme Assets

	2024/25 £	2023/24 £
Opening fair value of scheme assets	84,608,000	76,093,000
Interest income	4,131,000	3,640,000
Re-measurement gain/(loss):		
The return on plan assets, excluding the amount included in net interest expense	1,009,000	3,772,000
Contributions from employer	3,236,000	3,061,000
Contributions from employees into the scheme	737,000	714,000
Benefits paid	(2,712,000)	(2,672,000)
Closing fair value of scheme assets	91,009,000	84,608,000

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

	2024/25 £	2023/24 £
Opening balance at 1 April	92,969,000	79,100,000
Current service cost	2,130,000	2,296,000
Interest cost	3,896,000	3,765,000
Contributions from scheme participants	737,000	714,000
Re-measurement (gains) and losses:		

	2024/25 £	2023/24 £
Actuarial (gains)/losses arising from changes in financial assumptions	(13,223,000)	(4,931,000)
Actuarial (gains)/losses arising from changes in demographic assumptions	(141,000)	(465,000)
Other	(736,000)	2,488,000
Asset Ceiling Adjustment	15,367,000	12,674,000
Past service cost	30,000	0
Benefits paid	(2,712,000)	(2,672,000)
Closing balance at 31 March	98,317,000	92,969,000

	Quoted prices in active markets 2024/25 £	Quoted prices not in active markets 2024/25 £	Total 2024/25 £	Quoted prices in active markets 2023/24 £	Quoted prices not in active markets 2023/24 £	Total 2032/24 £
Equity securities	588,300	600	588,900	274,700	0	274,700
Debt securities:						
• UK Government	3,309,600	9,200	3,318,800	3,718,600	9,100	3,727,700
• Other	465,000	0	465,000	340,900	0	340,900
Private equity	0	5,247,700	5,247,700	0	5,176,200	5,176,200
Real estate:						
• UK property	0	6,190,900	6,190,900	0	5,486,500	5,486,500
Investment funds and unit trusts:	38,318,000	162,200	38,480,200			
• Equities				35,979,900	152,500	36,132,400
• Bonds	0	0	0	0	0	0
• Hedge funds	300	0	300	400	0	400
• Commodities	0	1,819,800	1,819,800	0	1,958,900	1,958,900
• Infrastructure	0	8,344,800	8,344,800	0	7,264,600	7,264,600
• Other	11,209,800	6,363,800	17,573,600	9,752,300	7,734,600	17,486,900
Derivatives	(451,500)	0	(451,500)	5,000	0	5,000
Cash and cash equivalents	8,872,500	0	8,872,500	6,753,800	0	6,753,800
	62,312,000	28,139,000	90,451,000	56,825,600	27,782,400	84,608,000

Local Government Pension Scheme assets comprised:

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 and so on. Both the Local Government Pension Scheme and discretionary benefits liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, with estimates for the Local Government Pension Scheme being based on the latest full valuation of the scheme as at 31 March 2023. The significant assumptions used by the actuary have been:

	Local Government Pension Scheme 2024/25	Local Government Pension Scheme 2023/24	Discretionary Benefit s 2024/2 5	Discretionary Benefit s 2023/2 4
Mortality Assumptions:				
Longevity at 65 for current pension:				
• Men	21.1 years	21.2 years	21.1 years	21.2 years
• Women	24.2 years	24.3 years	24.2 years	24.3 years
Longevity at 65 for future pensioners:				
• Men	21.8 years	21.9 years	21.8 years	21.9 years
• Women	25.8 years	25.9 years	25.8 years	25.9 years
Rates of Inflation	2.75%	2.75%	2.75%	2.75%
Rates of Increase in Salaries	3.25%	3.25%	3.25%	3.25%
Rates of Increase in Pensions	2.75%	2.75%	2.75%	2.75%
	5.80%	4.85%	5.80%	4.85%
Rates for Discounting Scheme Liabilities				

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The Sensitivity analyses in the following table have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assume for each change that the assumption analysed changes while all the other assumptions remain constant. For example, the assumptions in longevity assume that life expectancy increases 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, that is on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis in the following table did not change from those used in the previous period.

Impact on the Defined Benefit Obligation in the Scheme	Increase in Assumption £	Decrease in Assumption £
Rate of increase in salaries (increase or decrease by 0.1%)	64,000	(64,000)
1 year increase in member life expectancy	2,811,000	(2,811,000)
Rate of increase in pensions (increase or decrease by 0.1%)	1,271,000	(1,271,000)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	1,299,000	(1,299,000)

Pension Fund Risk Management Strategy

The pension fund's primary long-term risk is that the fund's assets will fall short of its liabilities (that is the promised benefits payable to members of the scheme). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the fund and to maximise the opportunity for gains across the whole fund portfolio. The fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the fund manages its liquidity risk to ensure that there is sufficient liquidity to meet the fund's required cash flows. These investment risks are managed as part of the overall pension fund risk management programme. Responsibility for the fund's risk management strategy rests with the Pension Fund Management Board and is monitored annually or more frequently if required.

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The County Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31 March 2026.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after March 2014. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to public servants.

The Council anticipated to pay £3,280,000 expected contributions to the scheme in 2025/26.

As at the date of the most recent valuation, the duration of the funded obligations is 19 years.

37. Contingent Assets and Liabilities

Contingent Assets

- The Council is part of a collective claim for damages arising from the Trucks Cartel which relates to price fixing for direct purchase and leasing of refuse collection vehicles. The total claim value is in excess of £100m of which, if the claim is successful, the Council would be entitled to a share of the claim proceeds. The claim is ongoing and it is not possible to identify how much the Council might receive if it is successful.

Contingent Liabilities

- As at 31 March 2025, the Council has a Planning Appeal lodged for Oak Road, Littlethorpe. If the appeal is successful, the cost to the Council could be significant. However, the costs will not be known until the final outcome.
- As at 31 March 2025, the Council were subject to an ongoing Employment Tribunal. The outcome of this has now been concluded, whilst costs have been incurred, they are not material in nature.
- The Council is a member of the Association for Public Service Excellence (APSE). APSE has been put on notice by Thurrock Borough Council that it intends to issue proceedings against 23 APSE representative councils. Blaby District Council is not one of these representative defendants, however, they may be affected by any judgement or settlement obtained against the representative defendants. Thurrock Borough Council is looking to recover sums it alleges it lost as part of its investments in solar farms. Agreement has been reached to stay proceedings between the 23 representative councils and Thurrock Borough Council. This essentially means that with the consent of the Court, through a court order, the legal proceedings are suspended.

38. Nature and Extent of Risks Arising from Financial Instruments

The Council'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 movements.

Overall Procedure for Managing Risk

The Council'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. The procedures for risk management are set out through a legal framework based on the Local Government Act 2003 and associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services, and investment guidance issued through the Act. Overall, these procedures require the Council to manage risk in the following ways:

- By formally adopting the requirements of the CIPFA Treasury Management Code of Practice.
- By the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations, standing orders and constitution.
- By approving annually in advance prudential and treasury indicators for the following three years limiting:
 - The Council's overall borrowing
 - Its maximum and minimum exposures to fixed and variable rates
 - Its maximum and minimum exposures for the maturity structure of its debt
 - Its maximum annual exposure to investments maturing beyond a year.
- By approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government guidance.

These are required to be reported and approved at or before the Council's annual Council Tax setting budget or before the start of the year to which they relate. These items are reported with the annual treasury management strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported after each year, as is a mid-year update.

The annual treasury management strategy which incorporates the prudential indicators was approved by Council on 24th February 2025 and is available on the Council website. The key issues within the strategy were:

- The Authorised Limit for 2024/25 was set at £23,000,000. This is the maximum limit of external borrowings or other long-term liabilities.
- The Operational Boundary was expected to be £20,700,000. This is the expected level of debt and other long-term liabilities during the year.
- The maximum and minimum exposures to the maturity structure of debt are detailed in the strategy.

Risk management is carried out by a central treasury team, under policies approved by the Council in the annual treasury management strategy. The Council provides written principles for overall risk management, as well as written policies (Treasury Management Practices – TMPs) covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash. These TMPs are a requirement of the Code of Practice and are reviewed periodically.

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 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 and Poors credit rating services. The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. Additional selection criteria are also applied after the initial criteria are applied.

The Council uses the credit worthiness service provided by Link Asset Services. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies named above, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following data:

- Credit watches and credit outlooks from credit rating agencies.
- Credit default swap (CDS) spreads to give an early warning of likely changes in credit ratings.
- Sovereign ratings to select counterparties from only the most creditworthy countries.

Details of the Investment Strategy can be found on the Council's website.

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 Council's maximum exposure to credit risk in relation to its investments in financial institutions 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 Council's deposits, but there was no evidence at 31 March 2025 that this was likely to occur.

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

The Council does not generally allow credit for customers and amounts that are due, but not impaired, can be analysed by age as follows:

	31 March 2025 £	31 March 2024 £
Less than three months	147,637	308,932
Three to six months	(13,849)	52,454
Six months to one year	37,143	195,497
More than one year	1,403,882	1,328,514
	1,574,813	1,885,397

Collateral – During the reporting period the Council held no collateral as security.

Liquidity Risk

The Council 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 Council has ready access to borrowings from the money markets to cover any day-to-day cash flow need, and the Public Works Loans Board and money markets for access to longer term funds. The Council 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 no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

Refinancing and Maturity Risk

The Council 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 Council 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 Council 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 Council'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 by Council as part of the Treasury Management Strategy on 24th February 2025):

	Approved Minimum Limits	Approved Maximum Limits	31 March 2025 £	31 March 2024 £
Less than one year	0%	100%	857,602	855,837
Between one and two years	0%	100%	0	857,602
Between two and five years	0%	100%	0	0
Between five and ten years	0%	100%	0	0
Over ten years	0%	100%	4,000,000	4,000,000
			4,857,602	5,713,439

Market Risk

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

- Borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services 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 Surplus or Deficit on the Provision of Services 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, 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. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Council'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.

Price Risk

The Council does not generally invest in equity shares or marketable bonds.

The Council invested £1m in the Lothbury Property Trust on 2 December 2019, and the price of shares in the property fund can vary. At the end of financial year 2022/23 the value of the fund was £844,874. At the end of financial year 2023/24 the value of the fund has fallen to £742,726. This is due to the current economic and market conditions and their impact on the property sector. Any movements in the price will not impact on the General Fund Balance as regulations are in force to ameliorate the impact of fair value movements.

In 2024/25 the Lothbury Property Trust Contract was terminated and the valuation at the redemption date 30 May 2024 was £739,172.32. The council has invested in a new fund UBS Triton Property Fund to which capital transfers were made from Lothbury Property Trust after the sale of assets. Lothbury has sold 88.3% and the total capital transfer value is £652,905. The valuation as at 31 March 2025 for UBS Triton Property Fund is £664,651 and Lothbury Property Trust £90,045.82.

SUPPLEMENTARY FINANCIAL STATEMENTS AND EXPLANATORY NOTES

The Collection Fund

The Collection Fund (England) is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates.

	Note	2024/25 £	2023/24 £
INCOME			
Council tax	2	(79,542,070)	(75,280,178)
Non-domestic rates	3	(53,917,119)	(48,607,497)
Transitional Protection Payments - NNDR		(381,195)	(1,336,551)
Contributions towards previous year's estimated Collection Fund deficit:		(626,809)	(453,151)
Non-domestic rates		(592,886)	(3,283,327)
Total Income		(135,060,079)	(128,960,704)
EXPENDITURE			
Precepts and demands from major preceptors and the authority – council tax	4	79,105,186	75,071,893
Shares of non-domestic rating income to major preceptors and the authority		26,324,993	24,011,978
Payment of the central share of non-domestic rating income to be paid to central government by the billing authority		26,324,991	24,011,978
Transitional protection payments – non-domestic rates		0	0
Impairment of debts/appeals for council tax:			
- write-offs and uncollectable amounts		40,196	549,055
- allowance for impairment		329,600	98,684
Impairment of debts/appeals for non-domestic rates:			
- write-offs and uncollectable amounts		(19,895)	108,506
- allowance for impairment		(179,758)	233,603
- allowance for appeals		1,523,304	(20,959)

	Note	2024/25 £	2023/24 £
Charge to General Fund for allowable collection costs for non- domestic rates		106,386	103,866
Interest charged to Collection Fund		42,488	30,568
Total Expenditure		133,597,491	124,199,172
Movement on Collection Fund Balance – (surplus)/deficit for the year		(1,462,588)	(4,761,532)
Opening Collection Fund Balance:			
- Council tax		815,382	829,079
- Non-domestic rates		(1,509,052)	3,238,782
		(693,670)	4,067,861
Closing Collection Fund Balance:			
- Council tax		121,485	815,382
- Non-domestic rates		(2,277,744)	(1,509,052)
		(2,156,259)	(693,670)
Analysis of Movement on Collection Fund Balance:			
- Council tax		(693,897)	(13,697)
- Non-domestic rates		(768,691)	(4,747,835)
		(1,462,588)	(4,761,532)

Notes to the Collection Fund

General Information

The Collection Fund is an agent's statement that reflects the Council's transactions, as a billing authority, in relation to the collection of Council Tax and Business Rates from taxpayers, and its distribution to local government bodies and the Government. Billing authorities have a statutory obligation to maintain a Collection Fund as a separate account to the General Fund. The administrative costs associated with the collection of Council Tax and Business Rates are, however, charged to the General Fund.

Collection Fund surpluses or deficits in relation to Council Tax are credited or charged to the relevant precepting bodies in the subsequent financial year, in proportion to the precepts levied by those organisations. For Blaby, the precepting bodies are Leicestershire County Council, The Office of the

Police and Crime Commissioner for Leicestershire (OPCC) and the Leicester, Leicestershire, and Rutland Combined Fire Authority.

The current Business Rates Retention Scheme was introduced for local government in April 2013. The main aim of this scheme is to give local authorities a greater incentive to encourage business growth. However, it brings with it a greater financial risk in terms of non-collection and the voluntary of the Business rates base. The scheme allows the Council to retain 40% of the total rates received, with the remainder going to the Government (50%), the County Council (9%), and the Fire Authority (1%). Surpluses or deficits are credited or charged to the relevant precepting bodies in the subsequent financial year in line with their respective proportions.

Council Tax

Council Tax is based upon the value of residential properties which have been classified into nine valuation bands (A to H) for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund for the forthcoming year and dividing this by the Council Tax Base. The Council Tax Base represents the estimated number of Band D equivalents dwellings in the district.

The calculation of the Council Tax base for 2024/25 is set out in the table below:

	A*	A	B	C	D	E	F	G	H	TOTAL
Properties	0.00	4,979.00	15,583.00	10,154.00	6,878.00	4,584.00	1,650.00	548.00	38.00	44,414.00
Exemptions	0.00	-150.57	-205.58	-151.16	-84.32	-45.00	-5.00	-7.00	0.00	-648.63
Disabled Relief	16.00	73.00	-1.00	-25.00	-5.00	-35.00	-10.00	-7.00	-6.00	0.00
Discounts	-1.80	-780.75	-1,351.62	-687.41	-339.37	-208.89	-59.50	-24.01	-2.81	-3,456.16
Council Tax Support	0.00	-987.01	-931.62	-366.05	-138.31	-63.30	-12.74	-4.73	0.00	-2,503.76
Effective Properties	14.20	3,133.67	13,093.18	8,924.38	6,311.00	4,231.81	1,562.76	505.26	29.19	37,805.45
Ratio	0.56	0.67	0.78	0.89	1.00	1.22	1.44	1.67	2.00	
Band D Equivalents	7.90	2,089.09	10,183.58	7,932.78	6,311.00	5,172.21	2,257.32	842.13	58.38	34,854.39

Table Notes: *Band A with Disabled Relief. Expected in year collection rate = 99.00% Tax Base = 34,505.83.

Income received from Council Tax-payers in 2024/25 was £79,542,070 (£75,280,178 in 2023/24)

National Non-Domestic Rates

National Non-Domestic Rates (NNDR) is another name for Business Rates. The Council collects NNDR from Business Rate payers within the district based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by a uniform business rate set nationally by the Government. The following table provides details of the total rateable value and the multipliers for 2024/25 compared with the previous financial year.

	2024/25 £	2023/24 £
Total Non-Domestic Ratable Value at 31 March	119,464,845	119,165,950
National Non-Domestic Multipliers for Year: Standard Rate	0.5460	0.5120
National Non-Domestic Multipliers for Year: Small Business Rate	0.4990	0.4990

The Business Rates shares payable are estimated in advance of the financial year and are drawn from the Collection Fund in the year.

	2024/25 £	2023/24 £
Central Government	26,324,991	24,011,978
Blaby District Council	21,059,994	19,209,582
Leicestershire County Council	4,738,499	4,322,156
Leicester, Leicestershire, and Rutland Combined Fire Authority	526,500	480,240
	52,649,984	48,023,956

Upon the introduction of the Business Rates Retention scheme, the Government set a baseline level for each local authority identifying the expected level of retained business rates, and a top-up or tariff amount to ensure that all authorities receive their baseline amount. Tariffs payable from authorities to the Government are used to finance the top-ups for authorities who do not achieve their targeted baseline funding. In 2024/25, Blaby paid a tariff of £14,711,345 into the Leicestershire Pool (£13,946,325 in 2023/24). Total income received from Business Rates payers in 2024/25 was £53,917,119 (£48,607,497 in 2023/24).

In addition to the tariff, a 50% levy is payable on any growth above the baseline funding level. The levy payable by Blaby to the Leicestershire Business Rates Pool in 2024/25 was £2,815,988 (£2,339,785 in 2023/24).

Precepts and Demands on the Collection Fund – Council Tax

Details of the precepting authorities are set out below together with the respective precept amount.

	2024/25 £	2023/24 £
Leicestershire County Council	55,263,868	52,429,736
Leicestershire Police Authority	9,876,611	9,390,845
Leicester, Leicestershire, and Rutland Combined Fire Authority	2,817,498	2,725,175
Blaby District Council (including Parish Councils)	11,147,209	10,526,137
	79,105,186	75,071,893

Collection Fund (Surplus)/Deficit

The Council Tax Collection Fund deficit as at 31 March 2025 is £121,485 (£815,382 as at 31 March 2024). The Council Tax deficit is apportioned between the Council and the three major precepting authorities as shown in the table below.

	2024/25 £	2023/24 £
Leicestershire County Council	84,864	569,499
Leicestershire Police Authority	15,188	101,952
Leicester, Leicestershire, and Rutland Combined Fire Authority	4,258	29,471
Blaby District Council (including Parish Councils)	17,175	114,460
	121,485	829,382

The surplus in respect of non-domestic rating income is £2,277,744 as at 31 March 2025 (£1,509,052 surplus as at 31 March 2024). This is apportioned between the Council, Central Government, and major precepting authorities as follows:

	31/03/2025 £	31/03/2024 £
Central Government	(1,138,872)	(754,526)
Leicestershire County Council	(204,997)	(135,815)
Leicester, Leicestershire, and Rutland Combined Fire Authority	(22,777)	(15,090)
Blaby District Council	(911,098)	(603,621)
	(2,277,744)	(1,509,052)

Glossary of Financial Terms

Accruals

The accruals concept requires that the cost or benefit of a transaction is shown in the period to which the goods or services are received or provided, rather than when the cash is received or paid.

Acquired Operations

Operations comprise services and divisions of service as defined in CIPFA's Service Reporting Code of Practice (SeRCOP). Acquired operations are those operations of the local authority that are acquired in the period.

Actuarial Gains and Losses

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

- a) events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or
- b) Actuarial assumptions have changed.

Amortisation

The term used to describe the charge made for the cost of using intangible fixed assets. The charge for the year will represent the amount of economic benefits consumed (that is wear and tear).

Assets Held for Sale

Non-current assets which meet the relevant criteria to be classified as held for sale.

Capital Adjustment Account

This is a capital reserve largely comprising of resource applied to capital financing and is not available to the Council to support new investment.

Capital Charge

A charge to service revenue accounts to reflect the costs of fixed assets used in the provision of service.

Capital Expenditure

Expenditure on the acquisition of a fixed asset or expenditure which adds to, and not merely maintains, the value of an existing fixed asset.

Capital Grant

A grant that is intended to fund capital expenditure.

Capital Grants Unapplied Account

A capital reserve reflecting the value of capital grants received where there are no conditions outstanding, and where expenditure on the associated asset has not yet been incurred.

Collection Fund Adjustment Account

A revenue reserve representing the difference between the council tax income received by a local authority and the amount attributable to that authority.

Community Assets

Assets held in perpetuity for the benefit of residents of the district, and which may have restrictions on their disposal. Examples of community assets are parks and historic buildings.

Consistency

The concept that the accounting treatment of like items within an accounting period and from one period to the next is the same.

Contingent Liability

Potential costs that the Council may incur in the future because of something that happened in the past, but there is no certainty that a cost will occur.

Current Service Cost (Pensions)

The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

Curtailment

For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments include:

- a) termination of employees' services earlier than expected, for example as a result of closing a factory or discontinuing a segment of a business, and
- b) termination of, or amendment to the terms of, a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

Defined Benefit Scheme

A pension scheme sometimes known as a final salary scheme. A pension or other retirement benefit scheme where the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investment of the scheme. The scheme may be funded or unfunded (including notionally funded).

Depreciation

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

Derecognition

The process upon which assets are no longer deemed to belong to the authority either by sale, destruction, or other form of disposal.

Discontinued Operations

Operations comprise services and divisions of service as defined in CIPFA's Standard Classification of Income and Expenditure. An operation should be classified as discontinued if all of the following statements are approved:

- (a) the termination of the operation is completed either in the period or before the earlier of three months after the commencement of the subsequent period and the date on which the financial statements are approved,
- (b) the activities related to the operation have ceased permanently,
- (c) the termination of the operation has a material effect on the nature and focus of the local authority's operations and represents a material reduction in its provision of services resulting either from its withdrawal from a particular activity (whether a service or division of service or its provision in a specific geographical area) or from a material reduction in net expenditure in the local authority's continuing operations,
- (d) assets, liabilities, income and expenditure of operations and activities are clearly distinguishable physically, operationally and for financial reporting purposes.

Operations not satisfying all these conditions are classified as continuing.

Discounted Cash Flow

A method of analysing future cash flows, by removing the impact time has on the value of money and producing an equivalent current value.

Discretionary Benefits

Retirement benefits which the employer has no legal, contractual or constructive obligation to award, and which are awarded under the authority's discretionary powers, such as The Local Government (Discretionary Payments) Regulations 1996, the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998, or The Local Government (Discretionary Payments) Regulations (Northern Ireland) 2001.

Exceptional Items

Material items which derive from events or transactions that fall within the ordinary activities of the authority, and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

Expected Rate of Return on Assets

For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

Fair Value

The fair value of a fixed asset is the price at which an asset could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

Finance Costs

Reflects the element of annual payment for leased assets which relates to the interest payable on the loan liability.

Finance Lease

A finance lease transfers substantially all the risks and rewards of ownership of a fixed asset to the lessee. Such a transfer of risks and rewards may be presumed to occur if at the inception of the lease the present value of the minimum lease payments, including any initial payment, amounts to substantially all the fair value of the leased asset.

Financial Assets

A right to future economic benefits controlled by the authority.

Financial Liabilities

An obligation to transfer economic benefits controlled by the authority.

Going Concern

The concept that the authority will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

Government Grants

Assistance by Government and intra-government agencies and similar bodies, whether local, national, or international, in the form of cash or transfers of assets to an authority in return for past or future compliance with certain conditions relating to the activities of the Authority.

Impairment

Impairment is a reduction in the valuation of a fixed asset or goodwill below its balance sheet value and occurs where something adverse has happened either to the asset itself or to the economic environment in which the asset is operated.

Infrastructure Assets

Fixed assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

Intangible Assets

Non-current assets which do not have physical form, such as software.

Interest Cost (Pensions)

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

Inventories

Fair value of current assets purchased which have not yet been consumed.

Investment Property

Assets held solely for the purpose of rental generation or for increasing the value pre-sale (capital appreciation).

Loans and Receivables

Financial assets which are not quoted in an active market and have either a fixed or determinable payment.

Long Term Contract

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time substantially to complete the contract is such that the contract activity falls into different accounting periods. Some contracts with a shorter duration than one year should be accounted for as contracts if they are sufficiently material to the activity of the period.

Materiality

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

Minimum Revenue Provision

A minimum amount, set by legislation, which the Council must charge to the Comprehensive Income and Expenditure Statement, for debt redemption or for the discharge of other credit liabilities (for example a finance lease).

Non-Current Assets

Assets that yield benefits to the Council for a period of more than one year, such as land, buildings, and vehicles.

Non-Distributed Costs

These are overheads for which no user now benefits and should not be apportioned to services.

Operating Lease

An operating lease is a lease other than a finance lease, and where an asset is used only for a small proportion of its economic life.

Past Service Cost

For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

Post Balance Sheet Events

Those events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the Statement of Accounts is authorised, by the responsible financial officer, for issue.

Prior Period Adjustment

These are material adjustments to the accounts for a prior period, arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior periods.

Projected Unit Method

This is an accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

- a) the benefits for pensioners and deferred pensioners (that is, individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing where appropriate for future increases, and
- b) the accrued benefits for members in service on the valuation date. The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit method is given in the Guidance Note GN36 issued by the Faculty and Institute of Actuaries

Provisions

Potential costs that the Council may incur in the future because of something that happened in the past, which are likely or certain to be incurred and a reliable estimate can be made of the costs.

Prudence

The concept that revenue is not anticipated but is recognised only when realised in the form either of cash or of other assets the ultimate cash realisation of which can be assessed with reasonable certainty.

Retirement Benefits

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either (i) an employer's decision to terminate an employee's employment before the normal retirement date or (ii) an employee's decision to accept voluntary redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

Revenue Expenditure Funded from Capital Under Statute

This is expenditure that is classified as capital although it does not result in the creation of a fixed asset (for example, improvement grants).

Scheme Liabilities

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method, reflect the benefits that the employer is committed to provide for service up to the valuation date.

Service Reporting Code of Practice (SeRCOP)

Establishes proper practice with regard to consistent financial reporting, which allows direct comparisons to be made with the financial information published by other local authorities.

Settlement

An irrevocable action that relieves the employer (or the defined benefit scheme) of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligation and the assets used to affect the settlement. Settlements include:

- a) a lump-sum cash payment to scheme members in exchange for their rights to receive specified pension benefits,
- b) the purchase of an irrevocable annuity contract sufficient to cover vested benefits, and
- c) the transfer of scheme assets and liabilities relating to a group of employees leaving the scheme.

Straight Line Basis

The method of calculating depreciation by way of charging services with the same amount each year over the life of an asset.

Total Cost

The total cost of a service or activity includes all costs which relate to the provision of the service (directly or bought in) or to the undertaking of the activity. Gross total cost includes employee costs, expenditure relating to premises and transport, supplies, and services, third party payments, transfer payments, support services and capital charges. This includes an appropriate share of all support services and overheads, which need to be apportioned.

Useful Life

The useful life of a fixed asset is the period over which the local authority will derive benefits from that asset.

Vested Rights

In relation to a defined benefit scheme, these are:

- a) for active members, benefits to which they would unconditionally be entitled on leaving the scheme,
- b) for deferred pensioners, their preserved benefits,
- c) for pensioners, pensions to which they are entitled.

Vested rights include where appropriate the related benefits for spouses or other dependants

ANNUAL GOVERNANCE STATEMENT – 2024/2025

Scope of Responsibility

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

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

Blaby District Council has approved a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. A copy of the authority's code is on our website or can be obtained from the Finance Service at the Council Offices in Narborough. This statement explains how Blaby District Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015 in relation to the preparation and approval of an Annual Governance Statement.

Significant Events

Normalisation of hybrid working

During the pandemic it was necessary for the Council to ensure governance arrangements were appropriate given the changed manner of working and to continue to respond to the demands of our community. Whilst the impact of the Pandemic has diminished the Council continues to develop and benefit from the changes in working practice that had arisen.

Our methods of working have developed into a hybrid combination of remote and face to face working and governance arrangements continued to be in place with officers and members communicating through virtual means in addition to face to face contact where required.

Future Use of Huncote Leisure Centre Site

In November 2021 during routine work to install landfill gas mitigation equipment contractors found elevated levels of landfill gas onsite. As a result, a decision was taken to close the site as a precautionary measure.

An emergency situation was declared by Blaby District Council and the situation has been ongoing since that date and continued into 2024/25. Gas emission levels have remained at safe levels and some remedial work is in progress to re-open the site to the public as open space.

External Audit Sign off of Statement of Accounts

Over recent years nationally there have been issues around the audit profession not being able to offer prompt auditing of accounts for local authorities. For Blaby, although the Finance Team had published the draft accounts within Government timescales, the external auditor had not completed the audit of those accounts for the historic financial years 2020-21, 2021-22 and 2022-23.

2024-25 saw the introduction of various backstop dates set by Government for the statement of accounts to be signed off by auditors.

For years before 2022-23 the backstop date was 13 December 2024 and for the 2023-24 statement of accounts a date of 28 February 2025 was set.

Members of the Finance Team worked to provide information to the external auditors for the statement of accounts to be signed off within these timescales. In December audits were completed for the historic years and in February the audit for 2023-24 was completed and signed off by the external auditors.

Given the limited timescales given to the external auditors to sign off the accounts, all were disclaimed opinions. Azets, the Council's current external auditors, have informed the Council that they will be unable to provide a 'clean' opinion on the Statement of Accounts going forward without additional work to build back the assurance in the audit opinion. Officers of the Council's finance team continue to work with Azets to ensure the Council is in a position to gain a 'clean' audit opinion in the future.

Local Government Reorganisation and Devolution

Following the publication of the White Paper on Devolution and Local Government Reform in December, the Council has engaged with Local Authorities across Leicestershire and Rutland to meet the government's request to put forward proposals to reorganise into larger unitary councils. Along with the seven District Councils and Rutland County Council, Blaby has put forward 'The North, City, South proposal' which proposed that three unitary councils were formed and this interim proposal was submitted within the March deadline to MHCLG (Ministry Housing, Communities and Local Government). Alternative interim proposals were also submitted in the 'Leicestershire County Council Proposal' and the 'Leicester City Council Proposal'.

'The North, City, South proposal' includes three well-balanced unitary councils which:

- Keeps councils connected and accountable to local communities
- Simplifies services for residents, businesses and partners
- Focusses on protecting and supporting vulnerable people in our communities with a focus on prevention
- Meets the Government's requirements for devolution and supports economic growth
- Will boost efficiency, saving £43 million per year

Feedback, on the proposals submitted for Leicestershire was received from Ministry of Housing Communities and Local Government (MHCLG) on 3rd June 2025. The feedback highlighted areas that needed to be addressed within the final proposal which is currently being developed for submission by the November deadline.

The purpose of the governance framework

The governance framework comprises the systems, processes, culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievements of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The systems of internal control are a significant part of that framework and are designed to manage risk to a reasonable level. They cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The systems of internal control are based on an ongoing process designed to identify and prioritise

the risks to the achievement of Blaby District Council's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Blaby District Council for the year ended 31 March 2025 and will continue to be in place up to the date of approval of the Statement of Accounts.

The Governance Framework

The Authority's vision is set out in the Blaby District Plan which was developed with officers, Members and stakeholders in the district. The control environment encompasses the strategies, policies, plans, procedures, processes, structures, attitudes, and behaviours required to deliver good governance to all.

Communicating the Authority's Vision

The Blaby District Plan applicable to the 2024/25 year was adopted by Council on the 28th November 2023 and has set our Vision, Values and Priorities for the District spanning 2024-2028. Our vision is for the District to be "a great place to live, work and visit". Sitting below this vision are five strategic themes under which our plans are listed:

- Enabling our communities and supporting our vulnerable residents
- Enhancing and maintaining our natural and built environments
- Growing and supporting our economy
- Keeping you safe and healthy
- Ambitious and well-managed Council, valuing our people

This document serves as our roadmap for continually improving Blaby District and to ensure it is a great place to live, work and visit. Alongside the Plan our Transforming Blaby Together Strategy has been developed encompassing how the authority aligns our objectives for delivering Equality and Diversity; People and Organisational Development; Customer Insight, Experience and Engagement as well as Transformation, Project and Digital agendas. The MTFS continues to be updated alongside the annual budget process to ensure the Plan is affordable and the Council is in a position to respond to funding gaps that may be forthcoming.

Each year an action plan is produced detailing how the Blaby District Plan will be delivered this was approved by Council in March 2025 for the year 2025/26.

To continue to strengthen our governance arrangements the Council has commenced plans to carry out a self-assessment against the Best Value Guidance issued in May 2024. An initial assessment indicates that we have a number of the assurance activities already in place illustrated in the examples below:

- An annual review of the effectiveness of the council's controls and governance. The Council produce an Annual Governance Statement which performs this function
- Regularly reviewing performance, finance and risk information, and taking actions where needed
- Ensuring that both members and officers have the skills they need for their roles

- Focused and constructive challenge by scrutiny of decisions and policy development (in councils with the mayor or leader/ cabinet model of governance)
- Oversight and challenge of arrangements for risk and audit by the audit committee
- The external auditors issue a Value for Money Opinion as part of their Audit which is one of the ways we might measure and report on Best Value generally and not just in reaction to the 2024 Framework. During this year the outgoing external auditors provided their opinion on the three outstanding audit years (2020/21, 2021/22 and 2022/2023) and this report has been shared with Members of the Audit Committee and Finance Portfolio holder when it was received in October and included in the report to Audit Committee of the 25th November meeting when Ernst & Young gave their opinion on the outstanding years. Azets, our auditors for 2023/24 provided an opinion of VFM when they reported to the Audit Committee in April 2025. All auditors reported that they had not identified any significant concerns or risks regarding the financial sustainability, governance, economy, efficiency and effectiveness of the Council.

Translating the vision into objectives for the authority and its partnerships

The Council's objectives reflect the overall vision and are detailed in a series of critical activities which are regularly planned. Through the enhancement of the staff PDA process with linkages into the vision and the Blaby District Plan we have developed the Performance Framework to record and track both the corporate plan and service plans. This relatively new Performance Framework is now becoming embedded within the organisation.

The following section lists the key elements of the systems and processes that comprise the Council's governance framework with a commentary setting out how the Council's arrangements comply with each of the principles in the CIPFA/SOLACE Framework - Delivering Good Governance in Local Government as follows:

Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

The Council has adopted the national Code of Conduct for Members supported by the Grievance and Standards Committee which monitors issues in relation to standards of behaviour. The Code of Conduct for Members was approved by Council in December 2021 and was adopted as of 1 April 2022.

There is a separate officer code of conduct.

The roles and responsibilities of the Cabinet Executive, the Non-executive members, the Scrutiny Commission and the Senior Leadership Team are set out in the Council's Constitution which provides a comprehensive framework for the management of the authority's business. This is supported by a formal Scheme of Delegation, based on a delegation by exception principle. A Member/Officer protocol ensures effective and appropriate communication between the paid establishment and elected Members. The Cabinet Executive has previously approved a recommendation from the Member Development Steering Group to adopt a comprehensive "Members Roles and Responsibilities" paper which sets out role profiles and the required skills and knowledge for the various roles Members fulfil in discharging their responsibilities.

Council policies are produced in accordance with the principles set out in the Constitution and recommended for approval following review by the Senior Leadership Team. Decision making which falls within the policy and budgetary framework rests with the Cabinet Executive whilst those decisions falling outside the framework are reserved to full Council. The call-in procedure enables

the Scrutiny Commission to review decisions made by the Cabinet Executive. Day to day decision making is carried out by appropriate officers in accordance with the Scheme of Delegated Powers (which is based on a delegation by exception principle) and in accordance with the Financial Regulations. These arrangements all contribute to the economic, efficient and effective operation of the Council. The whole suite of standing orders, financial regulations and scheme of delegation are reviewed and updated as required through regular reports to Council.

In January 2025 Council endorsed and supported the Local Government Association (LGA) Debate not Hate campaign by signing the LGA Debate not Hate public statement and each councillor was invited to demonstrate the pledge by signing the statement following the Council Meeting. The Council also launched a the 'Debate Not Hate: Councillor Handbook for personal safety and healthy debate'.

Ensuring effective arrangements are in place for the discharge of the monitoring officer function

The "Monitoring Officer" function was carried out by two individuals throughout the year. Initially the Executive Director of Communities held the position reporting directly to the Chief Executive. The Monitoring Officer responsibilities then passed to the Group Manager of Corporate Services on her appointment in August 24. This position reports directly to the Executive Director of Communities. Regardless of reporting lines, the Monitoring Officer meets directly with the Chief Executive on a monthly basis and has ability to report directly to him/her any concerns he/she may have as Monitoring Officer.

All three statutory officers meet on a regular basis to discuss any governance issues and to ensure any concerns are addressed.

Ensuring effective arrangements are in place for the discharge of the Head of Paid Service function

The "Head of Paid Service" role is undertaken by the Council's Chief Executive. The Executive Director (Section 151 Officer) has responsibility for all HR matters and this position reports to the Chief Executive position. The HR Manager and respective Group Manager also attends the regular statutory officers meeting to highlight any areas of concern.

Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities

The Council has an established Audit Committee (the Audit and Governance Committee) whose remit and functions are based on the guidance set out in a CIPFA publication which identifies best practice in relation to roles and responsibilities. The Committee meets quarterly and receives regular reports from both the Section 151 Officer, Finance Group Manager and the Audit Manager. Arrangements are in place for the Audit Manager to report independently to the Audit Committee should he/she feel it appropriate to do so. During this year the Council has continued to enhance the function of Audit Committee in line with the CIPFA guidance. The appointing of an independent member to the Committee in October 2023 has encouraged the challenge and questions raised by Committee members and training has continued to be provided to members. Going forward the Chief Executive will attend Audit Committee meetings on a regular basis.

Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

The Council ensures compliance with established policies, procedures, laws and regulations through various channels. Two statutory officers (the Section 151 Officer and the Monitoring Officer) have responsibility for ensuring that the Council does not act in an ultra vires manner, supported by the Finance Group Manager and the Council Tax, Income and Debt Manager who facilitate the management and mitigation of risk and the Audit Manager who provides assurance on matters of internal financial control. The Human Resources function along with managers, through the use of

Performance Development Appraisals, assesses (and provides a means of improving) competencies to ensure that officers are equipped to discharge their duties in accordance with the requirements of the Council.

Whistle-blowing and receiving and investigating complaints from the public

The Council has in place and promotes appropriate whistle blowing policies and procedures which are regularly reviewed and updated where required. A revised Whistle Blowing (Raising Concerns) policy was updated in February 2025. Staff are aware of the Whistle Blowing policy and it has been highlighted in Blaby Matters. There is also a well-established and responsive complaints procedure to deal with both informal and formal complaints from its customers and the residents of the District. Regular information relating to performance in respect of complaints (and compliments) is presented to the Senior Leadership Team.

Principle B. Ensuring openness and comprehensive stakeholder engagement

The Blaby District Plan sets out the Authority's vision, values and priorities, the resources that the Council has to deliver these (within the MTFs) and how we support our officers to deliver the plan within our Transforming Blaby Together Strategy. Objectives are set that link with the priorities and these are monitored through the year by the Senior Leadership Team within the Project Management reporting structure. The authority works closely with other local public bodies, community and voluntary groups via a partnership approach to ensure effective delivery of its services.

The development of the new Blaby District Plan 2024-28 saw extensive engagement with both staff, residents and stakeholder groups to gain valuable input into the themes and objectives identified within the Plan.

We have an active voluntary forum through which the Authority provides support to those in our community whilst engaging with them to understand how we can improve our services. Engagement with our voluntary community and new/temporary volunteers increased during the pandemic and we have taken measures to ensure we retain connection with these groups.

Customer satisfaction with services is monitored through local and service specific surveys, and electronic means to provide feedback on a range of activities and issues.

The Council produces regular e-newsletters for residents and businesses within the District which, in addition to providing information and advice, seeks to receive the views of the residents on a wide range of issues. Targeted service priority consultation exercises are undertaken to inform the future allocation of resources. The Council carries out a bi-annual Residents Survey which includes consultation on potential Council Tax increases and satisfaction levels for a range of Council services. This was carried out in January 2024 with 1680 responses received which statistically suggests that there is 99% confidence that the results reflect the views of the whole district. Results reported that 71% of respondents felt well informed about the services and benefits delivered by Blaby District Council with general satisfaction rates being 55%.

The Council works closely with its 24 Parish Councils. Officers attend a Parish Liaison Group, which has representatives from all other districts and Leicestershire County Council. We regularly send information through to our parishes in relation to funding opportunities.

The Council has established effective Business Breakfast meetings, engaging particularly with small and medium sized enterprises. Regular meetings are also held with the head teachers of the Academies in the district and engagement with academies and primary schools in the district continued, working with them to explore career opportunities, with a number of events spanning a range of sectors including, construction, tourism, logistics and hospitality.

The Council has a thriving Youth Council which has been active this year, in raising awareness about the feeling safe, hate and vaping; a particular concern that they continue to champion.

The Council held a Youth Conference in February 2025 which was an opportunity for young people to have their say with elected members regarding issues most important to them. The event also provides an insight into what the Youth Council does and the opportunity to take part in a debate as well as attracting new members to join our Youth Council. This year the young attendees took part in activities on subjects of knife crime, first aid and internet safety and they also met the Councillors.

In order to demonstrate its openness the Authority also publishes:

- A Forward Plan 28 days before the Cabinet Executive meets and provides:
 - a) The public with details of all key, non-key and budget and policy framework decisions to be taken by Members over a minimum period of four months ahead
 - b) An aide-memoire for the Council's informal board of senior Members and officers to identify future issues for further discussion
 - c) The Scrutiny Commission with information to consider areas where it may wish to seek involvement in policy development
- Its pay policy
- Gender Pay Gap Report
- Council, Cabinet and Committee Reports
- Payments over £250

To keep the public informed the Authority proactively prepares appropriate press releases. The Council has an award-winning website which is user friendly and well-designed and the frequent use of social media channels of communication have enabled the Council to reach more of our residents effectively. Work has been carried out to update the Council's Communication Strategy which was completed in April 2025 and in an era of rapid technological change and evolving customer expectations, our approach focuses on digital-first innovation while ensuring inclusiveness for all residents. In addition, a Crisis Communications Plan has also been developed with the aim to warn, inform and reassure staff, councillors, the public and other audiences before, during and after a crisis.

Scrutiny of the Council's budget for 2024/25 took place over two meetings in January 2024. These meetings were open to all Members and attendance levels were high. A further meeting was held with Scrutiny and non-Cabinet members to consolidate their understanding and comments regarding the budget process to feed back recommendations to Council. These recommendations were fed into Cabinet formally and recommendations responded to and actions taken where appropriate.

Engagement with Stakeholders in preparation for the Interim Proposal for Local Government Reform was extensive. Whilst it was carried out jointly with the local authorities within the proposal, the Council took an active role in this speaking directly with stakeholders to understand their views on the proposal being put forward.

Contact was made with over 600 stakeholders and local partners from

- Health care organisations
- Sports and leisure providers

- Emergency services
- Education providers
- Business sector - Businesses and organisations representing a range of sectors including: chambers of trade, housing and commercial developers, manufacturing, logistics, tourism, aerospace, research and development, retail, and transport.
- Community, voluntary and charitable organisations A diverse range of individual community and voluntary groups
- Housing associations and tenant groups Representing the wide range of social housing providers operating in the area.
- Regional government bodies
- Politicians and Local Government organisations across Leicestershire and the East Midlands
- Leicester City Council
- Leicestershire County Council
- MPs across Leicestershire and Rutland
- Town and Parish Councils

To develop a robust full proposal for submission in November 2025, further comprehensive engagement will be essential. This process will allow more detailed feedback to be gathered on specific proposals. This stage of engagement will be broader, targeting a wider range of audiences. Channels will be established to reach seldom heard groups and individuals to ensure their views are included in the decision-making process.

Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits

Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements.

The Council participates in a range of joint working arrangements with other bodies, some of which are more significant than others. For those that deliver services to our customers there are service level agreements or contractual arrangements in place to ensure delivery and protect reputational risk. Should there be corporate risks based on partnership arrangements these will be detailed within the corporate risk register. The Council is particularly mindful of the financial and reputational risks that can arise through entering into joint working and collaborative arrangements, including the potential for a detrimental reputation impact on the Council should the partnership fail. It therefore actively supports and encourages an "open book" approach wherever possible.

Enhancing the accountability for service delivery and effectiveness of other public service providers

From April 24 to March 25 the Blaby Health and Wellbeing Partnership continued to deliver the Community Health and Wellbeing Plan (CHWP). The plan for Blaby District brings together a wide range of partners with the common purpose of improving the health and wellbeing of the local population. Forming partnerships between organisations on a local footprint is key to planning and delivering joined up services to improve the lives of people who live and work in the area.

The final set of priorities and areas of focus are:

- Reducing Obesity Levels in Adults and Children
- Reducing the level and impact of Alcohol Consumption
- Reduce the number of Falls and Hip Fractures
- Improve Cancer Diagnosis Rates
- Improved Mental Health
- Reduce Levels of Smoking and Vaping in Young People & Non Smokers

The Council is a member of the Leicester, Leicestershire and Rutland Chief Housing Officers Group are cognisant of the wider housing impacts and as a partnership are concentrating on:

- Understanding the housing impact of increased levels of household unemployment and financial instability
- Identifying and then meeting (wherever possible) the wider support and complex needs of housing customers
- Effectively supporting staff to maintain positive mental wellbeing and health as well as identifying appropriate training and career opportunities
- Working in partnership with key agencies to improve the housing offer to customers for example health, probation, adult social care
- Working collectively to address increased levels of homelessness and maximising opportunities for funding to deliver appropriate accommodation.
- Supporting initiatives such as the Staying Healthy partnership by enabling safe and healthy homes and preventing homelessness wherever possible
- Developing and managing protocols for various groups such as Care Leavers / Young People and Prison Releases
- Reviewing and responding to new legislation such as the Private Renters Bill and the Supported Housing Act
- To lead Local Government Reorganisation work linked to housing services, linking in with Programme Board arrangements.

One of the positive outcomes from this group has been the success of the bids for the Rough Sleepers Initiative Programme and the Rough Sleepers Accommodation Programme which continue to help improve options for Rough Sleepers and homeless households across the County at a time of increased homelessness presentations.

The Chief Housing Officers Group has continued to work well with partners and in particular in relation to the increase in homelessness presentations which have remained high across the County but also in relation to other key housing areas including, Children and Young People, Care Leavers, Prison Releases, Community Safety, Strategic Housing as well as being reactive to emergency occurrences e.g. accommodating families from the Afghanistan resettlement schemes and the

Ukrainian Refugees. Blaby has also led on initiatives such as the bids for the Rough Sleepers Accommodation Programme which have been successful in providing self-contained accommodation for Rough Sleepers or those threatened with Rough Sleeping.

In 2023/24 Blaby took advantage of the LAHF2 to purchase housing to be utilised for temporary accommodation and reduce the need for the authority to house people in bed and breakfast accommodation. In 2024/25 the Council brought into use 15 properties purchased to provide temporary accommodation. These properties have enabled the Council to reduce reliance upon bed and breakfast accommodation which is considered unsuitable for households with children. The social benefits of being in a position to provide self-contained accommodation, particularly to families with children, are considerable for those facing homelessness.

The Council leads on the Lightbulb programme; a nationally recognised transformational project designed to improve and integrate housing related support services across the County. Lightbulb has won 3 major accolades since its inception: -

- Winning the Local Government Chronicle award for best Public/Public Partnership
- Named the best collaborative working initiative by the Association for Public Service Excellence
- Highly commended at the Home Improvement Agency Awards

The service now offers a more streamlined and person-centred service model that brings together multiple partners to address the housing and health needs of residents effectively. This includes the core Lightbulb Service focused on delivery of Disabled Facilities Grants and a range of pilots developed by district councils to provide critical insight and innovation to support communities such as:

- Safe Spaces Project – Supporting residents who are facing issues around hoarding.
- The Home Gadgets project - which sees technology supplied to help individuals with Dementia or long-term health conditions remain as independent as possible.
- Housing and Respiratory Illness Project – Identifying and supporting residents suffering with mould and damp in the home to get timely solutions
- Case worker Pilot - A pilot to support the most vulnerable service users through the DFG process to allow adaptation in the quickest possible timescale.

Looking ahead a full-service review is scheduled for 2025/26 to further enhance the Lightbulb service impact and ensure continued delivery of effective joined up housing solutions to improve residents' health and wellbeing support them to remain in their homes for as long as possible.

The Housing Enablement Team plays a key role within this integrated approach running as a standalone project working closely with services users across Leicester, Leicestershire, and Rutland to support discharge from hospital. The service plays part of a strategic partnership model and is designed as an embedded NHS service supporting patients who have housing issues that are prevent and delaying discharge from hospital.

The Council formally merged the Community Safety Partnership (CSP) of both Blaby and Hinckley and Bosworth in April 2016. Together the CSP's across Leicestershire work with the Police, Fire, Probation Services, County Council and Clinical Commissioning Groups to develop and implement strategies to protect local communities from crime and to help people feel safe. Local approaches to deal with issues including antisocial behaviour, drug or alcohol misuse and re-offending are also developed through the joint working.

The Council has over recent years invested considerably to promote the economic development of the district. This has continued with a new Economic Development Framework being adopted by Cabinet in September 2023 with a vision “for Blaby District to be a great place to live, work and visit, with a strong, successful economy where everyone can build great businesses, careers and lives, supported in a green and environmentally friendly way, with superb connectivity.” The Economic Development Framework sets out the aspirations of the Council and provides a framework that brings together all economic development activities that are occurring within the district and considers how they complement each other to maximise the benefits for our residents, businesses and visitors.

The Council leads a Building Control Partnership on behalf of five other local authorities including Harborough, Oadby and Wigston, Hinckley and Bosworth, Melton and Rutland County Council. A governance structure has been set up which includes a Management Board that meets quarterly to review performance of the service, income generation and make decisions on future priorities. Initially the partnership was delivered through a shared service agreement however, in November 2021 a decision was made by Council to operate the Building Control Partnership under delegated authority and this structure has been in place since April 22.

Through a delegation of statutory responsibility, Blaby provides a Local Land Charge service for both Hinckley and Bosworth Borough Council and Oadby and Wigston Borough Council. Through this arrangement Blaby maintains local land charges registers, processes official searches and provides access to the local land charges register for Hinckley & Bosworth Borough and Oadby & Wigston Borough (until July 2025) under the Environmental Information Regulations for personal searches.

This arrangement has provided resilience in service across all authorities with the service being highly commended at the Local Land Charges awards 2019 and shortlisted by Land Data in 2021 and 2022 for Team of the Year.

In April 2023 Blaby District successfully collaborated with neighbouring authority Oadby and Wigston Borough Council to manage and run their sport, physical activity, health and well-being programme and this was extended for a further 12 months in April 2024. Blaby District undertakes work on their behalf to run regular programmes and initiatives. In January 25 OWBC finalised their Community Health and Wellbeing Plan, providing opportunities to now work collaboratively to tackle gaps in provision or work in partnership on the same identified health inequalities.

The Council continues to work closely with the academies in our District and meetings cover a wide breadth of matters including: creating workplace opportunities in Blaby District and gaining benefit from developments under construction in our district; workplace health initiatives and creating linkages in our community to promote community safety. This meeting has also facilitated closer relationships being developed with the academies and both the police, local community groups and officers from children’s support services at Leicestershire County Council.

The Council via the Chief Executive Chairs the Counties Early Help Partnership to ensure a systems based approach to children and families across the relevant partners who touch the lives of children and their families.

In addition, via the Chief Executive we engage in the Public Sectors Leaders forum which includes leaders from across the public sector such as Police, Fire, Health and Local Government including representatives from MHCLG and DWP, to ensure strategic matters across the public sector and discussed and addressed as appropriate.

Principle D – Determining the interventions necessary to optimise the achievement of the intended outcome

The Blaby District Plan sets out the Authority's vision, values and priorities, the resources that the Council has to deliver these (within the MTFS) and how we support our officers to deliver the plan within our Transforming Blaby Together Strategy.

The Council's service and financial planning process ensures that resource redirection and allocation is aligned to the priorities emanating from the Blaby District Plan. The Council has in place Contract Standing Orders and Financial Regulations designed to ensure that the Council achieves value for money in discharging its procurement requirements.

The system of internal financial control is based on a framework of regular management information sharing, financial regulations, administrative procedures, management supervision and a system of delegation and accountability.

Development and maintenance of the system is undertaken by the Senior Leadership Team within the Council and its effectiveness is reviewed by either external or internal audit. In particular, the arrangements include:

- The Medium-Term Financial Strategy is now part of the Blaby District Plan. It includes a Financial Summary spanning future years which is revised annually.
- A 5 Year Capital Programme including asset investment.
- An effective system of budgetary control.
- The preparation and review of regular and timely financial reports which indicate financial performance against the forecasts.
- Clearly defined capital appraisal, funding and expenditure controls.
- Formal project management disciplines where appropriate
- Performance management reports

The Councils "project board" approach is now established implementing change and transformation. A focus has been placed on project management and the regular monitoring of project delivery with the SLT meeting monthly to review progress. The Council making permanent the Transformation Group Manager position recognised the importance of investing in additional resource to enhance this focus. Ultimately this is led by the Chief Executive and will continue to ensure focus is placed on continuing improvement and learning. Members are fully engaged in this process with a Cabinet Executive portfolio holder having specific responsibility for driving and monitoring the change process. The Scrutiny Commission, through its working groups, are actively involved in examining the detail of processes and change reviews.

In 2023/24 Blaby District Council considered its position within the Shared ICT Service provided by Hinckley and Bosworth Borough Council with Melton Borough Council also being within the Partnership. Recognising the importance of utilising digital capability the Council made the decision in February 2024 to give notice to the Partnership and transition to an in-house solution by 31st March 2025. This transition away from the Partnership has progressed during this year and we expect the transition to have been delivered by the 30th June 2025.

An in-house service will provide BDC a complete level of assurance, influence and decision making to meet its digital aspirations for ongoing transformation of services, and accelerate BDC towards achieving the ambitions of the both the Blaby District Plan adopted in 2023 and the Transforming Blaby Together Strategy

Principle E – Developing the entity’s capacity including the capability of its leadership and the individuals within it.

Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training

The district election held in May 2023 saw significant numbers of new members elected. Since then a comprehensive induction programme which included 25 training sessions being delivered to new members. This programme included sessions on a variety of subjects including ICT, Democratic Process, Code of Conduct, Planning Essentials, Local Plan, Enforcement, Scrutiny introduction and questioning skills. This programme has continued to be built upon with various training sessions delivered to both new and more experienced members to ensure they are fully equipped to fulfil their roles. Where By Elections have taken place, training and development has been replicated on a one to one basis with the new Councillors. We have continued to hold 6 and 12 monthly evaluations with new Councillors in order to identify additional needs or gaps.

The Council fully supports the requirements to ensure that both Members and senior officers have the necessary skill sets to fulfil their strategic role in the organisation. The Council continues to invest in development for officers and managers. All people managers continue to be supported to understand staff wellbeing and manager participation in HR workshops delivered both virtually and face to face. During the year training on project management and procurement have been delivered along with the introduction of a new online training system; Skillgate. Mandatory modules have been released using this online system including topics such as sexual harassment awareness, work health and safety, introduction to data protection and safeguarding. We’ve also supported staff with talks on the Pensions scheme and Planning for retirement.

The Council has accessed LGA, Solace, CIPFA and DCN development programmes that a small number of staff have benefitted from. During the year 10 members of staff were involved in apprenticeships; 2 commenced, 1 completed their apprenticeship, 5 are ongoing and unfortunately 2 resigned partway through their apprenticeships.

We have continued to collaborate with local Councils on an ILM Manager Development programme, with 9 managers in the process of completing a management qualification at different levels, resulting in positive feedback and cross Council networking opportunities.

In past years the Council has supported a group of officers to attend the East Midlands Challenge Event giving them an insight into issues faced when in strategic roles. This year no event was held but it is an opportunity the Council will continue to support in future years.

The Council continues to adhere to the principles of the East Midlands Councils Elected Member Development Charter. The Charter provides a set of national standards for authorities to achieve, ensuring elected Members are equipped to have the knowledge and skills to be effective community leaders.

Principle F – Managing risks and performance through robust internal control and strong public management

The Council invested in putting in place a new clear and coherent framework for managing and monitoring performance. Extensive work was undertaken in 2022/23 to develop a much improved performance system utilising a system known internally as I-Plan. I-Plan is now being used by the authority to report both performance, risk and projects. This has become embedded across the authority since implementation and has seen access for both officers and members to access performance data.

A Six Monthly Performance Report is presented to Council which provides a summary of progress and performance against the priorities within the Blaby District Plan. This report encompasses a

whole Council approach focused on the three priorities; A Place to Live, A Place to Work, A Place to Visit, and it is recognised that all services contribute to the successful delivery of the Council's Plan.

This report is also presented at Scrutiny Commission meetings. The responsibility for Performance Management sits with the Portfolio Holder for Finance, Assets and Performance. All Cabinet members provide challenge through our reporting channels.

The Council has in place a Risk Management Policy and Strategy to ensure that the management of risk, is embedded within the organisation at both the strategic and operational level with both Members and senior officers having specific roles and responsibilities identified. A Corporate Risk Management Group, headed by the Chief Executive who is supported by the Finance Group Manager who has specific responsibility to co-ordinate the management of risk across the Council. Both Members and officers are trained so that they are equipped to manage risk in a way appropriate to their duties. Risk assessments are a pre-requisite for all capital project appraisals and form an integral element of Project Plans. The Council utilises a software package Iplan to assist with the management and monitoring of both corporate and service risks. Members of the Audit and Governance Committee received regular corporate risk monitoring reports.

Principle G – Implementing good practices in transparency, reporting and audit to deliver effective accountability

Ensuring the Authority's Financial Management Arrangements Conform with the Governance Requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government

The CIPFA Statement was originally published in March 2009 in respect of the Role of the Chief Financial Officer in public services as a whole and was considered by the Council's Cabinet Executive in July of that year. The following year a further version was produced which was specifically directed towards Chief Financial Officers serving in local government. The five underlying principles however remained the same. The Council's financial management arrangements conform with the governance requirements as set out in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

During this year, the Executive Director (S151 Officer) held the position of S151 Officer.

Ensuring the authority's assurance arrangements addresses the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019)

The Council's internal reporting arrangements are designed to ensure the independence of the internal audit function. Appropriate resources are made available to provide an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It brings a systemic disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes. The Audit Manager reports directly to the Council's Audit and Governance Committee on all matters appertaining to audit outcomes.

Review of Effectiveness

Blaby District Council undertakes, on an annual basis, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by a) the work of the senior managers within the Council who have responsibility for the development and maintenance of the governance environment, b) the Audit Manager's annual report and c) by comments made by the external auditors and other review agencies and inspectorates.

Part of this process is to carry out an assurance review which identifies examples of assurances in respect of those governance arrangements which are key to mitigate against significant risks to the achievement of the corporate objectives of the Council.

Whilst a number of actions were identified through this process they don't relate specifically to governance matters, but illustrate the Council's commitment to continuous improvement. The actions are listed in the table below for completeness. The comprehensive detail of the assurance review completed will be presented as an appendix to the Annual Governance Report which will be considered by Cabinet Executive in June 2025.

Core Principal 1: A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Supporting Principle 1 : Behaving with Integrity

Action – To continue to reinforce the values detailed within the new Blaby District Plan: honesty, openness and treating people fairly.

Action – Training of staff when responding to complaints with a balanced view.

Supporting Principle 2 : Demonstrating strong commitment to ethical values

Action – Culture audit to be carried out by internal audit.

Core Principal B: Ensuring openness and comprehensive stakeholder engagement

Supporting Principle 2 : Engaging comprehensively with institutional Stakeholders

Action – Longer-term review of both the Lightbulb Service and Housing Enablement Team (HET). Both services with partners require new arrangements from April 2026.

Supporting Principle 3 : Engaging stakeholders effectively, including individual citizens and service users

Action – Build on the development of the Communications Strategy and ensure engagement with all stakeholders regarding the proposals for LGR.

Action – ensure that the LGR engagement reaches young people and seldom heard groups and individuals to ensure their views are included in the decision-making process.

Core Principal C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

Supporting Principle 1 : Defining outcomes

Action – Continue to deliver actions to deliver the Blaby Plan taking into consideration the LGR Proposal.

Action – Continue to embed the new business planning, data intelligence and risk management process utilising the I-Plan system.

Supporting Principle 2 : Sustainable economic, social and environmental benefits

Action – Continue to brief all members, regarding Council finance incorporating Fair Funding, Business Rates and financial implications of government driven waste initiatives.

Core Principal D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Supporting Principle 2 : Planning interventions

Action – Develop and provide extra value from the new business planning, data intelligence and risk management process utilising the I-Plan system and external data to inform KPI's and improvements to services.

Supporting Principle 3 : Optimising achievement of intended outcomes

Action – Continue to increase the financial awareness of budget managers to monitor and ensure that budget is tailored and trimmed with services delivered efficiently and effectively.

Core Principal E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Supporting Principle 1 : Developing the entity's capacity

Action - Use benchmarking information to enhance the performance framework and support decision making.

Action – Build on work already carried out on policy updates and development and retention/recruitment initiatives, including East Mids pilot scheme being carried out by EMC.

Supporting Principle 2 : Developing the capability of the entity's leadership and other individuals

Action - Continue to progress the programme of training for people managers across the authority with the employment of Learning & Organisational Development resource to develop a programme of development across the organisation.

Action – Undertake staff survey and monitor sickness levels

Core Principal F : Managing risks and performance through robust internal control and strong public financial management

Supporting Principle 1 : Managing risk

Action – Build on progress made to utilise the new I-Plan system to record risks and ensure lower level risks are managed across the organisation.

Supporting Principle 2 : Managing Performance

Action – Develop and provide extra value from the new business planning, data intelligence and risk management process utilising the I-Plan system and external data to inform KPI's and improvements to services.

Action – Need to ensure track outcomes on project delivery.

Supporting Principle 3 : Robust internal control

Action – Carry out a self- assessment against the Best Value Framework.

Action – Build on the progress made to work towards compliance of the Council's Audit & Governance Committee with the CIPFA Practical Guidance for Local Authorities and Police (CIPFA, 2022).

Supporting Principle 4 : Managing Data

Action - Improve the use and reference to data during the decision making process.

Supporting Principle 5 : Strong public financial management

Action – Build upon the training that has been provided for budget managers to ensure they understand their responsibilities to manage their budget and can re-forecast accurately during the year.

All actions from the previous year were completed or progressed and a number of them will continue to be built on and developed in 2025/26.

There was however, one action relating to the Bi-Annual satisfaction survey that will no longer be undertaken in 2026. Given the timelines for the Local Government Reform the residents survey will not go ahead. An action has however been added to ensure that the LGR engagement reaches young people and seldom heard groups and individuals to ensure their views are included in the decision-making process.

Actions identified during the annual governance review are monitored through a combination of actions appearing on the Corporate Action Plan (the annual action plan formed from the Blaby Plan) or monitored by the Statutory Officers as part of their regular meetings.

Review of Compliance with Financial Management Code 2022/23

The Council carried out a review of compliance with the FM Code in advance of 2022/23. It was considered by the Audit and Standards Committee in July 2021 and the action plan arising from the review approved by Cabinet Executive in September. The document was made available to the public. Whilst the Authority was found to be compliant with many aspects of the FM Code, there were a number of areas that were partially compliant. An action plan was developed and all areas addressed to ensure compliance.

Role of the Council

The extent of the role of full Council in reviewing and monitoring effectiveness of internal control is set out in Article 4 of the Council's constitution. Article 4 provides that the Council is responsible for setting the policy and budgetary framework.

It is the responsibility of the statutory officers to report to Council on any issues concerning the review of the effectiveness of internal control arrangements where such cases fall outside the delegated power of other decision making bodies of the Council. There have been no issues arising during 2024/25 which have required the full Council to exercise its role.

The Constitution of the Council is subject to a continuous review process and a delegation by exception scheme forms an integral part of the arrangements. The Constitution underwent a revision in 2016/17 and the new version, which was actively reviewed by Members, was approved by Council on 24 May 2016. Since that time, amendments to the Constitution are brought before Council throughout the year as part of the continuous review process and annually to ensure it is fit for purpose.

The Council formally reviews its Financial Regulations on a regular basis albeit ongoing updates are implemented as part of the regular reviews of the Constitution.

Role of Cabinet Executive

The role of the Cabinet Executive is to receive, consider and approve the Annual Governance Statement and to monitor the implementation of any Action Plans arising out of the review of its governance arrangements.

Role of Audit Committee

A formal Audit Committee, constituted on the basis of the guidance issued by the Chartered Institute of Public Finance, including the adoption of a "Statement of Purpose", was established in 2008.

The Audit Committee (The Audit and Corporate Governance Committee) meets on a quarterly basis. It has responsibility for considering the findings of the annual review of the effectiveness of the internal audit function in addition to receiving regular monitoring reports from the Audit Manager. The annual external audit plan is also approved by the Audit Committee.

Role of Scrutiny Committee

The Council has a well-established Scrutiny Commission supported by working panels who are assigned specific projects to be undertaken. The Commission can "call in" a decision which has been made by the Cabinet Executive but not yet implemented, to enable them to consider whether the decision is appropriate.

Risk Management

The Corporate Risk Group regularly reviews the Risk Management Strategy to ensure its continued relevance to the Council. The reviews also assess performance against the aims and objectives of the Risk Management Strategy.

The Financial Services Group Manager provides regular progress reports to the Corporate Risk Group and the Senior Leadership Team bringing to their attention any significant risks which have been identified. The Corporate Risk Group/Senior Leadership Team also:

- Reviews the Council's strategic/operational risk registers and associated action plans
- Ensures that the appropriate management action is taken to minimise/eliminate risk

The Audit and Corporate Governance Committee review the Strategic Risk Register and mitigating actions regularly. They also have responsibility for reviewing and recommending the Risk Management Strategy at regular intervals.

Role of Internal Audit

Internal Audit is provided in accordance with the statutory responsibility under Section 151 of the Local Government Act 1972, the Accounts and Audit Regulations and the Public Sector Internal Audit Standards. It is managed on a day-to-day basis by the Shared Audit Manager who reported to the Executive Director of Communities during the year. There is however also an indirect reporting line to the Executive Director (Section 151 Officer) in relation to matters of a technical or professional nature.

Internal Audit objectively examines, evaluates and reports on the adequacy of internal controls and governance as a contribution to the proper, economic and effective use of resources. During 2024/25 this responsibility was carried out following an approved risk based annual audit plan. The Audit Manager produces quarterly progress monitoring reports against the plan to the Audit and Corporate Governance Committee.

The internal reporting process for audit work requires a report of each audit to be submitted to the relevant Group/Corporate Manager and/or Service Manager. The report includes an action plan that details areas where control weaknesses have been identified. The action plan requires a response from the relevant manager detailing the way in which the control issue will be addressed, or alternatively, the way in which the risk associated with the control issue will be managed. The process also includes regular reviews of agreed actions to ensure that they are acted upon. A summary of all audits carried out, including a grading rating which reflects the effectiveness of the controls in place and an analysis of the recommendations is submitted to each quarterly Audit and Corporate Governance Committee meeting. The Senior Leadership Team regularly review the progress made towards the recommendations from internal audits being actioned.

The Public Sector Internal Audit Standards (PSIAS), introduced on 1 April 2013, and revised in April 2016 and again in 2017, require an external assessment of compliance with the Standards to be carried out at least once every five years.

The assessment was carried out in November 2020 and found that the internal audit function at Blaby District Council conforms with the PSIAS and there were no areas of non-compliance identified. The final report was presented to the Audit and Standards Committee on 1 February 2021 along with an action plan containing minor action points which the Shared Audit Manager has implemented to improve overall compliance with the Standards.

The Shared Service Audit Manager provides an independent opinion on the internal control environment to the Audit and Corporate Governance Committee which then feeds into the Annual

Governance Statement process. For the 12 months ended 31 March 2025, based upon the work undertaken by Internal Audit during the year and additional information provided by relevant managers on their responses to audit recommendations, the Shared Audit Manager has formed the opinion that she is able to give **reasonable assurance** on the Council's overall internal control arrangements. To be consistent with our Internal Audit opinion definitions, this means that there is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the areas audited. This is a positive assurance opinion overall which will be detailed in the report of the Shared Manager's 'Internal Audit Annual Report 2024/2025' which will be presented to the Audit and Governance Committee on 28th July 2025.

All but three internal audit reports issued during 2024/25 were issued with either substantial or reasonable assurance opinions. The reports that were issued with limited assurance opinions and recommendations made within the audits have already been actioned or plans have been put in place to ensure they are addressed.

It should be noted that no assurance has been obtained in relation to the management of risks and controls within the ICT service area other than evidence of a Public Sector Network Certificate. The ICT Service is currently provided through a shared partnership.

Recognising the importance of utilising digital capability, the Council made the decision in February 2024 to give notice to the Partnership and transition to an in-house solution by 31st March 2025. Whilst this transition has been delayed until 1st July 2025, it is still the intention of the Council to bring the service in-house.

An in-house service will provide BDC a complete level of assurance, influence and decision making to meet its digital aspirations for ongoing transformation of services and accelerate BDC towards achieving the ambitions of the Blaby District Plan adopted in 2023.

Other Explicit Review/Assurance Mechanisms

The Corporate Services Group Manager, and the Executive Director of Communities (who both carried out the role of the "Monitoring Officer" during this year) has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The Constitution underwent a revision in 2016/17 and the new version, which was actively reviewed by Members, was approved by Council on 24 May 2016.

Statements of Assurance are received from senior officers regarding internal control issues in line with the guidance set out in "Delivering Good Governance in Local Government".

In November 2021 the Council invited the LGA to carry out a Finance Health Check which gave a view of the robustness of the Council's financial arrangements. The report, received in December 2021, concluded that the Council is well managed financially and has consistently spent within its budget. The report went on to provide a number of recommendations all of which were either completed or have been incorporated into our financial considerations on an ongoing basis.

The Council has continued the engagement with the LGA Peer Review process; the first review being in 2015 and followed by a further review in 2018.

A more recent Peer Review (now referred to as a Corporate Peer Challenge) was performed in March 2022 and was again very positive with the report summarising that "Blaby District Council (BDC) is a well-run local authority; it has a sound financial position, strong leadership, particularly through its Leader and Chief Executive, and committed staff. There is real ownership by members

and officers, and everyone wants to do their best for Blaby as a council, place and for its communities.”

The final report was reported to Council in July 2022 alongside an action plan that has been put in place to address recommendations made for improvement. The LGA Peer Challenge team returned to the Council in December 2022 to review the Council’s progress reporting that “Blaby DC is clearly committed to addressing all the CPC’s recommendations and has made excellent progress in doing so. This is all the more impressive, given that the council, like others, is responding to the ongoing challenging, economic environment.”

In October 2024 the LGA carried out an Annual Assurance Conversation, with no concerns raised but some opportunities were identified to gain support from the Planning Advisory Service in relation to the Local Plan and review/training for the Planning Committee, along with support and training from the Centre for Governance and Scrutiny and further training/mentoring for Members.

Recently the Council was notified by the Planning Inspectorate that the Council’s Planning Service nearly entered Special Measures, narrowly avoiding failing to meet the ‘quality of decisions for the ‘major developments’ indicator. The most recent measures are reported for the time period April 2022 through to March 2024. The Council has continued to engage with the Planning Advisory Service to aid the Planning Committee with an improved understanding of their responsibilities in relation to future decision making.

Statement of Leader and Chief Executive

We have been advised on the implications of the result of the review of the effectiveness of the governance framework carried out by members of the Senior Leadership Team and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Significant governance issues

Whilst there are no significant governance issues to report, nevertheless the Council continues to seek to enhance and strengthen our governance arrangements where improvements can be identified. We will monitor progress made as part of our next annual review.



Signed _____
Leader of the Council
June 2025



Signed _____
Chief Executive
June 2025

Blaby District Council

Audit & Corporate Governance Committee

Date of Meeting	28 July 2025
Title of Report	Risk Management Quarter 1 2025/26
Report Author	Council Tax Income & Debt Manager

1. What is this report about?

- 1.1 The report provides Audit and Corporate Governance Committee with an update in relation to the Council's Corporate Risk Register up to 30th June 2025.

2. Recommendation(s)

- 2.1 That the latest information in respect of the Council's major corporate risks is accepted.

3. Reason for Decision(s) Recommended

- 3.1 The overview of the Council's risk management processes is a key responsibility of the Audit and Corporate Governance Committee. It is important that members are aware of the corporate risks and their potential impact on Council business, and that they review the control measures in place to mitigate risks.

4. Matters to consider

4.1. Background

The management of risk is a critical success factor in terms of an organisation achieving its objectives. The Audit and Corporate Governance Committee, supported by Internal Audit, has the role of evaluating the effectiveness of the Council's risk management procedures, and commenting upon areas of improvement as appropriate.

Risks are assessed for their impact on the Council's business, and the likelihood that those risks might arise. Scores for impact and likelihood are combined using a "5x5" matrix to arrive at a rating of high, medium, or low.

Risk Score	Matrix Category
16-25	High
9-15	Medium
1-8	Low

Further information is contained within the Risk Management Strategy which was presented to this Committee in July 2023.

4.2 Corporate Risk Register

The Corporate Risk Register captures the most significant current risks that have a potential impact on the Council's strategic aims and objectives. Updates on the latest corporate risks are presented to Audit and Corporate Governance Committee every quarter.

Corporate Risks are monitored by the Corporate Risk Group which comprises the Chief Executive, the Executive Directors, the Finance Group Manager, and the Council Tax Income and Debt Manager. The Corporate Risk Group met on 5th June 2025 to review and update the Corporate Risk Register, ensuring that it properly reflects the current corporate risks and that actions are in place to mitigate those risks. A copy of the Corporate Risk Register is included at Appendix A, and this sets out each risk, an assessment of the degree of risk to the Council, and any control measures that are in place to mitigate the likelihood and impact of the risk occurring.

The following table summarises the number of corporate risks before any control measures are put in place (i.e., uncontrolled risks).

All Corporate Risks – Uncontrolled Rating Summary			
Red	Amber	Green	Total
15	11	0	26

The corporate risks, once control measures have been put in place, i.e., controlled risks, are as follows:

All Corporate Risks – Controlled Rating Summary			
Red	Amber	Green	Total
6	7	13	26

Since the last quarterly report to Audit and Corporate Governance Committee on 28th April 2025, 1 new risk has been added to the register in relation to Procurement Advice - R178.

Overall, 15 high risks to the Council's business have been identified before any form of mitigation has been put in place. However, once control measures are considered, 9 of these are reduced to medium or low risk.

The latest review undertaken by the Corporate Risk Group has led to 1 risk score being increased and 1 risk score being decreased.

Increased risk:

R130 – Delivery of the Hospital Enablement Team Model Becomes Unsustainable.

This risk has been increased bearing in mind the cuts in the NHS.

Reduced risk:

R012 – Closure, downsizing of premises or relocation of a major district employer.

This risk rating has been reduced in view of the additional internal controls in place that are making it manageable. The Council engage regularly with businesses to understand requirements and work with authorities, landowners, developers and agents. The establishment of business breakfasts, the Economic development group and Tourism partnership enables the Council to have links into local businesses. Through these links it is possible to understand, and hear news about, potential business closure risks, whilst also assessing what more the Council can do to support businesses. In the future a Business Board will be established which will add further capacity to business engagement capabilities.

4.3 Local Government Reorganisation (LGR) Risk Register

This register is fully incorporated into the Council's risk management procedures and is also subject to review by the Corporate Risk Group on a quarterly basis.

Since the last quarterly report to Audit and Corporate Governance Committee on 28th April 2025, no new risks have been added to the register.

The following table summarises the number of LGR risks before any control measures are put in place (i.e., uncontrolled risks).

All LGR Risks – Uncontrolled Rating Summary			
Red	Amber	Green	Total
2	1	0	3

The LGR risks, once control measures have been put in place, i.e., controlled risks, are as follows:

All LGR Risks – Controlled Rating Summary			
Red	Amber	Green	Total
0	3	0	3

Overall, 2 high risks to the Council's business have been identified before any form of mitigation has been put in place. However, once control measures are considered, both are reduced to medium or low risk.

The latest review undertaken by the Corporate Risk Group has led to no changes to the risk scores.

4.4 Service and Project Risk Registers

Service risks are those which are more related to operational and service delivery matters. They are maintained on a separate risk register and are subject to quarterly monitoring by Service Managers to ensure that they remain up to date and have not become obsolete. Group Managers will provide an overview of the service risks on a quarterly basis, but service risks will not be reported to Audit and Corporate Governance Committee other than in exceptional circumstances.

Project risks are managed through the Council's project management framework, with risk registers maintained for corporate projects and high-profile service projects. These are monitored through individual project teams and by the Senior Leadership Team sitting as Programme Board.

The ICT service was brought in house on 30th June 2025, the ICT service risks will be reviewed and discussed at the next Corporate risk group meeting to consider if any new risks need to be added and included in the Corporate risk register. Details will be included in the quarter 2 report.

4.5 Significant Issues

In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities and there are no areas of concern

5. Environmental impact

5.1 In preparing this report, the author has considered issues related to Climate Local and there are no areas of concern.

6. What will it cost and are there opportunities for savings?

6.1 There are no direct financial implications arising from this report. However, financial implications may arise because of inadequate risk management, but with robust procedures in place they are minimised or removed

7. What are the risks and how can they be reduced?

7.1

Current Risk	Actions to reduce the risks
If risks are not monitored, then the Council may not be aware of possible events arising.	Audit and Corporate Governance Committee receive regular reports on risk and advise Cabinet Executive as appropriate.
If risks are not effectively managed through mitigation, risks identified	Mitigating control measures are in place and monitored through Audit and Corporate Governance Committee, Corporate Risk

cannot be minimised and may have a significant impact on the Council.	Group and by Senior Leadership Team/Group Managers.
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8. Other options considered

- 8.1 None. It is a requirement of the Risk Management Strategy that regular reports are brought to Audit and Corporate Governance Committee.

9. Appendix

- 9.1 Appendix A – Corporate Risk Register
- 9.2 Appendix B – Local Government Reorganisation (LGR) Register

10. Background paper(s)

Risk Management Strategy 2023 – 2026.

11. Report author's contact details

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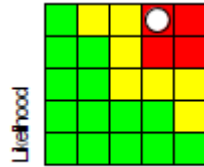
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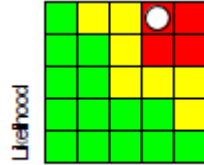
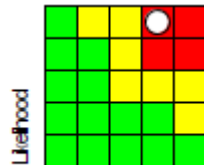
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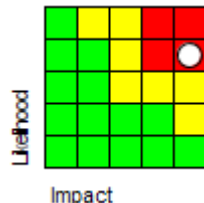
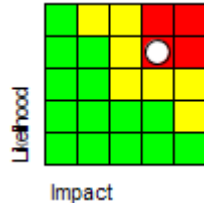
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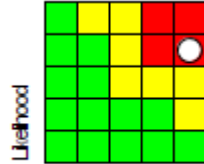
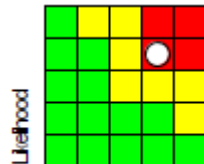
Appendix A - Overview of Corporate Level Risks

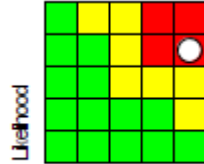
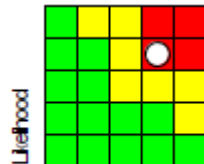
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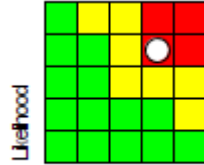
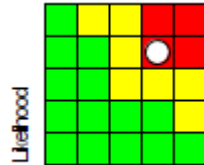
Risk Code & Title	R013 Failure to provide affordable housing and supporting infrastructure in the district in line with identified need.	Uncontrolled Risk Score		25
Consequence / Impact Description	This would increase the level of homelessness cases and create additional pressure on the Council's services and finances.	Current Controlled Risk Score		20
Internal Controls	<ul style="list-style-type: none"> • Agreement on countywide housing distribution • Council adoption of appropriate housing needs policies • Feedback to consultation processes • Input into Strategic Planning Groups • Review of options to deliver affordable housing & balanced housing market 	Latest Note	There is no change to the risk rating.	
		Latest Note Date	11 Jun 2025	

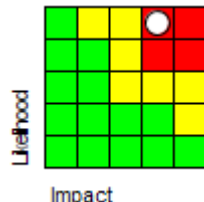
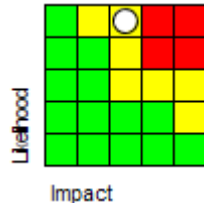
Risk Code & Title	R071 Failure to provide appropriate temporary accommodation for homeless households	Uncontrolled Risk Score		20
Consequence / Impact Description	We would see an increase in homeless households sleeping rough.	Current Controlled Risk Score		20
Internal Controls	Continue to source alternative provision of temporary accommodation in the District.	Latest Note	No change to the risk rating	
		Latest Note Date	01 Jul 2025	

Risk Code & Title	R007 Impact on financial position as a result of lack of certainty around future funding streams (i.e. Business Rates, Fair Funding, New Homes Bonus and Council Tax Equalisation), and cost of living crisis.	Uncontrolled Risk Score		20
Consequence / Impact Description	There could be a negative impact on delivery of services affecting residents, businesses and resources.	Current Controlled Risk Score		16
Internal Controls	<ul style="list-style-type: none"> • Awareness & Understanding of national policy changes • Balanced budget approved • Deliver Action Plan of Commercialisation Strategy • Maintain an awareness of changing priorities • MTFS in place • Strategy to maximise growth of Business Rates • Working with significant partners • Maintain adequate level of reserves • Financial plan now in place with measures to reduce the budget gap. 	Latest Note	There is no change to the risk rating.	
		Latest Note Date	11 Jun 2025	

Risk Code & Title	R017 Failure of ICT systems.	Uncontrolled Risk Score		20
Consequence / Impact Description	This would mean the Council is unable to deliver services.	Current Controlled Risk Score		16
Internal Controls	<ul style="list-style-type: none"> • Adoption of standards around service desk management (LICTP) • Additional measures implemented in response to Capita cyber attack (LICTP) • Managed internet access (Blaby) • File storage resilience (Blaby) • Broadband lines audit (Blaby) • Cyber security - network and ICT security upgrades in progress (LICTP) • Data Centre - servers and storage upgrades/migration in progress (LICTP) 	Latest Note	There is no change to the risk rating.	
		Latest Note Date	11 Jun 2025	

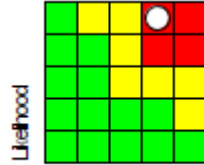
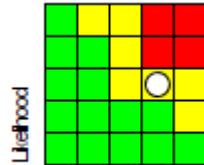
Risk Code & Title	R018 ICT security breaches and non-compliance with Government security standards.	Uncontrolled Risk Score		20
Consequence / Impact Description	That there could be a cyber attack.	Current Controlled Risk Score		16
Internal Controls	Perimeter Security, Systems and data is backed up, Annual IT Health checks, Cyber Essentials and PSN accreditation, Security Working Group, policies in place to support and advise staff, ICT monthly articles and newsletters aimed at increasing staff cyber awareness, Encryption detection software, Antivirus software, Mail Filtering, Sophos Unified Threat Manager, Intrusion detection software.	Latest Note	There is no change to the risk rating.	
		Latest Note Date	11 Jun 2025	

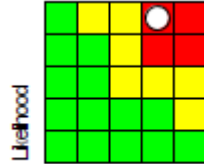
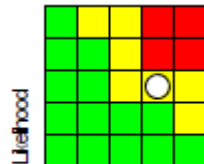
Risk Code & Title	R158 The Council is unable to meet its 5 year land supply target	Uncontrolled Risk Score		16
Consequence / Impact Description	Without a 5 year Housing land supply, speculative development could take place across the district. There would be no control over development and to create the capacity of the 5 year housing land supply. The Council would not meet it's housing targets or operate with the new national planning framework.	Current Controlled Risk Score		16
Internal Controls	<ul style="list-style-type: none"> • re-establish land supply through new local plan • ensure that Planning Committee are sufficiently well-trained to be able to approve favourable housing applications 	Latest Note	There is no change to the risk rating. Without a 5 year Housing land supply speculative development will take place across the district. The introduction of the new Local Plan will ensure control over development and create the capacity of the 5 year housing land supply. This will ensure BDC meet housing targets and operate with the new national planning framework.	
		Latest Note Date	11 Jun 2025	

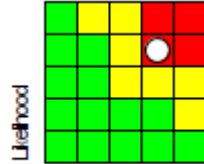
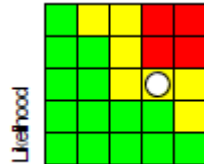
Risk Code & Title	R019 Cost of living crisis impact on services.	Uncontrolled Risk Score		20
Consequence / Impact Description	Leading to an increased demand for the Council's services.	Current Controlled Risk Score		15
Internal Controls	<ul style="list-style-type: none"> • CAB service • Earmarked reserve in place to support cases of serious hardship. • Communication with food banks to be able to provide support • Supporting residents in times of crisis 	Latest Note	There is no change to the risk rating.	
		Latest Note Date	11 Jun 2025	

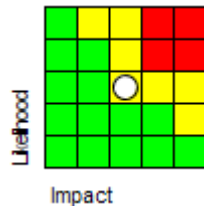
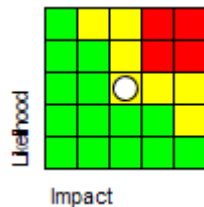
Risk Code & Title	R014 Structural, legislative and budgetary changes in other Public Sector organisations (e.g. DWP, Health, NHS, Police, Leicestershire CC).	Uncontrolled Risk Score		16
Consequence / Impact Description	There would be an impact on the Council's financial position & delivery of services.	Current Controlled Risk Score		12
Internal Controls	<ul style="list-style-type: none"> • Maintain awareness & respond to implications of emerging changes in public sector delivery organisations 	Latest Note	There is no change to the risk rating. The new ICB blueprint will see some services shift to local authorities the extent of which is unclear at this point.	
		Latest Note Date	11 Jun 2025	

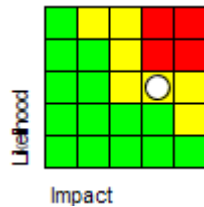
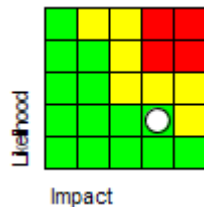
Risk Code & Title	R021 The Council is unable to meet the 2030 net zero carbon reduction target due to the detrimental impact on our Financial position.	Uncontrolled Risk Score		12
Consequence / Impact Description	This would affect the Council's reputation and have a detrimental impact on the area and environment.	Current Controlled Risk Score		12
Internal Controls	<ul style="list-style-type: none"> • Carbon reduction action plan in place. • Dedicated officer working on "green" initiatives. • Cross service working group in place to maintain high profile and awareness. • Fleet replacement strategy under review. • Member steering group to be formed. 	Latest Note	There is no change to the risk rating. A member steering group is to be formed and also there has been a political change.	
		Latest Note Date	12 Jun 2025	

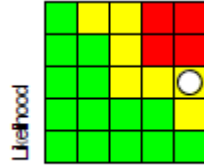
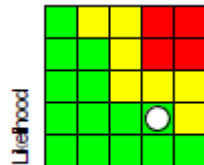
Risk Code & Title	R131 Effectiveness and Partners lose confidence in the Leicestershire Building Control Partnership delivery model.	Uncontrolled Risk Score		20
Consequence / Impact Description	There is a risk that the Building Control Partnership will not meet its financial targets due to the current economic climate and downturn in the housing market, as well as additional training requirements in the wake of the Grenfell disaster. This could lead to financial losses affecting Blaby's financial position.	Current Controlled Risk Score		12
Internal Controls	Quarterly Board Meetings	Latest Note	There is no change to the risk rating. The title of the risk has been changed to include Effectiveness.	
		Latest Note Date	11 Jun 2025	

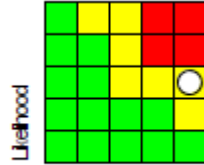
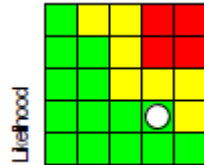
Risk Code & Title	R138 Unsuccessful Transition from LICTP Partnership to In House ICT Provision	Uncontrolled Risk Score		20
Consequence / Impact Description	If BDC work is not resourced and / or prioritised by LICTP, then project delivery may be impacted and additional costs may be incurred.	Current Controlled Risk Score		12
Internal Controls	<ul style="list-style-type: none"> • A staged project plan is being followed which brings systems onboard over a period of time rather than in one instance • Proof of Concept testing is progressing - this illustrates that Blaby infrastructure can support the systems that are planned to be transferred. • Both internal and external system specialists have been engaged with/employed to assist with the transfer of individual systems E.g. such as NEC/Uniform 	Latest Note	There is no change to the risk rating.	
		Latest Note Date	11 Jun 2025	

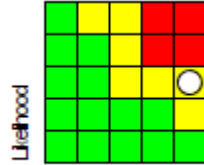
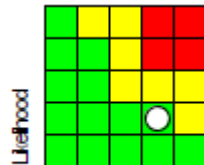
Risk Code & Title	R157 The Council is unable to deliver a new Local Plan	Uncontrolled Risk Score		16
Consequence / Impact Description	There is a risk that the Council may not be able to adopt a new local plan if agreement cannot be reached over sites to be included that contribute towards our target land supply. Linked to R158. This could have an impact on the Council's reputation.	Current Controlled Risk Score		12
Internal Controls	<ul style="list-style-type: none"> • identify additional sites for residential development • release appropriate sites for residential development through the development management process • progress the local plan in accordance with the Local Development Scheme • member training plan in place • resource in place to ensure delivery 	Latest Note	There is no change to the risk rating.	
		Latest Note Date	11 Jun 2025	

Risk Code & Title	R130 Delivery of the Hospital Enablement Team Model Becomes Unsustainable	Uncontrolled Risk Score		9
Consequence / Impact Description	HET is fully externally funded. One of the funders may decide that they are unable to continue to support the service due to increasing financial pressures. However, the main risk is over loss of confidence in our ability to deliver the service, and alternative models might be explored.	Current Controlled Risk Score		9
Internal Controls	Regular board meetings in place; recognition of partners' financial position; regular budget monitoring; 100% external funding in place.	Latest Note	This risk has been increased bearing in mind the cuts in the NHS.	
		Latest Note Date	12 Jun 2025	

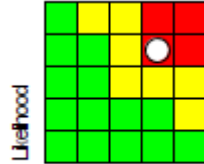
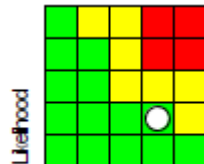
Risk Code & Title	R002 Blaby District Plan is not deliverable within available resources.	Uncontrolled Risk Score		12
Consequence / Impact Description	If we do not deliver the corporate objectives the quality of life of residents and those who work in the district will not be improved.	Current Controlled Risk Score		8
Internal Controls	<ul style="list-style-type: none"> • All service plans aligned to Blaby District Plan objectives • Be clear about expected outcomes • Monitor delivery of Blaby District Plan • Review Blaby District Plan priorities regularly 	Latest Note	There is no change to the risk rating. Local Government Reorganisation is impacting on resources.	
		Latest Note Date	11 Jun 2025	

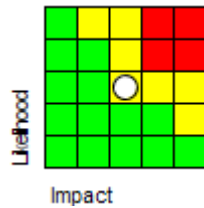
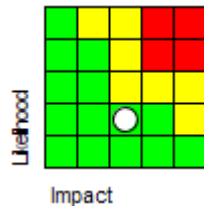
Risk Code & Title	R003 Failure to have effective safeguarding arrangements and a plan in place to safeguard children and vulnerable adults.	Uncontrolled Risk Score		15
Consequence / Impact Description	Children and vulnerable adults may be placed in danger.	Current Controlled Risk Score		8
Internal Controls	<ul style="list-style-type: none"> • Active Member of District DSO Group • Continuous training of designated officers, review of policies • Ensuring enough trained officers are available • Policies in place and effectively communicated to staff 	Latest Note	There is no change to the risk rating. We have more safeguarding officers, training has been rolled out and completed on Skillsgate, engagement with internal audit who have looked at the processes, integrating forms.	
		Latest Note Date	11 Jun 2025	

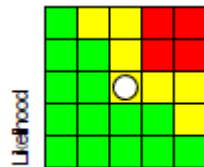
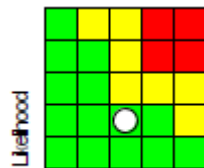
Risk Code & Title	R004 Failure to ensure adherence to internal control arrangements.	Uncontrolled Risk Score		15
Consequence / Impact Description	Failure to ensure adherence to internal control arrangements would leave the council open to fraud, affecting reputation. If adequate fraud & corruption prevention arrangements are not in place this leaves the council open to potential financial losses, wrong doing, breaches of the councils procedures & policies & legal responsibilities.	Current Controlled Risk Score		8
Internal Controls	<ul style="list-style-type: none"> • Anti Fraud & Corruption/Benefit Fraud policies reviewed & adopted. Staff/Member training • Employees adhere to governance procedures • Ensure we do not employ staff with false records • Use of NAFN bulletins to maintain awareness of latest threats • Policies and procedures ensure segregation of duties 	Latest Note	There is no change to the risk rating.	
		Latest Note Date	11 Jun 2025	

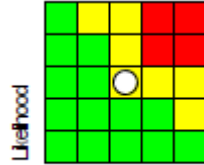
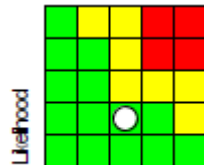
Risk Code & Title	R006 Lack of effective Emergency Planning and Business Continuity arrangements	Uncontrolled Risk Score		15
Consequence / Impact Description	Service delivery would be negatively affected impacting on residents, businesses and staff. There could also be potential damage to the Council's reputation.	Current Controlled Risk Score		8
Internal Controls	<ul style="list-style-type: none"> • All key EP & BC documents on Resilience Direct • Internal EP & BC working group meeting • Periodic training with SLT & key officers of plans • Out of hours Emergency Contact Centre Contract (First Call) • Partnership with the Leicestershire Resilience Forum • Senior Leadership Team On Call Rota 	Latest Note	There is no change to the risk rating. Service Manager's are completing fresh Business Continuity Plans; training has been provided; revised resilience plan is being looked at by the Health & Safety Officer.	
		Latest Note Date	11 Jun 2025	

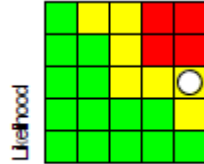
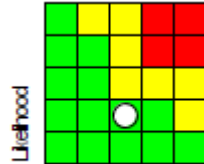
Risk Code & Title	R011 Failure to identify, record, monitor and report health and safety risks.	Uncontrolled Risk Score		16
Consequence / Impact Description	There could be a negative impact on the health and safety of staff and residents.	Current Controlled Risk Score		8
Internal Controls	<ul style="list-style-type: none"> • Effective Health & Safety Committee • Effective Health & Safety procedures • Service blueprints Dedicated Health & Safety Officer 	Latest Note	There is no change to the risk rating.	
		Latest Note Date	11 Jun 2025	

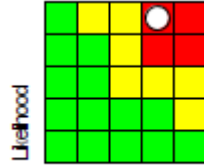
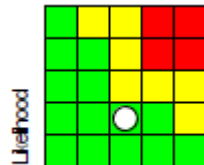
Risk Code & Title	R012 Closure, downsizing of premises or relocation of a major district employer.	Uncontrolled Risk Score		16
Consequence / Impact Description	This may cause significant unemployment, retraining requirements and a potential loss of Business Rates.	Current Controlled Risk Score		8
Internal Controls	<ul style="list-style-type: none"> • Review the Council's Economic Development Strategy and resources • Develop the work and skills capacity • Engage regularly with businesses to understand requirements • Work with authorities, landowners, developers & agents • The establishment of business breakfasts, the Economic development group and Tourism partnership enables the council to have links into local businesses. Through these links it is possible to understand, and hear news about, potential business closure risks, whilst also assessing what more BDC can do to support businesses. In the future a Business Board will be established which will add further capacity to business engagement capabilities. 	Latest Note	This risk has been reduced due to the internal controls in place.	
		Latest Note Date	11 Jun 2025	

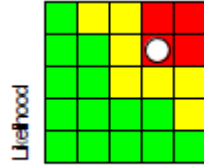
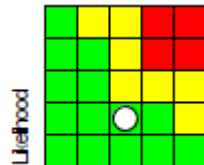
Risk Code & Title	R001 Engagement of elected members negatively impacting on decision making process	Uncontrolled Risk Score		9
Consequence / Impact Description	This could lead to issues regarding proper decision making.	Current Controlled Risk Score		6
Internal Controls	<ul style="list-style-type: none"> • Cabinet & Leader awareness and development • Code of conduct • Member development strategy/ supporting roles & responsibilities • Recruitment/member succession • Audit & Corporate Governance Committee • Training/Cabinet development • Induction Programme for new members • New, cross-party Whips Group in place. 	Latest Note	There is no change to the risk rating.	
		Latest Note Date	11 Jun 2025	

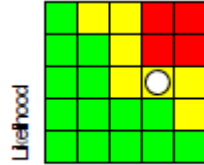
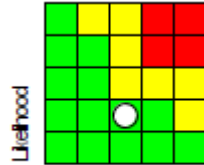
Risk Code & Title	R008 Failure to comply with legislation.	Uncontrolled Risk Score		9
Consequence / Impact Description	The Council would not meet it's statutory obligations.	Current Controlled Risk Score		6
Internal Controls	<ul style="list-style-type: none"> • Constitution regularly reviewed and kept up to date • Annual Governance Statement • Independent Member Committees • Skilled workforce • Training/CPD • The organisation promotes and demonstrates the principle and values of good governance 	Latest Note	There is no change to the risk rating.	
		Latest Note Date	11 Jun 2025	

Risk Code & Title	R009 Contracts may fail to deliver intended outcomes if not managed effectively.	Uncontrolled Risk Score		9
Consequence / Impact Description	If contracts are not managed effectively, improvements and efficiencies may not be delivered.	Current Controlled Risk Score		6
Internal Controls	<ul style="list-style-type: none"> • Ensure that effective contract management arrangements are put in place as part of procurement process. • Manage SLM Contract through quarterly governance meetings. • Awareness and contract management training delivered to staff involved with procurement. • Development of working relationship with Welland Procurement. 	Latest Note	There is no change to the risk rating. Welland Procurement Unit have provided more training dates.	
		Latest Note Date	11 Jun 2025	

Risk Code & Title	R020 Elevated levels of methane from landfill site at Huncote Leisure Centre and surrounding site.	Uncontrolled Risk Score		15
Consequence / Impact Description	The impact on the area and environment.	Current Controlled Risk Score		6
Internal Controls	<ul style="list-style-type: none"> • Additional monitoring and venting wells installed. • Regular communication with partners on site. • Trenches installed around perimeter of building, including a pump and pipework to drain water away to land at rear of site. • A further active ventilation stack to be installed to draw gas away from building. • A 24 hour service and maintenance contract which provides immediate response to concerns • The children's centre has officially moved onto the Council's kit so there is only one in the building 	Latest Note	There is no change to the risk rating.	
		Latest Note Date	11 Jun 2025	

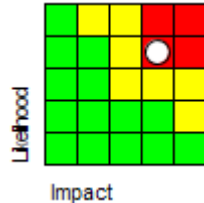
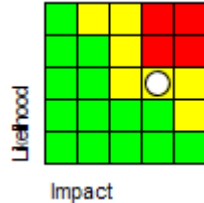
Risk Code & Title	R126 Impact of Industrial Action on Services & Residents	Uncontrolled Risk Score		20
Consequence / Impact Description	Disruption to Council services impacting on residents and businesses in the District.	Current Controlled Risk Score		6
Internal Controls	<ul style="list-style-type: none"> • Alternative workforce where possible; mental health support in place; arbitration measures; regular communication to staff, members, and residents; SLT presence at depot. • Monitoring national trends. • Regular meetings with Unions - JCC - bi-annually; Unison - quarterly. 	Latest Note	There is no change to the risk rating.	
		Latest Note Date	11 Jun 2025	

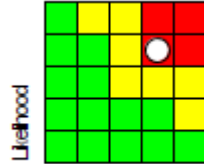
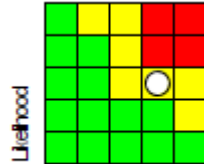
Risk Code & Title	R132 Partners Do Not Reach Agreement on the Future Lightbulb Delivery Model and Business Case	Uncontrolled Risk Score		16
Consequence / Impact Description	Unable to deliver the Lightbulb service to residents.	Current Controlled Risk Score		6
Internal Controls	Regular board meetings in place; recognition of partners' financial position; regular monitoring of budget; meetings held with partners as part of the contract planning process; inclusion on Internal Audit Plan.	Latest Note	There is no change to the risk rating.	
		Latest Note Date	11 Jun 2025	

Risk Code & Title	R178 Procurement Advice provided is incorrect	Uncontrolled Risk Score		12
Consequence / Impact Description	Procurement regulations are not adhered to affecting the Council's reputation and potentially legal consequences.	Current Controlled Risk Score		6
Internal Controls	Knowledge maintained of relevant legislation; Ongoing training provided for Managers and officers; Legal team engaged early on in the process and throughout; Contract Regulations are included within the Constitution.	Latest Note	There is no change to the risk rating.	
		Latest Note Date	11 Jun 2025	

Appendix B - Overview of Local Government Reorganisation (LGR) Risks

Generated on: 04 July 2025 14:39

Risk Code & Title	R005 Failure to recruit and retain the right people for the right jobs	Uncontrolled Risk Score		16
Consequence / Impact Description	The impact on delivering services to the residents and businesses of the District.	Current Controlled Risk Score		12
Internal Controls	<ul style="list-style-type: none"> • Learning and development provision, including skills and training needs analysis • Supporting Employee Performance policies and practices • Workforce planning including succession planning and use of market supplements where applicable. 	Latest Note	There is no change to the risk rating.	
		Latest Note Date	11 Jun 2025	

Risk Code & Title	R022 Officer and Member emotional wellbeing is impacted by ongoing service demand and financial pressures	Uncontrolled Risk Score		16
Consequence / Impact Description	There could be an increase in the level of sickness absence and performance issues impacting on delivery of services.	Current Controlled Risk Score		12
Internal Controls	<ul style="list-style-type: none"> • Policies and procedures being revised and reviewed together with guidance documents for staff and managers • Employee helpline in place for employees and Members • Continuous review with teams and individuals • Being flexible with working policies. • Member Induction Programme. • Improvement in signposting. • Wellness action plans in place. • Communication engagement strategy. 	Latest Note	There is no change to the risk rating.	
		Latest Note Date	11 Jun 2025	

Risk Code & Title	R165 Business as Usual is Negatively Impacted Due to the Focus on Devolution	Uncontrolled Risk Score		12
Consequence / Impact Description	Devolution focus means that our key business is no longer a priority and existing resources are stretched or key staff are demotivated due to uncertainty of future.	Current Controlled Risk Score		9
Internal Controls	Staff are being kept informed and engaged. A £50,000 budget has been established for supporting the proposal stage. Consideration of the Corporate Plan/Projects and Priorities to enable capacity.	Latest Note	This risk score has been reduced. Strategic capacity is being impacted.	
		Latest Note Date	11 Jun 2025	

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Audit & Corporate Governance Committee Work Programme

Issue	Report Author
28 July 2025	
Unaudited Statement of Accounts 2024/25	Finance Group Manager
Risk Management Q1 2025/26	Council Tax Income & Debt Manager
Quarterly internal audit update	Shared Service Audit Manager
Annual Internal Audit Report	Shared Service Audit Manager
6 October 2025	
Risk Management Q2 2025/26	Council Tax Income & Debt Manager
Quarterly internal audit update	Shared Service Audit Manager
Review Progress of Annual Governance Statement Actions	Executive Director (S151 Officer)
9 February 2026	
Quarterly internal audit update	Shared Service Audit Manager
Approval of 2024/25 Accounts (Azets)	Finance Group Manager
Risk Management Q3 2025/26	Council Tax Income & Debt Manager
27 April 2026	
Audit Charter, Mandate and Strategy	Shared Service Audit Manager

Issue	Report Author
Quarterly internal audit update	Shared Service Audit Manager
Annual Audit Plan 2026/27	Shared Service Audit Manager
Audit & Corporate Governance Committee Annual Report 2025/26	Shared Service Audit Manager
Accounting Policies 2025/26	Finance Group Manager
Risk Management Q4 2025/26	Council Tax Income & Debt Manager

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