Statement of Accounts 2025/26 (Unaudited)

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Wealden
District Council

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Narrative Report

1. Wealden as a place



Wealden facts and figures

Wealden is the largest local government district in East Sussex, covering 323 square miles, with a population of approximately 160,100[1].The Valuation Office Agency records just over 75,000 domestic properties on the Council Tax Valuation List as at 31 March 2025[2], which forms the basis of the Council's tax base.

Half the population live in five main towns: Crowborough, Hailsham, Heathfield, Polegate and Uckfield. The rest live in villages and hamlets in some of the most attractive countryside in the South of England.

Around two-thirds of the district lies within the High Weald National Landscape and the South Downs National Park. In addition, there are 41 conservation areas, of which 33 are administered by the Council, and 2,256 listed buildings[3], reflecting the importance of protecting Wealden's natural and historic environment.

Wealden has 8,715 businesses[4], with small and micro businesses forming a key part of the local economy. Around 91% of businesses employ fewer than 10 people[4].

Construction and Professional, scientific & technical represent the largest business sectors in the district, accounting for 18% and 15.8% respectively, of enterprises in the district[4].

2. Wealden District Council Strategy 2023 - 2027

In May 2023 Wealden residents elected a changed Council. The Alliance for Wealden made a new strategy which underpins a new vison and mission:

Vision: Wealden is a place where people and nature thrive together.

Mission: Wealden District Council is to be an enabling and enterprising council working alongside our communities to create a green, fairer, and kinder district for present and future generations.

The Council Strategy sets out the three areas that will be prioritised to achieve the vision:

- The environment and climate change;
- Community resilience and wellbeing; and

[1] ONS 2021 Census
[2] Valuation Office Agency June 2025
[3] Designated Assets, Protected Areas and the Built Environment, Historic England, data accurate as of November 2024
[4] ONS 2025 UK Business Activity, size and location

- Local economy.

What will we do?

Prioritised Areas	**How?**
1. The environment and climate change	Protecting our environment and leading the district towards carbon neutrality by: • CE1. Tackling the climate emergency. • CE2. Protecting and enhancing the district's green infrastructure and biodiversity. • CE3. Active travel and sustainable transport. • CE4. Circular no waste economy. • CE5. Renewable energy.
2. Community resilience and wellbeing	Build strong, mutually supporting communities which are actively engaged in their own future, through: • CW1. Community resilience. • CW2. Modern day infrastructure and expanded to accommodate a growing population. • CW3. Affordable homes. • CW4. Listening and community engagement. • CW5. Leisure and cultural services. • CW6. Equality, diversity and inclusion.
3. Local economy	A growing economy which enables people to live well, by: • LE1. Community wealth building. • LE2. Planning. • LE3. Support local retail. • LE4. Support local land-based industries. • LE5. Start, scale and invest. • LE6. Rural tourism. • LE7. Sustainable construction and retrofit.

How will we measure ourselves?

Progress against the delivery of the Council Strategy and its objectives is managed and reported on a regular basis. An annual report on performance against the Strategy is reported in June/July each year. In keeping with our commitment to transparency and accountability, quarterly reports continue to be considered at Cabinet and Scrutiny and Performance committee. These reports include updates against the priority objectives and relevant performance indicators measuring the impact of our activities. These reports and the meetings are publicly available on our website.

3. Year at a glance

During 2025/26, the Council continued to deliver services and programmes that support the priorities set out in the Council Strategy 2023–2027. The summary below highlights some of the main areas of activity during the year and is intended to provide a concise overview of performance in the context of the Council's strategic priorities and financial statements.

Priority area	Headline achievements in 2025/26
Environment and climate change	The Council continued to invest in energy efficiency improvements across council housing and private homes, while also expanding electric vehicle charging infrastructure to a level significantly above target. Recycling performance remained strong, fly-tipping reduced year-on-year, and major projects continued to incorporate renewable energy and low-carbon design principles.
Community resilience and wellbeing	Affordable housing delivery significantly exceeded the annual target, with 506 affordable homes delivered against a target of 100. The Council also continued to prevent and relieve homelessness, supporting 278 households, while leisure services performed strongly with attendances exceeding target. Community grant funding and partnership working continued to support local organisations and community-led activity across the district.
Local economy	The Council supported the local economy through £17.3 million of local spend, helping small and medium-sized enterprises and the local supply chain. The collection of £17.2 million of Community Infrastructure Levy supported infrastructure investment. Work also progressed on the Local Plan, including significant public consultation, alongside targeted business support and high street initiatives delivered through partnership working.
Service performance	Waste services performed strongly, with 98.49% of fly-tips cleared within the target timescale and missed bins remaining below target levels. Benefits processing also remained efficient, with new claims processed in an average of 18.2 days and changes in circumstances processed in an average of 4.08 days.
Housing and asset management	The Council maintained high levels of statutory safety compliance across its housing stock, including 100% compliance for fire, water, asbestos and lift safety and 99.98% gas safety compliance. Electrical safety compliance continued to improve, reaching 87.7%, while the proportion of non-decent homes remained low at 2.32%. Repairs and maintenance services also continued to perform strongly.
Financial management and governance	The Council maintained robust financial management and budget monitoring arrangements during 2025/26, alongside continued delivery of the capital programme and priority investments. Strong risk management and governance arrangements remained in place, and the Council continued to prepare for future challenges including local government reorganisation and funding reform.

Further detail on the Council's performance during 2025/26 is set out in the Council's Annual Performance Report, which is available on the Council's website within the Cabinet July 2026 meeting agenda.

About the Council

The Council is composed of 45 councillors who meet to decide the Council's overall policies and set the revenue budget and capital programme each year. The Full Council meeting is also the main setting for holding the Cabinet to account, providing an opportunity for Cabinet members to be questioned by councillors or, indeed, members of the public. This accountability is part of the Council's wider governance framework which is reported on annually in an Annual Governance Statement (this statement forms part of the Council's Statement of Accounts).

The Cabinet is made up of the leader, deputy leader and 5 other councillors each with a portfolio of responsibilities and is responsible for most day-to-day decisions. The Cabinet has to make decisions which are in line with the Council's overall policies and budget because whilst the budget and many plans and strategies will be proposed by the Cabinet, Full Council decides whether to accept or amend these proposals or indeed replace them completely.

Information from various sources is considered when making those proposals including results from consultations with service users, stakeholders and the general public, needs assessments, national priorities and initiatives and the outcomes identified in the corporate plan. These outcomes underpin the allocation of resources and the activity undertaken by the Council.

4. The Council's Finances

Core Funding

In common with the wider local government sector, the Council continues to face significant uncertainty over the future of its core funding and the broader structure within which local government will operate. While councils remain reliant on a combination of council tax, retained business rates, government grants and locally generated income, there is still limited clarity over the long-term direction of funding reform, including the future operation of the business rates retention system and the wider approach to local government finance. This uncertainty is compounded by the Government's proposals for English devolution and local government reorganisation, which may have significant implications for future governance structures, funding allocations, service delivery models and the distribution of resources across local authorities. In this context, the Council must continue to plan prudently and maintain sufficient flexibility and resilience within its medium-term financial strategy.

For 2025/26 the Council continued to be the lead authority for the East Sussex Business Rates Pool, which consists of East Sussex County Council, East Sussex Fire Authority, Eastbourne Borough Council, Hastings Borough Council, Lewes District Council and Rother District Council. This pooling of the business rates income from growth across the area ensures that all the authorities in the pool benefit from economic growth across the whole area and benefit financially through retaining more business rates locally.

Addressing future challenges

During 2025/26, the Council continued to monitor the effect of inflationary pressures, demand-led service costs and wider economic conditions on its medium-term financial position. The Medium-Term Financial Strategy reflects these pressures, together with the uncertainty associated with local government finance reform, devolution and local government reorganisation. In response, the Council continues to pursue prudent use of resources, service transformation, efficiency measures and income generation opportunities to support the delivery of priority services and long-term financial sustainability.

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2025/26 Council tax and revenue spending

Wealden set the Council Tax at £221.14 for a Band D property in 2025/26 (£214.72 in 2024/25).

A net revenue budget of £15.336 million was approved by Full Council in February 2025 with allocation of budgets shown in the table below

Description	Budget £'000
Members	451
Chief Executives Directorate	3,204
Place	6,024
Community	12,817
Governance & Corporate Services	5,410
Central Costs	(57)
Funding of capital programme from revenue	23,115
Drainage Levies	97
Minimum Revenue Provision	325
Charge to Housing Revenue Account for support services	(1,446)
Interest (net)	(5,325)
Business rates (retained locally)	(7,900)
Community Infrastructure Levy (CIL) - to fund Capital Programme	(7,697)
Government Grants	(4,436)
Contribution to/ (from) reserves	(9,246)
Net Budget Requirement	**15,336**

Our robust financial management and reporting processes include:

- Quarterly monitoring reports to senior officers and elected members, and
- Regular meeting between finance and budget holders to highlight potential spending pressures or underspends so they can be tackled at an earlier stage.

Reserves and balances

Councils and other organisations need financial reserves to respond to unforeseen circumstances, these can be used to support the budget, or to take advantage of any opportunities that arise such as providing invest to save opportunities or council funding in order to lever in external grants. Whilst many reserves are general reserves and can be used to support our overall financial position, others are known as earmarked reserves which cannot be used for general purposes.

Due to the Council's careful financial management over the previous years, general fund reserves as at 31 March 2026 are £7.769 million (£7.300 million as at 31 March 2025). Over the period of the

medium-term financial strategy 2026/27 to 2029/30 general fund balances are planned to be maintained at approximately £5 million - £8 million.

Pension liabilities

The Council had net pension liability of £1.143 million (£2.686 million net liability in 2024/25), which means that the amount of current and ex-employee pension payments earned at the year-end does not exceed the amounts paid into pension fund by employees, the Council, and through investing these amounts.

The Council does not operate its own Pension Fund but is part of the East Sussex Local Government Pension Scheme which is administered by East Sussex County Council. Full details of the Pension Scheme and its accounts are available on-line at www.eastsussex.gov.uk.

Housing revenue account

The Council owns over 3,000 homes generating rental income of over £18.394 million in the year (£17.928 million in 2024/25). This income is held in a ring-fenced account (the Housing Revenue Account or HRA) which can only be used for social housing purposes. The Council is planning to spend over £71 million in the next four years to increase and improve its social housing stock.

Provisions and contingencies

Wealden has made a provision for business rates appeals. At 31 March 2026, the Council's share of the provision was £0.534 million, compared with £0.943 million at 31 March 2025. The provision for legal costs relating to planning appeals is no longer required at 31 March 2026 and has therefore been reduced to zero (£0.002 million at 31 March 2025).

Other commitments and contingencies outstanding at 31 March 2026 include £24.053 million in respect of contractual obligations for capital projects scheduled from 2026/27.

Group accounts

Group accounts provide an overview of organisations subject to Council control and/ or significant influence. From 2019/20 the Council consolidated Sussex Weald Homes Limited to produce group accounts. The company is a housing development vehicle for the Council and is structured as a private company limited by shares. The Council holds 3,429,220 Ordinary shares of £1 in the company. The Council has dominant control of the company by virtue of being 100% shareholder.

Capital Expenditure

The Council has a four-year capital investment programme from 2026/27 totalling £139 million (including £72 million for the HRA), which will deliver:

- New units of affordable housing;
- Maintaining social housing to a decent standard;
- Disabled adaptations required in homes;
- Infrastructure investment to ensure the continued success of Wealden District as a business, leisure and heritage destination;
- Further investment in Sussex Weald Homes Limited, information technology and refuse & recycling;
- Improved community and leisure facilities; and
- A Decarbonisation Programme.

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This expenditure is financed from a combination of capital receipts, grant funding and the Council's own financial resources. The table below shows how capital expenditure was funded in 2025/26:

Capital expenditure	**£m**	**Financed by**	**£m**
General Fund	24.540	Capital receipts	(1.743)
Housing Revenue Account	8.705	Major repairs reserve	(4.467)
		Grants and contributions	(14.712)
		Borrowing	(4.572)
		Council resources	(7.751)
Total	**33.245**		**33.245**

Borrowing

The Council borrows money to fund capital expenditure to improve the services provided to its residents and visitors. Before the Council borrows it ensures that it can afford to repay the money plus interest over the period of the loan. The Council's external borrowing at 31 March 2026 was £51.612 million (£52.612 million at 31 March 2025), of which, all relates to the Housing Revenue Account.

5. Who works for the Council

Wealden employs approximately 464 staff in full-time and part-time roles. The workforce broadly reflects the diversity of the District's residents. Staffing levels increased compared with the previous financial year and have shown an overall upward trend over the last five years.

Key workforce actions during 2025/26 included:

- Recruitment to a number of vacant posts in key service areas, including Housing, Planning, Legal and HR.
- Restructuring of the Revenue and Benefits team and the Policy, Insight and Communications Team to support career development and progression.
- Investment in additional apprenticeships, including an apprentice intake during 2025/26, in line with the Council's ambition to grow its own talent as part of succession planning.

Since April 2017, the Council has paid the apprenticeship levy at 0.5% of its total pay bill. This funding supports apprenticeship training and approved apprenticeship standards for both new recruits and existing employees. During 2025/26, there was increased uptake among existing employees undertaking apprenticeship and other professional qualification training to develop their skills and knowledge. Demand has been sufficiently strong that the Council has fully utilised its own apprenticeship levy and has also benefited from levy transfer funding from neighbouring authorities.

This broader approach enables the Council to target areas of skills shortage and future skills growth, while also helping to mitigate risks in services where specialist staff may be approaching retirement. Internal apprenticeships remain an important part of the Council's investment in existing staff and early talent development, alongside a range of service-specific training, including leadership and management development.

Staff turnover was 4.1% in 2025/26, compared with 8.2% in 2024/25, and has therefore continued to reduce as labour market conditions have stabilised following the effects of Covid. The Council continues to see a steady number of employees choosing early retirement, which has supported a

modest increase in early talent recruitment and helps ensure that Wealden District Council retains a diverse, multi-skilled and inclusive workforce capable of meeting future needs.

6. Strategic risks for up-coming year

The Council is committed to good corporate governance, of which effective risk management is an integral part. The Corporate Risk Register is reviewed regularly by senior management and members and is used to identify, assess and manage the principal strategic risks that could affect the delivery of the Council's objectives, financial sustainability and statutory responsibilities. The summary below highlights the main strategic risks facing the Council during the coming year.

Principal strategic risk	Key implications	Main controls and mitigations
Financial sustainability Continuing uncertainty over funding reform, inflationary pressures, demand-led costs, temporary accommodation, income generation and Housing Revenue Account affordability.	Pressure on service delivery, reserves and budget flexibility; reduced capacity to deliver the Council Strategy; and potential reputational and regulatory consequences if resources are not managed effectively.	Medium Term Financial Strategy, annual budget setting, treasury management, regular budget monitoring, risk-based reserves, internal and external audit, and member oversight through Audit and Governance and Cabinet reporting.
Devolution and local government reorganisation Government proposals for devolution and structural change create uncertainty over future governance, service arrangements, staffing and resource requirements during transition.	Risk of reduced organisational capacity, project delay, increased costs, staff uncertainty and pressure on business-as-usual service delivery.	Dedicated programme governance, officer and member briefings, East Sussex partnership workstreams, communications and engagement activity, and ongoing review of capacity, resources and legal implications.
Planning and place-shaping Risks associated with maintaining an up-to-date Local Plan, housing land supply, appeals, legal challenge and changes in national planning policy.	Potential financial and reputational impacts, reduced control over development, pressure on infrastructure planning and affordable housing delivery, and possible government intervention.	Local Plan programme management, specialist legal and planning advice, member training, quality assurance of reports and ongoing review of appeals, policy changes and housing delivery performance.
Housing and homelessness Growing homelessness pressures, increasing temporary accommodation costs, affordable housing delivery challenges, Housing Revenue Account pressures and compliance with social housing regulation.	Financial pressure, service disruption, inability to meet statutory duties, adverse regulatory findings and wider impacts on residents and communities.	Housing strategies and business planning, close monitoring of temporary accommodation and HRA performance, compliance programmes, project oversight, and regular review of delivery and debt profiles.
Workforce capacity and organisational resilience Challenges in recruiting and retaining skilled staff, succession planning, organisational change and maintaining workforce wellbeing during a period of uncertainty.	Reduced service capacity, delivery delays, increased reliance on agency support and potential weakening of governance and internal control.	People Strategy, succession planning, leadership development, staff engagement, wellbeing support, recruitment initiatives and regular monitoring of capacity pressures.

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Cyber, information governance and business continuity Increased cyber threat, reliance on digital systems, data protection risks, supplier resilience and the need to respond effectively to service disruption or emergency events.	Loss of data or system availability, interruption to services, financial loss, regulatory action and reputational damage.	Security controls, staff training, incident response and business continuity plans, external assurance, regular testing and partnership working through emergency planning and resilience arrangements.
Governance, legal compliance and partnerships Maintaining strong governance, lawful decision-making, effective member-officer relationships and constructive partnership working in a complex operating environment.	Risk of legal challenge, service failure, audit or inspection concerns, financial loss and damage to public confidence.	Constitution, statutory officer oversight, committee structure, Annual Governance Statement, legal review processes, standards arrangements and corporate performance and risk reporting.

The full Corporate Risk Register is maintained separately and reported through the Council's governance arrangements. Risks are reviewed throughout the year and are updated to reflect changes in the external environment, operational performance and the Council's strategic priorities.

The latest Corporate Risk Register is included in the Cabinet agenda for the meeting held on 3 June 2026, which is available on the Council's website

7. Partners and Community

In line with the values from the Corporate Plan to "deliver more by working with partners", the Council continues to work with those partners, as well as service users and our communities, to protect and deliver services in new ways:

- *Parish and Town Councils* - have been proactive in identifying services important to their local communities and working with the District Council and other bodies on local priorities.
- *Wealden Strategic Partnership* - is a non-statutory, multi-agency body, which matches Wealden District Council boundaries, and brings together the different parts of the public, private, community & voluntary, and special interest sectors to work to help improve the life of the residents of Wealden.
- *Safer Wealden Partnership* - brings together a number of agencies from the public, private, education and voluntary sector to improve people's lives in the area by working together to reduce the levels of crime and anti-social behaviour and to manage the fear of crime.
- *East Sussex Strategic Partnership* - brings together different parts of our local community – public services, local businesses, community groups, voluntary sector organisations and local people. The Partnership helps organisations and individuals work together in a co-ordinated way to plan local services, tackle the issues that matter to local people and improve quality of life in East Sussex.

8. Explanation of the Financial Statements

The Statement of Accounts sets out the Council's income and expenditure for the year, and its financial position as at 31 March 2026. It comprises core and supplementary statements, together with disclosure notes. The format and content of the financial statements are prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, which in turn is underpinned by International Financial Reporting Standards (''IFRS'').

The **Primary Financial Statements** are:

- **Comprehensive Income and Expenditure Statement** - this records all of the Council's income and expenditure for the year. The top half of the statement provides an analysis by the organisational structure under which the Council operates. The bottom half of the statement deals with corporate transactions and funding.
- **Movement in Reserves Statement** - is a summary of the changes to the Council's reserves over the course of the year. Reserves are divided into "useable", which can be invested in capital projects or revenue service improvements, and "unusable" which must be set aside for specific legal or accounting requirements.
- **Balance Sheet** - is a "snapshot" of the Council's assets, liabilities, cash balances and reserves at the year-end date.
- **Cash Flow Statement** - shows the reason for changes in the Council's cash and cash equivalent balances during the year, and whether that change is due to operating activities, new investment, or financing activities (such as repayment of borrowing and other long-term liabilities).

The **Group Accounts** include:

- The assets and liabilities of companies and similar entities, which the Council either controls or significantly influences.

The **Supplementary Financial Statements** are:

- **Housing Revenue Account** - this separately identifies the Council's statutory landlord function as a provider of social housing under the Local Government and Housing Act 1989. It shows the in-year economic cost of providing housing services.
- **Movement on the Housing Revenue Account Statement** - is a summary of the changes to the Council's Housing Revenue Account reserves over the course of the year.
- **Collection Fund** - summarises the collection and redistribution of Council tax and business rates income.

The Notes to these financial statements provide further detail about the Council's accounting policies and individual transactions.

A **Glossary** of key terms can be found at the end of this publication.

9. Acknowledgements

The production of the Statement of Accounts would not have been possible without the exceptionally hard work and dedication of staff across the Council. I would like to express my gratitude to all colleagues, particularly from the Finance team, and other services, who have assisted in the preparation of this document.

Laurence Woolven
Head of Financial Services

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Independent Auditor's Report to the Members of Wealden District Council

To be added on conclusion of the audit.

Statement of Responsibilities

The Council's responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Chief Financial Officer;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the statement of accounts.

The Chief Finance Officer's responsibilities

The Chief Finance Officer is responsible for the preparation of the Council's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this statement of accounts, the Chief Finance Officer has:

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

The Chief Finance Officer has also:

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

Chief Finance Officer's Certificate

I certify that the accounts give a true and fair view of the financial position of Wealden District Council at 31 March 2026 and its income and expenditure for the year then ended.

Laurence Woolven **Date:**
Chief Financial Officer

Approval of the Statement of Accounts

I confirm that these account statements were approved by the Audit and Governance Committee of Wealden District Council on

Jessika Hulbert
Chair of Audit and Governance Committee **Date**:

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Primary Financial Statements

Comprehensive Income & Expenditure Statement

The Comprehensive Income and Expenditure Statement ("CIES") shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation or rents. Authorities raise taxation and rents to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both Note 1 Expenditure and Funding Analysis, and the Movement in Reserves Statement. Due to the use of rounding, there may be minor differences between figures presented in the financial statements and supporting notes. These differences do not impact the overall totals or the Council's reported financial position.

2024/25				2025/26		
Gross Expenditure £000	**Gross Income £000**	**Net Expenditure £000**		**Gross Expenditure £000**	**Gross Income £000**	**Net Expenditure £000**
374	0	374	Members	826	(5)	821
3,262	(1,005)	2,257	Chief Executive's Directorate	2,893	(487)	2,406
41,186	(27,873)	13,313	Directorate of Community	39,396	(27,100)	12,296
10,866	(6,400)	4,466	Directorate of Place	11,628	(6,899)	4,729
8,343	(1,859)	6,484	Directorate of Governance and Corporate Services	7,740	(1,867)	5,873
237	0	237	Central Costs	257	(155)	102
21,157	(20,164)	993	Housing Revenue Account	22,231	(20,827)	1,404
85,425	**(57,301)**	**28,124**	**Cost of Services**	**84,971**	**(57,340)**	**27,631**

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Comprehensive Income and Expenditure Statement (continued)

2024/25 Net Expenditure £000		Notes	2025/26 Net Expenditure £000
9,405	Other operating expenditure	[12]	9,379
(3,919)	Financing and investment income and expenditure	[13]	(706)
(56,139)	Taxation and non-specific grant income and expenditure	[14]	(52,667)
(22,529)	**(Surplus)/Deficit on the Provision of Services**		**(16,363)**
	Items that will not be reclassified to the (Surplus)/Deficit on Provision of Services		
10,788	(Surplus)/Deficit on revaluation of non-current assets	[22a]	(697)
110	Remeasurement of the net defined benefit liability	[34]	(384)
10,898	**Other Comprehensive Income and Expenditure**		**(1,081)**
(11,631)	**Total Comprehensive Income and Expenditure**		**(17,444)**

Movement in Reserves Statement

The Movement in Reserves Statement ("MIRS") shows the movement from the start to the end of the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year. The Net Increase/Decrease before transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments, prior to any discretionary transfers to earmarked reserves undertaken by the Council.

Movement in Reserves during 2025/26	General Fund Balance £000	Earmarked GF Reserves £000	General Fund Balance - Total £000	Housing Revenue Account	Earmarked HRA Reserves £000	HRA Total	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000
Balance at 1 April 2025	**(7,291)**	**(62,318)**	**(69,609)**	**(1,277)**	**(1,266)**	**(2,543)**	**(2,821)**	**0**	**(63,992)**	**(138,965)**	**(252,935)**	**(391,900)**
Total Comprehensive Income and Expenditure	(20,400)		(20,400)	4,036		4,036			8	(16,356)	(1,081)	(17,437)
Adjustments between accounting basis and funding basis under regulations (Note 9)	15,859		15,859	(4,173)		(4,173)	(1,984)		(2,658)	7,044.00	(7,044)	0
Net (increase) / decrease before transfers to Earmarked Reserves	**(4,541)**	**0**	**(4,541)**	**(137)**	**0**	**(137)**	**(1,984)**	**0**	**(2,650)**	**(9,312)**	**(8,125)**	**(17,437)**
Transfers to / (from) Earmarked Reserves (Note 10)	4,064	(4,064)	0	(797)	797	0				0		0
(Increase) / Decrease in 2025/26	**(477)**	**(4,064)**	**(4,541)**	**(934)**	**797**	**(137)**	**(1,984)**	**0**	**(2,650)**	**(9,312)**	**(8,125)**	**(17,437)**
Balance at 31 March 2026	**(7,768)**	**(66,382)**	**(74,150)**	**(2,211)**	**(469)**	**(2,680)**	**(4,805)**	**0**	**(66,642)**	**(148,277)**	**(261,060)**	**(409,337)**

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Movement in Reserves Statement (continued)

Movement in Reserves during 2024/25	General Fund Balance £000	Earmarked GF Reserves £000	General Fund Balance - Total £000	Housing Revenue Account £000	Earmarked HRA Reserves £000	HRA Total £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves (note 22) £000	Total Council Reserves £000
Balance at 1 April 2024	**(6,500)**	**(53,055)**	**(59,555)**	**(3,347)**	**(2,202)**	**(5,549)**	**(4,432)**	**0**	**(55,963)**	**(125,499)**	**(254,770)**	**(380,269)**
Total Comprehensive Income and Expenditure	(23,597)	0	(23,597)	1,068	0	1,068	0	0	0	(22,529)	10,898	(11,631)
Adjustments between accounting basis and funding basis under regulations (Note 9)	13,543	0	13,543	1,938	0	1,938	1,611	0	(8,029)	9,063	(9,063)	0
Net (increase) / decrease before transfers to Earmarked Reserves	**(10,054)**	**0**	**(10,054)**	**3,006**	**0**	**3,006**	**1,611**	**0**	**(8,029)**	**(13,466)**	**1,835**	**(11,631)**
Transfers to / (from) Earmarked Reserves (Note 10)	9,263	(9,263)	0	(936)	936	0	0	0	0	0	0	0
(Increase) / Decrease in 2024/25	**(791)**	**(9,263)**	**(10,054)**	**2,070**	**936**	**3,006**	**1,611**	**0**	**(8,029)**	**(13,466)**	**1,835**	**(11,631)**
Balance at 31 March 2025	**(7,291)**	**(62,318)**	**(69,609)**	**(1,277)**	**(1,266)**	**(2,543)**	**(2,821)**	**0**	**(63,992)**	**(138,965)**	**(252,935)**	**(391,900)**

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category of reserves are those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt). The second category is those reserves that cannot be used to provide services. This category includes reserves used to hold unrealised gains and losses (e.g. 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'.

31 March 2025 £000		Notes	31 March 2026 £000
335,480	Property Plant and Equipment	[15]	339,425
679	Heritage Assets	[15]	696
696	Intangible Assets		638
11,293	Investment Property	[16]	14,049
20,793	Long-term Investments	[17]	23,353
45	Long-term Debtors - Other	[18]	56
368,986	**Long-term Assets**		**378,217**
35,050	Short-term Investments	[17]	32,269
2	Inventories		1
8,417	Short-term Debtors - Loan to Subsidiary	[18]	5,931
16,250	Short-term Debtors - Other	[18]	18,797
54,704	Cash and Cash Equivalents	[17]	64,376
114,423	**Current Assets**		**121,374**
(2,761)	Short-term Creditors - Central Government	[19]	(1,656)
(16,167)	Short-term Creditors - Other	[19]	(20,320)
(10,394)	Short-term Borrowing	[17]	(9,360)
(945)	Provisions	[20]	(534)
(30,267)	**Current Liabilities**		**(31,870)**
(16,240)	Long-term Creditors	[19]	(14,925)
(42,312)	Long-term Borrowing	[17]	(42,312)
(2,686)	Net Pensions Liabilities	[34]	(1,143)
(61,238)	**Long-term Liabilities**		**(58,380)**
391,904	**Net Assets**		**409,341**
(138,965)	Usable Reserves	[21]	(148,280)
(252,939)	Unusable Reserves	[22]	(261,061)
(391,904)	**Total Reserves**		**(409,341)**

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Cash Flow Statement

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

2024/25 £000		Notes	2025/26 £000
22,529	Surplus/(deficit) on the provision of services		16,363
12,597	Adjustments to the surplus/(deficit) on the provision of services for non-cash movements	[23]	17,714
(23,375)	Adjustments for items included in the surplus/(deficit) on the provision of services that are investing and financing activities	[23]	(21,097)
11,751	**Net cash flows from Operating Activities**		**12,980**
(13,098)	Net cash flows from Investing Activities	[24]	(4,197)
9,779	Net cash flows from Financing Activities	[25]	889
8,432	**Net increase/(decrease) in cash and cash equivalents**		**9,672**
46,272	Cash and cash equivalents at the beginning of the reporting period		54,704
54,704	Cash and cash equivalents at the end of the reporting period		**64,376**

Components of Cash and Cash Equivalents

The balance of cash and cash equivalents comprises the following elements:

31 March 2025 £000		31 March 2026 £000
673	Bank current accounts	467
54,031	Short term deposits	63,909
54,704	**Total Cash and Cash Equivalents**	**64,376**

Notes to the Primary Financial Statements

Note 1 Expenditure and Funding Analysis

The Expenditure and Funding Analysis is a note to the financial statements that shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by the Council in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement on the next page. The adjustments between funding and accounting basis shown below are analysed in Note 8.

2024/25				2025/26		
Net Expenditure Chargeable to the General Fund & HRA Balances £000	Adjustments between Funding and Accounting Basis £000	Net Expenditure in the CIES £000		Net Expenditure Chargeable to the General Fund & HRA Balances £000	Adjustments between Funding and Accounting Basis £000	Net Expenditure in the CIES £000
374	0	374	Members	821	0	821
2,272	(15)	2,257	Chief Executive's Directorate	2,483	(77)	2,406
12,356	957	13,313	Directorate of Community	11,446	850	12,296
3,335	1,131	4,466	Directorate of Place	4,290	439	4,729
3,300	3,184	6,484	Directorate of Legal Governance and Strategic Projects	4,316	1,557	5,873
241	(4)	237	Central Costs	197	(95)	102
(9,990)	10,983	993	Housing Revenue Account (HRA)	(10,196)	11,600	1,404
11,888	**16,236**	**28,124**	**Net Cost of Services**	**13,357**	**14,274**	**27,631**
(18,937)	(31,716)	(50,653)	Other Income and Expenditure	(18,033)	(25,961)	(43,994)
(7,049)	**(15,480)**	**(22,529)**	**(Surplus)/Deficit on the Provision of Services**	**(4,676)**	**(11,687)**	**(16,363)**

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Note 1 Expenditure and Funding Analysis (continued)

2024/25		2025/26
£000		£000
(65,104)	Opening General Fund and HRA Balance, and Earmarked Reserves	(72,153)
(7,049)	Plus (Surplus)/Deficit on General Fund and HRA, and increase in Earmarked Reserves for the year	(4,676)
(72,153)	Closing General Fund and HRA Balance, and Earmarked Reserves at 31 March	**(76,829)**
	Analysis of General Fund and HRA Balances, and Earmarked Reserves	
(7,291)	General Fund Balance	(7,768)
(1,277)	HRA Balance	(2,211)
(63,584)	GF and HRA Earmarked Reserves Balances	(66,851)
(72,152)		**(76,830)**

Note 2 Accounting Policies

i. General principles

The Statement of Accounts summarises the Council's transactions for the 2025/26 financial year and its position at the year end of 31 March 2026. 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 primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 supported by International Financial Reporting Standards ("IFRS").

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

ii. Accruals of income and expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowing is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet provided the amount exceeds £1,000. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

- Housing rents income is billed weekly and is receivable over 48 weeks in the year. No adjustments are made to account for income in respect of part weeks at the beginning or end of the financial year.
- Housing benefits expenditure is payable on a weekly basis throughout the year. No adjustments are made to account for payments in respect of part weeks at the beginning or end of the financial year.

iii. Council tax and non-domestic rates

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

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

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

Accounting for council tax:

While the Council Tax income for the year credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and transferred to the Council's General Fund or paid out to the major preceptors. The amount credited to the General Fund under statute is the Council's demand for the year plus or minus the Council's share of the surplus or deficit on the Collection Fund for the previous year.

The Council Tax income included in the CIES is the Council's share of the Collection Fund's accrued income for the year. The difference between this value and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account via the Movement in Reserves Statement. Revenue relating to Council Tax shall be measured at the full amount receivable (net of any impairment losses) as the transactions are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.

The cash collected by the Council from Council Taxpayers belongs proportionately to the Council and the major preceptors. The difference between the amounts collected on behalf of the major preceptors and the payments made to them is reflected as a debtor or creditor balance as appropriate.

Accounting for non-domestic rates:

While the NDR income for the year credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and transferred to the Council's General Fund or paid out to the precepting authorities and the Government. The amount credited to the General Fund under statute is the Council's share of NDR for the year specified in the National Non-Domestic Rates NNDR1 return.

The NDR income included in the CIES is the Council's share of the Collection Fund's accrued income for the year and is as set out in the NNDR3 return. The difference between this value and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account via the Movement in Reserves Statement. Revenue relating to NDR shall be measured at the full amount receivable (net of any impairment losses) as these transactions are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.

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The cash collected by the Council from NDR payers belongs proportionately to the Council, the precepting authorities and Government. The difference between the amounts collected on behalf of the precepting authorities and Government and the payments made to them is reflected as a debtor or creditor balance as appropriate.

iv. 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 three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

v. Prior period adjustments, changes in accounting policies and estimates and errors

Prior year adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively i.e. in the current year and future years affected by the change and do not give rise to a prior year 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. When a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always applied.

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

vi. Charges to revenue for non-current assets

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

The dwellings and non-dwellings depreciation for the Housing Revenue Account is a real charge to the Housing Revenue Account Income and Expenditure Statement.

vii. Employee benefits

<u>Benefits payable during employment:</u>

Short-term employee benefits (i.e. benefits due to be settled wholly within 12 months of the year-end), such as wages and salaries, paid annual leave, paid sick leave, and expenses for current employees are paid monthly and recognised in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements and flexi-leave earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the appropriate service segment in

the CIES but then reversed out through the movement in reserves statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits:

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to the central costs segment in the CIES 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 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 East Sussex County Council. The Local Government Pensions Scheme is accounted for as a defined benefits scheme:

- The liabilities of the East Sussex pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bond (iBoxx Sterling Corporates AA Over 15 years Index).
- The assets of the East Sussex 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 pensions' liability is analysed into the following components:

  Service cost comprising:

  - Current service cost: the increase in liabilities as a result of years of service earned this year, allocated in the appropriate service segment in the CIES for which the employees worked;
  - Past service cost: the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years, debited to the central costs segment in the CIES; and
  - Net interest on the net defined benefit liability: i.e. 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 CIES. 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.

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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; and
- 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.
- Effect of the Asset Ceiling – the limitation on the Council's ability to realise pensions assets through reductions in future employer's contributions as a result of minimum funding requirements.

Contributions paid to the East Sussex 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 pensions fund or directly to pensioners in the year, not the amount calculated according to relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove 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 Pension Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

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

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

For the 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 CIES is the amount payable for the year according to the loan agreement.

Financial assets:

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

- Amortised Cost;
- Fair Value through Profit or Loss ("FVPL"); and
- Fair Value through Other Comprehensive Income ("FVOCI").

The Council's business model is to hold investments to collect contractual cashflows. Financial assets are therefore classified as either:

- Amortised cost: financial assets whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (e.g. debtors, loans to other local authorities); or
- FVPL: financial assets whose contractual cash flow characteristics do not resemble a basic lending agreement because the cash flows don't arise on specified dates or comprise solely payments of principal and interest (e.g. The Council's investments in strategic pooled funds).

Financial assets measured at amortised cost:

Financial assets at amortised cost are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of the 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 CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the financing and investment income and expenditure line in the CIES.

Expected credit loss model:

"The Council recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to the Council's lease receivables. Only lifetime losses are recognised for the Council's trade receivables (i.e. debtors).

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

Financial assets measured at FVPL:

"Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council 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 in the Surplus or Deficit on the Provision of Services as they arise.

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

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

Inputs to fair value measurement techniques are categorised in accordance with the following three levels:

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- 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 or losses that arise on de-recognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

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 Council when there is reasonable assurance that:

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

Amounts recognised as due to the Council are not credited to the CIES until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using 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 appropriate service segment (attributable revenue grants and contributions) or taxation and non-specific grant income and expenditure line (non-ring-fenced revenue grants and all capital grants), in the CIES.

Where capital grants are credited to the CIES, 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 Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

<u>Community infrastructure levy:</u>

The Council has elected to charge a Community Infrastructure Levy ("CIL"). The levy is charged on new builds (chargeable developments for the authority) with appropriate planning consent. The Council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport, flood defences and schools) to support the development of the area. In accordance with government regulations, a meaningful proportion of the CIL collected is passed to Town and Parish Councils where the development takes place.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the CIES in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a small proportion of the charges may be used to fund revenue expenditure.

xi. Section 106 contributions

The Council receives contributions from landowners and developers under Section 106 of the Town and Country Planning Act 1990. The contributions are negotiated as part of a condition of planning consent to contribute to the costs of infrastructure and services such as community facilities, public open space, transport improvements and affordable housing. Wealden District Council receives these contributions on behalf of the County Council in most cases, and sometimes the Highways England and Parish Councils.

The terms of the agreements require the Council to hold the monies in an interest-bearing account until the relevant conditions have been met and then the contributions can be paid over to the County Council or other relevant party. If any of the contributions remain unpaid after ten years, these must

be refunded to the owner of the land. Consequently, Wealden District Council acts as a 'distribution point' for the Section 106 contributions and is the agent in this arrangement. Therefore, the transactions are not reflected in the Council's financial statements except for the creditor position in respect of the cash collected by Wealden on behalf of the other parties, which is included in the Balance Sheet, and the net cash position which is included in financing activities in the Cash Flow Statement.

xii. Interests in companies and other entities

The Council has a material interest in a subsidiary company that requires the Council to prepare group accounts. In the Council's own single-entity financial statements, the interest in the company is recorded as a financial asset at cost, less provision for losses.

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. Properties are not depreciated but are revalued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income 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. Joint operations

Joint arrangements are those in which the Council participates with one or more other parties, bound by a contractual arrangement and over which the parties share control. In a joint operation, the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement and the parties are called the joint operators.

Should the Council have an interest in a joint operation, the Council will recognise its assets, its liabilities, its revenue and its expenses, including its share of these transactions and balances held/incurred jointly.

xv. Leases

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.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

Leases - the Council as lessor:

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 Surplus or Deficit on Provision of Services in the CIES. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are

added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Leases - the Council as lessee:

From 1 April 2024, the Council has applied IFRS 16 Leases as adopted by the Code of Practice on Local Authority Accounting. The new accounting standard requires that the rights to use items acquired under all leases are recognised as assets on the Balance Sheet, together with a liability for the payments to be made for the acquisition. Previously this was only done for leases where the Council acquired substantially all the risks and rewards of ownership of the leased item (finance leases).

At the commencement of a lease, a liability is recognised for the obligation to make future payments (discounted to their present value using the interest rate implicit in the lease or (where this is not readily determinable) the Council's incremental borrowing rate. The right acquired under the lease to use the leased item is recognised as an asset, measured on the commencement date at cost based on the lease liability plus any payments made before that date. Initial direct costs of the Council are added to the carrying amount of the asset.

Liabilities are recalculated where rents change as a result of a change in an index or rate used to determine future payments. Adjustments to liabilities are matched with adjustments to the cost of the right-of-use asset.

Lease payments are apportioned between:

a charge for the acquisition of the right to use the property, plant or equipment which is applied to write down the lease liability, and

a finance charge which is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Right-of-use assets recognised under leases are accounted for using the policies applied generally to Property, Plant and Equipment assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life. This will include valuation where the cost model does not provide a reliable proxy for the current value of the right-of-use asset.

See paragraph vi above relating to MRP for the revenue impact arising on leased assets.

Where leases are for items of low value, amounts paid under the lease are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased item. For this purpose, the Council has determined that items with a value of less than £10,000 when new are low value. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease)

xvi. Overheads and support services

The costs of overheads and support services are charged to service segments or, where applicable, to the central costs segment in the CIES in accordance with the Council's arrangements for accountability and financial performance.

The recharge of overheads and support services is based on an estimation of the percentage of time spend on supporting services.

xvii. 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.

<u>Recognition:</u>

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 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 (i.e. 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 Council does not capitalise borrowing costs incurred whilst assets are under construction.

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

- Assets under construction - historical cost.
- Community Assets - historical cost.
- Dwellings - current value, determined using the basis of existing use value for social housing ("EUV-SH").
- Surplus assets - the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- All other assets - current value, determined as the amount that would be paid for the asset in its existing use (existing use value - "EUV").

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

Where assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value following the materiality concept.

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. Gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a service.

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

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the appropriate service segment in the CIES.

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

Impairment:

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

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

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

- Where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the appropriate service segment in the CIES.

Where an impairment loss is reversed subsequently, the reversal is credited to the appropriate service segment in the CIES, 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 systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and some community assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Dwellings and other buildings - straight line allocation over the useful life of the property as estimated by the valuer (Useful life is between 24 and 60 years).
- Vehicles, plant, furniture and equipment – straight line allocation over the useful life of each class of assets in the Balance Sheet, as advised by a suitably qualified officer. The useful life of vehicles, plant and equipment is generally between 3 and 7 years.

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

Depreciation is not permitted to have an impact on the general fund Balance (with the exception of Council dwelling and non-dwelling depreciation). The depreciation is therefore reversed out of the general fund balance in the movement in reserves statement and posted to the capital adjustment account.

Housing Revenue Account dwelling and non-dwelling depreciation is a real charge and impacts the Housing Revenue Account balance. The impact is reflected in the Movement in Reserves Statement including entries in the Major Repairs Reserve and Capital Adjustment Account.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on an asset 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.

Depreciation is charged from the month of recognition until the month of disposal/ derecognition.

Disposals and non-current asset held for sale:

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than 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 in the fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the CIES. Gains in the 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.

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

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

Amounts received for disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals is payable to the Government. The balance of receipts is required to be credited to 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 non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

xviii. Fair value measurement of non-current assets

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

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

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

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

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

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

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

All of the non-financial asset fair value measurements and disclosures in the Council's financial statements are categorised as Level 2 on the fair value hierarchy.

xix. Provisions

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

Provisions are charged as an expense to the appropriate service segment in the CIES in the year that the Council becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

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

xx. 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 segment in the year to score against the surplus or deficit on the provision of services in the CIES. The reserve is then appropriated back into the general fund balance in the movement in reserves statement so that there is no net charge against council tax (and rents in respect of the housing revenue account) for the expenditure.

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

xxi. 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 segment in the CIES in the year. Where the Council has determined to meet the cost of 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.

xxii. VAT

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

The above accounting policies do not include non-material transactions/ balances i.e. intangible assets and inventories.

xxiii. Council acting as agent

Where the Council is acting as an agent the transactions will be accounted for on the Balance Sheet, with a debtor or creditor shown at the year end and as cash inflows and outflows in the Cash Flow Statement.

In respect of these transactions, the Council is acting as an agent where it will not be in control of Government funding where it is responsible only for distributing amounts to beneficiaries in accordance with rules specified by the funder, so that the recipients and the amounts they receive would be no different if the Government had distributed the funding itself.

Note 3. Accounting Standards that have been issued but have not yet been adopted

The Code of Practice on Local Authority Accounting in the United Kingdom ("the Code") requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2025/26 Code.

The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would result in an impact on disclosures spanning two financial years.

There are no changes in accounting requirements for 2026/27 that are anticipated to have a material impact on the Council's financial performance or financial position.

Note 4. Critical Judgements in Applying Accounting Policies

In applying the accounting polices set out in Note 2, 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 as follows:

Joint Waste and Recycling Contract:

A joint waste committee ("JWC") conducted business in relation to and provided oversight of the joint waste contract with Biffa, between Eastbourne Borough Council (''EBC''), Hastings Borough Council (''HBC''), Lewes District Council (''LDC''), Rother District Council (''RDC'') and the Council. Due to the cessation of the Kier contract in 2019-20 (replaced by Biffa), the JWC ceased. A joint waste and recycling committee ("JWRC") was constituted in 2017 to run concurrently alongside the JWC but with a specific remit of facilitating the authorities in working together to improve the quality and effectiveness of the discharge of the waste collection functions under the relevant provisions of the Environmental Protection Act 1990. The JWRC also facilitates the authorities to work in partnership with East Sussex County Council ("ESCC") as the Waste Disposal Authority to maximise integration opportunities. The members of the JWRC being the Council, RDC, HBC and East Sussex County Council.

The detailed management arrangements exercised through the former JWC and current JWRC for the joint waste and recycling contract have been assessed against IFRS11 Joint Arrangements. This assessment has concluded that the former JWC and current JWRC are not classified and accounted for as either a joint venture or joint operation. Consequently, the Council's share of the expenses of the former JWC and current JWRC have been accounted for in the relevant segment in the Comprehensive Income and Expenditure Statement.

Sussex Weald Homes Limited:

- Group accounts - The Council has interests in Sussex Weald Homes Limited that falls within the group boundary of the Council on the grounds of control in line with the Code. The Council's interest in Sussex Weald Homes Limited, a wholly owned housing company, are material to the Council's overall financial position and therefore have been consolidated within the Council's group accounts. As at 31 March 2026, the Council owns shares of £3.429 million, as at 31st March 2026, there were £9.4 million of outstanding loans from the Council to the company.
- Classification and valuation of property construction costs - The company classified the construction costs of properties as inventories. Upon consolidation into the Council's group accounts the properties that are to be sold by the company to the public remained as inventories in line with the Code definition of inventories i.e. "assets in the process of production for sale or distribution". The properties to be sold to the Council or rented out (by either the Council or the Company) meet the Code's definition of Property Plant and Equipment i.e. "held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and expected to be used during more than one period", and have therefore been reclassified as Assets Under Construction (as these properties had not been completed) which is a sub-category of Property, Plant and Equipment. Both inventories and Assets Under Construction are held at cost therefore did not require revaluation on reclassification.

Pension Asset Ceiling

In calculating the net pensions asset, the Council has made a judgement that the statutory framework for setting employer's contributions under the Local Government Pension Scheme constitutes a minimum funding requirement. As a result, the Council's ability to realise the full economic benefits of the net pensions asset of £50.110 million calculated under the Accounting Code's provisions for post-employment benefits through reductions in future employer's contributions is limited. An asset ceiling therefore applies. The fact that the Council has a commitment under the current funding strategy for the Scheme to fund a deficit means that the asset ceiling has reduced what would otherwise be the net pensions asset of £50.110 million to a liability of £1.143 million.

The practical effect of this is to move the basis of measurement for the net pensions asset/liability closer to the assumptions made in the triennial valuation of the Scheme under which the employer's contributions were set by the Scheme's actuaries. It does not indicate that the Council has paid excess amounts into the Scheme that it will never be able to recover.

Note 5. 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 using 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 2026 for which there is significant estimation uncertainty that could result in a material adjustment within the forthcoming financial year are as follows:

Item	Uncertainties	Consequences if actual results differ from assumptions
Property, Plant & Equipment	Other Land and Buildings: Asset valuations are based on current value, determined as existing use value where there is market evidence, or depreciated replacement cost where the asset is specialised and no market-based evidence is available. Valuations are reviewed periodically to ensure that the carrying amount of operational land and buildings is not materially different from current value at the reporting date. Following the full valuation undertaken in 2024/25, land and buildings assets were reviewed in 2025/26 in accordance with the latest valuation guidance. Where a suitable index was available, existing asset values were updated to reflect current value as at 31 March 2026. New additions in the year were valued by the Council's external valuer as at 31 March 2026. Existing assets for which no suitable index was available remain based on the full valuation undertaken as at 31 March 2025 and will be subject to a desktop valuation in year three of the rolling valuation cycle. As valuations are based on assumptions and market evidence available at the valuation date, there remains a degree of estimation uncertainty.	A reduction in the estimated valuations would result in reductions to the Revaluation Reserve and / or a loss recorded as appropriate in the Comprehensive Income and Expenditure Statement. If the value of the Council's operational properties were to reduce by 10%, this would result in a charge to the Revaluation Reserve and /or Comprehensive Income and Expenditure Statement of approximately £4.773 million. Any such charges to the Comprehensive Income and Expenditure Statement would be subsequently reversed through the Movement in Reserves Statement so there would be no impact on General Fund Balances. An increase in estimated valuations would result in increases to the Revaluation Reserve, and / or reversals of previous negative revaluations to the Comprehensive Income and Expenditure Statement, and / or gains being recorded as appropriate in the Comprehensive Income and Expenditure Statement. Any such

Item	Uncertainties	Consequences if actual results differ from assumptions
		gains to the Comprehensive Income and Expenditure Statement would be subsequently reversed through the Movement in Reserves Statement so there would be no impact on General Fund Balances.
	Council Dwellings: The HRA residential portfolio is valued by the Council's external valuers based on a beacon methodology according to their EUV-SH. In order to value the whole portfolio an inspection of a sample of Beacons was undertaken with a desktop review of the remaining Beacon properties. It was necessary to research a number of information sources. These include sales of directly comparable property, changes of income flow for non-residential property, information available at a local level showing house price movement plus regional and National Indices.	A reduction in the estimate value of HRA dwellings would be a reduction in the Revaluation Reserve or a loss in the Comprehensive Income and Expenditure Statement. If the value of dwellings were to reduce by 10% this would lead to a reduction in value of approximately £26.155 million. Any such charges to the Comprehensive Income and Expenditure Statement would be subsequently reversed through the Movement in Reserves Statement so there would be no impact on HRA Balances. An increase in estimated valuations would result in increases to the Revaluation Reserve, and / or reversals of previous negative revaluations to the Comprehensive Income and Expenditure Statement, and / or gains being recorded as appropriate in the Comprehensive Income and Expenditure Statement. Any such gains to the Comprehensive Income and Expenditure Statement would be subsequently reversed through the Movement in Reserves Statement so there would be no impact on HRA Balances.
Investment Property	The Council's external valuers use valuation techniques to determine the fair value of investment property. This involves developing estimates and assumptions consistent with how market participants would price the property.	Estimated fair values may differ from the actual prices that could be achieved in an arm's length transaction at the reporting date. An increase or decrease in estimated valuations would result in gains or losses being recorded in the Comprehensive Income and Expenditure Statement. Any such gains or losses would be subsequently reversed through the Movement in Reserves Statement so there would be no impact on General Fund Balances. If the value of the Council's Investment Property were to reduce by 10%, this would result in a loss of approximately £1.404 million.

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Item	Uncertainties	Consequences if actual results differ from assumptions
Pensions Asset/ Liability	At 31 March 2026 the Council had a net pension liability of £1.143 million. 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 investments. The firm of actuaries Barnett Waddingham LLP is engaged to provide the Council with expert advice about assumptions to be applied. The accounts now include an asset ceiling, which is the present value of any economic benefit available to the employer in the form of refunds or reduced future employer contributions. There are risks and uncertainties associated with whatever assumptions are adopted. The Accounting Standard requires the assumptions to be determined on a 'best estimate' basis. However, the assumptions are in effect projections of future investment returns and demographic experience many years into the future and there is inevitably a great deal of uncertainty inherent in what constitutes 'best estimate' with such projections.	The effects on the net pension asset of changes in individual assumptions can be measured. For instance: • 0.1% increase in the discount rate will reduce the net pension liability by £0.074 million; • 0.1% increase in the salaries will not change the projected service cost; • 0.1% increase in the assumed level of pension increases and deferred valuation will increase the projected service cost by £0.082 million; • Increase of one year in longevity will increase the projected service cost by £0.071 million.

Note 6. Material Items of Income and Expense

The table on the next page shows the material items (i.e. £1.5 million or greater) of income and Expenses reflected in the Council's Surplus/Deficit on Provision of Services within the Comprehensive Income and Expenditure Statement.

2024/25 £000	Description	2025/26 £000	CIES Segment
18,404	Housing Benefit Payments	15,178	Community
(18,569)	Housing Benefit Subsidy	(15,521)	
5,980	Refuse & Recycle Contract	6,424	
(2,260)	Refuse, Recycle & Garden Waste Contract	(2,514)	
1,861	Refcus	2,087	
(2,244)	Grant to cover reffcus	(2,081)	
(1,535)	Specific Government Grant	(1,623)	
3,256	Loss on Revaluation*	**	Governance & Corporate Services
*	Fees and Charges	**	Place
(1,578)	Major Planning Application Fees	(1,636)	
4,436	Depreciation of Non-Current Assets	4,467	Housing Revenue Account
6,583	Loss on Revaluation	7,273	
(17,928)	Rental Income from HRA Dwellings	(18,394)	
3,319	Housing Revenue Account (HRA) Repairs	3,624	
2,978	Non-Current Asset Written Off on Disposal	3,236	Corporate Items
(2,610)	Capital Receipts Received for Disposal of Assets	(3,198)	
8,943	Parish Precepts	9,767	
*	Financial Instruments Adjustment	**	
1,530	Interest Paid On Long Term Loans	1,831	
2,445	Interest Paid On non treasury Items	1,994	
8,542	Interest On Pensions Liability	10,081	
(8,479)	Return On Pension Fund Assets	(10,032)	
(5,472)	Interest from Investments	(5,711)	
(1,776)	Other Interest	(1,394)	
(23,880)	Council Tax	(25,483)	
(14,029)	National Non-Domestic Rates	(15,746)	
11,678	Business Rates Tariff Payment	11,771	
(6,923)	Small Business Rate Relief Grant	(6,648)	
(17,175)	Capital Grant And Contribution	(14,683)	
*	Transitional Protection Payment (Collection Fund)	**	
*	Specific Government Grant	**	
(2,077)	Specific Government Grant - Non attributable	(1,270)	

* These items were below the £1.5m threshold in 2024/25.

**These items were below the £1.5m threshold in 2025/26.

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Note 7. Events After the Reporting Period

The Statement of Accounts was authorised for issue on 30th June 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provide information about conditions existing at 31 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Note 8. Supplementary Information to Note 1. Expenditure and Funding Analysis

Adjustments between funding and accounting basis 2025/26

Adjustments from General Fund and HRA to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes £000	Net Change for Pensions Adjustments £000	Other Adjustments £000	Total Adjustments £000
Chief Executive's Directorate	(20)	96	1	**77**
Directorate of Community	(1,210)	356	4	**(850)**
Directorate of Place	(722)	287	(4)	**(439)**
Directorate of Governance and Corporate Services	(1,776)	224	(5)	**(1,557)**
Central Costs	0	94	1	**95**
Housing Revenue Account (HRA)	(11,740)	139	1	**(11,600)**
Net Cost of Services	**(15,468)**	**1,196**	**(2)**	**(14,274)**
Other income and expenditure from the Expenditure and Funding Analysis	26,272	(37)	(274)	**25,961**
Difference between General Fund and HRA Surplus and the CIES (Surplus)/Deficit on the Provision of Services	**10,804**	**1,159**	**(276)**	**11,687**

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Note 8. Supplementary Information to Note 1. Expenditure and Funding Analysis (continued)

Adjustments between funding and accounting basis 2024/25

Adjustments from General Fund and HRA to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes £000	Net Change for Pensions Adjustments £000	Other Adjustments £000	Total Adjustments £000
Chief Executive's Directorate	(24)	32	7	**15**
Directorate of Community & Customer Services	(1,076)	119	0	**(957)**
Directorate of Planning, Policy & Environmental Services	(1,232)	89	12	**(1,131)**
Directorate of Legal Governance and Strategic Projects	(3,263)	69	10	**(3,184)**
Central Costs	(29)	34	(1)	**4**
Housing Revenue Account (HRA)	(11,025)	45	(3)	**(10,983)**
Net Cost of Services	**(16,649)**	**388**	**25**	**(16,236)**
Other income and expenditure from the Expenditure and Funding Analysis	33,257	(63)	(1,478)	**31,716**
Difference between General Fund and HRA Surplus and the CIES (Surplus)/Deficit on the Provision of Services	**16,608**	**325**	**(1,453)**	**15,480**

Note 8. Supplementary Information to Note 1. Expenditure and Funding Analysis (continued)

Adjustments for Capital Purposes:

This column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. 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 Pensions Adjustments:

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income as follows:

- Services – the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.
- Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

Other Differences:

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

- Services – the charge here represents the amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.
- Taxation and non-specific grant income and expenditure – the charge here represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the Collection Fund.

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Note 9. Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure. Note 21 sets out a description of the reserves that the adjustments are made against.

2025/26 Adjustments	Usable Reserves				
	General Fund £000	Housing Revenue Account £000	Usable Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
Pensions costs (transferred to the Pensions Reserve)	1,026	133			
Council Tax and Non Domestic Rates (transferred to or from the Collection Fund Adjustment Account)	551				
Holiday pay (transferred from the Accumulated Absences Adjustment Account)	(5)	(1)			
Adjustment for IFRS16 nil consideration lesee					
Financial Instruments (Fair Value and Impairment Adjustments)	(825)				
Reversal of entries included in the (Surplus)/Deficit on Provision of Services in relation to capital expenditure (transferred to Capital Adjustment Account)	(4,918)	(14,483)			
Total Adjustments to Revenue Resources	**(4,171)**	**(14,351)**	**0**	**0**	**0**

Note 9. Adjustments Between Accounting Basis and Funding Basis Under Regulations (continued)

2025/26 Adjustments (continued)	Usable Reserves				
	General Fund £000	Housing Revenue Account £000	Usable Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000
Adjustments between Revenue and Capital Resources					
Transfer of non current asset sale proceeds from revenue to the Capital Receipts Reserve	264	3,463	(3,727)		
Posting of HRA resources from revenue to the Major Repairs Reserve		4,467		(4,467)	
Capital grants yet to be applied to expenditure (Transfer to the Capital Grants Unapplied account)	12,889	0			(12,889)
Statutory provision for the repayment of debt (Transferred to the Capital Adjustment Account)	359				
Voluntary provision for the repayment of debt (Transferred to the Capital Adjustment Account)		1,015			
Capital expenditure financed from revenue balances (Transferred to the Capital Adjustment Account)	6,518	1,233			
Total Adjustments between Revenue and Capital Resources	**20,030**	**10,178**	**(3,727)**	**(4,467)**	**(12,889)**

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2025/26 Adjustments (continued)	Usable Reserves				
	General Fund	Housing Revenue	Usable Capital	Major Repairs	Capital Grants
	£000	£000	£000	£000	£000
Use of the Capital Receipts Reserve to finance capital expenditure			4,243		
Proceeds from the Repayment of Capital Loan			(2,500)		
Use of the Major Repairs Reserve to finance capital expenditure				4,467	
Application of capital grants to finance capital expenditure					10,231
Total Adjustments to Capital Resources	**0**	**0**	**1,743**	**4,467**	**10,231**
Total Adjustments in 2025/26	**15,859**	**(4,173)**	**(1,984)**	**0**	**(2,658)**

Note 9. Adjustments Between Accounting Basis and Funding Basis Under Regulations (continued)

2025/26 Adjustments	Usable Reserves				
	General Fund £000	Housing Revenue Account £000	Usable Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
Pensions costs (transferred to the Pensions Reserve)	286	39			
Council Tax and Non Domestic Rates (transferred to or from the Collection Fund Adjustment Account)	(389)				
Holiday pay (transferred from the Accumulated Absences Adjustment Account)	29	(1)			
Financial Instruments (Fair Value and Impairment Adjustments)	(1,089)				
Reversal of entries included in the (Surplus)/Deficit on Provision of Services in relation to capital expenditure (transferred to Capital Adjustment Account)	(4,206)	(10,214)			
Total Adjustments to Revenue Resources	**(5,369)**	**(10,176)**	**0**	**0**	**0**

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Note 9. Adjustments Between Accounting Basis and Funding Basis Under Regulations (continued)

2025/26 Adjustments (continued)	Usable Reserves				
	General Fund £000	Housing Revenue Account £000	Usable Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000
Adjustments between Revenue and Capital Resources					
Transfer of non current asset sale proceeds from revenue to the Capital Receipts Reserve	0	2,610	(2,610)		
Posting of HRA resources from revenue to the Major Repairs Reserve		4,436		(4,436)	
Capital grants yet to be applied to expenditure (Transfer to the Capital Grants Unapplied account)	12,795	0			(12,795)
Statutory provision for the repayment of debt (Transferred to the Capital Adjustment Account)	353				
Voluntary provision for the repayment of debt (Transferred to the Capital Adjustment Account)		1,908			
Capital expenditure financed from revenue balances (Transferred to the Capital Adjustment Account)	2,618	3,160			
Total Adjustments between Revenue and Capital Resources	**15,766**	**12,114**	**(2,610)**	**(4,436)**	**(12,795)**
Adjustments to Capital Resources					
Use of the Capital Receipts Reserve to finance capital expenditure			14,221		
Proceeds from the Repayment of Capital Loan			(10,000)		
Use of the Major Repairs Reserve to finance capital expenditure				4,436	
Application of capital grants to finance capital expenditure					4,766
Total Adjustments to Capital Resources	**0**	**0**	**4,221**	**4,436**	**4,766**
Total Adjustments in 2025/26	**10,397**	**1,938**	**1,611**	**0**	**(8,029)**

Note 10. Transfers (To) / From Earmarked Reserves

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

Earmarked Reserves	Balance at 1 April 2024	Transfers Out	Transfers In	Balance at 31 March 2025	Reallocation between reserves	Transfers Out	Transfers In	Balance at 31 March 2026
	£000	£000	£000	£000		£000	£000	£000
General Fund:								
Capital Investment Fund	(26,639)	2,018	(7,251)	(31,872)	(3,175)	5,877	(4,119)	**(33,289)**
Service Programme Fund (GF)	(3,707)	103	(2,496)	(6,100)	(20)	685	(2,707)	**(8,142)**
Investment in People	(761)	158	(500)	(1,103)	0	77	(500)	**(1,526)**
Climate Emergency Fund	(1,489)	259	(500)	(1,730)	0	189	0	**(1,541)**
Continuous Improvement Fund	(565)	187	(411)	(789)	0	171	0	**(618)**
Collection Fund Equalisation Reserve	(4,857)	1,000	(1,600)	(5,457)	2,845	0	(2,845)	**(5,457)**
Income and Cost Risk Fund	(3,107)	119	0	(2,988)	350	36	0	**(2,602)**
Repairs and Maintenance Fund	(233)	4	0	(229)	0	106	0	**(123)**
Homelessness Mitigation Fund	(150)	0	0	(150)	0	0	0	**(150)**
Insurance Fund	(237)	0	0	(237)	0	0	0	**(237)**
Emergencies Fund	(427)	0	0	(427)	0	0	0	**(427)**
Election Fund	(160)	0	(88)	(248)	0	0	(85)	**(333)**
Appeals and Legal Cost Fund	(500)	0	0	(500)	0	0	0	**(500)**
Croft Road Car Park Fund	(333)	57	(48)	(324)	0	50	(49)	**(323)**
SAMMS Fund	(2,960)	53	(221)	(3,128)	0	49	(349)	**(3,428)**
SANGS Fund	(6,873)	144	(250)	(6,979)	0	147	(797)	**(7,629)**
Air Quality Monitoring	(58)	0	0	(58)	0	0	0	**(58)**
HRA:					0			
Service Programme Fund (HRA)	(26)	0	(25)	(51)	0	15	(46)	**(82)**
Priorities and Initiatives Fund	(1,820)	1,000	0	(820)	0	820	0	**0**
Maintenance Fund (HRA)	(356)	0	(39)	(395)	0	36	(28)	**(387)**
Total	**(55,258)**	**5,102**	**(13,429)**	**(63,585)**	**0**	**8,258**	**(11,525)**	**(66,852)**

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Note 10. Transfers (To) / From Earmarked Reserves (continued)
The earmarked reserves are held for the following purposes:

General Fund:

Capital Investment Fund - Funds for future capital investment.

***Service Programme** Fund* (GF) - Funds for use in future years on a range of specific service programmes of activity.

Investment in People - Fund for the development and training of Council staff.

Climate Emergency Initiatives Fund - This has been set up to fund the Council's Climate Emergency Initiatives priorities.

Continuous Improvement Fund - Funds for 'Invest to Improve' and 'Invest to Save' initiatives.

Collection Fund Equalisation Reserve -This is to assist Collection Fund fluctuations in future years and to hold the balance of additional s31 grants received and to balance the impact of the surplus/deficit.

Income and Cost Risk Fund - Funds held to manage the risk of specific service income and funding streams falling below expected levels.

Repairs and Maintenance Fund - Funds to cover costs of any significant unexpected building repairs required.

Homeless Mitigation Fund - This is a fund to protect the Council to in the event an adjoining authority is unable to meet its financial obligations for homelessness and that causes a knock-on challenge for Wealden.

Insurance Fund - Funds to meet the costs relating to liability in respect of Municipal Mutual Insurance Scheme of Arrangement and to provide self-insurance for small claims.

Emergencies Fund - Funds to cover costs of emergencies arising in the district.

Election Fund - Funds are reserved here to cover the costs of District Council Elections.

Appeals and Legal Cost Fund - Funds to cover the legal costs for planning appeals.

Croft Road Car Park Fund - Funds set aside to meet maintenance costs on Croft Road Car Park, Crowborough. This reserve is funded from annual maintenance cost contributions received from Waitrose.

Strategic Access Management & Monitoring Strategy (SAMMS) Fund - This reserve holds income received from developers to pay for future costs of SAMMS for the Ashdown Forest Special Protection Area in perpetuity. This is required by the Habitat Regulations to mitigate the effects of development on the ecology of the Ashdown Forest. There is an agreement with Lewes, Tandridge, Mid Sussex, Seven Oaks and Tunbridge Wells councils to administer and hold their SAMMS income.

Suitable Alternative Natural Green Spaces (SANGS) Fund - This reserve holds income from the Council and other authorities, received from developers, in order to pay for Suitable Alternative Natural Green Spaces. This is required by the Habitat Regulations to mitigate the effects of development on the ecology of the Ashdown Forest Special Protection Area. The Council holds income in reserves to meet future management costs.

Air Quality Monitoring Fund - Air Quality Monitoring Fund to meet future expenditure requirements.

HRA:

Service Programme Fund - Funds for use in future years on a range of specific service programmes of activity within the Housing Revenue Account.

Priorities and Initiatives Fund - Funds set aside for meeting the costs of Decarbonisation works to HRA Properties

Maintenance Fund - A ring-fenced account to hold contributions from leaseholders towards future costs for communal repairs of specific retirement living courts.

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Note 11a. Segmental Income

Fees and charges income received on a segmental basis, as reflected in the CIES is analysed below.

2024/25 £000	Income Analysis	2025/26 £000	£000
	Fees, charges and other service income		
0	Members		**(5)**
(617)	Chief Executive's Directorate		**(365)**
	Directorate of Community		
(2,480)	Refuse & Recycling	(2,746)	
(1,970)	Other Service Income	(2,224)	
(4,450)			**(4,970)**
	Directorate of Place		
(1,984)	Development Management	(2,273)	
(999)	Building Control	(1,147)	
(319)	Licensing	(342)	
(262)	Local Land Charges	(288)	
(813)	Other Service Income	(1,515)	
(4,377)			**(5,565)**
(1,812)	Legal Governance & Strategic Properties		**(1,864)**
(20,148)	Housing Revenue Account		**(20,759)**
	Corporate		
(31,404)	**Total income analysed on a segmental basis**		**(33,528)**

Income has been recognised upon the satisfaction of a performance obligation in line the requirements of IFRS 15 Revenue from Contracts with Customers.

Note 11b. Expenditure and Income Analysed by Nature

Expenditure and income reflected in the CIES is analysed by nature below.

2024/25 £000	Expenditure Analysis	2025/26 £000
	Expenditure	
20,905	Employee benefits expenses	23,338
50,100	Other services expenses	47,133
15,338	Depreciation, amortisation, revaluation/ impairment losses / (reversals)	17,340
4,044	Interest payments	3,877
1,038	Financial Instrument Adjustments	772
9,037	Precepts and levies	9,870
368	(Gain) / Loss on the disposal of assets	(490)
100,830	**Total expenditure**	**101,840**
	Income	
(31,404)	Fees, charges and other service income	(33,528)
(8,509)	Interest and investment income	(8,182)
(32,293)	Income from council tax and non-domestic rates	(35,118)
(51,152)	Grants and contributions	(41,375)
(123,358)	**Total income**	**(118,203)**
(22,528)	**(Surplus) / Deficit on the Provision of Services**	**(16,363)**

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Note 12. Other Operating Expenditure

Other operating expenditure includes the following items:

2024/25 £000	Other Operating Expenditure	2025/26 £000
8,943	Parish & Town Council Precepts	9,767
94	Levies	102
368	(Gain) / Loss on disposal of non current assets	(490)
9,405	**Total**	**9,379**

Note 13. Financing and Investment Income and Expenditure

Financing and investment income and expenditure includes the following items:

2024/25 £000	Financing and Investment Income and Expenditure	2025/26 £000
3,985	Interest payable and similar charges	3,828
63	Net interest on the net defined benefit liability	49
(8,052)	Interest receivable and similar income	(7,699)
(31)	Income and expenditure in relation to investment properties	227
(922)	Changes in fair value of investment properties	2,117
1,038	Financial Instruments adjustments	772
(3,919)	**Total**	**(706)**

Note 14. Taxation and Non-Specific Grant Income and Expenditure

Taxation and non-specific grant income and expenditure includes the following items:

2024/25 £000	Taxation and Non-Specific Grant Income and Expenditure	2025/26 £000
(23,880)	Council Tax Income	(25,483)
(14,029)	Non Domestic Rates Income (Gross)	(15,746)
(261)	Non Domestic Rates Income - Renewable Energy Disregards	(288)
(6,923)	Non Domestic Rates - Section 31 Grants Receivable from Government	(6,648)
11,678	Non Domestic Rates - Tariff Payable	11,771
2,242	Non Domestic Rates - Levy Payable	2,552
(1,120)	Business Rates Pool Benefit	(1,276)
(3,510)	Non-ringfenced Government Grants	(2,866)
(20,335)	Capital Grants and Contributions	(14,683)
(56,138)	**Total**	**(52,667)**

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Note 15. Property, Plant and Equipment & Heritage Assets

The table below provides a reconciliation from the carrying amount of property, plant and equipment at the beginning of the period to the carrying amount at the end of the period with details of all movements.

Property, Plant and Equipment 2025/26	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Right of Use Assets	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
At 1 April 2025	269,895	44,667	2,621	5,966	4,512	6,117	3,449	**337,227**
Additions	7,995	1,741	1,846			14,746	23	**26,351**
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(4,713)	1,210					155	**(3,348)**
Revaluation increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	(8,449)	(1,798)						**(10,247)**
Derecognition - Disposals*	(3,290)	(1)	(1,117)					**(4,408)**
Assets re-classified to / from Other Land & Buildings	112	(112)						**0**
Assets re-classified to / from Investment Properties		312			(555)	(4,610)		**(4,853)**
Assets re-classified from Surplus Assets		3,693		190	(3,883)			**0**
At 31 March 2026	**261,550**	**49,712**	**3,350**	**6,156**	**74**	**16,253**	**3,627**	**340,722**
Accumulated Depreciation & Impairment								
At 1 April 2025	0	0	(1,558)	0	0	0	(189)	**(1,747)**
Depreciation charge	(4,365)	(771)	(455)				(207)	**(5,798)**
Depreciation written out to the Revaluation Reserve on revaluation	3,423	590						**4,013**
Depreciation written out to the Surplus/Deficit on the Provision of Services on revaluation	883	181						**1,064**
De-recognition - Disposals	59		1,112					**1,171**
Assets re-classified to / from Investment Properties								**0**
At 31 March 2026	**0**	**0**	**(901)**	**0**	**0**	**0**	**(396)**	**(1,297)**
Net Book Value at 31 March 2026	**261,550**	**49,712**	**2,449**	**6,156**	**74**	**16,253**	**3,231**	**339,425**
Net Book Value at 31 March 2025	**269,895**	**44,667**	**1,063**	**5,966**	**4,512**	**6,117**	**3,260**	**335,480**

Note 15. Property, Plant and Equipment & Heritage Assets (continued)

Property, Plant and Equipment 2024/25	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Right of Use Assets	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
At 1 April 2024	270,145	46,760	1,947	5,966	6,762	2,521	0	**334,101**
Rights of Use Asset recognised under IFRS16 1 April 2024							3,281	**3,281**
Additions	9,905	1,720	674		696	17,214	79	**30,288**
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(15,163)	88			138		89	**(14,848)**
Revaluation increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	(7,470)	(3,883)			(78)			**(11,431)**
Derecognition - Disposals*	(3,036)				(1,110)			**(4,146)**
Assets re-classified to / from Investment Properties		(18)						**(18)**
Assets re-classified from Assets Under Construction	13,618					(13,618)		**0**
Assets re-classified from Surplus Assets	1,896				(1,896)			**0**
Assets re-classified from Assets Under Construction								**0**
At 31 March 2025	**269,895**	**44,667**	**2,621**	**5,966**	**4,512**	**6,117**	**3,449**	**337,227**
Accumulated Depreciation & Impairment								
At 1 April 2024	0	0	(1,236)	0	(1,110)	0	0	**(2,346)**
Depreciation charge	(4,383)	(674)	(322)				(189)	**(5,568)**
Depreciation written out to the Revaluation Reserve on revaluation	3,483	606						**4,089**
Depreciation written out to the Surplus/Deficit on the Provision of Services on revaluation	842	68						**910**
De-recognition - Disposals	58				1,110			**1,168**
Assets re-classified to / from Investment Properties								**0**
At 31 March 2025	**0**	**0**	**(1,558)**	**0**	**0**	**0**	**(189)**	**(1,747)**
Net Book Value at 31 March 2025	**269,895**	**44,667**	**1,063**	**5,966**	**4,512**	**6,117**	**3,260**	**335,480**
Net Book Value at 31 March 2024	**270,145**	**46,760**	**711**	**5,966**	**5,652**	**2,521**	**0**	**331,755**

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Note 15. Property, Plant and Equipment & Heritage Assets (continued)

Heritage assets are measured at valuation or cost, using a method that is appropriate and relevant to the asset. The Council has three heritage assets: the Pavilion Theatre, Argos Hill Windmill and Jack Cade Memorial. Argos Hill Windmill and Jack Cade Memorial continue to be carried at cost. The Pavilion Theatre was fully revalued by the Council's external valuer, Bruton Knowles (1862) LLP, as at 31 March 2025, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. At 31 March 2026, the Pavilion Theatre valuation was updated by applying appropriate indexation to reflect current value at the reporting date. This resulted in a valuation gain of £0.030 million, as shown in the table below.

2024/25 £000	Movement in Heritage Assets	2025/26 £000
718	Balance at 1 April 2025	679
(13)	Depreciation	(12)
(27)	Net gains / (losses) from fair value adjustments	30
679	**Balance at 31 March 2026**	**697**

Non-operational Property, Plant and Equipment - Surplus Assets:

Fair Value Hierarchy & Valuation Techniques:

All of the Council's surplus assets are measured at fair value on a recurring basis using other significant observable inputs, Level 2 on the fair value hierarchy.

The fair value measurement of the surplus assets is based on the market approach using current market conditions, consisting of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date. All surplus assets were fully valued by the Council's external valuer as at 31 March 2025. In 2025/26 surplus asset values were reviewed to ensure that their carrying amounts remained materially consistent with fair value at 31 March 2026. Where appropriate, some assets were revalued as at 31 March 2026, while others were updated by applying suitable indexation. Where no suitable index was available, the assets continued to be carried based on the 31 March 2025 valuation. There has been no change in valuation technique and no transfers between levels of the fair value hierarchy in the year.

Highest and Best Use:

The fair value of the surplus assets has been estimated based on their highest and best use. The current use of these assets differs from their highest and best use in some cases. This is due to the fact that the assets are being held vacant and non-operational pending decisions regarding their future development or disposal by the Council.

Depreciation:

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

Council Dwellings (structure)	56 to 60 years
Council Dwellings (replaceable components)	15 to 40 years
Other & Land Buildings	24 to 60 years
Vehicles, Plant, Furniture & Equipment	5 to 10 years

Assets Under Construction:

The balance of £16.253 million in Assets Under Construction at 31 March 2026 includes capital expenditure of £16.253 million on Mayfield Medical and Community Centre, the Employment Park (Knights Farm), the Sports Park (Knights Farm) and two HRA New Build schemes in the course of development at the reporting date.

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Note 15. Property, Plant and Equipment & Heritage Assets (continued)

Capital Commitments:

At 31 March 2026, the Council has entered into contracts for the construction and enhancement of Property Plant and Equipment in 2025/26 and future years. The significant commitments are as follows:

Capital Commitments	31 March 2025 £000	31 March 2026 £000
HRA New Builds: Millbrook Garden Centre	0	1,260
HRA New Builds: Bexhill Road Ninfield	0	3,780
HRA New Builds: Streatfield House*	44	0
GF: Knights Farm - Community Sports Hub	13,653	3,986
GF: Farningham Road - Business Park *	3,032	0
GF: Mayfield - Medical Centre	0	7,738
GF: Crematorium - Cremator	0	274
GF: Equipment - Waste Vehicles Fleet	0	7,014

*Completed during 2025/26

Reclassifications:

In 2025/26, the Farningham Road development was completed, with the construction costs and land value transferred from Assets Under Construction and Surplus Assets to Investment Properties.

In 2025/26, following a review of asset use with the Council's external valuer, a number of assets were reclassified between asset categories to reflect their current use and accounting treatment. This included:

- five assets reclassified from Investment Properties to Property, Plant and Equipment – Other Land and Buildings, and one asset reclassified from Other Land and Buildings to Investment Properties;
- six assets reclassified from Surplus Assets, of which five were reclassified to Other Land and Buildings and one to Community Assets; and
- a transfer between HRA Council Dwellings and Other Land and Buildings, reflecting the exchange of classification for two properties. One property was previously held as social housing within Council Dwellings, while the other was a General Fund property purchased for rough sleeper accommodation.

Revaluations:

Assets Under Construction and Vehicles, Plant, Furniture and Equipment values are based on their historical cost. The table below shows the effective date of valuation for assets within each category of Property Plant and Equipment.

Following the full valuation undertaken in 2024/25, land and buildings assets were reviewed in 2025/26 in accordance with the latest valuation guidance. Where a suitable index was available, existing asset values were updated to reflect current value as at 31 March 2026. New additions in the year were valued by the Council's external valuer as at 31 March 2026. Existing assets for which no suitable index was available remain based on the full valuation undertaken as at 31 March 2025 and will be subject to a desktop valuation in year three of the rolling valuation cycle. The Housing Revenue Account dwellings continued to be valued using the beacon methodology on an Existing Use Value for Social Housing basis.

Note 15. Property, Plant and Equipment & Heritage Assets (continued)

Revaluations	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Right of Use Assets	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Carried at historical cost			2,449	6,156		16,253		**24,858**
Valued at current value as at:								
31 March 2025		10,043			74		3,231	**13,348**
31 March 2026	261,550	39,669			0			**301,219**
Total Net Book Value	**261,550**	**49,712**	**2,449**	**6,156**	**74**	**16,253**	**3,231**	**339,425**

Note 16. Investment Property

Movement in Fair Value of Investment Property:

The movement in the fair value of investment properties is shown in the table below:

2024/25 £000	Movement in Fair Value of Investment Property	2025/26 £000
10,270	Balance at 1 April	11,293
83	Additions	20
18	Reclassifications from Property, Plant & Equipment	4,853
0	Disposals	0
922	Net gains / (losses) from fair value adjustments	(2,117)
11,293	**Balance at 31 March**	**14,049**

The fair value of the Council's investment property is measured annually at each reporting date. The valuations are carried out by an independent valuer, Bruton Knowles (1862) LLP. The valuations are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. There is regular liaison between the valuer and the Council's finance officers regarding all valuation matters.

Fair Value Hierarchy & Valuation Techniques:

All of the Council's investment properties shown above are measured at fair value on a recurring basis using other significant observable inputs, Level 2 on the fair value hierarchy.

The fair value measurement of the investment properties is based on the market approach using current market conditions consisting of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date. There has been no change in valuation technique and no transfers between levels of the fair value hierarchy in the year.

Highest and Best Use of Investment Properties:

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use.

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Note 17. Financial Instruments

Financial instruments are recognised on the balance sheet when the Council becomes party to the contractual provisions of a financial instrument. They are classified based on the business model for holding the instruments and their expected cashflow characteristics.

Financial Liabilities:

Financial liabilities are initially measured at fair value and then at amortised cost. For the Council's borrowing this means that the amount presented in the balance sheet is the outstanding principal repayable (plus accrued interest). Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement ("CIES") are based on the carrying amount of the liability, multiplied by the rate of interest for the instrument.

Financial Assets:

To meet the financial instruments accounting standard requirements (IFRS 9), financial assets are now classified into one of three categories:

1. *Financial assets held at amortised cost* - represented by loans or loan type arrangements where repayments or interest and principal take place on set dates and at specified amounts. The amount presented in the Balance Sheet represents the outstanding principal due plus accrued interest. Interest credited to the CIES is the amount receivable as per the loan agreement.
2. *Fair Value through Other Comprehensive Income* - These assets are measured and carried at fair value. All gains and losses due to changes in fair value are accounted for through a reserve account with the balance debited or credited to the CIES when the asset is disposed of.
3. *Fair Value Through Profit or Loss* - These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are recognised in the CIES as they occur.

Allowances for impairment losses have been calculated for amortised cost assets applying the expected credit losses model. Changes in loss allowances (including balances outstanding at the date of derecognition of an asset) are taken to the Financing and Investment Income and Expenditure line in the CIES.

Note 17. Financial Instruments (continued)

Categories of Financial Instruments:

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

Categories of Financial Assets	Long Term		Current	
	31 March 2025 £000	31 March 2026 £000	31 March 2025 £000	31 March 2026 £000
Financial Assets				
Investments				
At amortised cost:				
Principal			34,000	31,000
Accrued interest			834	1,162
At fair value through profit and loss:				
Fair value [1]	20,793	23,353	216	107
Total Investments	**20,793**	**23,353**	**35,050**	**32,269**
Cash and Cash Equivalents				
At amortised cost:				
Principal			22,673	45,467
Accrued interest			531	309
At fair value through profit and loss:				
Fair value			31,500	18,600
Total Cash and Cash Equivalents	**0**	**0**	**54,704**	**64,376**
Debtors				
At amortised cost:				
Trade receivables			**9,226**	**9,325**
Loss allowance			**(709)**	**(656)**
Short Term Loan to subsidiary			8,500	6,000
Loss allowance			(83)	(69)
Accrued interest				
At fair value through profit and loss:				
Decent Homes loans	45	56		
Included in Debtors [2]	**45**	**56**	**16,934**	**14,600**
Total Financial Assets	**20,838**	**23,409**	**106,688**	**111,245**

1 Fair Value includes Unquoted Equity Investments

The Council has a shareholding in Sussex Weald Homes Limited (representing 100% of the company's capital). The shares have a nominal value of £3.429 million. Fair value has been arrived at by including retained earnings to date, the fair value as at 31 March 2026 was £1.970 million (£2.809 million as at 31 March 2025). The company was formed in December 2016 and had no established trading history. There are also no established companies with similar aims in the

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Council's area whose shares are traded, and which might provide comparable market data. The Council has no current intention to dispose of the shareholding.

Note 17. Financial Instruments (continued)

[2] *Debtors Reconciliation to Balance Sheet*	Long Term		Current	
	31 March 2025 £000	31 March 2026 £000	31 March 2025 £000	31 March 2026 £000
Included in Financial Assets	45	56	16,934	14,600
Debtors that do not meet the definition of a financial asset:				
Statutory Debtors			7,058	8,328
Prepayments			675	1,802
Total Debtors	**45**	**56**	**24,667**	**24,730**

Categories of Financial Liabilities	Long Term		Current	
	31 March 2025 £000	31 March 2026 £000	31 March 2025 £000	31 March 2026 £000
Financial Liabilities				
Borrowings				
Loans at Amortised Cost:				
Principal sum borrowed	(42,312)	(42,312)	(10,300)	(9,300)
Accrued interest			(94)	(60)
Total Borrowings	**(42,312)**	**(42,312)**	**(10,394)**	**(9,360)**
Creditors				
Liabilities at amortised cost	(16,240)	(14,925)	(11,308)	(13,908)
Included in Creditors[3]	**(16,240)**	**(14,925)**	**(11,308)**	**(13,908)**
Total Financial Liabilities	**(58,552)**	**(57,237)**	**(21,702)**	**(23,268)**

[3] *Creditors Reconciliation to Balance Sheet*	Long Term		Current	
	31 March 2025 £000	31 March 2026 £000	31 March 2025 £000	31 March 2026 £000
Included in Financial Liabilities	(16,240)	(14,925)	(11,308)	(13,908)
Creditors that do not meet the definition of a financial liability:				
Statutory Creditors			(5,157)	(5,404)
Income in Advance			(2,463)	(2,665)
Total Creditors	**(16,240)**	**(14,925)**	**(18,928)**	**(21,977)**

Note 17. Financial Instruments (continued)

Items of Income, Expense, Gains and Losses Recognised in the Comprehensive Income and Expenditure Statement

The follow table provides a breakdown of the financial instrument items of income, expenditure and gains/ losses recognised in the CIES.

	2024/25				2025/26			
Financial instrument items of income, expenditure and gains/ losses recognised in the CIES	**Financial Liabilities: Amortised Cost £000**	**Financial Assets: Amortised Cost £000**	**Financial Assets: Fair value through profit and loss £000**	**Total £000**	**Financial Liabilities: Amortised Cost £000**	**Financial Assets: Amortised Cost £000**	**Financial Assets: Fair value through profit and loss £000**	**Total £000**
Interest Expense	3,978			3,978	3,825			3,825
Losses on Derecognition				0				0
(Gains)/Losses from change in fair value			587	587			839	839
Impairment losses		(51)		(51)		(54)		(54)
Fees Paid		4		4		3		3
Interest Payable and Similar Charges	**3,978**	**(47)**	**587**	**4,518**	**3,825**	**(51)**	**839**	**4,613**
Interest Income		(5,472)		(5,472)		(5,711)		(5,711)
Dividend Income			(2,580)	(2,580)			(1,988)	(1,988)
(Gains) / loss from changes in fair value		47	454	501		22	(35)	(13)
Interest and Investment Income	**0**	**(5,425)**	**(2,126)**	**(7,551)**	**0**	**(5,689)**	**(2,023)**	**(7,712)**
Recognised in the (surplus)/deficit on provision of services	**3,978**	**(5,472)**	**(1,539)**	**(3,033)**	**3,825**	**(5,740)**	**(1,184)**	**(3,099)**
Net (Gain) / Loss for the Year	**3,978**	**(5,472)**	**(1,539)**	**(3,033)**	**3,825**	**(5,740)**	**(1,184)**	**(3,099)**

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Note 17. Financial Instruments (continued)

Financial Instruments Fair Values:

In previous year's financial assets classified as available-for-sale were carried in the balance sheet at fair value. These assets comprised Money Market Funds and a Property Fund. The fair value was taken from the market price.

With the adoption of accounting standard IFRS 9 Financial Instruments from 2018/19, the 'available - for - sale' category is no longer available. The standard requires that investments in equity be classified as fair value through profit and loss unless there is an irrevocable election to designate an asset as fair value through other comprehensive income.

Financial assets classified as loans and receivables and all financial liabilities are carried in the balance sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March 2026.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

Fair values are shown in the following table. The analysis shows at which level in the fair value hierarchy that the instruments have been measured. The fair value hierarchy includes three levels as follows:

Level 1 Inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date.

Level 2 Inputs: Other than quoted prices that are observable for the asset or liability, either directly or indirectly. E.g. interest rates or yields for similar instruments.

Level 3 Inputs: Unobservable inputs for the asset or liability. E.g. non-market data such as cash flow forecasts or estimated creditworthiness.

There have been no transfers between levels of the hierarchy or changes in valuation technique during the year.

Note 17. Financial Instruments (continued)

The table shows that the fair value of financial liabilities held at amortised cost is higher than the carrying amount. This is because the Council's portfolio of loans includes a number of loans where the interest rate payable is higher than the prevailing rates for similar loans at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31 March 2026) arising from a commitment to pay interest to lenders above current market rates.

Fair value of Financial Liabilities	Fair Value Level	31 March 2025 Carrying Amount £000	31 March 2025 Fair Value £000	31 March 2026 Carrying Amount £000	31 March 2026 Fair Value £000
Financial Liabilities held at amortised cost:					
PWLB Borrowing	2	(52,706)	(45,505)	(51,672)	(44,723)
Total		**(52,706)**	**(45,505)**	**(51,672)**	**(44,723)**
Liabilities for which fair value is not disclosed[1]:		(27,548)		(28,833)	
Total Financial Liabilities		**(80,254)**		**(80,505)**	
Recorded on Balance Sheet as:					
Short Term Creditors		(11,308)		(13,908)	
Short Term Borrowing		(10,394)		(9,360)	
Long Term Creditors		(16,240)		(14,925)	
Long Term Borrowing		(42,312)		(42,312)	
Total Financial Liabilities		**(80,254)**		**(80,505)**	

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

Fair value of Financial Assets	Fair Value Level	31 March 2025 Carrying Amount £000	31 March 2025 Fair Value £000	31 March 2026 Carrying Amount £000	31 March 2026 Fair Value £000
Financial assets held at fair value:					
Money Market Funds	1	31,500	31,500	14,000	14,000
Diversified Income Bonds	1	17,984	17,984	18,126	18,019
Shares in subsidiary	3	2,809	2,809	1,970	1,970
Decent Homes loan	2	45	45	56	56
Financial assets held at amortised cost:		0	0	0	0
Loans to Local Authorities	2	57,579	52,171	77,162	
Loans to Subsidiary	3	8,417	8,417	9,295	9,295
Total		**118,334**	**112,926**	**120,609**	**43,340**

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Note 17. Financial Instruments (continued)

Assets for which fair value is not disclosed[1]	31 March 2025 Carrying Amount £000	31 March 2026 Carrying Amount £000
Bank Current Account	675	5,376
Trade Receivables	8,517	8,669
Long Term Debtors (excl. loan to subsidiary)	0	
Accrued interest	0	
Total Financial Assets	**127,526**	**134,654**
Recorded on Balance Sheet as:		
Long Term Debtors	45	56
Long Term Investments	20,793	23,353
Short Term Debtors	16,934	14,600
Short Term Investments	35,050	32,269
Cash and Cash Equivalents	54,704	64,376
Total Financial Assets	**127,526**	**134,654**

1 The fair value of short-term financial assets including current bank account balances and trade receivables is assumed to be approximate to carrying amount.

Note 18. Debtors

The following two tables provide a breakdown of short-term and long-term debtors.

(a) Short-Term Debtors

31 March 2025 Gross Debt £000	31 March 2025 Impair-ment £000	31 March 2025 Net of Impair-ment £000	Short Term Debtors	31 March 2026 Gross Debt £000	31 March 2026 Impair-ment £000	31 March 2026 Net of Impair-ment £000
1,320		1,320	Central Government Bodies	3,235		3,235
3,738		3,738	Local Authorities	3,000		3,000
0		0	NHS Bodies	0		0
8,500	(83)	8,417	Loan to subsidiary	6,000	(69)	5,931
13,983	(2,791)	11,192	Other Entities & Individuals	15,210	(2,648)	12,562
27,541	**(2,874)**	**24,667**	**Total**	**27,445**	**(2,717)**	**24,728**

Note 18. Debtors (continued)

(b) Long Term Debtors

31 March 2025 £000	Long Term Debtors	31 March 2026 £000
45	Decent Home Loans	56
45	**Total**	**56**

Note 19. Creditors

The following two tables provide a breakdown of short-term and long-term creditors.

(a) Short Term Creditors

2024/25 £000	Short Term Creditors	2025/26 £000
2,761	Central Government Bodies	1,656
1,809	Local Authorities	2,116
10,555	Other Entities & Individuals	10,959
3,803	Balance of Section 106 Monies	7,245
18,928	**Total**	**21,976**

(b) Long Term Creditors

2024/25 £000	Long Term Creditors	2025/26 £000
13,200	Balance of Section 106 Monies	11,396
171	IFRS 16	142
2,869	Other Long Term Creditors	3,387
16,240	**Total**	**14,925**

At 31 March 2026 the total creditor balance in respect of Section 106 contributions was £18.6 million. These contributions are required to be held by the Council until the conditions in the agreement have been met or for ten years, after which the amount must be refunded to the owner of the land. In determining whether the creditor should be classified as long term or short term, information is obtained from the planning service to identify those schemes where there is evidence available that conditions in the Section 106 agreement are likely to be met within 12 months of the balance sheet date, or where the ten year limit will expire within 12 months of the balance sheet date, and these balances are consequently classified as short term creditors. All other balances held are classified as long term creditors.

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Note 20. Provisions

The following table provide a breakdown of the provisions.

2024/25				2025/26		
Business Rates Appeals	Outstanding Legal cases	Total		Business Rates Appeals	Outstanding Legal cases	Total
£000	£000	£000		£000	£000	£000
(1,012)	(9)	(1,021)	Balance at 1st April	(943)	(2)	(945)
(411)	(2)	(413)	Additional provisions made in year	2		2
480	9	489	Amounts used in year	407	0	407
0	0	0	Unused amounts reversed in year	0	2	2
(943)	**(2)**	**(945)**	**Balance at 31 March**	**(534)**	**0**	**(534)**

Business Rates Appeals

Since the introduction of the Business Rates Retention Scheme on 1 April 2013, local authorities have been required to recognise their proportionate share of the estimated cost of successful appeals against business rates charged in earlier financial years. The provision required at 31 March 2026 has been estimated using the latest information available from the Valuation Office Agency (VOA). This includes appeals lodged but not yet determined by the VOA under the Check, Challenge and Appeal process, together with an assessment of potential reductions arising from the 2023 rating revaluation in England, which took effect from 1 April 2023. The estimate is informed by available appeal data and an assessment of likely risks provided by a specialist agency. As a result, the Council's share of the provision reduced by £0.409 million to £0.534 million at 31 March 2026.

Outstanding Planning Enforcement Appeals

In 2024/25 there was one case where costs awarded against the Council had not been settled by 31/03/25. The claim was not pursued during 2025/26, so a provision is no longer required.

Note 21. Useable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement with further analysis provided in Note 9 Adjustments Between Accounting Basis and Funding Basis Under Regulations and Note 10 Transfers To / From Earmarked Reserves.

A description of the nature and purpose of the Council's usable reserves is set out below.

General Fund:

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

Earmarked Reserves:

These are reserves into which amounts are set aside from the General Fund and HRA balances in order to provide financing for future expenditure plans and from which amounts are posted back to meet General Fund and HRA expenditure. The details of each earmarked reserve are provided in Note 10 Transfers To / From Earmarked Reserves.

Housing Revenue Account:

The Housing Revenue Account (HRA) Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local

Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function.

Usable Capital Receipts Reserve:

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

Major Repairs Reserve:

The Council is required to maintain the Major Repairs Reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. In previous years, the amount transferred to this reserve was based on a historical Major Repairs Allowance. With effect from 2017/18, the amount transferred into the reserve is based on the total of depreciation for the year charged to the HRA. The balance on the reserve shows the resources that have yet to be applied at the year end.

Capital Grants Unapplied Account:

The Capital Grants Unapplied Account 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.

Note 22. Unusable Reserves

The following table provide a summary of the Council's unusable reserves.

2024/25 £000	Unusable Reserves	Note 22	2025/26 £000
(51,235)	Revaluation Reserve	(a)	(50,389)
(206,355)	Capital Adjustment Account	(b)	(213,200)
2,686	Pensions Reserve	(c)	1,143
(209)	Collection Fund Adjustment Account	(d)	(760)
158	Accumulated Absences Account	(e)	164
2,016	Pooled Investment Fund Fair Value Adjustment Reserve	(f)	1,981
(252,939)	**Total Unusable Reserves**		**(261,061)**

(a) Revaluation Reserve:

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of Property, Plant and Equipment and Heritage 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.

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(a) Revaluation Reserve:

2024/25 £000	Revaluation Reserve	2025/26 £000
(64,932)	Balance at 1 April	(51,235)
(6,465)	Upward revaluation of assets	(3,972)
17,253	Downward revaluation of assets and impairment losses not charged to the Surplus on Provision of Services	3,275
10,788	**(Surplus) or Deficit on revaluation of non current assets not posted to the (Surplus)/Deficit on the Provision of Services**	**(697)**
995	Difference between fair value depreciation and historical cost depreciation	1,041
1,914	Accumulated gains on assets sold or scrapped	502
2,909	**Net amount transferred to the Capital Adjustment Account**	**1,543**
(51,235)	**Balance at 31 March**	**(50,389)**

Note 22. Unusable Reserves (continued)

(b) Capital Adjustment Account:

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisation and are charged to the Comprehensive Income & Expenditure Statement with reconciling postings from the Revaluation Reserve to convert current value in existing use figures to a historical cost basis. The Account is credited with 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. It also contains revaluation gains on Property, Plant & Equipment accumulated before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 9 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

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2024/25 £000	Capital Adjustment Account	2025/26 £000	2025/26 £000
(193,892)	Balance at 1 April		(206,355)
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income & Expenditure Statement:		
5,581	Charges for depreciation and impairment of non-current assets	5,810	
10,520	Revaluation (gains) / losses on Property, Plant & Equipment	9,185	
(922)	Revaluation (gains) / losses on Investment Properties	2,117	
158	Amortisation of intangible assets	227	
4,073	Revenue expenditure funded from capital under statute	3,308	
2,978	Amounts of non-current assets written off on disposal as part of the gain / loss on disposal posted to the CIES	3,236	
22,388			23,883
635	Impairment/fair value movement on subsidiary company		861
10,000	Repayment of loan to subsidiary Company		2,500
(1,914)	Adjusting amounts written out of the Revaluation Reserve		(502)
31,109	**Net written out amount of the cost of non-current assets consumed in the year**		**26,742**
	Capital financing applied in the year:		
(14,221)	Use of the Capital Receipts Reserve to finance new capital expenditure	(4,243)	
(4,436)	Use of the Major Repairs Reserve to finance new capital expenditure	(4,467)	
(7,970)	Capital grants and contributions credited to the CIES that have been applied to capital financing	(4,481)	
(4,766)	Application of grants to capital financing from the Capital Grants Unapplied Account	(10,231)	
(353)	Statutory provision for the financing of capital investment charged against the General Fund balance	(359)	
(1,908)	Voluntary provision for the financing of capital investment charged against the HRA balance	(1,014)	
(5,779)	Capital expenditure charged against the General Fund and HRA balances	(7,751)	
(39,433)			**(32,546)**
(3,145)	IFRS 16 Nil consideration of leases		0
(994)	Movements in the market value of Investment Properties credited to the CIES		(1,041)
(206,355)	**Balance at 31 March**		**(213,200)**

Note 22. Unusable Reserves (continued)

(c) Pensions Reserve:

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

2024/25 £000	Pensions Reserve	2025/26 £000
2,901	Balance at 1 April	2,686
110	Remeasurements of the net defined benefit liability	(384)
2,935	Reversal of items relating to retirement benefits debited or credited to the (Surplus)/Deficit on the Provision of Services in the Comprehensive Income & Expenditure Statement	2,574
(3,260)	Employer's pensions contributions and direct payments to pensioners payable in the year	(3,733)
2,686	**Balance at 31 March**	**1,143**

(d) Collection Fund Adjustment Account:

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

2024/25 £000	Collection Fund Adjustment Account	2025/26 £000
(598)	Balance at 1 April	(209)
(163)	Amount by which the council tax income credited to the Comprehensive Income & Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(81)
552	Amount by which the non-domestic rates income credited to the Comprehensive Income & Expenditure Statement is different from non-domestic rates income calculated for the year in accordance with statutory requirements	(470)
(209)	**Balance at 31 March**	**(760)**

Note 22. Unusable Reserves (continued)

(e) Accumulated Absences Account:

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

2024/25 £000	Accumulated Absences Account	2025/26 £000
187	Balance at 1 April	158
(187)	Settlement or cancellation of accrual made at the end of the preceding year	(158)
158	Amounts accrued at the end of the current year	164
(29)	Amount by which officer remuneration charged to the Comprehensive Income & Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	6
158	**Balance at 31 March**	**164**

(f) Pooled Investment Fund Fair Value Adjustment Reserve:

In compliance with IFRS 9 the cumulative variance between the nominal value and the fair value of pooled investments held at the end of each year is taken to the reserve account.

2024/25 £000	Pooled Investment Fund Fair Value Adjustment Reserve	2025/26 £000
1,562	Balance at 1 April	2,016
454	(Increase) / decrease in value in current year	(35)
2,016	**Balance at 31 March**	**1,981**

Note 23. Cash Flow Statement: Operating Activities

The cash flows for operating activities include the following items:

2024/25 £000	Cash Flow Statement: Operating Activities	2025/26 £000
7,593	Interest received	7,810
(3,578)	Interest paid	(3,590)

Note 23. Cash Flow Statement: Operating Activities (continued)

The (Surplus)/Deficit on Provision of Services has been adjusted for the following non-cash movements:

2024/25 £000	Adjustments for Non-Cash Movements	2025/26 £000
5,740	Depreciation and amortisation	6,037
8,676	Impairments and revaluations	9,185
(162)	Increase in impairment for bad debts	(143)
(1,143)	Decrease in creditors	668
(77)	Increase/ (decrease) in provisions	(411)
(1,538)	Increase in debtors	(2,806)
(325)	Movement in pension liability	(1,159)
2,978	Carrying amount of non-current assets sold or de-recognised	3,236
922	(Increase) in fair value of investment property	2,117
(2,474)	Other non-cash items charged to the (Surplus)/Deficit on Provision of Services	991
12,597	**Total adjustment for non-cash movements**	**17,715**

The (Surplus)/Deficit on Provision of Services has been adjusted for the following items that are investing and financing activities:

2024/25 £000	Adjustments for Investing and Financing Activities	2025/26 £000
(2,610)	Proceeds from the sale of property, plant & equipment net of disposal costs	(3,726)
(20,765)	Capital grants credited to the Comprehensive Income and Expenditure Statement	(17,371)
(23,375)	**Total adjustment for items that are investing and financing activities**	**(21,097)**

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Note 24. Cash Flow Statement: Investing Activities

The cash flows for investing activities include the following items:

2024/25 £000	Cash Flow Statement: Investing Activities	2025/26 £000
(29,127)	Purchase of property, plant & equipment, investment property, heritage assets and intangible assets	(27,394)
(9,000)	Proceeds/ (Purchase) of short term investments	3,000
2,610	Proceeds from the sale of property, plant & equipment	3,726
20,919	Capital grants received	17,371
1,500	Loan (Advance)/ Repayment to Sussex Weald Homes Limited	2,500
0	(Purchase)/ Proceeds from long term investments	(3,400)
(13,098)	**Net cash flows from investing activities**	**(4,197)**

Note 25. Cash Flow Statement: Financing Activities

The cash flows for financing activities include the following items:

2024/25 £000	Cash Flow Statement: Financing Activities	2025/26 £000
125	Increase / (decrease) in Agency Arrangement creditors	(64)
684	Net cash (payments)/receipts in respect of Section 106 Agreements	1,467
670	(Payments) / Receipts in respect of Preceptors' and Government's shares of net cash collected for Council Tax and Non Domestic Rates	486
8,300	Net (Repayments)/ Additional short and long term borrowing	(1,000)
9,779	**Net cash flows from financing activities**	**889**

Note 26. Officer Remuneration, Exit Packages and Termination Benefits

Officer Remuneration

The remuneration paid to the Council's senior employees is shown below.

Officer Remuneration		Salary (Including fees and allowances) £	Bonuses £	Expenses £	Compensation from loss of Office £	Total Remuneration excluding Pension Contributions £	Pension Contributions £	Total Remuneration including Pension Contributions £
Chief Executive	2025/26	188,904	0	0	0	**188,904**	39,378	**228,282**
	2024/25	*167,485*	*0*	*180*	*0*	*167,665*	*35,460*	*203,125*
Director of Community [1]	2025/26	33,710	0	0	64,377	**98,087**	6,451	**104,538**
	2024/25	*113,448*	*0*	*180*	*0*	*113,628*	*23,710*	*137,338*
Director of Governance & Corporate Services	2025/26	134,853	0	0	0	**134,853**	28,366	**163,219**
	2024/25	*119,061*	*0*	*180*	*0*	*119,241*	*24,931*	*144,172*
Director of Place	2025/26	140,745	0	0	0	**140,745**	28,738	**169,483**
	2024/25	*119,061*	*0*	*180*	*0*	*119,241*	*24,931*	*144,172*
Chief Financial Officer	2025/26	103,191	0	0	0	**103,191**	21,669	**124,860**
	2024/25	*95,453*	*0*	*180*	*0*	*95,633*	*19,901*	*115,534*
Head of People & Organisational Development	2025/26	94,185	0	0	0	**94,185**	19,710	**113,895**
	2024/25	*87,487*	*0*	*180*	*0*	*87,667*	*18,230*	*105,897*

Note 26. Officer Remuneration, Exit Packages and Termination Benefits (continued)

Officer Remuneration		Salary (Including fees and allowances) £	Bonuses £	Expenses £	Compensation from loss of Office £	Total Remuneration excluding Pension Contributions £	Pension Contributions £	Total Remuneration including Pension Contributions £
Head of Planning & Environmental Services	2025/26	93,007	0	0	0	**93,007**	19,454	**112,461**
	2024/25	*87,452*	*0*	*180*	*0*	*87,632*	*18,246*	*105,878*
Head of Housing	2025/26	93,115	0	0	0	**93,115**	19,477	**112,592**
	2024/25	*87,757*	*0*	*180*	*0*	*87,937*	*18,269*	*106,206*
Head of Digital & Benefits	2025/26	93,295	0	0	0	**93,295**	19,517	**112,812**
	2024/25	*87,740*	*0*	*180*	*0*	*87,920*	*18,308*	*106,228*
Chief Legal and Governance Officer	2025/26	102,150	0	0	0	**102,150**	21,442	**123,592**
	2024/25	*93,603*	*0*	*180*	*0*	*93,783*	*19,583*	*113,366*
Head of Planning Policy, Economy & Climate Change	2025/26	93,115	0	0	0	**93,115**	19,477	**112,592**
	2024/25	*87,928*	*0*	*180*	*0*	*88,108*	*18,269*	*106,377*
Head of Waste & Customer Services	2025/26	93,115	0	0	0	**93,115**	19,477	**112,592**
	2024/25	*87,560*	*0*	*180*	*0*	*87,740*	*18,269*	*106,009*

Note 26. Officer Remuneration, Exit Packages and Termination Benefits (continued)
Footnotes to tables on previous three pages:

1 The Director of Community resigned from the post on 30/06/2025. The responsibilities for this role were split between the Director of Governance & Corporate Services, and the Director of Place. No replacement has been appointed in 2025/26.

2 The remuneration disclosures relate to employees of the Council. Costs in respect of agency staff and consultants are excluded and are charged to supplies and services.

Remuneration Banding:

The Council's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

Remuneration Band	2024/25 No. of Employees	2025/26 No. of Employees
£50,000 - £54,999	21	37
£55,000 - £59,999	11	11
£60,000 - £64,999	10	13
£65,000 - £69,999	8	6
£70,000 - £74,999	0	4
£74,999 - £79,999	0	1
£80,000 - £84,999	2	1
£85,000 - £89,999		1

Exit Packages:

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

Exit package cost band	Number of compulsory redundancies		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
£0 - £20,000	0	0	0	0	0	0
£20,000 - £40,000	0	0	0	0	0	0
£40,000 - £60,000	0	0	1	1	41	48
£60,000 - £80,000	0	0	0	1	0	64
Total cost included in bandings and in the CIES					**41**	**112**

Termination Benefits:

The Council terminated the contract of 2 employee in 2025/26 incurring a cost of £112,000 as set out in the table above. The Council terminated the contract of 1 employee in 2024/25 incurring a cost of £41,000.

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Note 27. Members Allowances

The Council paid the following amounts to members of the Council during the year:

2024/25 £000	Members Allowances	2025/26 £000
306	Allowances	329
5	Expenses	6
311	**Total**	**335**

Note 28 External Audit Costs

The Council has incurred the following costs (exclusive of VAT) in relation to the audit of the Statement of Accounts and the certification of grant claims.

2024/25 £000	External Audit Costs	2025/26 £000
171	Fees payable to the appointed auditor, with regard to external audit services carried out for the year	171
35	Fees payable for the certification of grant claim and returns for the year *	0
12	PSAA Fee Variation**	0
0	Fee variations in respect of prior years	23
219	**Total**	**195**

*Certification of Grant Claim Fees are typically confirmed upon completion of the audit work for the reporting year. Accordingly, the 2024/25 accounts have been restated to reflect the updated fee position.

**Variations to the Public Sector Audit Appointments (PSAA) fee are typically confirmed upon completion of the audit work for the reporting year. Accordingly, the 2024/25 accounts have been restated to reflect the updated fee position.

Note 29 Grant Income

The Council credited the following grants and contributions to the Comprehensive Income and Expenditure Statement:

2024/25 £000	Grant Income	2025/26 £000
	Credited to Taxation and Non-specific Grant Income & Expenditure	
2,077	Rural Services Delivery/Minimum Funding Guarantee/Services Grant	1,270
1,278	New Homes Bonus Grant	1,394
160	Revenue Support Grant	202
6,923	Non Domestic Rates - Section 31 Grants Receivable from Government	6,648
16,545	General Fund Capital Grants and Contributions	14,196
3,790	Housing Revenue Account Capital Grants and Contributions	486
30,773	**Total**	**24,196**

The above amounts are included in Note 14. Taxation and Non-Specific Grant Income and Expenditure.

2024/25 £000	Grant Income	2025/26 £000
	Credited to Services	
18,739	Housing Benefit Subsidy	15,688
237	Housing Benefit & Localised Council Tax Support Administration Grants	237
235	Non Domestic Rates Cost of Collection Allowance	238
1,540	Disabled Facilities Grant	1,916
4,827	Other Government Grants	2,548
101	Other Non-government Grants and Contributions	72
440	New Burdens Grant (service element)	221
26,119	**Total**	**20,920**

The Council credited the following grants and contributions to the Balance Sheet:

2024/25 £000	Grant Income	2025/26 £000
	Grants where the Council is acting as an Agent	
300	Household Support Grant	236
300	**Total**	**236**

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Note 30 Related Parties

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

Central Government:

Central Government has effective control over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides a substantial proportion of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received from Government departments are set out in Note 29 Grant Income.

Members:

Members of the Council have direct control over the Council's financial and operating policies.

Members are obliged by the Council's Constitution to record in a Members' Register of Interests any personal interest, financial and/or otherwise, in any business of the Council. The Members' Register of Interests, which is maintained by the Monitoring Officer, is open to public inspection at the Council's offices and is available on the Council's website.

The total of members' allowances paid in the year is shown in Note 27. The total of members' allowances paid in the year is shown in Note 27.

Cabinet approved the awarding of Community Grants totalling £238,500 (2024/25: £187,800) to organisations in which non-Cabinet members are Trustees, board members or otherwise involved. Additionally, Cabinet approved the awarding of community grants totalling £10,000 (2024/25: £18,000) to organisations in which Cabinet members are trustees or otherwise involved. Details of these transactions are shown in the table below. In all instances, the grants were made with proper consideration of declarations of interest.

In 2025/26, the Council implemented a Councillor Ward Grant Scheme, under which each Member was allocated £10,000 to award within their ward. The scheme was subject to a separate declaration of interests process requiring the Councillor to disclose the nature of their interest and before any grant was awarded, the request was reviewed and confirmed by the lead Councillor with specific responsibility for Finance. The list of Member Ward grant decisions can be found on the Councils website on this webpage: www.wealden.gov.uk/councillors-and-committees/councillor-ward-budgets-scheme

Additionally, a small number of payments to organisations in which members are involved were also made during the 2025/26 year. These are shown below. In all cases, the Council's financial procedure rules have been fully complied with, and the relevant members were not involved in these transactions.

Organisation	2025/26 Amount £	Nature of Transaction
Wealden Citizens Advice	190,000.00	Community Grant
Conservators Of Ashdown Forest	107,691.96	Community Grant
Action In Rural Sussex	35,000.00	Community Grant
Furnace Brook CIC	6,267.00	Community Grant
3VA	24,250.00	Community Grant
East Sussex Vision Support	5,420.00	Community Grant
The Shed At Forest Row	5,000.00	Community Grant
Venn Group Limited	185,822.75	Payments to Organisation
South Downs National Park Authority	30,378.26	Payments to Organisation
South East Employers	12,329.00	Payments to Organisation
Local Government Association	7,636.52	Payments to Organisation
Hailsham Bonfire Society	5,180.00	Payments to Organisation
1st Crowborough Scout Group	5,000.00	Payments to Organisation
Uckfield Youth Trust	5,000.00	Payments to Organisation
Pevensey & Cuckmere Water Level Management Board	82,428.30	Special Levy
Upper Medway Internal Drainage Board	21,276.97	Special Levy

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Note 30 Related Parties (continued)

Officers:

Officers are obliged under the code of conduct in the Council's Constitution to declare any personal interest, financial and/or otherwise, in any business of the Council. They are also required to record any gifts and/or hospitality received in a format prescribed and held by the Monitoring Officer. In addition, senior officers complete an annual declaration of related party transactions to confirm whether they had any qualifying interests in the year.

The Head of People & OD is a Non-Executive Director of a supplier which entered a transaction to the value of £53,869.41 (2024/25: £41,707.94) with the Council during 2025/26.

Entities Controlled or Significantly Influenced by the Council:

The related party transactions involving entities controlled or significantly influenced by the Council in 2025/26 are shown below.

Sussex Weald Homes Limited

The Council controls Sussex Weald Homes Limited, Company number 10528563 incorporated on 15 December 2016, which is a private company limited by shares. The Council owns 100% of the issued share capital and holds the right to appoint and remove Directors. The Company's accounting period is 1 April to 31 March. As at 31 March 2026, the Directors of the company were Cllr A J Wilson, Cllr G Shaw, Cllr C J H Clark and the Director of Community. The Legal Services Manager as Company Secretary under a service level agreement. There are also two Non-Executive Directors; Mr G Clark and Ms N R Orringe.

The Council maintains proper governance and separation of duties by the Head of Legal & Governance Services (Monitoring Officer) acting as shareholder and the Chief Finance Officer acting as funder to ensure that all share purchases and loan agreements meet proper commercial viability tests and that state aid is not given inappropriately. The company receives accounting services from Plummer Parsons LLP (now part of the Galloways Group).

The Council has control of the company by virtue of being 100% shareholder and occupying all director positions. Therefore, the Council has consolidated the company's financial performance and financial position to produce group accounts. Further details of the group accounts are on pages 114 – 130.

Note 31 East Sussex Business Rates Pool

The Local Government Finance Act 2012 introduced the business rates retention system ("BRRS") from 1 April 2013. The arrangements enable local authorities to retain a proportion of the business rates generated in their area. Billing authorities collect rates on behalf of Central Government (50%), Major Preceptors; East Sussex County Council ("ESCC") (9%) and the East Sussex Fire Authority ("ESFA") (1%), and themselves (40%).

The BRRS introduced a system of Tariffs and Top-ups, as well as Levy and Safety Net payments. 'Tariff' authorities are subject to a levy on any real terms growth in business rates at a maximum rate of 50%. In non-pooled areas the levy is payable to the Government and is used to fund safety net payments to authorities which have seen significant reductions in business rates income.

In 2025/26 (as in 2024/25), the Council, along with ESCC, ESFA, Eastbourne Borough Council, Hastings Borough Council, Lewes District Council and Rother District Council operated a pooling arrangement: the East Sussex Business Rates Pool ("ESBRP").

The ESBRP achieved a net Pool gain of £5.049 million in 2025/26 which was distributed to the members of the Pool in proportionate shares. The Council's share of this gain was £1.276 million.

Due to the reset of the business rates baseline in 2026/27 and it not being beneficial to pool, the Councils across the county are not entering a pooling arrangement for 2026/27.

The ESBRP results for 2025/26 are summarised in the following table (subject to Final NNDR figures)

East Sussex Business Rates Pool 2025/26 Results	Percentage Share	Levy Payable to the Pool:	Administration Fees Deducted to Pay Pool Lead	Pool Gain distribution - Receivable by Pool Members	Net Amount (Receivable) / Payable by each Pool Member
	%	£'000	£'000	£'000	£'000
East Sussex County Council	40.0%			(2,017,442)	(2,017,442)
East Sussex Fire Authority	10.0%			(504,360)	(504,360)
Eastbourne Borough Council	7.9%	546,645		(272,355)	274,290
Hastings Borough Council	3.7%	52,478		(25,218)	27,260
Lewes District Council	10.0%	843,538		(423,663)	419,875
Rother District Council	7.7%	1,054,123		(524,536)	529,587
Wealden District Council	20.1%	2,551,823	(5,000)	(1,276,033)	1,270,790
East Sussex Business Rates Pool	**100.0%**	**5,048,607**	**(5,000)**	**(5,043,607)**	**0**

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Note 32 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown below, together with the resources that have been used to finance it. Where the 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 to the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

2024/25 £000	Capital Financing Requirement	2025/26 £000
97,890	Opening Capital Financing Requirement	101,690
	Capital Investment:	
30,288	Property, Plant & Equipment	23,075
8,500	Investment in Sussex Weald Homes Limited	3,400
11	Decent Homes Loan	11
276	Intangible Assets	170
83	Investment Properties	3,295
4,074	Revenue Expenditure Funded from Capital Under Statute	3,308
	Sources of finance:	
(4,221)	Capital Receipts	(1,743)
(12,736)	Government grants & contributions	(14,712)
(4,436)	Major Repairs Allowance	(4,467)
	Sums set aside from revenue:	
(5,778)	Capital expenditure charged to revenue	(7,751)
(353)	Minimum Revenue Provision (General Fund)	(359)
(1,908)	Voluntary Revenue Provision (HRA)	(1,015)
(10,000)	Use of Capital Receipts to repay Borrowing	(2,500)
101,690	**Closing Capital Financing Requirement**	**102,402**

Note 32 Capital Expenditure and Capital Financing (continued)

2024/25 £000	Explanation of movements in the year	2025/26 £000
3,800	Increase / (Decrease) in underlying need to borrow (unsupported by government financial assistance)	712
3,800	**Increase / (Decrease) in Capital Financing Requirement**	**712**

The 2025/26 net increase of £0.712 million in the underlying need to borrow includes a net increase of £0.555 million for the General Fund and a net increase of £0.157 million increase in the HRA borrowing requirement related to the HRA capital programme and business plan.

Note 33 Leases and lease type-arrangements

Authority as Lessor

The Council leases out property under operating leases for the following purposes:

- Provide suitable affordable accommodation for local businesses.
- Provide garden plots.
- Provide accommodation to other local service providers.

In December 2017, the Council purchased Vicarage Field Shopping Centre in Hailsham. The retail units within the shopping centre are currently being leased out under operating leases and the lease rents receivable for these units are included in the figures below.

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

31 March 2025 £000	Operating Leases - Lessor	31 March 2026 £000
548	Not later than one year	704
963	Later than one year and not later than five years	2,286
1,195	Later than five years	2,637
2,706	**Total**	**5,627**

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2025/26 £0.089 million contingent rents were receivable by the authority (2024/25 £0.092 million).

Authority as Lessee

The Council adopted IFRS 16 from 1 April 2024 as per the Code of Practice for Local Authority Accounting in United Kingdom. The main impact of the new requirement is that for arrangements previously accounted for as operating leases, this has been replaced with a right-of-use asset and a lease liability brought into the balance sheet at 1 April 2024. This has been detailed under Note 2 Accounting policies

The council's lease contracts comprise leases of land and buildings, vehicles plant and equipment. These include:

- The long-term lease on Uckfield Leisure Centre on a 19 years lease from July 2023
- Long term leases ranging from 30 to 82 years on 4 car parks with nil or low value lease rents

- The council leases 9 vehicles on short-term leases and some office printers. Two of the vehicle leases ended in 2025-26.

Rights of Use (ROU) Assets

The following table shows the rights of use asset held under lease by the council

Right of Use Assets	Land and Buildings £000	Vehicle Plant & Equipment £000	Total £000
Balance as at 1 April 2025	3,148	112	3,260
Additions	0	24	24
Depreciation and amortisation	(155)	(52)	(207)
Revaluation	155	0	155
Balance as at 31 March 2026	**3,148**	**84**	**3,232**

Transactions under ROU leases

The council incurred the following expenses and cashflows in relation to leases:

2024/25 £000	Lease Interest and Expenses	2025/26 £000
7	Interest Expense on lease liabilities	8
43	Expenses related to short-term leases (charged as MRP/VRP)	49
4	Expenses related to exempt low value leases	3
159	Minimum Lease payments	345
213		**405**

Maturity analysis of lease liabilities – Lessee

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

31 March 2025 £000	Maturity analysis of lease liabilities - Lessee	31 March 2026 £000
65	Less than one year	63
113	one to five years	102
188	More than five years	180
366	**Total undiscounted liabilities**	**345**

Note 34 Defined Benefit Pension Scheme

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

The Council participates in the Local Government Pension Scheme (''LGPS'') for its employees, administered by East Sussex County Council (''ESCC''), which is a defined benefit scheme. It is also a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. Contribution rates for 2025/26 were determined at the formal triennial actuarial valuation of the Fund on 31 March 2025.

The East Sussex Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme. East Sussex County Council is the designated statutory body responsible for administering the East Sussex Pension Fund on behalf of the constituent Scheduled and Admitted Bodies. The Pensions Committee has delegated authority for all pension related investment and administration decisions on behalf of the Administering Authority; ESCC.

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

Formal actuarial valuations are carried out every three years, where each employer’s assets and liabilities are calculated on a detailed basis, using individual member data, for cash contribution setting purposes. The 31 March 2025 formal valuations for English and Welsh LGPS Funds were concluded by 31 March 2026.

Discretionary Post-retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against Council Tax is based on the cash payable in the year, so the real cost of post-employment / retirement benefits is reversed out of the General Fund and Housing Revenue Account 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:

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Comprehensive Income and Expenditure Statement	**2024/25 £000**	**2025/26 £000**
Cost of Services		
Service Cost comprising:		
Current service cost	2,722	2,361
Past service cost including curtailments		
Administration Expenses	150	164
Financing and Investment Income & Expenditure		
Net interest expense	63	49
Total post-employment benefits charged to the (Surplus)/Deficit on the Provision of Services	**2,935**	**2,574**
Other Post-employment Benefits Charged to Other Comprehensive Income & Expenditure		
Remeasurement of the Net Defined Benefit Liability comprising:		
Return on plan assets (excluding the amount included in the net interest expense)	5,401	(1,134)
Other actuarial gains and losses arising on assets	0	(8,788)
Actuarial (gains) and losses arising on changes in demographic assumptions	(374)	556
Actuarial (gains) and losses arising on changes in financial assumptions	(18,086)	(4,702)
Actuarial (gains) and losses arising on changes based on other experience	(354)	9,658
Changes in effect of asset ceiling	13,523	4,026
Total post-employment benefits recognised in Other Comprehensive Income and Expenditure *	**110**	**(384)**

Note 34 Defined Benefit Pension Scheme (continued)

*In 2025/26 remeasurements of the changes in financial assumptions had a positive impact on the fund by reducing the overall liability by £0.384 million.

Overall, the net liability arising from the defined obligation reduced by £1.543 million in 2025/26.

Movement in Reserves Statement	2024/25 £000	2025/26 £000
Reversal of net charges made to the (Surplus)/Deficit on Provision of Services for post-employment benefits in accordance with the Code	(2,935)	(2,574)
Actual amount charged against the General Fund Balance for pensions in the year: Employer's contributions payable to the scheme	3,260	3,733
Total movement	**325**	**1,159**

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

Balance Sheet	2024/25 £000	2025/26 £000
Present value of funded liabilities	(132,384)	(141,098)
Present value of unfunded liabilities	(1,217)	(1,143)
Fair value of plan assets	174,473	191,208
Changes in effect of asset ceiling	(43,558)	(50,110)
Net (liability)/asset arising from the defined benefit obligation	**(2,686)**	**(1,143)**

Reconciliation of the Movements in the Fair Value of Plan Assets	2024/25 £000	2025/26 £000
Opening fair value of plan assets at 1 April	174,494	174,473
Interest income	8,479	10,032
Administration Expenses	(150)	(164)
Remeasurement (gains) and losses:		
Return on plan assets (excluding the amount included in the net interest expense)	(5,401)	1,134
Contributions from employer	3,080	3,573
Contributions from employer in respect of unfunded benefits	180	160
Contributions from employees into the scheme	1,031	1,206
Benefits paid	(7,060)	(7,834)
Unfunded Benefits paid	(180)	(160)
Other (gains) and losses	0	8,788
Closing fair value of plan assets at 31 March	**174,473**	**191,208**

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Note 34 Defined Benefit Pension Scheme (continued)

Reconciliation of the Movements in the Impact of the Asset Ceiling	2024/25 £000	2025/26 £000
Opening Impact of the Asset Ceiling at 1 April	(28,632)	(43,558)
Interest on Impact of Asset Ceiling	(1,403)	(2,526)
Changes in effect of asset ceiling	(13,523)	(4,026)
Closing Impact of the Asset Ceiling at 31 March	**(43,558)**	**(50,110)**

The asset ceiling is the present value of any economic benefit available to the Employer in the form of refunds or reduced future employer contributions. The calculation of the asset ceiling is in line with the requirements of IFRIC14.

Reconciliation of the Present Value of the Scheme Liabilities	2024/25 £000	2025/26 £000
Opening balance at 1 April	148,763	133,601
Current service cost	2,722	2,361
Past service cost	0	0
Interest cost	7,139	7,555
Remeasurement (gains) and losses:		
Actuarial gains arising on changes in demographic assumptions	(374)	556
Actuarial (gains) and losses arising on changes in financial assumptions	(18,086)	(4,702)
Actuarial gains arising on changes based on other experience	(354)	9,658
Contributions from employees into the scheme	(7,060)	(7,834)
Benefits paid	1,031	1,206
Unfunded Benefits Paid	(180)	(160)
Closing balance at 31 March	**133,601**	**142,241**
Comprising:		
Present value of funded liabilities	(132,384)	(141,098)
Present value of unfunded liabilities	(1,217)	(1,143)
	(133,601)	**(142,241)**

The fair value of the plan assets held at 31 March 2026 comprised the following classes of assets. The values in the table below are at bid value as required under IAS19.

Asset Category	Total as at 31 March 2025 £000	Percentage of Total Assets %	Total as at 31 March 2026 £000	Percentage of Total Assets %
Equity Securities				
Equities	113,572	65%	122,709	64%
Bonds	30,659	18%	36,757	19%
Property	25,788	15%	26,691	14%
Cash	4,454	3%	5,051	3%
Total	**174,473**	**100%**	**191,208**	**100%**

Note 34 Defined Benefit Pension Scheme (continued)

Basis for Estimating Assets & Liabilities

The Local Government Pension Scheme defined benefit liabilities and assets have been estimated by Barnett Waddingham LLP, an independent firm of actuaries, based on the roll forward of the full accounting valuation at 31 March 2025, completed in March 2026. The 2025 valuation has resulted in an experience item for both asset and liability figures. Experience items are to be expected and are as a consequence of the compounding impact of using the roll forward approach for the previous reports.

Liabilities have been assessed on an actuarial basis using the projected unit method (PUM), an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc.

To calculate the asset share, the assets disclosed at the full valuation at 31 March 2025 have been rolled forward allowing for investment returns (estimated where necessary), contributions paid into, and estimated benefits paid from, the Fund by and in respect of the Employer and its employees.

Assumptions

The significant assumptions used by the actuary are shown below.

Financial Assumptions	31 March 2025 % p.a.	31 March 2026 % p.a.
Pension Increase Rate (CPI)	2.9%	2.9%
Salary Increase Rate	2.9%	3.9%
Discount Rate	5.8%	6.1%

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Mortality Assumptions	31 March 2025 Years	31 March 2026 Years
Longevity at 65 for current pensioners:		
Males	20.9	22
Females	23.9	24.2
Longevity at 65 for future pensioners:		
Males	21.9	23.5
Females	25.4	25.9

Sensitivity Analysis

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out above. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are shown below. These have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method.

Change in Assumptions at 31 March 2026	£000's	£000's	£000's	£000's	£000's
Adjustment to Discount Rate	**+0.5%**	**+0.1%**	**0.0%**	**-0.1%**	**-0.5%**
Present value of total obligation	133,426	140,399	142,241	144,125	152,108
Projected service cost	1,781	2,056	2,130	2,207	2,538
Adjustment to long term salary increase	**+0.5%**	**+0.1%**	**0.0%**	**-0.1%**	**-0.5%**
Present value of total obligation	142,785	142,348	142,241	142,134	141,712
Projected service cost	2,130	2,130	2,130	2,130	2,130
Adjustment to pension increases and deferred revaluation	**+0.5%**	**+0.1%**	**0.0%**	**-0.1%**	**-0.5%**
Present value of total obligation	151,297	144,132	142,241	140,796	134,572
Projected service cost	2,569	2,212	2,130	2,050	1,755
Adjustment to life expectancy assumptions		**+ 1 year**	**None**	**- 1 year**	
Present value of total obligation		147,668	142,241	137,040	
Projected service cost		2,201	2,130	2,060	

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible using a stability overlay mechanism which dampens down short-term market volatility subject to certain limits. The Pension Fund 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 31 March 2025 formal valuations for English and Welsh LGPS were concluded by 31 March 2026.

The scheme takes account of the national changes that were introduced to the scheme under the Public Services Pensions Act 2013. The Act provided for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants. Members started earning benefits under the new scheme from April 2014.

The Council expects to pay employer's contributions for the period to 31 March 2027 of approximately £2.161 million.

The table below summaries the membership data as at 31 March 2025 from the latest valuation for members receiving funded and unfunded benefits.

Member Data Summary	Number	Salary/Pensions £000	Average Age
Active members	438	14,843	48
Deferred members	473	1,478	51
Pensioner members	727	6,538	73
Unfunded Pensioners	37	168	84

Note 35 Nature and Extent of Risks Arising from Financial Instruments

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

- Credit Risk - the possibility that other parties might fail to pay the amounts due to the Council.
- Liquidity Risk - the possibility that the Council might not have funds available to meet its commitments to make payments.
- Market Risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

The Council's overall risk management procedures focus on the unpredictability of financial markets and seek to minimise the potential adverse effects on the resources available to fund services. Risk management is carried out by the Finance team, under policies approved by the Council in the Annual Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy. These include prudential indicators which determine:

- The Council's overall borrowing.
- Maximum exposure to fixed and variable rates.
- Maximum and minimum exposure of the maturity structure of the Council's debts.
- Maximum and minimum exposure of investments maturing beyond a year.

Credit Risk

The Council manages credit risk by ensuring that investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, and other local authorities. Recognising that credit ratings are imperfect predictors of default; the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.

The credit limits applied in respect of the financial assets held by the Council at 31 March 2026 are detailed below:

- No more than £5 million invested in secure investments with banks and building societies.
- No more than £3 million in unsecured investments in banks and building societies.
- No more than £7 million loaned to any one local authority.
- No more than £7 million invested in any one Money Market Fund.
- No more than £10 million invested in any Strategic Pooled Fund.
- Any balances over those set out above (should the Council’s bank account exceed its recommended limit of £25 million) would either be transferred to the Lloyds call account or

invested with the Debt Management Account Deposit Facility, managed by the UK Debt Management Office, an executive agency of HM Treasury.

A copy of the Council's Treasury Management Strategy is available on the Council's website.

The Council's maximum exposure to credit risk during 2025/26 in relation to its investments in banks, deposit funds and loans to other local authorities of £153.0 million cannot be assessed generally as the risk of any institution failing to make interest payments or repay principal sums 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 non-recoverability applies to all of the Council's deposits but there was no evidence at 31 March 2026 that this was likely to crystallise.

The following table shows the credit risk applicable to all the Council's investments, and cash & equivalents.

Credit Rating	Long Term 31 March 2025 £000	Long Term 31 March 2026 £000	Short Term 31 March 2025 £000	Short Term 31 March 2026 £000
AAA				
AA+				
AA				
AA-				
A+				
A			7,173	5,067
A-				
BBB+				
Unrated local authorities			57,366	77,471
Unrated building societies				
Total	**0**	**0**	**64,539**	**82,538**
Credit risk not applicable	20,793	23,353	25,216	14,107
Total investments , cash & equivalents	**20,793**	**23,353**	**89,755**	**96,645**

The following analysis summarises the Council's potential maximum exposure to credit risk on other financial assets, based on experience of default and the ability to collect over the last five financial years.

Exposure Risk	Amount at 31 March 2026 £000	Historical experience of default %	Estimated maximum exposure to default and uncollect-ability at 31 March 2026 £000	Estimated maximum exposure at 31 March 2025 £000
	A	B	(A x B)	
Customers	24,726	3.3%	816	812

The Council does not generally allow extended credit for its customers so some of the £24.6 million balance is past its due date for payment. The past due but not impaired amount can be analysed by age as follows.

Credit Risk	31 March 2025 £000	31 March 2026 £000
Less than three months	21,128	21497
Three to six months	2,513	2757
Six months to one year	17	189
More than one year	948	283
	24,606	**24,726**

Liquidity Risk

The Council has a robust cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has access to borrowings from the Public Works Loan Board for long term funding. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Council will be bound to replenish a significant proportion of its fixed rate borrowings at a time of unfavourable interest rates. In order to address this risk, the Council sets limits on the proportion of its borrowing during specified periods. The maturity analysis of all the Council's financial liabilities and assets are as follows:

Time to maturity (years)	31 March 2025			31 March 2026		
	Liabilities	Assets	Net	Liabilities	Assets	Net
	£000	£000	£000	£000	£000	£000
Not over 1	(21,702)	106,688	84,986	(25,550)	114,609	89,059
Over 1 but not over 2	(2,282)		(2,282)	(2,782)		(2,782)
Over 2 but not over 5	(7,346)		(7,346)	(6,846)		(6,846)
Over 5 but not over 10	(11,410)		(11,410)	(11,410)		(11,410)
Over 10 but not over 20	(15,974)		(15,974)	(13,692)		(13,692)
Over 20 but not over 40	(5,300)		(5,300)	(5,300)		(5,300)
Over 40			0			0
Uncertain date	(16,240)	20,838	4,598	(14,925)	20,045	5,120
Total	**(80,254)**	**127,526**	**47,272**	**(80,505)**	**134,654**	**54,149**

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

The total balance of £18.640 million held in respect of Section 106 monies at 31 March 2026 will be due for payment to the County Council as and when conditions attached to each scheme have been fulfilled. The amount has been classified as either a short term or a long-term creditor based on the expectations; we have of payment timescales using the best information available at the reporting date. There is no significant exposure to liquidity risk in respect of this creditor because the monies are held in interest-earning accounts and are available to be paid, with notice of up to three months, as and when requested.

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. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates - the interest expense charged to the (Surplus)/Deficit on Provision of Services would rise.
- Borrowings at fixed rates - the fair value of the liabilities would fall.

- Investments at variable rates - the interest income credited to the (Surplus)/Deficit on Provision of Services would rise.
- Investments at fixed rates - the fair value of the assets would fall.

All the Council's borrowings are at fixed rates so there is no impact on the interest expense charged to the (Surplus)/Deficit on the Provision of Services. Borrowings are not carried at fair value so nominal gains and losses would not impact on the (Surplus)/Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest receivable on variable rate investments will be posted to the (Surplus)/Deficit on the Provision of Services and affect the General Fund balance.

Consequently, the Council's exposure to interest rate risk is limited to the impact from any fall in interest rates on the interest receivable from variable rate investments. As the Council's main bank account had a zero-interest rate for most of the year the Council's risk exposure was limited to its investments in Money Market Funds and Diversified Income Funds although as these are pooled funds the risk is spread over a range of investments.

The effect of a 1% rise in interest rates as at 31st March 2026 and a 5% fall in property & equity prices as at 31st March 2026 would be:

Sensitivity to Interest Rate Changes	**31 March 2025 £000**	**31 March 2026 £000**
Increase in interest receivable on variable rate investments	(533)	(769)
Decrease in fair value of investments held at FVPL	688	624
Impact on the (Surplus)/Deficit on the Provision of Services	**155**	**(145)**
Decrease in fair value of available for sale investments		
Impact on Comprehensive Income and Expenditure	**155**	**(145)**
Decrease in fair value of loans and investments at amortised cost	206	224
Decrease in fair value of fixed rate borrowing	(7,107)	(6,889)
5% fall in property prices	(55)	(43)
5% fall in equity prices	(323)	(335)

Price Risk

The Council's investments in Pooled Funds - the CCLA Diversified Income Fund, Ninety One Diversified Income Fund, Aegon Diversified Income Fund & Wellington Multi High Income Fund includes bonds, equity and property investments, and is therefore subject to the risk of falling commercial property and share prices. This risk is limited by the diversified nature of the Fund portfolio which is structured to control relative risk, and the Council's maximum exposure of £40 million.

The Council has no financial assets or liabilities denominated in foreign currency. Therefore, there is no exposure to Foreign Exchange Risk.

Note 36 Agency Expenditure and Income

Under various statutory powers the Council may have arrangements with other local authorities and government departments to do work on their behalf.

During 2025/26 the Council has acted as lead authority for two arrangements: The Joint Waste Partnership and the Strategic Access Management and Monitoring ("SAMMs") Agreement.

The Joint Waste Partnership is not a legal entity in its own right and involves Wealden District Council, Rother District Council and Hastings Borough Council. The three councils have a joint contract with Biffa for the provision of waste collection, recycling and street & beach cleaning. The contract has been in place since 29 June 2019.

On 1st April 2021, Wealden District Council became the lead authority for the Joint Waste Contract (previously Rother District Council) with the relevant staff transferring under TUPE.

The other lead authority arrangement is the SAMMs Agreement. The agreement is between local partner authorities ("LPAs"); Wealden, Mid-Sussex, Lewes, Tandridge, Sevenoaks and Tunbridge Wells and the Conservators of the Ashdown Forest. The agreement is to implement and deliver the SAMMs programme at the Ashdown Forest Special Protection Area ("SPA") which will be financed by means of a tariff levied in respect of residential developments in each of the LPA's areas that could have an impact on the Ashdown Forest SPA.

The tables below summarise the transactions for 2025/26; the amounts shown as recharged to Partner Councils treated as Agency expenditure and therefore not included within this Council's Comprehensive Income and Expenditure Statement.

	2024/25		2025/26	
	Joint Waste	SAMMS Agreement	Joint Waste	SAMMS Agreement
	£000	£000	£000	£000
Expenditure	16,523	49	17,510	49
Income	0	(49)	0	(49)
Net Cost	**16,523**	**0**	**17,510**	**0**
Recharged to Wealden District Council	(7,896)	0	(8,268)	
Recharged to partner councils	(8,627)	0	(9,242)	
Total Recharges	**(16,523)**	**0**	**(17,510)**	**0**
Net Cost	**0**	**0**	**(0)**	**0**

Note 37 Contingent Liabilities

Pension scheme legal case

Following the Court of Appeal judgment in *Virgin Media Limited v NTL Pension Trustees II Limited*, which confirmed that certain pension scheme rule amendments may be invalid where the required actuarial confirmation was not obtained, the Government has introduced a legislative remedy through the Pension Schemes Act 2026, enabling schemes to retrospectively validate affected amendments.

Guidance has been issued to support implementation, and work is underway across the pensions sector to assess and address potential impacts. It remains unclear whether, and to what extent, the judgment and subsequent legislative remedy apply to the Local Government Pension Scheme or the East Sussex Pension Fund and, consequently, to the Council's share of pension liabilities. At present, it is not possible to reliably estimate the potential financial impact, if any, on the figures within the Council's accounts.

Community Infrastructure Levy

The Council is involved in a number of matters relating to the application of the Community Infrastructure Levy (CIL), including appeals and challenges regarding the calculation of indexation in respect of the CIL liability. These matters may result in adjustments to amounts previously assessed or collected. At present, the outcome of these cases is uncertain and it is not possible to reliably estimate the potential financial impact on the Council's accounts. The Council will continue to monitor the position and will recognise any liability where crystallised.

Housing Revenue Account Income & Expenditure Statement

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with international financial reporting standards, rather than the amount to be funded from rents and government grants. The Council charges rents to cover expenditure in accordance with regulations; this may be different from the accounting cost

2024/25 £000	Housing Revenue Account Income and Expenditure Statement	2025/26 £000	£000
	Expenditure		
4,899	Repairs and maintenance	5,325	
4,854	Supervision and management	4,804	
204	Rents, rates, taxes and other charges	20	
4,443	Depreciation and amortisation of non-current assets	4,467	
58	Debt management costs	58	
116	Movement in the debt impairment allowance	284	
6,583	Gain on revaluation of non-current assets	7,273	
21,157	**Total Expenditure**		**22,231**
	Income		
(17,928)	Dwelling rents	(18,394)	
(182)	Non-dwelling rents	(194)	
(1,549)	Charges for services and facilities	(1,888)	
(505)	Contributions towards expenditure	(351)	
(20,164)	**Total Income**		**(20,827)**
993	**Net expenditure/(income) for HRA services as included in the whole Council Comprehensive Income and Expenditure Statement**		**1,404**
239	HRA Services' share of Corporate and Democratic Core costs		299
1,232	**Net expenditure/(income) for HRA Services**		**1,703**
	HRA share of the operating income and expenditure in the whole Council Comprehensive Income and Expenditure Statement:		
368	(Gain)/Loss on disposal of HRA non-current assets		(232)
3,310	Interest payable and similar charges		3,232
132	Financial Instruments adjustments		(77)
(192)	Interest and investment income		(110)
8	Net interest on the net defined benefit liability		6
(3,790)	Capital grants and contributions receivable		(486)
1,068	**(Surplus)/deficit for the year on HRA Services**		**4,036**

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Movement of the Housing Revenue Account Statement

The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

2024/25 £000	Movement on the Housing Revenue Account Statement	2025/26 £000	£000
(3,347)	Balance on the HRA at the end of the previous reporting period		**(1,278)**
1,068	(Surplus)/deficit for the year on the HRA Income and Expenditure Statement	4,036	
	Adjustments between accounting basis and funding basis under statute:		
(8,306)	Transfers to / from the Capital Adjustment Account[1]	(13,469)	
3,160	Capital expenditure charged to revenue	1,233	
2,610	Transfer to the Usable Capital Receipts Reserve	3,462	
4,436	Transfer to the Major Repairs Reserve	4,467	
0	Transfer to the Capital Grants Unapplied Account	0	
39	HRA share of contributions to the Pensions Reserve	133	
(1)	HRA share of transfers to the Accumulated Absences Account	(1)	
3,006	**Net (increase)/decrease before transfers to or from earmarked reserves**	**(139)**	
(937)	Transfers to / (from) earmarked reserves	(797)	
2,069	**(Increase)/ decrease in the year on the HRA**		**(936)**
(1,278)	**Balance on the HRA at the end of the current reporting period**		**(2,214)**

[1] Transfers to / from Capital Adjustment Account comprise:

(4,443)	Reversal of depreciation and amortisation	(4,467)
(6,583)	Reversal of revaluation gains credited to the (Surplus)/Deficit on the provision of services	(7,273)
3,790	Capital grants & contributions applied	486
1,908	Voluntary provision for financing of capital investment	1,015
(2,978)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(3,230)
(8,306)	**Total**	**(13,469)**

Notes to the Housing Revenue Account

Note 1 Housing Stock

The numbers and types of dwellings in the Council's housing stock at 31 March are as follows:

31 March 2025 Stock Numbers	Housing Stock	31 March 2026 Stock Numbers
	Houses and Bungalows:	
124	One bedroom	125
603	Two bedrooms	599
815	Three bedrooms	807
39	Four or more bedrooms	39
1,581		1,570
	Flats:	
1,125	One bedroom	1,128
347	Two bedrooms	345
2	Three bedrooms	2
1,474		1,475
3,055	**Total Housing Stock**	**3,045**

The Council had, at the same date, shared ownership arrangements covering 84 properties (31 March 2025: 91) in total; 59 of these properties within retirement living courts.

Note 2 Rent Arrears and Impairment Allowance for Uncollectable Debts

Rent Arrears

Rent arrears at 31 March were as follows:

31 March 2025 £000	Rent Arrears and Impairment Allowance for Uncollectable Debts	31 March 2026 £000
655	Current tenants	683
266	Former tenants	210
921	**Total arrears**	**893**

Rent arrears as a percentage of total rent receivable for the year were 4.86% (2024/25 5.14%). The total amount of arrears written off during the year was £0.286 million (2024/25: £0.076 million).

Impairment Allowance for Uncollectable Debts

The amount to be set aside from revenue to provide for non-payment of rent is determined by reference to the nature and level of the arrears outstanding at the end of the financial year. The balance sheet impairment allowance in respect of uncollectable rent debts as at 31 March 2026 is £0.409 million; a reduction of £0.077 million on the 31 March 2025 position.

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Note 3 Asset Valuation

The balance sheet values of the assets within the Council's HRA are as follows:

31 March 2025 £000	Asset Valuation	31 March 2026 £000
225,662	Council Dwellings (Social Rents)	223,604
44,232	Council Dwellings (Affordable Rents)	37,946
2,884	Other Land & Buildings	3,141
0	Assets Under Construction	710
0	Surplus Assets	0
190	Intangible Assets	139
272,968	**Total**	**265,540**

Council Dwellings Valuation Basis

Council dwellings are revalued annually, for resource accounting purposes, according to their existing use for social housing. Under this method, the open market value of the stock is reduced by a regional adjustment factor determined in accordance with Government guidance to reflect the status of the properties as social housing. The details of the factor used, and the corresponding open market (vacant possession) values of council dwellings are set out below.

Council Dwellings Let at Social Rents:

The regional adjustment factor used for dwellings let at social rents is 67% (2024/25, 67%), thereby reducing the balance sheet value of these dwellings to 33% (2024/25, 33%) of their open market value.

The open market (vacant possession) value of these dwellings at the valuation date of 31 March 2026 was £677.586 million, as valued by the valuers Bruton Knowles (1862) LLP, compared with the value of £223.603 million for its existing use as social housing which is reflected in the balance sheet.

The difference of £453.983 million represents the cost to the Government of providing council housing at less than open market rents.

Council Dwellings Let at Affordable Rents:

A total of 339 dwellings included in the stock held at 31 March 2026 (31 March 2025: 338) are let on an 'affordable rent' basis which is closer to market rent values than social rents. Consequently, a different regional adjustment factor is required in determining the existing use valuation as social housing for these dwellings. The adjustment factor used has been determined by a professional valuer in accordance with Government guidance.

The regional adjustment factor used for dwellings let at affordable rents is 42.5% (2024/25 - 50%), thereby reducing the balance sheet value of these dwellings to 57.50% of their open market value.

The open market (vacant possession) value of these dwellings at the valuation date of 31 March 2026 was £89.285 million, as valued by the valuers Bruton Knowles (1862) LLP, compared with the value of £37.946 million for its existing use as social housing which is reflected in the balance sheet. The difference of £51.339 million represents the cost to the Government of providing council housing at less than open market rents.

Note 4 Depreciation and Amortisation

Depreciation of the housing stock has been calculated using the existing use for social housing valuation of individual building components and the useful economic lives determined for each.

Depreciation and amortisation charges to the HRA have been made as follows:

2024/25 £000	Depreciation and Amortisation	2025/26 £000
4,383	Council Dwellings	4,365
28	Other Land & Buildings	36
25	Intangible Assets	51
7	Vehicles , Plant & Equipment	15
4,443	**Total**	**4,467**

Note 5 Capital Expenditure and Financing

The total capital expenditure during the year on land, houses and other property within the HRA is analysed below according to the source of funding:

2024/25 £000	Capital Expenditure and Financing	2025/26 £000
3,160	Revenue contribution	1,234
7,490	Loan	1,173
4,436	Major Repairs Reserve	4,467
3,920	Grants and contributions	507
3,560	Capital receipts	1,324
22,566	**Total HRA capital expenditure**	**8,705**

Note 6 Major Repairs Reserve

The Major Repairs Reserve is an earmarked fund to which the Council transfers an amount annually to support capital spending on council dwellings. The analysis of the movement on the Major Repairs Reserve for the year is shown below:

2024/25 £000	Major Repairs Reserve	2025/26 £000
0	Balance on the reserve at 1 April	0
(4,436)	Amount transferred to the reserve during the year	(4,467)
4,436	Financing of capital expenditure in the year	4,467
0	**Balance on the reserve at 31 March**	**0**

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Note 7 Capital Receipts Reserve

Receipts from the sale of HRA assets are summarised below:

2024/25 £000	Capital Receipts	2025/26 £000
(1,729)	Sale of council houses (Right to Buy scheme)	(2,655)
	Sale of council houses (Other)	(465)
(116)	Sale of shared ownership properties (Retirement Living Court dwellings)	(121)
(765)	Sale of shared ownership properties (New Build Homes)	(221)
(2,610)	**Total gross capital receipts**	**(3,462)**
0	Less amount paid to national pool	0
(2,610)	**Total net capital receipts**	**(3,462)**

Collection Fund Statement

2024/25			Collection Fund Statement	2025/26		
Council Tax	Non-domestic Rates			Council Tax	Non-domestic Rates	
£000	£000			£000	£000	
			Income			
(172,643)			Council Tax receivable	(184,582)		
	(34,240)		Non domestic rates receivable		(38,974)	
(20)			Council Tax Discounts Funded by General Fund	(10)		
	(1,282)		Business Rates Transitional Protection		(251)	
			Contribution Towards Previous Year's Estimated Collection Fund Deficit			
			Central Government Share NDR		(337)	
			East Sussex County Council		(61)	
			Police & Crime Commissioner for Sussex		0	
			East Sussex Fire Authority		(7)	
			Wealden District Council		(269)	
						(674)
			Expenditure			
			Precepts, Demands & Shares			
	17,821		Central Government Share NDR		19,466	
121,768	3,208		East Sussex County Council	129,477	3,504	
17,318	-		Police & Crime Commissioner for Sussex	18,510	0	
7,360	356		East Sussex Fire Authority	7,801	389	
23,645	14,256		Wealden District Council	25,103	15,573	
170,091		35,641		180,891		38,932
			Contribution Towards Previous Year's Estimated Collection Fund Surplus			
	407		Central Government			
373	73		East Sussex County Council	1,535		
53	0		Police & Crime Commissioner for Sussex	218		
23	8		East Sussex Fire Authority	93		
72	326		Wealden District Council	298		
521		814		2,144		0
			Provision for bad debt			
881		124	Change in bad debt provision	963		356
			Provision for Appeals (Business Rates only)			
		(1,200)	Settlement against Provision			(1,017)
		1,028	Change in Provision			(6)
		235	Allowance for Cost of Collection			238
		262	Renewable energy disregards			289
			Movement on the Collection Fund			
(903)		(1,102)	(Surplus)/Deficit brought forward at 1 April	(2,073)		280
(2,073)		**280**	**(Surplus) / Deficit carried forward at 31 March**	**(2,667)**		**(827)**
(1,170)		1,382	Movement on Collection Fund Balance	(594)		(1,107)

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Notes to the Collection Fund

Note 1 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 from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates.

Any Collection Fund surplus or deficit declared by the billing authority in relation to council tax is apportioned to the relevant precepting bodies in the subsequent financial year.

Since April 2013, the business rates retention scheme has been in operation. This allows local authorities and fire and rescue authorities to retain a proportion of any increases in non-domestic rates revenue to invest in local services. This also increases the financial risk borne by local authorities in respect of non-collection of non-domestic rates. Any Collection Fund surplus or deficit in relation to non-domestic rates is apportioned to Central Government and to the local precepting bodies in the subsequent financial year.

Note 2 Council Tax Base

The council tax base for 2025/26 was calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. There are eight valuation bands in which dwellings are placed for council tax purposes, from band A at the lower end to band H for the highest value properties. Council tax is calculated in terms of band D, which is the median band. As different amounts of tax are payable in respect of each valuation band, the number of dwellings in the various bands must be converted to a “band D equivalent” to allow council tax to be calculated as a "Band D" amount. The calculation of the 2025/26 council tax base is set out below.

Valuation Band	Number of Chargeable Dwellings	Proportion of Band D Council Tax	Equivalent Band D Dwellings
A - Disabled reduction	5.50	5/9	3.1
A	2,575.38	6/9	1,716.9
B	5,749.26	7/9	4,471.6
C	14,275.06	8/9	12,688.9
D	13,903.16	9/9	13,903.2
E	10,880.36	11/9	13,298.2
F	7,598.53	13/9	10,975.7
G	6,953.23	15/9	11,588.7
H	879.00	18/9	1,758.0
Total (adjusted for decimal roundings)			70,404.8
Collection Rate			98.5%
Tax Base for 2025/26			**69,348.7**

The Council levied an average charge of £2,571.71* per Band D property for Council Tax purposes in 2025/26. Actual Band D charges set ranged between £2,467.59 and £2,764.01 dependent upon the amount of precept set in each parish.

* It should be noted that this amount is the average Band D property and differs from the actual Band D charge of £2,608.44

Note 3 Non-domestic Rates

Rateable Value

Every non-domestic property in England, unless it is exempt, has a rateable value. This figure broadly represents the yearly rent a property could have been let for on the open market on a particular date. The Valuation Office Agency revalues properties every five years. For the 2025/26 financial year the rateable values were based on the 2023 Rating list which uses property rental values as at 1 April 2021. The rateable value for the Council's area at 31 March 2026 was £113,346,426; at 31 March 2025 it was £112,486,579. The next business rates revaluation will take effect from 1 April 2026 and will be based on property rental values as at 1 April 2024.

Multiplier

Each year the Government sets two non-domestic rating multipliers ('poundages'). For 2025/26 these were set as follows:

- The **small business multiplier,** which apples to ratepayers eligible for Small Business Rate Relief, was 49.9 pence in the pound.
- The **standard multiplier,** which applies to all other ratepayers, was set at 55.5 pence in the pound.

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Group Accounts

Introduction

The purpose of the Group Accounts is to provide a picture of Wealden District Council and the group of companies and other entities, which are either controlled or are significantly influenced by the Council. The Group Accounts show the full extent of the Authority's wider assets and liabilities. While the Group Accounts are not primary statements, they provide transparency and enable comparison with other entities that have different corporate entities.

The Group Accounts include the following:

- Group Comprehensive Income and Expenditure Statement - summarises the resources that have been generated and consumed in providing services and managing the Group during the year. It includes all day-to-day expenses and related income on an accrual's basis.
- Group Movement in Reserves - shows the movement in the year on the Council's single entity usable and unusable reserves together with the Council's share of the Group reserves.
- Group Balance Sheet - reports the Council Group financial position at the year-end.
- Group Cash Flow Statement - shows the changes in cash and cash equivalents of the Group during the year. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash flows as operating, financing and investing activities.
- Notes to the Group Accounts where the balances are materially different to those in the single entity accounts.

Results of the Subsidiary

The following notes provide additional details about the Authority's involvement in the entity consolidated to form the group accounts.

Sussex Weald Homes Limited

The company is a housing development vehicle for the Council and is structured as a private company limited by shares. The Council holds 3,429,220 Ordinary shares of £1 in the company. The Council has dominant control of the company by virtue of being 100% shareholder, and Councillors & Officers occupy all director positions thereby having guaranteed majority voting rights on the Board. The company builds property to sell or rent to the Council (i.e. affordable homes) and to the public.

For 2025/26, the company's results showed a loss of £0.839 million (£0.754 million loss in 2024/25), and net assets of £1.970 million (£2.809 million at 31 March 2025).

During 2025/26 the company repaid a £2.5 million loan and entered into a further £3.4 million loan, repayable in March 2028. In addition, a £6.0 million loan taken out in 2024/25 remains outstanding at 31 March 2026 and is due for repayment in June 2026 in accordance with the original loan agreement.

A copy of the company's accounts can be obtained from the Directors, Council Offices, Vicarage Lane, Hailsham, East Sussex, BN27 2AX. The accounts are compiled by Plummer Parsons Chartered Accountants.

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Group Comprehensive Income & Expenditure Statement

The Group Comprehensive Income and Expenditure Statement ("CIES") shows the accounting cost in the year of providing services in the Group, in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation or rents. Authorities raise taxation and rents to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost.

2024/25				2025/26		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
374	0	374	Members	826	(5)	821
3,262	(1,005)	2,257	Chief Executive's Directorate	2,893	(487)	2,406
47,611	(34,297)	13,314	Directorate of Community	43,391	(30,816)	12,575
10,866	(6,400)	4,466	Directorate of Place	11,628	(6,899)	4,729
8,343	(1,859)	6,484	Directorate of Governance and Corporate Services	7,740	(1,867)	5,873
237	0	237	Central Costs	257	(155)	102
21,157	(20,164)	993	Housing Revenue Account	22,231	(20,827)	1,404
91,850	**(63,725)**	**28,125**	**Cost of Services**	**88,966**	**(61,056)**	**27,910**

Group Comprehensive Income and Expenditure Statement (continued)

2024/25 Net Expenditure £000		2025/26 Net Expenditure £000
9,405	Other operating expenditure	9,379
(3,801)	Financing and investment income and expenditure	(939)
(56,139)	Taxation and non-specific grant income and expenditure	(52,667)
(22,410)	**(Surplus)/Deficit on the Provision of Services**	**(16,317)**
0	Tax charge of subsidiaries	0
(22,410)	**Group (Surplus) / Deficit**	**(16,317)**
	Items that will not be reclassified to the Surplus on Provision of Services	
10,782	(Surplus) / Deficit on revaluation of non-current assets	(697)
110	Remeasurement of the net defined benefit liability	(384)
10,892	**Other Comprehensive Income and Expenditure**	**(1,081)**
(11,518)	**Total Comprehensive Income and Expenditure**	**(17,398)**

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Group Movement in Reserves Statement

The Group Movement in Reserves Statement ("Group MIRS") shows the movement from the start of the year to the end on the different reserves held by the Council's Group, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Statement shows how the movements in year of the Council's Group reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year. The Net Increase/Decrease before transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments, prior to any discretionary transfers to earmarked reserves undertaken by the Council.

Group Movement in Reserves during 2025/26	General Fund Balance £000	Earmarked GF Reserves £000	General Fund Balance - Total £000	Housing Revenue Account £000	Earmarked HRA Reserves £000	HRA Total	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000	Council's share of the Reserves of the Subsidiary £000	Total Group Reserves £000
Balance at 1 April 2025	**(7,291)**	**(62,318)**	**(69,609)**	**(1,277)**	**(1,266)**	**(2,543)**	**(2,821)**	**0**	**(63,992)**	**(138,965)**	**(252,941)**	**(391,906)**	**397**	**(391,509)**
Total Comprehensive Income and Expenditure	(20,209)	0	(20,209)	4,036	0	4,036	0	0	8	(16,165)	(1,081)	(17,246)	(144)	(17,390)
Adjustments between group accounts and authority accounts	(190)	0	(190)	0	0	0	0	0	0	(190)	0	(190)	190	0
Adjustments between accounting basis and funding basis under regulations	15,849	0	15,849	(4,173)	0	(4,173)	(1,984)	0	(2,658)	7,034	(7,034)	0	0	0
Net (increase) / decrease before transfers to Earmarked Reserves	**(4,550)**	**0**	**(4,550)**	**(137)**	**0**	**(137)**	**(1,984)**	**0**	**(2,650)**	**(9,321)**	**(8,115)**	**(17,436)**	**46**	**(17,390)**
Transfers to / (from) Earmarked Reserves			0							0		0		0
(Increase) / Decrease in 2025/26	**(4,550)**	**0**	**(4,550)**	**(137)**	**0**	**(137)**	**(1,984)**	**0**	**(2,650)**	**(9,321)**	**(8,115)**	**(17,436)**	**46**	**(17,390)**
Balance at 31 March 2026	**(11,841)**	**(62,318)**	**(74,159)**	**(1,414)**	**(1,266)**	**(2,680)**	**(4,805)**	**0**	**(66,642)**	**(148,286)**	**(261,056)**	**(409,342)**	**443**	**(408,899)**

Group Movement in Reserves Statement (continued)

Group Movement in Reserves during 2024/25	General Fund Balance £000	Earmarked GF Reserves £000	General Fund Balance - Total £000	Housing Revenue Account £000	Earmarked HRA Reserves £000	HRA Total	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000	Council's share of the Reserves of the Subsidiary* £000	Total Group Reserves £000
Balance at 1 April 2024	**(6,500)**	**(53,055)**	**(59,555)**	**(3,347)**	**(2,202)**	**(5,549)**	**(4,432)**	**0**	**(55,963)**	**(125,499)**	**(254,770)**	**(380,269)**	**277**	**(379,992)**
In-year adjustment for prior period errors*			**0**							**0**		**0**		**0**
Total Comprehensive Income and Expenditure	(23,434)	0	(23,434)	1,068	0	1,068	0	0	0	(22,366)	10,892	(11,474)	(43)	(11,517)
Adjustments between group accounts and authority accounts	(163)	0	(163)	0	0	0	0	0	0	(163)	0	(163)	163	0
Adjustments between accounting basis and funding basis under regulations	13,543	0	13,543	1,938	0	1,938	1,611	0	(8,029)	9,063	(9,063)	0	0	0
Net (increase) / decrease before transfers to Earmarked Reserves	**(10,054)**	**0**	**(10,054)**	**3,006**	**0**	**3,006**	**1,611**	**0**	**(8,029)**	**(13,466)**	**1,829**	**(11,637)**	**120**	**(11,517)**
Transfers to / (from) Earmarked Reserves	9,263	(9,263)	0	(936)	936	0	0	0	0	0	0	0	0	0
(Increase) / Decrease in 2024/25	**(791)**	**(9,263)**	**(10,054)**	**2,070**	**936**	**3,006**	**1,611**	**0**	**(8,029)**	**(13,466)**	**1,829**	**(11,637)**	**120**	**(11,517)**
Balance at 31 March 2025	**(7,291)**	**(62,318)**	**(69,609)**	**(1,277)**	**(1,266)**	**(2,543)**	**(2,821)**	**0**	**(63,992)**	**(138,965)**	**(252,941)**	**(391,906)**	**397**	**(391,509)**

*Adjustment relating to prior period errors relating to statutory adjustments and group consolidation amounts for prior years, not classed as material.

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Group Balance Sheet

The Group Balance Sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the Council's Group. The net assets of the Council's Group (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category of reserves are those reserves that the Council's Group 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 may only be used to fund capital expenditure or repay debt). The second category is those reserves that cannot be used to provide services. This category includes reserves used to hold unrealised gains and losses (e.g. 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'.

31 March 2025 £000		Notes	31 March 2026 £000
334,999	Property Plant and Equipment	[2]	338,945
679	Heritage Assets		696
696	Intangible Assets		639
11,293	Investment Property		14,049
17,984	Long-term Investments		17,983
45	Long-term Debtors		56
365,696	**Long-term Assets**		**372,368**
34,779	Short-term Investments		26,142
10,675	Inventories	[3]	9,333
16,447	Short-term Debtors		25,672
217	Short-term Tax Asset		0
55,426	Cash and Cash Equivalents		65,900
117,544	**Current Assets**		**127,047**
(2,761)	Short-term Creditors - Central Government		0
(16,387)	Short-term Creditors - Other		(22,238)
(8)	Short-term Tax Liability		(5)
(10,394)	Short-term Borrowing		(9,360)
(945)	Provisions		(534)
(30,495)	**Current Liabilities**		**(32,137)**
(16,240)	Long-term Creditors		(14,926)
(42,312)	Long-term Borrowing		(42,312)
(2,686)	Net Pensions Liabilities		(1,143)
(61,238)	**Long-term Liabilities**		**(58,381)**
391,506	**Net Assets**		**408,896**
(138,965)	Usable Reserves		(148,279)
(252,940)	Unusable Reserves		(261,062)
399	Council's share of the Reserves of the Subsidiary		446
(391,506)	**Total Reserves**		**(408,895)**

Group Cash Flow Statement

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

2024/25 £000		Notes	2025/26 £000
22,410	Net surplus/(deficit) on the provision of services		16,317
13,517	Adjustments to the net surplus on provision of services for non-cash movements	[4]	17,665
(23,375)	Adjustments for items included in the net surplus on provision of services that are investing and financing activities		(21,219)
12,552	**Net cash flows from Operating Activities**		**12,763**
(13,099)	Net cash flows from Investing Activities	[5]	(4,075)
8,277	Net cash flows from Financing Activities		1,789
7,730	**Net increase / (decrease) in cash and cash equivalents**		**10,477**
47,696	Cash and cash equivalents at the beginning of the reporting period		55,426
55,426	Cash and cash equivalents at the end of the reporting period		**65,903**

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Notes to the Group Accounts

Note 1 Group Accounting Policies

The Group Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, supported by International Financial Reporting Standards (''IFRS'').

The Council has consolidated its interests in all the entities over which it exercises control or significant influence. Sussex Weald Homes Limited have been consolidated because it is material to the Council's balance sheet.

The results of Sussex Weald Homes Limited has been consolidated on a line-by-line basis as a subsidiary.

Where the company uses different accounting policies to the Council, its accounts have been restated to re-align their accounting policies with those of the Council where the effect of not doing so would be material to the reader's interpretation of the accounts.

Intra-group transactions have been eliminated before consolidation on a line-by-line basis.

Inventories

Within the Group Accounts, inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

Note 2 Group Property, Plant and Equipment

This note provides a reconciliation from the carrying amount of Group's property, plant and equipment at the beginning of the period to the carrying amount at the end of the period with details of all movements. Details of the Council's property plant and equipment are shown in Note 15 to the single entity accounts.

Property, Plant and Equipment 2025/26	Council Dwellings £000	Other Land & Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Right of Use Assets £000	Total Property, Plant & Equipment £000
Cost or Valuation								
At 1 April 2025	269,413	44,667	2,621	5,966	4,512	6,117	3,454	**336,750**
Rights of Use Asset recognised under IFRS16 1 April 2025								**0**
Additions	7,995	1,741	1,846			14,746	23	**26,351**
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(4,713)	1,210					155	**(3,348)**
Revaluation increases / (decreases) recognised in the Surplus on Provision of Services	(8,449)	(1,798)						**(10,247)**
Derecognition - disposals	(3,290)	(1)	(1,117)					**(4,408)**
Assets re-classified to / from Other Land & Buildings	112	(112)						**0**
Assets re-classified to / from Investment Properties		312			(555)	(4,610)		**(4,853)**
Assets re-classified from Surplus Assets		3,693		190	(3,883)			**0**
At 31 March 2026	**261,068**	**49,712**	**3,350**	**6,156**	**74**	**16,253**	**3,632**	**340,245**
Accumulated Depreciation & Impairment								
At 1 April 2025	0	0	(1,558)	0	0	0	(194)	**(1,752)**
Depreciation charge								**0**
Depreciation written out to the Revaluation Reserve on revaluation								**0**
Depreciation written out to the Surplus on Provision of Services on revaluation								**0**
De-recognition - Disposals								**0**
Assets re-classified to / from Investment Properties								**0**
At 31 March 2026	**0**	**0**	**(1,558)**	**0**	**0**	**0**	**(194)**	**(1,752)**
Net Book Value at 31 March 2026	**261,068**	**49,712**	**1,792**	**6,156**	**74**	**16,253**	**3,438**	**338,493**
Net Book Value at 31 March 2025	**269,413**	**44,667**	**1,063**	**5,966**	**4,512**	**6,117**	**3,260**	**334,998**

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Note 2. Group Property, Plant and Equipment & Heritage Assets (continued)

Property, Plant and Equipment 2024/25	Council Dwellings £000	Other Land & Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Right of Use Assets £000	Total Property, Plant & Equipment £000
Cost or Valuation								
At 1 April 2024	269,663	46,760	1,947	5,966	6,762	2,521	0	**333,619**
Right of Use Asset recognised under IFRS16 1 April 2024	0	0	0	0	0	0	3,281	**3,281**
Additions	9,905	1,720	674	0	696	17,214	79	**30,288**
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(15,163)	88	0	0	138	0	94	**(14,843)**
Revaluation increases / (decreases) recognised in the Deficit on Provision of Services	(7,470)	(3,883)	0	0	(78)	0	0	**(11,431)**
Derecognition - disposals	(3,036)	0	0	0	(1,110)	0	0	**(4,146)**
Assets re-classified to / from Investment Properties	0	(18)	0	0	0	0	0	**(18)**
Assets re-classified from Assets Under Construction	13,618	0	0	0	0	(13,618)	0	**0**
Assets re-classified from Surplus Assets	1,896	0	0	0	(1,896)	0	0	**0**
At 31 March 2025	**269,413**	**44,667**	**2,621**	**5,966**	**4,512**	**6,117**	**3,454**	**336,750**
Accumulated Depreciation & Impairment								
At 1 April 2024	0	0	(1,236)	0	(1,110)	0	0	**(2,346)**
Depreciation charge	(4,383)	(674)	(322)	0	0	0	(194)	**(5,573)**
Depreciation written out to the Revaluation Reserve on revaluation	3,483	606	0	0	0	0	0	**4,089**
Depreciation written out to the Surplus on Provision of Services on revaluation	842	68	0	0	0	0	0	**910**
De-recognition - Disposals	58	0	0	0	1,110	0	0	**1,168**
Assets re-classified to / from Investment Properties	0	0	0	0	0	0	0	**0**
At 31 March 2025	**0**	**0**	**(1,558)**	**0**	**0**	**0**	**(194)**	**(1,752)**
Net Book Value at 31 March 2025	**269,413**	**44,667**	**1,063**	**5,966**	**4,512**	**6,117**	**3,260**	**334,998**
Net Book Value at 31 March 2024	**269,663**	**46,760**	**711**	**5,966**	**5,652**	**2,521**	**0**	**331,273**

Note 3 Group Inventories

The carrying amount of Group inventories as 31 March 2026 is £9.333 million (£10.675 million as at 31 March 2025).

Note 4 Group Cash Flow Statement: Operating Activities

The (Surplus)/Deficit on Provision of Services has been adjusted for the following non-cash movements:

2024/25 £000	Adjustments for Non-Cash Movements	2025/26 £000
5,744	Depreciation and amortisation	6,037
7,947	Impairments and revaluations	8,393
(162)	Increase in impairment for bad debts	(143)
(941)	Increase in creditors	563
(77)	Increase in provisions	(411)
(1,588)	Decrease in debtors	(3,300)
1,402	Increase in inventories	1,341
(325)	Movement in pension liability	(1,159)
2,978	Carrying amount of non-current assets sold or de-recognised	3,236
922	(Increase) / Decrease in fair value of investment property	2,117
(2,383)	Other non-cash items charged to the (Surplus)/Deficit on Provision of Services	990
13,517	**Total adjustment for non-cash movements**	**17,664**

Note 5 Group Cash Flow Statement: Investing Activities

The investing activities include the following items:

2024/25 £000	Cash Flow Statement: Investing Activities	2025/26 £000
(29,128)	Purchase of property, plant & equipment, investment property, heritage assets and intangible assets	(27,394)
(9,000)	Proceeds/ (Purchase) of short term investments	3,000
2,610	Proceeds from the sale of property, plant & equipment	3,726
20,919	Capital grants received	17,371
1,500	Loan (Advance)/ Repayment	2,500
0	(Purchase)/ Proceeds from long term investments	(3,400)
(13,099)	**Net cash flows from investing activities**	**(4,197)**

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Glossary of Terms

Accounting Code of Practice
The Code of Practice on Local Authority Accounting in the United Kingdom, published annually by CIPFA. It contains the provisions that the Council must comply with in preparing the Statement of Accounts.

Accounting Period
The length of time covered by the accounts. In the case of these accounts, it is the year from 1 April to 31 March.

Accounting Standards
The pronouncements of standard setting bodies that local authorities are required to follow (subject to adaptation by the Accounting Code). Primarily the IFRS framework administered by the International Accounting Standards Board.

Accruals Basis
The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

Actuarial Gains and Losses
Changes in the estimated value of the pension fund because events have not coincided with the actuarial assumptions made or the assumptions themselves have changed.

Asset Ceiling
The limit on the amount of any net pensions asset that will be recoverable in the form of reductions in future contributions to the pension fund.

Balances
These represent the accumulated surplus of revenue income over expenditure.

Budget
An expression, mainly in financial terms, of the Council's intended income and expenditure to carry out its objectives.

Budget Requirement
The amount each local authority estimates as its planned spending, after deducting funding from reserves and any income expected to be collected (excluding Council Tax and Government Grants). This requirement is then offset by Government Grant, the balance being the amount needed to be raised in Council Tax.

Capital Adjustment Account
The Account accumulates (on the debit side) the write-down of the historical cost of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The same process applies to capital expenditure that is only capital by statutory definition (Revenue Expenditure Funded from Capital Under Statute, REFCUS). The balance on the account thus represents timing differences between the amount of the historical cost of non-current assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

Capital Expenditure
Payments for the acquisition, construction, enhancement or replacement of non-current assets that will be of use or benefit to the Council in providing its services for more than one year. Capital expenditure also includes Revenue Expenditure Funded from Capital Under Statute.

Capital Receipts
Income received from the sale of land and other capital assets, a proportion of which may be used to finance new capital expenditure subject to the provisions of the Local Government Act 2003.

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

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

Collection Fund
A fund administered by the Council as a billing authority. The fund records the receipts from council tax and non-domestic rates and the payments of the relevant shares of the surplus or deficit arising on the fund to the major precepting authorities and to Central Government.

Community Assets
Assets that the Council intends to hold in perpetuity, that have no determinable useful life, and which may, in addition, have restrictions on their disposal. The class largely comprises open land. They are classified as operational assets in that their use as parkland provides or supports the relevant services of the Council.

Community Infrastructure Levy ("CIL")
A levy which is charged on new builds (chargeable developments for the authority) with appropriate planning consent. This is a planning charge used to fund a number of infrastructure projects, including transport, flood defences and schools, to support the development of the area.

Corporate and Democratic Core
These are the activities that a local authority engages in specifically because it is a democratically elected decision-making body. Examples of corporate and democratic core costs are Councillors' allowances, Committee support and time spent by professional officers in giving policy advice.

Creditors
Amounts owed by the Council for work done, goods received or services rendered, for which payment has not been made at the balance sheet date.

Current Service Cost
Current Service Cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e. the ultimate pension benefits "earned" by employees in the current year's employment.

Current Value
The amount that would be exchanged for an asset in its existing use. Operational property, plant & equipment assets are measured at current value reflecting the economic environment prevailing for the service or function that the asset is supporting at the reporting date.

Debtors
Amounts due to the Council that have not been received at the balance sheet date.

Depreciation
The measure of the consumption, wearing out or other reduction in the useful economic life of non-current assets that has been consumed in the period.

Employee Benefits
Amounts due to employees including salaries, paid annual leave, paid sick leave, and bonuses. These also include the cost of employer's national insurance contributions paid on these benefits; and the cost of post-employment benefits, i.e. pensions.

Expected Rate of Return on Pensions Assets
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 pension scheme.

Fair Value
The amount for which an asset could be exchanged or a liability settled, in an orderly transaction between market participants at the measurement date.

Fair Value Hierarchy and Inputs
In measuring fair value of assets and liabilities, the valuation technique used is categorised according to the extent of observable data that is available to estimate the fair value – this is known as the fair value hierarchy. Observable inputs refers to publicly available information about actual transactions

and events in the market. Unobservable inputs are used where no market data is available and are developed using the best information available.
The fair value hierarchy has three levels of inputs:

- Level 1: Quoted prices for identical items in an active market – i.e. the actual price for which the asset or liability is sold;
- Level 2*:* Other significant observable inputs – i.e. actual prices for which similar assets or liabilities have been sold;
- Level 3: Unobservable inputs – i.e. where market data is not available and other information is used in order to arrive at a best estimate of fair value.

Finance Lease
A lease that transfers substantially all the risks and rewards of ownership of an asset to the lessee (even though title to the property may not be transferred). The asset is recognised on the Balance Sheet of the lessee.

Financial Instrument
Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term covers both financial assets and financial liabilities, from straightforward trade receivables (invoices owing) and trade payables (invoices owed) to complex derivatives and embedded derivatives.

General Fund
The main revenue fund of the Council which is used to meet the cost of services paid for from Council Tax, Government Grant and fees and charges.

Heritage Asset
A tangible asset with historic, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

Housing Revenue Account
A separate account, maintained by law that accounts for the income and expenditure related to the Council's housing stock. The General Fund cannot subsidise the Housing Revenue Account and vice versa.

Impairment
A reduction in the value of a non-current asset below its value brought forward in the Balance Sheet. Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in an asset's market value and evidence of obsolescence or physical damage to the asset.

Intangible Assets
Assets that do not have physical substance but are identifiable and controlled by the Council. Examples include software and licences.

Leasing
A method of acquiring the use of capital assets for a specified period for which a rental charge is paid.

Liability
An amount due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are those that are payable within one year of the balance sheet date.

Minimum Revenue Provision
An amount to be set aside each year from revenue to repay the principal amounts of external loans outstanding.

Non-domestic Rates ("NDR") - also known as Business Rates
A levy on business property, based on a national rate in the pound – known as the Multiplier – applied to the rateable value of the property. The Government determines the NDR Multiplier to be used each year. Billing Authorities collect non-domestic rates and account for this through the Collection Fund. Any surplus or deficit arising on the fund is distributed to the major precepting authorities and to central government in their proportionate shares in the subsequent year. The major precepting authorities for Wealden are East Sussex County Council and East Sussex Fire & Rescue Authority.

Net Book Value
The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value, less the cumulative amount provided for depreciation.

New Homes Bonus
New Homes Bonus is a grant payable to councils from Government for six years, for increasing the number of homes in the Council's area.

Non-Current Asset
An item that yields benefit to the Council for a period of more than one year.

Operating Lease
A lease that does not transfers substantially all the risks and rewards of ownership of an asset to the lessee. The asset is not recognised on the Balance Sheet of the lessee.

Past Service Cost
Past service costs arise from decisions taken in the current year, but whose financial effect is derived from service earned in earlier years.

Precept
The amount levied by various authorities that is collected by the Council on their behalf.

Provisions
Amounts set aside to meet liabilities or losses which it is anticipated will be incurred but where the amount or timing of the costs is uncertain.

Public Works Loans Board ("PWLB")
A statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB is the major provider of loans to local authorities.

Reserves
The residual interest in the assets of the Council after deducting all of its liabilities. These are split into two categories, usable and unusable. Usable reserves are those reserves that contain resources that an authority can apply to fund expenditure of either a revenue or capital nature (as defined). Unusable reserves are those that an authority is not able to utilise to provide services. They 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 between expenditure being incurred and it's financing e.g. Capital Adjustment Account.

Revenue Expenditure
Spending incurred on the day-to-day running of the Council. This mainly includes employee costs, general running expenses and capital financing costs.

Revenue Expenditure Funded from Capital under Statute ("REFCUS")
Legislation in England and Wales allows some expenditure to be classified as capital for funding purposes when it does not result in the expenditure being carried on the balance sheet as a fixed asset. Examples include works on property owned by other parties, renovation grants and capital grants to other organisations.

Revenue Support Grant
Central Government financial support towards the general expenditure of local authorities.

Statutory Adjustments
The adjustments made under law and regulations to the outcomes of the Accounting Code's requirements before establishment of the General Fund Balance, allowing the budgetary impact of specified items of expenditure on particular financial years to be managed. Adjustments relate primarily to the revenue impact of capital expenditure and pensions costs.

Suitable Alternative Natural Green Space ("SANGS")
The name given to green space that is of a quality and type suitable to be used as mitigation for residential and where necessary, tourism development likely to affect the Ashdown Forest Special Protection Area. It is considered that the provision of SANGS together with a range of on-site and other management measures at Ashdown Forest has the potential to provide an effective means of avoiding or mitigating harm from the effects of recreational pressure from new development.

Surplus/deficit on the provision of services

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The line in the Comprehensive Income and Expenditure Statement that summarises the Council's net expenditure on providing services, after considering non-service specific items.

Strategic Access Management and Monitoring Strategy ("SAMMS")
This is a strategy for managing and monitoring the Ashdown Forest and introducing a range of measures to reduce the problems arising from increased visitor numbers. The aim of strategic access management measures and associated monitoring at Ashdown Forest is to provide confidence that, even if the provision of SANGS on its own does not divert residents from new developments visiting the Forest, there will be no increase in harm caused as a result of recreational pressure on the Special Protection Area.

Specific Government Grants
Central Government financial support towards particular services which is provided with certain restrictions regarding the expenditure that may be funded from it.

Unusable Reserves
The reserves in the Balance Sheet that are not balances of usable resources, comprising revaluation reserves and adjustment accounts.

Useable Reserves
The reserves in the Balance Sheet that are balances of usable resources, both revenue and capital.

Useful Economic Life
The period over which the Council expects to derive benefit from non-current assets.

Valuation
An estimate by an appropriately qualified person of the amount the Council could sell an asset for or of the benefit of continuing to use it for the provision of services. The basis of valuation will depend on the nature of the asset being value.