Statement of Accounts 2025/26

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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.

The Council has considered the risk of the issuance of a Section 114 notice and has concluded that no such risk has been identified in the near or medium term.

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 £7.768 million (£7.291 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.

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 £51.672 million (£52.706 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	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.

maintaining workforce wellbeing during a period of uncertainty.		
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.

Basis of Preparation

The Statement of Accounts and Narrative Report have been prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 and relevant statutory guidance. In preparing the accounts, the Council has applied the principle of materiality to ensure that disclosures are focused on matters that are significant to an understanding of the Council's financial position, performance, risks and future outlook. Materiality has also been considered when determining the scope of disclosures and the entities included within the Group Accounts, ensuring that the information presented is relevant, balanced and proportionate for users of the financial statements.

All figures are presented to the nearest £1,000 unless otherwise stated. Minor differences between totals and supporting analyses may occur due to rounding.

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
Chief Financial Officer

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

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Wealden District Council (the 'Authority') and its subsidiary (the 'group') for the year ended 31 March 2026, which comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement of the Housing Revenue Account Statement, the Collection Fund Statement, the Group Comprehensive Income and Expenditure Statement, the Group Movement in Reserves Statement, the Group Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

In our opinion, the financial statements:

give a true and fair view of the financial position of the Group and of the Authority as at 31 March 2026 and of the Group's expenditure and income and the Authority's expenditure and income for the year then ended;

have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26; and

have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Chief Financial Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority or the group to cease to continue as a going concern.

In our evaluation of the Chief Financial Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 that the Authority's and group's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the group and the Authority. In doing so we had regard to the guidance provided in Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2024) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the group and Authority and the group and Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's and the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Financial Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- *we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or*
- *we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or*
- *we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or*
- *we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or*
- *we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.*

We have nothing to report in respect of the above matters.

Responsibilities of the Authority and the Chief Financial Officer

As explained more fully in the Statement of Responsibilities, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Chief Financial Officer. The Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Authority's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body

of the intention to dissolve the Authority and the Group without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- *We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks, the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024, the Local Government Act 2003, Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992 and the Local Government Finance Act 2012), Local Government Act 1972 and Local Government and Housing Act 1989.*
- *We enquired of management and the Audit and Governance Committee, concerning the Group and Authority's policies and procedures relating to:*
  - *the identification, evaluation and compliance with laws and regulations;*
  - *the detection and response to the risks of fraud; and*
  - *the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.*
- *We enquired of management, internal audit, and the Audit and Governance Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.*

- *We assessed the susceptibility of the Authority and Group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. We determined that the principal fraud risks were in relation to:*
  - *journal entries which met a range of criteria defined as part of our risk assessment;*
  - *revenue recognition of material streams of revenue (rebutted); and*
  - *expenditure recognition of material streams of operating expenditure (rebutted).*
  - *Our audit procedures to address the principal fraud risks included:*
  - *evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;*
  - *journal entry testing, with a focus on those journals which impacted on the Authority's financial position for the year;*
  - *challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and buildings along with the valuation of net defined pension liability; and*
  - *assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.*
- *These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion,*

deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it or recognise non-compliance.

- *We communicated relevant laws and regulations and potential fraud risks to all engagement team members. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.*
- *The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the Group and Authority audit team members included consideration of their:*
  - *understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation*
  - *knowledge of the local government sector in which the group and Authority operates*
  - *understanding of the legal and regulatory requirements specific to the Authority and group including:*
  - *the provisions of the applicable legislation*
  - *guidance issued by CIPFA/LASAAC and SOLACE*
  - *the applicable statutory provisions.*
- *In assessing the potential risks of material misstatement, we obtained an understanding of:*
  - *the Authority and Group's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.*
  - *the Authority and Group's control environment, including the policies and procedures implemented by the Authority and group to ensure compliance with the requirements of the financial reporting framework.*

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2026.

We have nothing to report in respect of the above matter.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the relevant guidance issued by the Comptroller and Auditor General. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Wealden District Council for the year ended 31 March 2026 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed the work necessary in relation to the Authority's consolidation returns and we have received confirmation from the National Audit Office that the audit of the Whole of Government Accounts is complete for the year ended 31 March 2026. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2026.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ade Oyerinde

***Ade O Oyerinde**, Key Audit Partner*

for and on behalf of Grant Thornton UK LLP, Local Auditor

London

04 November 2026

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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: 4th November 2026**
Chief Financial Officer

Approval of the Statement of Accounts

I confirm that these Statement of Accounts were approved on behalf of the Audit and Governance Committee, under delegated authority granted by the Committee on 16 September 2026, in consultation with the Chief Financial Officer.



Jessika Hulbert

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**

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	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)**	**(63,992)**	**(138,965)**	**(252,935)**	**(391,900)**
Total Comprehensive Income and Expenditure	(20,400)	0	(20,400)	4,036	0	4,036	0	8	(16,356)	(1,081)	(17,437)
Adjustments between accounting basis and funding basis under regulations (Note 9)	15,859	0	15,859	(4,173)	0	(4,173)	(1,984)	(2,658)	7,044	(7,044)	0
Net (increase) / decrease before transfers to Earmarked Reserves	**(4,541)**	**0**	**(4,541)**	**(137)**	**0**	**(137)**	**(1,984)**	**(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	0	0	0
(Increase) / Decrease in 2025/26	**(477)**	**(4,064)**	**(4,541)**	**(934)**	**797**	**(137)**	**(1,984)**	**(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)**	**(66,642)**	**(148,277)**	**(261,060)**	**(409,337)**

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	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)**	**(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	(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	(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**	**(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
(Increase) / Decrease in 2024/25	**(791)**	**(9,263)**	**(10,054)**	**2,070**	**936**	**3,006**	**1,611**	**(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)**	**(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'.

31/03/2024 Restated £000	31/03/2025 Restated £000		Notes	31 March 2026 £000
331,755	335,480	Property Plant and Equipment	[15]	339,425
718	679	Heritage Assets	[15]	696
578	696	Intangible Assets		638
10,270	11,293	Investment Property	[16]	14,049
21,835	20,793	Long-term Investments	[17]	23,353
34	45	Long-term Debtors - Other	[18]	56
365,190	**368,986**	**Long-term Assets**		**378,217**
61,645	57,366	Short-term Investments	[17]	77,471
2	1	Inventories		1
9,964	8,417	Short-term Debtors - Loan to Subsidiary	[18]	5,931
16,731	16,466	Short-term Debtors - Other	[18]	18,904
9,792	32,173	Cash and Cash Equivalents	[17]	19,067
98,134	**114,423**	**Current Assets**		**121,374**
(2,719)	(2,702)	Short-term Creditors - Central Government	[19]	(1,627)
(17,562)	(16,226)	Short-term Creditors - Other	[19]	(20,349)
(1,051)	(10,394)	Short-term Borrowing	[17]	(11,642)
(1,021)	(945)	Provisions	[20]	(534)
(22,353)	**(30,267)**	**Current Liabilities**		**(34,152)**
(14,487)	(16,240)	Long-term Creditors	[19]	(14,925)
(43,312)	(42,312)	Long-term Borrowing	[17]	(40,030)
(2,901)	(2,686)	Net Pensions Liabilities	[34]	(1,143)
(60,700)	**(61,238)**	**Long-term Liabilities**		**(56,098)**
380,271	**391,904**	**Net Assets**		**409,341**
(125,499)	(138,965)	Usable Reserves	[21]	(148,280)
(254,772)	(252,939)	Unusable Reserves	[22]	(261,061)
(380,271)	**(391,904)**	**Total Reserves**		**(409,341)**

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 Restated £000		Notes	2025/26 £000
22,529	Surplus/(deficit) on the provision of services		16,363
12,546	Adjustments to the surplus/(deficit) on the provision of services for non-cash movements	[23]	17,936
(23,375)	Adjustments for items included in the surplus/(deficit) on the provision of services that are investing and financing activities	[23]	(21,097)
11,700	**Net cash flows from Operating Activities**		**13,202**
902	Net cash flows from Investing Activities	[24]	(27,197)
9,779	Net cash flows from Financing Activities	[25]	889
22,381	**Net increase/(decrease) in cash and cash equivalents**		**(13,106)**
9,792	Cash and cash equivalents at the beginning of the reporting period		32,173
32,173	Cash and cash equivalents at the end of the reporting period		**19,067**

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)**

Note 1 Expenditure and Funding Analysis (continued)

2024/25 £000		2025/26 £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.

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

Benefits payable during employment:

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.

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:

- 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.

Community infrastructure levy:

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 15 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 5 and 10 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.

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

Item	Uncertainties	Consequences if actual results differ from assumptions
		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 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.

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
(1,578)	Major Planning Application Fees	(1,636)	Place
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	(3,726)	
8,943	Parish Precepts	9,767	
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)	
(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.

Note 7. Events After the Reporting Period

Adjusting Events

There have been no adjusting events after the balance sheet date that have required changes to the amounts recognised in the financial statements as at 31 March 2026.

Non-adjusting Events

The following material non-adjusting event occurred after the balance sheet date:
Subsequent to 31 March 2026, the Council agreed an extension to the repayment term of its £6.0 million loan to Sussex Weald Homes Ltd (SWH), extending the maturity date from 16 June 2026 to 31 March 2028. The loan was originally due to be repaid, with SWH expected to enter into a new borrowing arrangement to support a forthcoming development. To avoid the administrative and financing costs associated with repaying the existing loan and establishing a new facility, the Council agreed to extend the term of the current loan. The extension did not increase the principal amount outstanding and represented a modification of the existing financing arrangement.

As the agreement was entered into after the reporting date and does not provide evidence of conditions existing at 31 March 2026, this is a non-adjusting event and no adjustment has been made to the financial statements.

The Statement of Accounts was authorised for issue by the Chief Financial Officer on 4th November 2026. Events taking place after that date are not reflected in the financial statements or notes.

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**

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.

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.

	Usable Reserves				
2025/26 Adjustments	**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)**

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)

2024/25 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**

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

2024/25 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 2024/25	**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)**

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.

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)**

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)**

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			10,136	23	**21,741**
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)			**(243)**
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**
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**
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**

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	(13)
(27)	Net gains / (losses) from fair value adjustments	30
679	**Balance at 31 March 2026**	**696**

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 Assets Under Construction balance of £16.253 million at 31 March 2026 relates to capital expenditure incurred on the Mayfield Medical and Community Centre, Knights Farm Employment Park, Knights Farm Sports Park, and two HRA new build schemes, all of which were under development at the reporting date.

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	4,629
18	Reclassifications from Property, Plant & Equipment	244
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 significant unobservable inputs (Level 3) in the fair value hierarchy.

The valuations have been undertaken using valuation techniques that maximise the use of available market evidence; however, significant inputs are based on assumptions that are not directly observable in the market. These assumptions include matters such as estimated rental values, yields, vacancy rates and other property-specific factors. As a result, the fair value measurements have been categorised as Level 3 within the IFRS 13 fair value hierarchy. There has been no change in valuation technique and no transfers between levels of the fair value hierarchy during 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.

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:

	Long Term		Current	
Categories of Financial Assets	**31 March 2025 Restated £000**	**31 March 2026 £000**	**31 March 2025 Restated £000**	**31 March 2026 £000**
Financial Assets				
Investments				
At amortised cost:				
Principal			56,000	76,000
Accrued interest			1,366	1,471
At fair value through profit and loss:				
Fair value [1]	20,793	23,353		
Total Investments	**20,793**	**23,353**	**57,366**	**77,471**
Cash and Cash Equivalents				
At amortised cost:				
Principal			673	467
Accrued interest				
At fair value through profit and loss:				
Fair value			31,500	18,600
Total Cash and Cash Equivalents	**0**	**0**	**32,173**	**19,067**
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			216	107
At fair value through profit and loss:				
Decent Homes loans	45	56		
Included in Debtors [2]	**45**	**56**	**17,150**	**14,707**
Total Financial Assets	**20,838**	**23,409**	**106,689**	**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

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 Restated £000	31 March 2026 £000
Included in Financial Assets	45	56	17,150	14,707
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**	**24,883**	**24,837**

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)	(40,030)	(10,300)	(11,582)
Accrued interest			(94)	(60)
Total Borrowings	**(42,312)**	**(40,030)**	**(10,394)**	**(11,642)**
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)**	**(54,955)**	**(21,702)**	**(25,550)**

[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)**

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.

Under IFRS 9 Financial Instruments, investments in equity instruments are classified either at Fair Value Through Profit or Loss (FVPL) or, where the criteria are met and an irrevocable election has been made, at Fair Value Through Other Comprehensive Income (FVOCI). The Council's investments measured at fair value comprise Money Market Funds and a Property Fund, with fair values determined using quoted market prices at the balance sheet date.

Financial assets measured at amortised cost 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 31 March 2026 using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the remaining life of each instrument using appropriate market rates for local authority borrowing.
- The fair values of other long-term loans and investments have been determined by discounting future cash flows using market rates applicable to similar instruments with comparable terms and maturities as at 31 March 2026.
- No adjustment has been made for early repayment or impairment as none is considered applicable to these financial instruments.
- The fair value of short-term instruments, including trade receivables and trade payables, is assumed to be approximately equal to their carrying amount due to their short-term nature.

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)		(11,642)	
Long Term Creditors		(16,240)		(14,925)	
Long Term Borrowing		(42,312)		(40,030)	
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:					
Loans to Local Authorities	2	57,579	52,171	77,162	78,178
Loans to Subsidiary	3	8,417	8,417	9,295	9,295
Total		**118,334**	**112,926**	**120,609**	**121,518**

Note 17. Financial Instruments (continued)

Assets for which fair value is not disclosed[1]	31/03/2025 Restated Carrying Amount £000	31 March 2026 Carrying Amount £000
Bank Current Account	675	5,376
Trade Receivables	8,517	8,669
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	17,150	14,707
Short Term Investments	57,366	77,471
Cash and Cash Equivalents	32,173	19,067
Total Financial Assets	**127,527**	**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

31/03/2025 Restated			Short Term Debtors	31 March 2026		
Gross Debt £000	Impair -ment £000	Net of Impair -ment £000		Gross Debt £000	Impair -ment £000	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
8,500	(83)	8,417	Loan to subsidiary	6,000	(69)	5,931
14,199	(2,791)	11,408	Other Entities & Individuals	15,317	(2,648)	12,669
27,757	**(2,874)**	**24,883**	**Total**	**27,552**	**(2,717)**	**24,835**

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
2,702	Central Government Bodies	1,627
1,793	Local Authorities	2,084
10,550	Other Entities & Individuals	10,959
3,803	Balance of Section 106 Monies	7,245
80	Grants In Advance	61
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 (£17.0 million as at 31 March 2025). 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.

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)	(Increase)/Decrease in provision 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.

(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.

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(s) from 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 Restated £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)
(1,589)	Increase in debtors	(2,585)
(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
(2,474)	Other non-cash items charged to the (Surplus)/Deficit on Provision of Services	991
12,546	**Total adjustment for non-cash movements**	**17,936**

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)**

Note 24. Cash Flow Statement: Investing Activities

The cash flows for investing activities include the following items:

2024/25 Restated £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)
5,000	Proceeds/ (Purchase) of short term investments	(20,000)
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)
902	**Net cash flows from investing activities**	**(27,197)**

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. Cash Flow Statement: Cash and Cash Equivalents

The balance of cash and cash equivalents comprise the following elements

31 March 2025 Restated £000		31 March 2026 £000
673	Bank current accounts	467
31,500	Short term deposits	18,600
32,173	**Total Cash and Cash Equivalents**	**19,067**

Note 27. 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 - Trevor Scott	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 - Kristina Shaw-Hamilton	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 - Chris Bending	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 27. 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 27. 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	0	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.

Note 28. 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 29 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 *	36
12	PSAA Fee Variation**	0
219	**Total**	**208**

*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 30 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**

Note 31 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 30 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 28.

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

Note 31 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), a private company limited by shares incorporated on 15 December 2016. The Council owns 100% of the issued share capital, with a total shareholding of £3.429 million (comprising 3,429,220 ordinary shares of £1 each), and has 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 Councillor A J Wilson, Councillor G Shaw, Councillor C J H Clark and the Director of Community. The Legal Services Manager acts as Company Secretary under a service level agreement. The company also has two independent Non-Executive Directors, Mr G Clark and Ms N R Orringe.

The Council maintains appropriate governance arrangements through the separation of its roles as shareholder and lender. The Head of Legal & Governance Services (Monitoring Officer) acts on behalf of the Council as shareholder, whilst the Chief Finance Officer is responsible for lending arrangements. These arrangements help ensure that share purchases and loan agreements are subject to appropriate governance, commercial assessment and legal compliance.

The company receives accounting services from Plummer Parsons LLP (now part of the Galloways Group). The Council controls the company by virtue of its 100% shareholding and its ability to appoint the Board of Directors. Accordingly, the financial results and net assets of the company have been consolidated within the Council's Group Accounts. Further details are provided in the Group Accounts section.

During 2025/26, the Council had loan arrangements with Sussex Weald Homes Limited to support the delivery of housing development projects. Loans outstanding at 31 March 2026 amounted to £9.4 million. Interest income of £0.5 million was recognised during the year and accrued interest receivable at 31 March 2026 amounted to £0.1 million. Loan principal repayments of £2.5 million were received from the company during the year

Note 32 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**

Note 33 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 33 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 34 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 35 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:

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 35 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**

Note 35 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 35 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%

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 36 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	21,497
Three to six months	2,513	2,757
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 37 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 38 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.

Note 39 Prior Period Adjustment

During the preparation of the 2025/26 Statement of Accounts, the Council reviewed the classification of certain investments included within Cash and Cash Equivalents as at 31 March 2025. It was identified that these investments did not meet the definition of Cash and Cash Equivalents because they were not readily convertible to known amounts of cash and were therefore not sufficiently liquid to be classified as cash equivalents.

In accordance with the CIPFA Code of Practice on Local Authority Accounting, the investments have been reclassified from Cash and Cash Equivalents to Short-Term Investments. Comparative figures for 2024/25 and 2023/24 have been restated accordingly.

The restatement affects the presentation of assets within the Balance Sheet, the disclosure of Cash and Cash Equivalents and Short-Term Investments, and the presentation of movements within the Cash Flow Statement. The adjustment has no impact on the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, General Fund Balance, total net assets or overall cash holdings of the Council. The Group Accounts have also been updated to reflect the restatement.

The effect of the restatement on the Balance Sheet is shown below:

	As previously stated 31 March 2025 (£'000)	As restated 31 March 2025 (£'000)	Correction 2025 (£'000)
Short-Term Investments	35,050	57,366	22,316
Short Term Debtors	16,250	16,466	216
Cash and Cash Equivalents	54,704	32,173	(22,531)
Total Current Assets	114,423	114,423	0

	As previously stated 31 March 2024 (£'000)	As restated 31 March 20254(£'000)	Correction 2024 (£'000)
Short-Term Investments	25,278	61,645	36,367
Short Term Debtors	16,618	16,731	113
Cash and Cash Equivalents	46,272	9,792	(36,480)
Total Current Assets	98,134	98,134	0

The Balance Sheet restatement reflects the reclassification of balances between Short-Term Investments, Short-Term Debtors and Cash and Cash Equivalents. Short-Term Investments and Short-Term Debtors increased, with a corresponding decrease in Cash and Cash Equivalents. These changes affect the presentation of current asset balances only and do not change Total Current Assets.

The effect of the restatement on the Cash Flow Statement and supporting notes are shown below:

	As previously stated 31 March 2025 (£'000)	As restated 31 March 2025 (£'000)	Correction 2025 (£'000)
Main Statement: Net cash flows from investing activities	(13,098)	902	14,000
Main Statement: Net Increase/(Decrease) in Cash and Cash Equivalents	8,432	22,381	13,949
Main Statement: Cash and cash equivalents at the beginning of the reporting period	46,272	9,972	(36,300)
Main Statement: Cash and cash equivalents at the end of the reporting period	54,704	32,173	(22,531)
Main Statement: Components of cash and cash equivalents – Short term deposits	54,031	31,500	(22,531)
Note 23: Increase in debtors	(1,538)	(1,589)	(51)
Note 23: Total Adjustment for non-cash movements	12,597	12,546	(51)
Note 24: Proceeds/(Purchase) of short-term investments	(9,000)	5,000	14,000
Note 24: Net cash flows from investing activities	(13,098)	902	14,000

The restatement is driven by reclassification adjustments and does not affect the Council's underlying cash position, total current assets, net assets or reserves. The reclassification of balances between Cash and Cash Equivalents and Short-Term Investments changes the presentation of net cash flows from investing activities, the net increase or decrease in Cash and Cash Equivalents, and the opening

and closing Cash and Cash Equivalents balances in the Cash Flow Statement. The related disclosures have also been restated: Note 23 reflects an adjustment to the increase in debtors and total non-cash movements, while Note 24 reflects an adjustment to the proceeds from or purchase of short-term investments and net cash flows from investing activities. These adjustments affect presentation and classification only and do not change the Council's overall cash holdings.

Note 17

The restatement reflects the reclassification of financial assets between investments, debtors and cash and cash equivalents to ensure that each balance is presented in the appropriate category. The changes affect disclosure and presentation only and do not alter the Council's overall financial asset position. As the table includes only the lines affected by the restatement, the amounts may not add through to the full note, and minor rounding adjustments have been included to maintain consistency with the restated Balance Sheet.

Financial Assets	**As previously stated 31 March 2025 (£'000)**	**As restated 31 March 2025 (£'000)**	**Correction 2025 (£'000)**
Investments			
At amortised cost:			
Principal	34,000	56,000	22,000
Accrued interest	834	1,366	532
At fair value through profit and loss:			
Fair value [1]	216	-	(216)
Total Investments	35,050	57,366	22,316
Cash and Cash Equivalents			
At amortised cost:			
Principal	22,673	673	(22,000)
Accrued interest	531		(531)
Total Cash and Cash Equivalents	54,704	32,173	(22,531)
Debtors			
At amortised cost:			
Accrued interest	-	216	216
Included in Debtors	16,934	17,150	216
Total Financial Assets	106,688	106,689	1
Total Financial Assets			
Recorded on Balance Sheet as:			
Short Term Investments	35,050	57,366	22,316
Cash and Cash Equivalents	54,704	32,173	(22,531)
Total Financial Assets	127,526	127,527	1

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**

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	Movement on the Housing Revenue Account Statement	2025/26	
£000		£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.

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 £223.604 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**

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)

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
Rouding adjustment			0.5
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.

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.

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)**

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	(20,210)	0	(20,210)	4,036	0	4,036	0	0	8	(16,166)	(1,081)	(17,247)	(144)	(17,391)
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	15,859	0	15,859	(4,173)	0	(4,173)	(1,984)	0	(2,658)	7,044	(7,044)	0	0	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)**	**46**	**(17,391)**
Transfers to / (from) Earmarked Reserves	4,064	(4,064)	0	(797)	797	0	0	0	0	0	0	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)**	**46**	**(17,391)**
Balance at 31 March 2026	**(7,768)**	**(66,382)**	**(74,150)**	**(2,211)**	**(469)**	**(2,680)**	**(4,805)**	**0**	**(66,642)**	**(148,277)**	**(261,066)**	**(409,343)**	**443**	**(408,900)**

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)**
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)**

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'.

31/03/2024 Restated	31/03/2025 Restated		Notes	31 March 2026
£000	£000			£000
331,274	334,999	Property Plant and Equipment	[2]	338,945
718	679	Heritage Assets		696
579	696	Intangible Assets		639
10,270	11,293	Investment Property		14,049
18,439	17,984	Long-term Investments		17,983
70	45	Long-term Debtors		56
361,350	**365,696**	**Long-term Assets**		**372,368**
61,645	57,094	Short-term Investments		71,344
12,076	10,675	Inventories	[3]	9,333
16,851	16,663	Short-term Debtors		25,779
217	217	Short-term Tax Asset		0
11,214	32,895	Cash and Cash Equivalents		20,591
102,003	**117,544**	**Current Assets**		**127,047**
(2,719)	(2,761)	Short-term Creditors - Central Government		0
(17,864)	(16,387)	Short-term Creditors - Other		(22,238)
(4)	(8)	Short-term Tax Liability		(5)
(1,051)	(10,394)	Short-term Borrowing		(11,642)
(1,021)	(945)	Provisions		(534)
(22,659)	**(30,495)**	**Current Liabilities**		**(34,419)**
(14,487)	(16,240)	Long-term Creditors		(14,927)
(43,312)	(42,312)	Long-term Borrowing		(40,030)
(2,901)	(2,686)	Net Pensions Liabilities		(1,143)
(60,700)	**(61,238)**	**Long-term Liabilities**		**(56,100)**
379,993	**391,506**	**Net Assets**		**408,895**
(125,501)	(138,965)	Usable Reserves		(148,279)
(254,772)	(252,940)	Unusable Reserves		(261,062)
280	399	Council's share of the Reserves of the Subsidiary		446
(379,993)	**(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 Restated £000		Notes	2025/26 £000
22,410	Net surplus/(deficit) on the provision of services		16,317
13,464	Adjustments to the net surplus on provision of services for non-cash movements	[4]	17,886
(23,375)	Adjustments for items included in the net surplus on provision of services that are investing and financing activities		(21,097)
12,499	**Net cash flows from Operating Activities**		**13,106**
902	Net cash flows from Investing Activities	[5]	(27,197)
8,279	Net cash flows from Financing Activities		1,789
21,680	**Net increase / (decrease) in cash and cash equivalents**		**(12,302)**
11,214	Cash and cash equivalents at the beginning of the reporting period		32,894
32,894	Cash and cash equivalents at the end of the reporting period		**20,592**

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.

The Group Comprehensive Income and Expenditure Statement includes the results of the Council's subsidiary, Sussex Weald Homes Limited, which are not included within the Council-only Comprehensive Income and Expenditure Statement. During 2025/26, the subsidiary contributed gross income of £4.105 million and gross expenditure of £4.384 million to the Group Accounts. The expenditure primarily relates to the construction of housing developments undertaken by the subsidiary, whilst the income relates principally to the sale of completed housing units. Consequently, the Group's gross income and gross expenditure differ from those reported in the Council-only Comprehensive Income and Expenditure Statement.

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.

Prior Period Adjustment

During the preparation of the 2025/26 Statement of Accounts, the Council reviewed the classification of certain investments included within Cash and Cash Equivalents as at 31 March 2025. It was identified that these investments did not meet the definition of Cash and Cash Equivalents because they were not readily convertible to known amounts of cash and were therefore not sufficiently liquid to be classified as cash equivalents.

In accordance with the CIPFA Code of Practice on Local Authority Accounting, the investments have been reclassified from Cash and Cash Equivalents to Short-Term Investments. Comparative figures for 2024/25 and 2023/24 have been restated accordingly. Further details of the restatement are provided in Note 39 to the Council's main accounts.

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			10,136	23	**21,741**
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)			**(243)**
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	(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 on 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**	**(401)**	**(1,302)**
Net Book Value at 31 March 2026	**261,068**	**49,712**	**2,449**	**6,156**	**74**	**16,253**	**3,231**	**338,943**
Net Book Value at 31 March 2025	**269,413**	**44,667**	**1,063**	**5,966**	**4,512**	**6,117**	**3,260**	**334,998**

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 Restated £000	Adjustments for Non-Cash Movements	2025/26 £000
5,740	Depreciation and amortisation	6,037
8,043	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
(2,525)	Other non-cash items charged to the (Surplus)/Deficit on Provision of Services	1,212
13,467	**Total adjustment for non-cash movements**	**17,886**

Note 5 Group Cash Flow Statement: Investing Activities

The investing activities include the following items:

2024/25 Restated £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)
5,000	Proceeds/ (Purchase) of short term investments	(20,000)
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)
901	**Net cash flows from investing activities**	**(27,197)**

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

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.

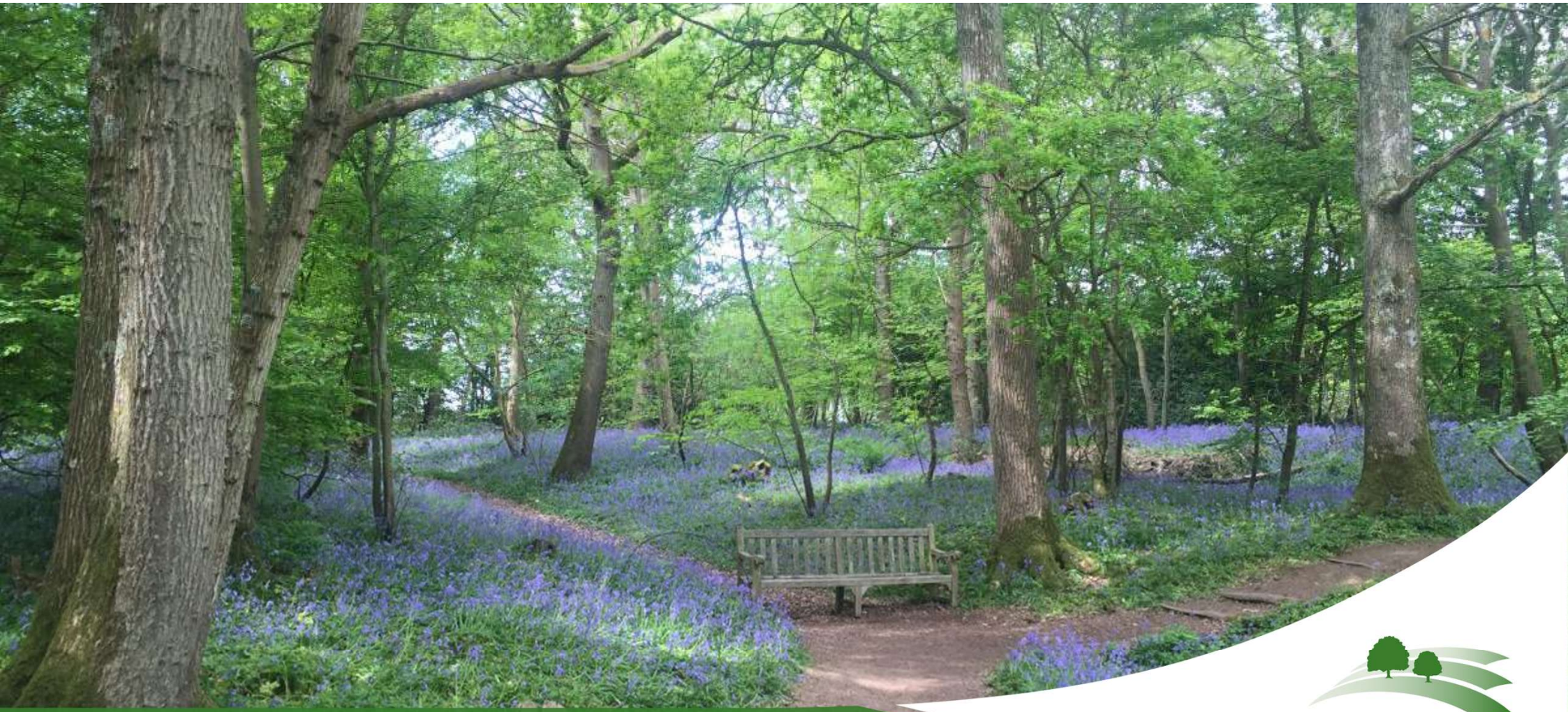
Unusable Reserves
The reserves in the Balance Sheet that are not balances of usable resources, comprising revaluation reserves and adjustment accounts.

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.

Annual Governance Statement



Annual Governance Statement 2025/26

Wealden
District Council

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Executive Summary and Assurance Statement

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

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

The Annual Governance Statement provides an overview of our governance framework. It seeks to provide assurance on the effectiveness of these arrangements and identifies areas for future improvement. This Statement is formally approved by the Council's Audit and Governance Committee on an annual basis.

As set out in this Statement, we have made significant progress in strengthening our governance arrangements during 2025/26. In our opinion the governance arrangements in 2025/26 were sound and effective in identifying strengths, risks and areas for improvement.

The areas for improvement in 2026/27 are included in this Statement. We are committed to delivering the actions identified and will monitor their implementation and report progress in the next Annual Governance Statement.



Councillor Rachel Millward
Leader of the Council

Signed:

Date: 04/11/2026



Trevor Scott
Chief Executive

Signed:

Date: 04/11/2026

Purpose

- To fulfil the statutory requirement for each local authority to conduct an annual review of the effectiveness of the system of internal control and publish an AGS.
- To ensure the AGS is consistent with our Local Code of Corporate Governance and the 7 Principles of Good Governance.
- To assess our governance arrangements, to identify areas of strength and weaknesses in internal controls
- To ensure our governance is fit for purpose and to demonstrate that there is a sound system of governance
- To outline our progress in 2025-26 and help us take further actions to improve governance for delivery in 2026-27

What is Good Governance?

Good governance in local authorities is key to ensuring the council does the right things in the right way for the right people

ETHICS
It creates a culture based on openness, inclusivity and honesty

ACCOUNTABILITY
It puts the arrangements in place to ensure that the intended outcomes for stakeholders are defined and achieved

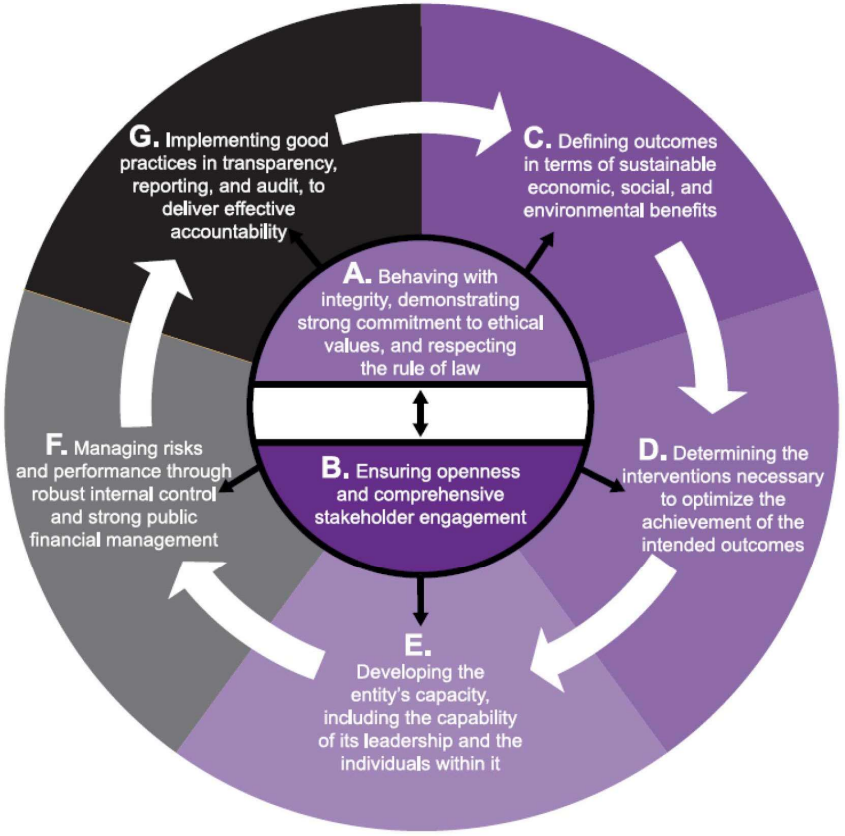
BEST VALUE
It ensures ongoing continuous improvement to further strengthen the way the council operates

TRANSPARENCY
It demonstrates effective leadership, including accountability and transparency in actions and decisions

ASSURANCE
It ensures robust systems and processes are established and followed

The 7 Principles of Good Governance (also refer to Appendices 3A, 3B and Schedule 1)

The CIPFA/IFAC principles set the standard for good public sector governance and provide the benchmark for assessing whether governance arrangements are effective and where improvement is needed.



'Delivering Good Governance in Local Government Framework 2014' published by CIPFA/IFAC

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

B. Ensuring openness and comprehensive stakeholder engagement

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

E. Developing the entity's capacity, including the capacity of its leadership and the individuals within it

F. Managing risks and performance through robust internal control and strong public financial management

G. Implementing good practices in transparency, reporting and audit to deliver effective accountability

Local Code

Underpinning the Council's Governance and Assurance Framework is its Local Code of Corporate Governance ("Local Code"). The Local Code is consistent with the 7 Principles of Good Governance. This AGS should be read in conjunction with the Local Code.

Appendix 3A and Schedule 1 contains a self-assessment against the 7 Principles of Good Governance.

Our Assessment of Effectiveness

The Governance and Assurance Framework has been in place for the year ended 31 March 2026 and up to the date of approval of the Statement of Accounts.

The Audit Manager's overall opinion on the framework of governance, risk management and control in operation during 2025/26 is that it was adequate and effective. Please see Appendix 2.

Sources of information considered when developing the AGS

The AGS draws on a wide range of evidence to provide assurance on the effectiveness of the Council's governance, risk management and internal control arrangements, including:

- Local Code of Corporate Governance
- The Council's Constitution
- Corporate and Service Risk Registers
- Internal Audit Activity
- Internal Assurance Operating Framework (see Figure 1)
- External auditor's findings and recommendations
- Council Strategy
- Management Assurance feedback
- External Operating Assurance Framework (see Figure 2)
- Scrutiny and Performance Work Programme
- Risk Management Framework and Reporting
- Operation of the Corporate Governance Group

Sources of information considered when developing the AGS continued



Governance Framework – Internal Assurance

Figure 1 - this figure sets out the key sources of internal assurance

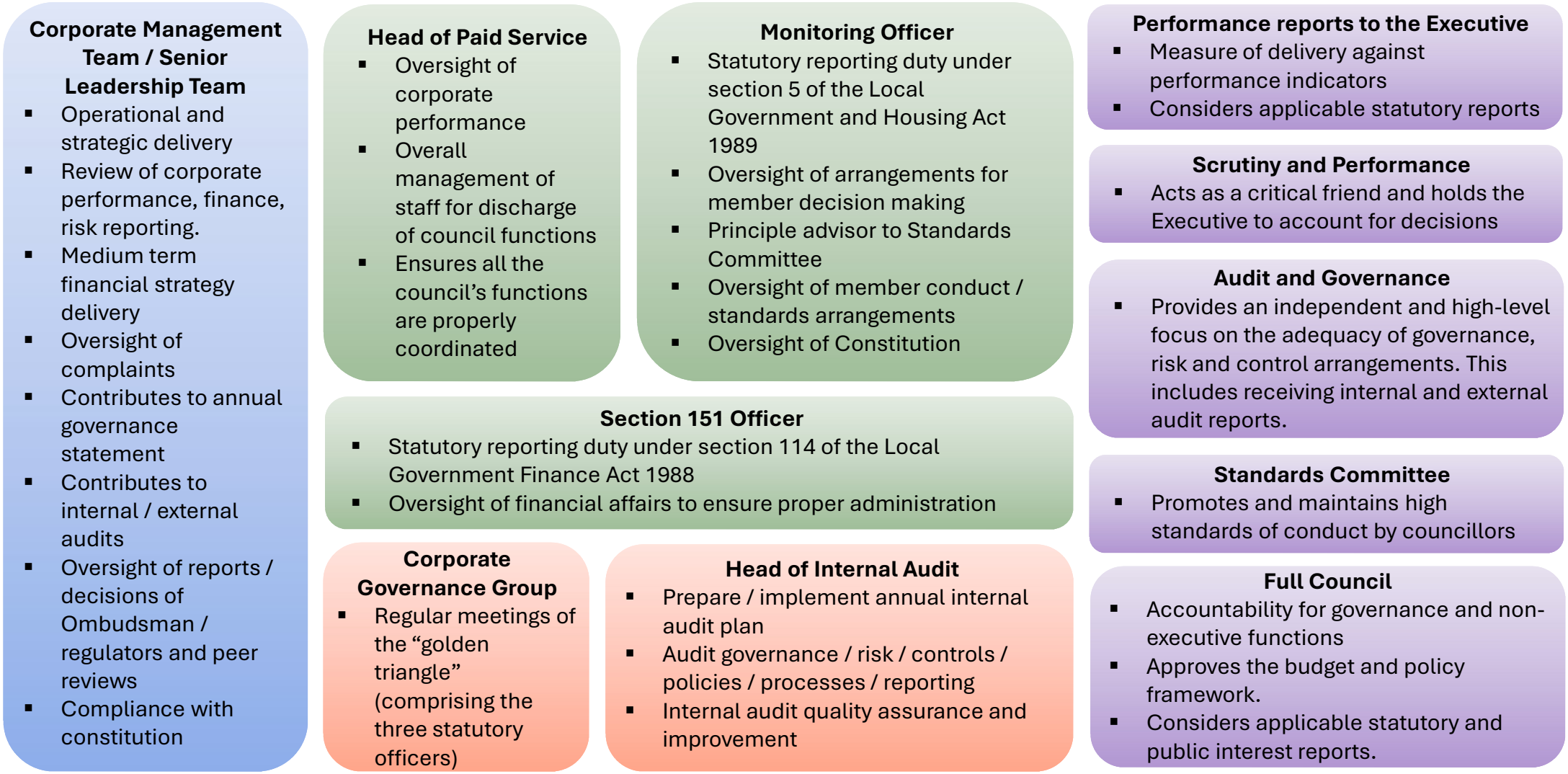


Figure 2 - this figure sets out the key sources of external assurance



Key Actions Delivered in 2025/26 to Strengthen Governance

- Introduction of remote Planning Speaking
- Updated Modern Slavery Statement
- Cyber Security Incident Response Plan
- Data Mapping Project Launch
- Review of Transparency Code
- New Data Protection Policies
- New Equality, Diversity & Inclusion Policy
- Implementation of Constitutional Review
- Review of Anti Fraud and Anti Corruption Strategy

Key Actions Delivered in 2025/26 to Strengthen Governance continued

- Review of People Strategy
- Internal Audit Reporting in line with Global Internal Audit Standards
- Independent Cyber Security Audit
- Implementation of LGA Cyber 360 Review
- CIPFA Audit Committee Self-Assessment
- Information Governance Framework Implementation
- Attained Councillor Development Charter
- Service Hubs to support access to information for Members and Officers

Update on 2025/26 Action Plan

Lead Area	Governance Matters Identified	Lead Officer	Status
Corporate Governance	Review of the Transparency Code 2015 including reconciliation with the Procurement Act 2023 **Completed**	Chief Financial Officer	
Corporate Governance	Local Government Reorganisation - Work with government and local partners to ensure that transition arrangements follow good governance principles, and facilitate creation of an appropriate and well-governed new unitary authority **Progressing with ongoing focus in 2026/27**	Chief Executive/ supported by CMT/SLT	
Corporate Governance	Review of Local Code of Corporate Governance against new CIPFA guidance on annual governance statements. **Completed**	Monitoring Officer	
Information Governance	Continued implementation of the Information Governance Framework. To include training and raising awareness to seek to minimise data breaches. **Significant progress with ongoing focus in 2026/27**	Information Governance Manager	
Procurement	Continuing work on the Procurement Strategy refresh, with procurement and contract management training, and support for SMEs to strengthen commercial capability and enable more effective procurement decision-making. **Progressing with ongoing focus in 2026/27**	Procurement Business Partnership Manager	

Update on 2025/26 Action Plan continued

Lead Area	Governance Matters Identified	Lead Officer	Status
Human Resources	Review the People Strategy to reflect the emerging organisational priorities linked to devolution and local government reorganisation. Drive the workforce aspects of organisational change and development in preparation for local government reorganisation **Completed with ongoing focus in 2026/27**	Head of People & Organisational Development	
Internal Audit	Reporting of outstanding internal audit recommendations to Audit and Governance Committee. **Completed**	Audit Manager	
Emergency Planning	Comprehensive review of Business Continuity Plans and implementation of the new Cyber Incident Security Response Plan. **Cyber Incident Security Response Plan live and Business Continuity review nearing completion with ongoing focus in 2026/27.**	Head of Waste and Customer Services (EP lead)	
Investigations	Complete review of the Anti-Fraud and Anti-Corruption Strategy **Completed**	Investigations Manager	

Forward look: Governance Areas of Focus Action Plan for 2026/27

The review process helps identify opportunities to improve the governance arrangements and/or areas of focus over the next twelve months as set out below.

Lead Area	Governance Matters Identified	Lead Officer
Corporate Governance	**Local Government Reorganisation (LGR) and transition governance** – maintaining robust governance, clear decision-making, ensuring ongoing service delivery, effective LGR programme oversight, while ensuring readiness for transition and vesting.	Chief Executive/ supported by CMT/SLT
Organisational Development	**Local Government Reorganisation (LGR) - Workforce Engagement and Change readiness** Maintain proactive communication and engagement arrangements to support workforce understanding of the LGR process and its likely impacts, so that staff remain informed, supported and engaged during the transition period. Governance arrangements will support escalation of workforce risks and capacity issues where required.	Chief Executive/ supported by CMT/SLT
Emergency Planning	**Business Continuity -** comprehensive review of Business Continuity Plans (carried forward 2025/26)	Head of Waste and Customer Services

Forward look: Governance Areas of Focus Action Plan for 2026/27 Continued

Lead Area	Governance Matters Identified	Lead Officer
Procurement	**Review of Procurement Strategy** (carried forward 2025/26)	Procurement Business Partnership Manager
Corporate Governance	**Constitutional Changes** to ensure conformity with legislative reform including to planning delegations.	Director of Place/ Monitoring Officer
Housing	**Responding to significant new legislative requirements** including Renters' Rights Act, Hazards in Social Housing (Prescribed Requirements) (England) Regulations 2025 (Awaab's Law)	Director of Place
Housing	**Reviewing outcome of Regulator of Social Housing Inspection** undertaken in 2026 to support continuous improvement in our housing service	Director of Place

Appendix 1: Update on Governance Issues identified in 2024/25

Lead Area	Governance Matters Identified	Lead Officer	Status
Organisational Development	**Local Government Pension Scheme** During 2024, issues were identified with the calculation of pension benefits. The matter was reported to Full Council by the Monitoring Officer in November 2024. Full Council delegated oversight to the Audit and Governance Committee with progress reports in January and March 2025, followed by a final report to the Committee in March 2026 setting out the investigation, outcomes and actions taken.	Head of People & Organisational Development	
Revenues & Benefits	**Council Tax Collection** Issue identified with regards to the early collection of council tax and NDR direct debits in December 2024. Investigation undertaken and reported to Overview and Scrutiny and Audit, Finance and Governance Committees in January 2025.	Head of Digital, Revenues & Benefits	

Appendix 2: Conclusion of Internal Audit for 2025/26

“Wealden District Council has in place an adequate and effective framework of governance, risk management and internal control for the period of 1st April 2025 to 31st March 2026.”

Internal Audit Manager, Helen Jolley
Wealden District Council

Appendix 3A – 7 Principles of Good Governance – Self Assessment

The 7 Principles of Good Governance are:

A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
B	Ensuring openness and comprehensive stakeholder engagement
C	Defining outcomes in terms of sustainable economic, social, and environmental benefits
D	Determining the interventions necessary to optimise the achievement of the intended outcomes
E	Developing the entity's capacity, including the capability of its leadership and the individuals within it
F	Managing risks and performance through robust internal control and strong public financial management
G	Implementing good practices in transparency, reporting, and audit to deliver effective accountability

A copy of the full self assessment for 2025/26 against these 7 Principles is available in Schedule 1 below.

Appendix 3B: 7 Principles of Good Governance – Core Policies, Processes & Strategies

While many of our policies, processes and strategies align with the 7 Principles of Good Governance, the following are particularly relevant:

Good Governance Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Policy, Framework or Review	Owner	Last Reviewed
The Constitution	Chief Legal and Governance Officer	2025/26
Protocol for Officer/Member Relationships	Chief Legal and Governance Officer	2026
People Strategy 2026-2028	Head of Organisational Development	2025
Anti-Fraud and Corruption Strategy and Framework	Chief Finance Officer	2026
Modern Slavery Statement	Director of Governance and Corporate Services	2026

Good Governance Principle B: Ensuring openness and comprehensive stakeholder engagements

Policy, Framework or Review	Owner	Last Reviewed
Annual Insights and Service Improvement	Director of Governance and Corporate Services	2025

Appendix 3B: 7 Principles of Good Governance – Core Policies, Processes & Strategies

Good Governance Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

Policy, Framework or Review	Owner	Last Reviewed
Council Strategy	Director of Governance and Corporate Services	Mid Term Review May 2025
Our Wealden Delivery Plan	Chief Executive	2025
Climate Change Strategy and Action Plan	Director of Place	2025
Climate Emergency Action Plan	Director of Place	2025
Medium Term Financial Strategy	Chief Finance Officer	2026
Capital Strategy	Chief Finance Officer	2026
Treasury Management Strategy	Chief Finance Officer	2026
Sustainable Procurement and Social Value Policies	Chief Finance Officer	2025

Appendix 3B: 7 Principles of Good Governance – Core Policies, Processes & Strategies

Good Governance Principle D: Determining the interventions necessary to optimise the achievement of the intended outcome

Policy, Framework or Review	Owner	Last Reviewed
Financial Procedure Rules	Chief Finance Officer	2025
Procurement and Contracting Procedure Rules	Chief Finance Officer	2025

Good Governance Principle E: Developing the entity's capacity including the capacity of its leadership and with individuals within it

Policy, Framework or Review	Owner	Last Reviewed
People Strategy 2026-2028	Head of Organisational Development	2025
Member Training	Director of Governance and Corporate Services	Councillor Development Charter: Attained in 2026
Pay Policy Statement	Chief Executive	2026

Appendix 3B: 7 Principles of Good Governance – Core Policies, Processes & Strategies

Good Governance Principle F: Managing risks and performance through robust internal control and strong financial management

Policy, Framework or Review	Owner	Last Reviewed
Risk Management Framework	Director of Governance and Corporate Services	2026
Information Management Framework	Director of Governance and Corporate Services	2025
Whistleblowing and Speaking Up Policy	Director of Governance and Corporate Services	2025
Housing Revenue Account Business Plan	Director of Place	2025

Good Governance Principle G: Implementing good practice in transparency, reporting and audit to deliver effective accountability

Policy, Framework or Review	Owner	Last Reviewed
Review of Internal Audit 2025/26	Internal Audit Manager	2026
External Audit Plan (2025/26)	Chief Finance Officer	2026

The following represents a copy of Schedule 1 as referred to in Appendix 3A

Core Principles of Good Governance – Self-assessment

(Note: the following table should be read in conjunction with the Local Code of Corporate Governance)

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for	**Behaving with integrity** ▪ Ensuring Members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation.	▪ Comprehensive Constitutional Review undertaken in 2025 ▪ Regular Constitutional Review monitoring ▪ Councillor Development Strategy and Councillor Development Panel ▪ Councillor Development Charter attained ▪ Wealden Council Values incorporated into the performance appraisal system for all employees. ▪ Declaration of Gifts / Hospitality ▪ Councillor Register of Interests ▪ Declaration of Interests is a standing item on agendas ▪ Staff Appraisal System ▪ Protocol for Member/ Officer Relationships ▪ Member Code of Conduct ▪ Officer Code of Conduct ▪ Role of Standards Committee and Standards Arrangements
	▪ Ensuring Members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and	▪ Council Strategy ▪ Service Plans ▪ Chief Executive leads regular Staff and Member Briefings ▪ Raising awareness of Nolan Principles (signage and displayed on screens in meeting spaces)

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce	understood. These should build on the Seven Principles of Public Life (the Nolan Principles)	
	▪ Leading by example and using these standard operating principles or values as a framework for decision making and other actions	▪ Wealden Council Values ▪ Mandatory training requirements for elected Members to be specifically trained before serving on Planning Committees and Licensing Committees ▪ Constitution sets out decision making practices ▪ Declarations of interests made at meetings ▪ The role of the Monitoring Officer and Standards Committee to provide oversight and uphold high standards of conduct ▪ Full Council support for LGA "Debate Not Hate" Campaign and "Great Get Together" (Jo Cox Foundation)
	▪ Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively	▪ Review and update of Anti-Fraud and Anti-Corruption Framework ▪ Register of Interests reviewed annually (Members and staff) ▪ Declarations of Interests recorded at meetings and reflected in published Minutes ▪ Whistleblowing and Speaking Up Policy and Toolkit ▪ Annual customer insights report to Cabinet includes reporting on complaints, Ombudsman findings and information requests ▪ Use of committee report template with key considerations including legal, finance, risk, resources, climate change, Local

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
adherence to ethical values and to respect the rule of law.		Government Reorganisation and equalities implications identified in all Council reports
	Demonstrating strong commitment to ethical values ▪ Seeking to establish, monitor and maintain the organisation's ethical standards and performance	▪ Member of CIPFA Better Governance Forum ▪ Standards Committee Work Programme ▪ Standards Arrangements ▪ Monitoring Officer Protocol
	▪ Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation	▪ Standards Arrangements ▪ Role of the Standards Committee
	▪ Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values	▪ Wealden Social Value Policy ▪ Standards Arrangements ▪ Procurement policy and approach include good governance and ethical conduct ▪ Annual declarations in relation to potential officer conflicts of interests ▪ Member Register of Interests Form with supporting guidance

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
	▪ Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation	▪ Procurement and Contracting Procedure Rules ▪ Partnership Guidelines and Principles in place ▪ Procurement Strategy ▪ Partnership Register ▪ Outside Body Feedback ▪ Whistleblowing and Speaking Up Policy and toolkit ▪ Data protection and ethical procurement requirements specifically built into contract specification
	Respecting the rule of law ▪ Ensuring Members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	▪ Constitution ▪ Role of Audit and Governance and Scrutiny and Performance Committees ▪ Role of Internal and external audit ▪ Legal considerations are mandatory in relation to all Cabinet and Committee reports ▪ Role of Statutory Officers ▪ Monitoring Officer Protocol in Constitution ▪ Code of Personal Conduct and Ethics ▪ Officers Code of Conduct

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
		▪ In-house legal team with representation across key specialisms ▪ WEALD Values ▪ Five Star Customer Standards ▪ Nolan Principles
	▪ Creating the conditions to ensure that the statutory officers, other key post holders and Members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements	▪ Compliance with CIPFA's Statement on the role of the Chief Financial Officer in Local Government (CIPFA, 2016) ▪ Section 151 Officer reports directly to the Chief Executive ▪ The Section 151 Officer and Monitoring Officer attend Corporate Management Team and Audit and Governance Committee ▪ The Section 151 Officer leads on the budget monitoring reports, financial strategy reports and can promote to the organisation the delivery of good financial management. In discharging this role, the Section 151 Officer is supported by a team of officers, including a deputy, and these arrangements ensure adequate resources to support the design and maintenance of sound financial governance arrangements ▪ Monitoring Officer Protocol in Constitution ▪ Role of Statutory Officers ▪ Role of Corporate Governance Group
	▪ Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders	▪ In house legal services team available to support the work of the Council and provide input into Cabinet and Committee reports

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
	▪ Dealing with breaches of legal and regulatory provisions effectively	▪ Monitoring Officer is part of the Corporate Management Team ▪ Legal team provide in-house advice and guidance
	▪ Ensuring corruption and misuse of power are dealt with effectively	▪ Corporate Governance Group – membership includes Statutory Officers ▪ Anti-Fraud and Anti-Corruption Framework ▪ Grievance and disciplinary procedures in place for officers ▪ Monitoring Officer and Standards Committee have oversight of Member conduct ▪ Whistleblowing and Speaking Up Policy
B. Ensuring openness and comprehensive	**Openness** ▪ Ensuring an open culture through demonstrating, documenting and	▪ Dedicated online engagement website Let's Talk Wealden which supports the Council's engagement with the Wealden community ▪ "Ask the Leader" ▪ Staff 'Idea Box'

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
stakeholder engagement Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as	communicating the organisation's commitment to openness	▪ Staff Briefings ▪ Regular performance reports to CMT and Cabinet ▪ 5 Star Customer Service Standards ▪ Freedom of Information publication scheme ▪ Publication of key information relating to the Council's finances including Revenue and Capital Budgets, Statement of Accounts, Annual Audit Letter, Fees and Charges. ▪ Webcasting of all Committee meetings which are made available for view on the website (unless exempt information) ▪ Publication of Wealden Weekly ▪ My Wealden: a self-service portal, designed to help residents, as well as customers living outside the district, to use our online services ▪ Remote Planning Speaking Capability
	▪ Making decisions that are open about actions, plans, use of resources, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided in	▪ Access to Information Procedures ▪ Forward Plan ▪ Contracts Register ▪ Annual Procurement Report includes list of exemptions ▪ Adherence to Transparency Code requirements

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
institutional stakeholders.	accordance with rules governing e.g. exemptions.	
	▪ Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear	▪ Decision making protocols ▪ Minutes of meetings published ▪ Committee report template including requirement to obtain professional advice in key areas ▪ Calendar maintained and published of reporting deadlines with active monitoring ▪ Access to Information Procedure Rules
	▪ Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action	▪ Tenant Involvement Strategy 2021-26 ▪ LetsTalkWealden online engagement hub and "Ask the Leader" ▪ Annual budget consultation ▪ Benefit Outreach Day ▪ Wealden Equalities Reference Group ▪ Regular Staff and Member Briefings ▪ Internal Equalities Group ▪ EDI Plan ▪ Equal opportunities statement ▪ EDI Framework 2024 to 2028 ▪ Reasonable Adjustments Policy for Customers

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
		▪ Wealden Dementia Alliance and Wealden Disability Involvement Group
	Engaging comprehensively with institutional stakeholders ▪ Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably	▪ Wealden Community Engagement Strategy ▪ Statement of Community Involvement ▪ Hosting annual Parish Conference ▪ Wealden has formed the Southern Water Local Authority Stakeholder Group which brings together more than 20 Councils from across the southeast, working with the Environment Agency, OFWAT and Southern Water. ▪ Wealden District Association of Local Councils ▪ Local Plan Consultation
	▪ Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	▪ Partnership Register ▪ Outside Body Feedback ▪ Wealden Community Lottery ▪ Wealden Strategic Partnership ▪ Safer Wealden Partnership ▪ Southern Water Local Authority Stakeholder Group ▪ My Alerts/ Wealden Weekly information sharing ▪ Shared services for Legal, Building Control and Environmental Health, Equalities. The Council is also part of the East Sussex Emergency Resilience Partnership.

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
		▪ Working with Hailsham Food Bank
	▪ Ensuring that partnerships are based on: ▫ trust ▫ a shared commitment to change ▫ a culture that promotes and accepts challenge among partners ▫ and that the added value of partnership working is explicit	▪ Wealden's Partnerships: Key principles established for successful partnerships
	Engaging stakeholders effectively, including individual citizens and service users ▪ Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.	▪ Online record of public consultations ▪ Feedback reports on public consultations ▪ Consultation responses included in relevant Council and Committee reports (for example, budget feedback) ▪ Tenant Involvement Strategy 2021 – 2026 ▪ Service User satisfaction surveys
	▪ Ensuring that communication methods are effective and that Members and officers are	▪ Cabinet Advisory Groups ▪ 5-star Customer Service Standards ▪ Member-Officer Protocol

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
	clear about their roles with regard to community engagement	▪ Social Media Protocol
	▪ Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs	▪ Development of EDI plan 2024-2028 ▪ Watch this Sp_ce: project to harness the power of inclusion to drive innovation ▪ Cost of Living Strategy ▪ Wealden Disability Involvement Group ▪ Wealden Together Housing Board
	▪ Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account	▪ Compliments, Complaints and Feedback ▪ Recording and monitoring of complaint learning outcomes ▪ Reports include feedback on options and consultation undertaken

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
	▪ Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity	▪ EDI Plan ▪ Watch this Sp_ce Project
	▪ Taking account of the interests of future generations of tax payers and service users	▪ Council Strategy ▪ Cabinet, Scrutiny and Audit reports ▪ Strategic Housing Needs Assessment
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits The long-term nature and impact of many of local government's responsibilities mean that it should define and plan	**Defining outcomes** ▪ Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions	▪ The Council Strategy. ▪ Medium Term Financial Strategy and Capital Programme ▪ Council's Values
	▪ Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer	▪ Community and Engagement Strategy ▪ Consultation exercises e.g. Climate Change Strategy ▪ Residents Surveys ▪ Let's Talk Wealden

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands	▪ Delivering defined outcomes on a sustainable basis within the resources that will be available	▪ Quarterly budget reports ▪ Quarterly performance monitoring reports ▪ Medium Term Financial Strategy
	▪ Identifying and managing risks to the achievement of outcomes	▪ Risk management policy and framework ▪ Risk assessments for specific projects ▪ Work of Internal and External Audit
	▪ Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available	▪ Annual Service Plans ▪ Performance Reporting ▪ How your Council Tax is Spent leaflet issued with annual Council Tax bills

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
when determining priorities for the finite resources available.	**Sustainable economic, social and environmental benefits** ▪ Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision	▪ Council Strategy ▪ Service Plans ▪ Capital Programme ▪ Medium Term Financial Strategy ▪ Treasury Management strategy
	▪ Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints	▪ Medium Term Financial Strategy ▪ Mandatory training (e.g. for the Planning Committee and Licensing Committee)
	▪ Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs	▪ Consultation and Engagement Strategy ▪ LetsTalkWealden Engagement Hub

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
	▪ Ensuring fair access to services	▪ Five Star Customer Standards ▪ Internet crystal mark awarded by the Plain English Campaign ▪ Watch this Sp_ce: project to harness the power of inclusion to drive innovation ▪ 24/7 Website offering extensive online services ▪ Corporate Complaints Processes aligned with the Ombudsman Codes ▪ Clear policies explaining the Council's processes and what customers can expect from the Council e.g. housing allocations policy, complaints policy ▪ Regular engagement with the Wealden Disability Involvement Group (WDIG) ▪ Translation and interpreting services available ▪ Read Speaker and enhanced zoom enabled website ▪ Benefits Outreach Days ▪ Internal Equalities Group ▪ Community Equalities Reference Group
D. Determining the interventions necessary to optimise the achievement of	**Determining interventions** ▪ Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated	▪ Options appraisals within key decision reports ▪ Legal, Financial, Risk and HR implications considered as part of every decision and evidenced within committee reports ▪ Climate Change impact and considerations embedded in all reports ▪ Individual risk assessment on larger projects e.g. Elections

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
the intended outcomes Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-	with those options. Therefore ensuring best value is achieved however services are provided	▪ Corporate Risk Register reported to Cabinet and Audit and Governance Committee
	▪ Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts	▪ Consultation outcomes incorporated within Council reports ▪ Corporate Complaints Procedure ▪ Annual Budget Consultation
	Planning interventions ▪ Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	▪ Calendar of meetings ▪ Forward Plan ▪ Annual work programmes for Audit and Governance and Scrutiny and Performance Committees
	▪ Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered	▪ Communications and Engagement Strategy ▪ Regular engagement through WDIG

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.	▪ Considering and monitoring risks facing each partner when working collaboratively including shared risks	▪ Performance Monitoring Cycle ▪ Service and Corporate Risk Registers – reviewed by Senior Leadership Team
	▪ Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances	▪ Report cycles allow flexibility to respond to changing priorities
	▪ Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured	▪ Council Strategy ▪ Service Plans ▪ Performance Management Framework ▪ Financial performance regularly measured through quarterly budget meetings and reporting
	▪ Ensuring capacity exists to generate the information required to review service quality regularly	▪ Performance management system ▪ Quarterly performance management reporting
	▪ Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan	▪ Clear alignment between corporate objectives and resources ▪ Regular budget monitoring analysis and reporting across all Council Services

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
	▪ Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy	▪ Medium Term Financial Strategy 2024-29 ▪ Capital Strategy – reports to Cabinet / Audit and Governance on performance / progress
	Optimising achievement of intended outcomes ▪ Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	▪ Annual Budget consultation ▪ Audit and Governance financial reporting cycle
	▪ Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term	▪ Full and detailed budgeting exercise ▪ Internal and External Audit review
	▪ Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage	▪ Medium Term Financial Strategy ▪ External auditor report gives assurance ▪ Quarterly budget reporting
	▪ Ensuring the achievement of 'social value' through service planning and commissioning.	▪ Social Value Strategy

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
	The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community…over and above the direct purchasing of goods, services and outcomes"	▪ Social value assessed as part of award process under procurement ▪ Social value embedded across the organisation through the Social Value Group ▪ Annual procurement report updates Members on social value achieved through procurement
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and	**Developing the entity's capacity** ▪ Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness	▪ Asset Management Strategy ▪ Commercial Strategy
	▪ Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently	▪ CIPFA benchmarking ▪ External Audit Use of Resources Statement
	▪ Recognising the benefits of partnerships and collaborative working where added value can be achieved	▪ Wealden Strategic Partnership ▪ South East Local Economic Partnership ▪ Significant commitment to partnership working

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
mind-set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in		▪ Partnership Register ▪ Joint working / shared services (East Sussex Procurement Hub, Environmental Health, Legal Services) ▪ Wealden Volunteering
	▪ Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	▪ People Strategy sets out the strategic Human Resources agenda for 2023 to 2027 focusing on three key cross-cutting strategic HR priorities which are: ▫ Be a Great Place to Work ▫ Grow our Own ▫ Help our Managers Lead the Way ▪ Leading Wealden management programmes across all levels of the organisation ▪ Commitment to apprenticeships including higher level apprenticeships ▪ Commitment to Continuing Professional Development ▪ Internal Coaching and Mentoring Framework for staff
	Developing the capability of the entity's leadership and other individuals	▪ The Constitution contains job descriptions for lead Members ▪ Officer Job descriptions/ person specifications ▪ Officer Member protocol within Constitution

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.	▪ Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained	▪ Monitoring Officer Protocol
	▪ Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body	▪ Constitution ▪ Scheme of Delegation ▪ Financial Procedure Rules ▪ Individual reports for major projects set out decision making basis so that this is open and transparent, particularly for new projects
	▪ Ensuring the Leader and the Chief Executive have clearly defined and distinctive leadership roles within a structure whereby the Chief Executive leads the council in implementing strategy and managing the delivery of services and other outputs set by Members and each provides a check and a balance for each other's authority	▪ Job description for Chief Executive ▪ Role profiles (including for Leader) in Constitution
	▪ Developing the capabilities of Members and senior management to achieve effective shared leadership and to enable the	▪ Regular meetings between Cabinet and Corporate Management Team ▪ Senior Leadership Training & Development Programmes

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
	organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: ▫ ensuring Members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged ▫ ensuring Members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis ▫ ensuring personal, organisational and system-wide development through shared learning, including lessons learnt	▪ SOLACE Springboard/ Development Programmes ▪ Attainment of Councillor Development Charter ▪ Induction programme for both staff and Members ▪ Annual staff appraisal ▪ Commitment to apprenticeships including those at a higher level and support for appropriate professional qualifications ▪ Presentations by service departments to Scrutiny and Performance Committee ▪ Operation of Cabinet Advisory Groups ▪ Member support through dedicated Democratic Services team ▪ Dedicated Learning and Development team and each department has a learning co-ordinator ▪ Officer training e.g. professional training, continuing professional development, management and leadership training ▪ Role of Internal Audit ▪ Councillor Development Strategy including training needs analysis

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
	from governance weaknesses both internal and external	
	▪ Ensuring that there are structures in place to encourage public participation	▪ Let's Talk Wealden ▪ Regular user satisfaction surveys ▪ Wealden Together Housing Board ▪ Wealden Disability Involvement Group ▪ Statement of Community Involvement sets out what consultation will take place when the Council is developing and reviewing its planning policy documents (including the new Local Plan) and when determining planning applications.
	▪ Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections	▪ Attainment of Member Development Charter ▪ Participation in Peer Reviews
	▪ Holding staff to account through regular performance reviews which take account of training or development needs	▪ Annual performance appraisals and probationary appraisals ▪ Capability procedure ▪ Regular Service Team Meetings and 1:1 Meetings

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
	▪ Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	▪ Gold Award Wellbeing At Work 2024 ▪ Employee Assistance Programme – Confidential Helpline ▪ Mental Health First Aiders ▪ Workplace Health Group ▪ Young Person's Network ▪ Menopause Workplace Pledge ▪ Wellbeing Hour Initiative ▪ Wellbeing Hub ▪ Carers Champions ▪ Council policies to support employees e.g. flexible working
F. Managing risks and performance through robust internal control and strong public financial management Local government needs to ensure that the organisations and governance	**Managing risk** ▪ Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making	▪ Risk Management Policy and Framework kept under review ▪ Risk management reported to Cabinet and Audit & Governance Committee ▪ Service and corporate risk registers ▪ Risk assessments on all projects
	▪ Implementing robust and integrated risk management arrangements and ensuring that they are working effectively	▪ Risk Management Policy and Framework ▪ Annual internal audit plan ▪ Emergency Plan and Business Continuity Planning ▪ Regular exercises to test the Emergency Plan, Rest Centre provision, Business Continuity Plan, Disaster Recovery and Cyber Security.

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and	▪ Ensuring that responsibilities for managing individual risks are clearly allocated	▪ Risks assigned with responsible owners ▪ Named officers for e.g. Health and Safety, Data Protection, Emergency Planning, Business Continuity
	Managing performance ▪ Monitoring service delivery effectively including planning, specification, execution and independent post implementation review	▪ Performance reported to Cabinet on a quarterly basis ▪ Departmental Service Plans ▪ Performance monitoring ▪ CIPFA Benchmarking
	▪ Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook	▪ Report template to Cabinet / Committees includes specific sections for analysis, options, risk, finance, and other relevant considerations ▪ Decision notices and minutes published in accordance with Access to Information Procedure Rules after meetings ▪ Commitment to being open and transparent in the way it serves the public and compliance with Transparency requirements
	▪ Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the	▪ Constitution defines roles and responsibilities of Scrutiny and Performance Committee and Audit and Governance Committee ▪ Regular briefings between the Chairs of Committees ▪ Annual work programme for Audit and Scrutiny Committees

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
addressed as part of all decision-making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability. It is also essential that a culture and structure for	organisation's performance and that of any organisation for which it is responsible	▪ Regular training sessions for committee members pertinent to that committee and the wider business and functions of the Council ▪ Recruitment of independent members for Audit and Finance Committee
	▪ Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement	▪ Annual timetable / calendar of meetings ▪ Forward Plan of upcoming decisions ▪ Work programmes for Cabinet and Committees
	▪ Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements)	▪ Contract Procedure Rules ▪ Procurement and Contract Procedure Rules ▪ Financial Procedure Rules ▪ Annual accounts and Statement of Accounts ▪ External auditor reports
	Robust internal control ▪ Aligning the risk management strategy and policies on internal control with achieving the objectives	▪ Internal Audit Plan ▪ Regular reports from Internal Audit to Audit & Governance Committee

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
scrutiny is in place as a key part of accountable decision-making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.	▪ Evaluating and monitoring the authority's risk management and internal control on a regular basis	▪ Risk Management Policy and Framework reported to Cabinet and Audit and Governance Committee ▪ Internal Audit Review of Effectiveness ▪ Annual Governance Statement ▪ External Audit Annual Report
	▪ Ensuring effective counter fraud and anti-corruption arrangements are in place	▪ Anti-fraud and anti-corruption Framework ▪ Whistleblowing and Speaking up policy ▪ Reporting to Audit and Governance Committee on counter fraud activity
	▪ Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor	▪ Role of the Internal Audit Service ▪ Regular reporting to Corporate Governance Group and Audit and Governance Committee
	▪ Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body:	▪ Role of the Audit and Governance Committee

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
	-provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment -that its recommendations are listened to and acted upon	
	Managing data ▪ Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data ▪ Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies ▪ Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	▪ Designation of Senior Information Risk Owner ▪ Designation of Data Protection Officer, Deputy Data Protection Officer and dedicated Information Governance Team. ▪ The Council has a suite of policies covering information and data security designed to keep data held by the Council protected. ▪ Information Governance Framework and Panel ▪ Data Mapping Project ▪ Information Security Incident Management Policy ▪ ICT Access and Password Policy ▪ ICT Security Guidance ▪ Acceptable Use Policy for Internet, Email & Telephone ▪ PSN Acceptable Use Policy ▪ Data Protection: key information relating to the management of data is made available. ▪ Data Sharing Agreements are in place to document the sharing of information with partner and other organisations.

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
		▪ Procedures are in place for the reporting, monitoring and review of data breaches. ▪ All officers are required to undertake mandatory e-Learning training on information governance including data protection and cyber crime/security. This is also rolled out to Members. ▪ Performance Management Framework
	Strong public financial management ▪ Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance	▪ Finances of the Council
	▪ Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	▪ Embedded financial management process covering process from beginning to end ▪ Budget Scrutiny Working Group in operation ▪ Annual Star Chamber Process to examine all service budgets ▪ External audit review ▪ Finance considerations mandatory part of reports
		▪ Internet Crystal Mark awarded by the Plain English Campaign

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and	**Implementing good practice in transparency** ▪ Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate ▪ Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand	▪ Publication of reports and decisions on website in accordance with access to information procedure rules ▪ Transparency: The Council is committed to being open and transparent in the way it serves the public. ▪ Report template available for all Council / Committee reports ▪ Roles of Audit and Governance and Scrutiny and Performance Committees
	Implementing good practices in reporting ▪ Reporting at least annually on performance, value for money and the stewardship of its resources	▪ Annual performance report that supplements quarterly performance and budget reports ▪ External Audit - Value for money opinion ▪ Statement of Accounts ▪ Work of Internal Audit
	▪ Ensuring Members and senior management own the results	▪ Constitution sets out responsibilities for functions

Principles of good governance **(in bold)**	Sub-principles **(in bold)** and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.		▪ Each portfolio holder operates a Cabinet Advisory Group and has regular portfolio holder briefings with officers ▪ Senior management subject to appraisal process
	▪ Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)	▪ Annual Governance Statement ▪ Local Code of Corporate Governance ▪ Dedicated public facing Governance webpage
	▪ Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate	▪ Shared Service Agreements ▪ Annual Governance Statement
	▪ Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations	▪ CIPFA benchmarking ▪ Regular performance reporting to CMT and Members

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
	Assurance and effective accountability ▪ Ensuring that recommendations for corrective action made by external audit are acted upon ▪ Ensuring an effective internal audit service with direct access to Members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon	▪ Process for the assessment and follow-up for all Internal and External Audit recommendations ▪ Appointment of 2 independent members to the Audit and Governance Committee in line with external auditors' recommendations ▪ Annual Opinion on the Control Environment report from Internal Audit ▪ Compliance with GIobal Internal Audit Standards ▪ Annual review of effectiveness of internal audit reported to Audit and Governance Committee ▪ Annual Governance Statement Action Plan and follow up
	▪ Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	Welcome and proactive approach to external peer challenge e.g. LGA Corporate Peer Review (2024) and LGA Peer Review of Housing Services. Commitment to implementation of recommendations following these reviews.
	▪ Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement	▪ Annual Governance Statement ▪ Risk management reporting ▪ Performance report ▪ Requirement for performance information to management is specified in contract specification.

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence for 2025/26
	▪ Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.	▪ Partnership arrangements/ register

Appendix B



Local Code of Corporate Governance

Wealden District Council

Wealden
District Council

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Local Code of Corporate Governance

1. Introduction

Corporate governance is a term used to describe the way that organisations direct and control what they do. For local authorities, it includes the systems, policies and processes as well as the cultures and values that underpin a Council's arrangements for effective:

- Leadership
- Management
- Performance
- Delivery of positive customer outcomes
- Community engagement
- Stewardship of public money

2. Good Governance

Wealden District Council ("the Council") is committed to the principles of good corporate governance identified in the CIPFA/SOLACE guidance "*Delivering Good Governance in Local Government*" and the addendum to this guidance published in May 2025 ("Good Governance Framework"). This Good Governance Framework sets out seven core principles of governance as detailed in the diagram below, and illustrates that good governance is dynamic, and involves continuous evaluation and review.

Good Governance Framework - Core Principles:

Core Principle A: Behaving with integrity, demonstrating commitment to ethical values and respecting the rule of law.

Core Principle B: Ensuring openness and comprehensive stakeholder engagement.

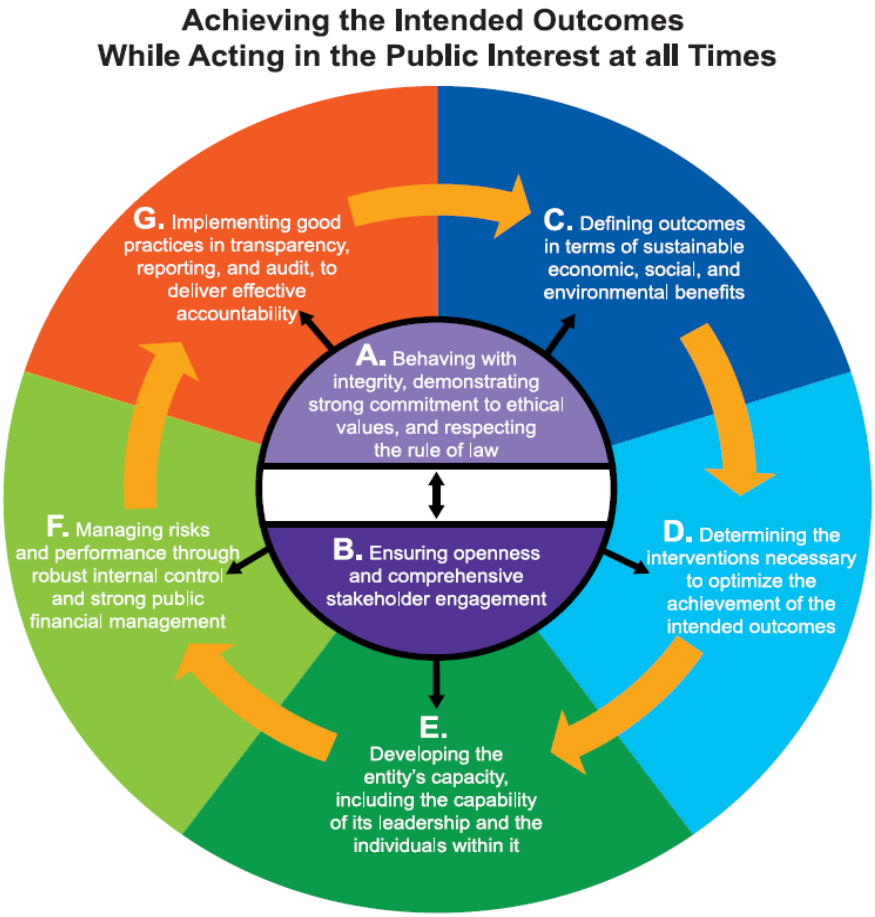
Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits.

Core Principle D: Determining the interventions necessary to optimise the achievement of outcomes.

Core Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it.

Core Principle F: Managing risks and performance through robust internal control and strong public financial management.

Core Principle G: Implementing good practices in transparency, reporting and audit, to deliver effective accountability.



This document sets out the Council's Local Code of Corporate Governance ("Local Code") and the processes for monitoring its effectiveness. The Local Code provides the framework for the Council to achieve its aims and objectives**. It applies to all staff, elected Members and any person, agent, contractor or other body carrying out functions on behalf of the Council.**

The Council's Monitoring Officer (and Deputy in their absence) shall be responsible for:

- Overseeing the implementation and monitoring the operation of the Local Code;
- Reviewing the operation of the Local Code in practice on an annual basis;
- Reporting annually to the Audit~~, Finance~~ and Governance Committee and Full Council on compliance with the Local Code and any changes that may be needed to ensure its effectiveness in practice;
- Reporting any significant revisions to the Local Code to stakeholders.

3. Nolan Principles: 7 Principles of Public Life

Good governance and this Local Code are underpinned by the Seven Principles of Public Life (also known as the Nolan Principles) which outline the ethical standards those working in the public sector are expected to adhere to. The principles are:

Selflessness	Holders of public office should act solely in terms of the public interest.
Integrity	Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
Objectivity	Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
Accountability	Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
Openness	Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty	Holders of public office should be truthful.
Leadership	Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

4. Applying the Core Principles of Good Governance

The following table outlines how the Council will meet the core principles in the Good Governance Framework and summarises the systems, policies and procedures it already has in place to support this.

The headings below fully reflect the CIPFA / SOLACE model and compliance against the Core Principles will be reviewed annually and the outcomes incorporated into a revised Annual Governance Statement for the last accounting year.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	
Supporting Principles	**How do we achieve this?**
❖ Behaving with integrity openness, support and respect ❖ Demonstrating strong commitment to ethical values ❖ Respecting the rule of law	❖ **The Council's Constitution:** sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these decisions are efficient, transparent and accountable to local people. The Constitution is the subject of regular review to ensure it continues to operate as an effective and efficient framework for democratic decision-making. ❖ **Chief Executive:** It is the role of the Chief Executive, also known as the Head of Paid Service, to ensure that all the Council's functions are properly co-ordinated as well as organising staff and appointing appropriate management. ❖ **The Monitoring Officer:** It is the role of the Monitoring Officer to report on matters they believe to be illegal or amount to maladministration, to be responsible for matters relating to the conduct of councillors and officers and, to be responsible for the operation of the council's constitution. In Wealden, the monitoring officer is the Chief Legal and Governance Officer.

	❖ **Section 151 Officer: s**ection 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and appoint a S151 Officer. In Wealden, the S151 Officer is the Chief Finance Officer. ❖ **Corporate Management and Senior Leadership Teams (CMT/SLT):** CMT brings together the Council's Chief Executive and Directors. CMT/SLT sets the culture and tone for the organisation underpinned by the Council's values. **Council's Values**



- **Member and Officer Codes of Conduct:** these set out the principles of conduct expected of all councillors and officers, which reflect the Nolan Principles.
- **Anti-fraud and Anti-corruption framework:** The Anti-Fraud and Anti-Corruption Framework sets out the policies of the Council with regard to fraud, corruption and malpractice.

	❖ **Whistleblowing:** The Council has a Whistleblowing and Speaking Up Policy and Toolkit for Managers which enables individuals to raise genuine concerns about malpractice or unlawful conduct in the workplace. The Council is committed to the highest possible standards of corporate governance including openness, probity and accountability in the delivery of its services to the people who live and work within the District. It is also committed to the prevention, deterrence, detection, and investigation of all forms of malpractice or unlawful conduct. The Policy is kept under review by the Monitoring Officer and reported to the Corporate Management Team. ❖ **Learning and Development –** Regular training on governance and the Code of Conduct provided to Members. Also see Principle E ❖ **Register of gifts and Hospitality;** maintained for councillors and staff ❖ **Register of Interests:** maintained for councillors and staff ❖ **Housing Ombudsman (HO)/ Local Government and Social Care Ombudsman (LGSCO):** Annual reporting to Cabinet of decisions from the LGSCO and HO. ❖ **Equality, Diversity and Inclusion (EDI):** see Principle B. ❖ **Standards Arrangements:** for dealing with Code of Conduct complaints against Councillors. ❖ **Standards Committee:** Supports the Monitoring Officer in promoting and maintaining high standards of conduct by Councillors and Co-opted Members.

Principle B: Ensuring openness and comprehensive stakeholder engagement	
Supporting Principles	**How do we achieve this?**
❖ Openness ❖ Engaging comprehensively with institutional stakeholders ❖ Engaging with individual citizens and service users effectively	❖ **Engagement and communication:** The Council is committed to effective engagement and meaningful consultation with our communities. The Council recognises the importance of effective stakeholder engagement and has developed a range of opportunities for customers to help shape the work we do, the services we deliver and the places within they live and work. Examples include: online engagement hub "LetsTalkWealden" and "Ask the Leader" which allows residents to ask about policies, or other matters involving the Council ❖ **Partnership Working:** The Council takes a lead role in working with partners to greater benefit the district as a whole. This includes ongoing work with parish and town councils, the voluntary sector and stakeholders to focus on delivering effective and joined up solutions and improvements to priority issues for the local area. Examples include: - Wealden Strategic Partnership; Safer Wealden Partnership; Wealden Weekly/ MyAlerts; Benefit Outreach Days; The Wealden Dementia Alliance and the Welden Disability Involvement Group; Wealden Community Equalities Reference Group; Annual Parish Conference; Wealden District Association of Local Councils; Wealden Community Lottery; Cost of Living Strategy; Wealden Community Lottery and Tenants Together Housing Board. ❖ **Equality, Diversity and Inclusion (EDI):** The Council has an EDI plan which sets out a roadmap of the Council's proposed approach to improving equality, diversity and inclusion over the four-year period (2024–2028). ❖ **5 Star Customer Service Standard:** The Council is committed to delivering a 5 Star Customer Service Standard developed to identify and deliver best practice in all we do for our customers.

	❖ **Complaints:** The Council has a clear and transparent procedure for dealing with complaints and aims to provide a positive complaint handling culture. The Council's procedures comply with the LGSCO and HO complaint handling codes. ❖ **Residents Consultation and Focus Groups on Local Government Reorganisation** ❖ **Annual Governance Statement (AGS):** The AGS monitors, evaluates and identifies areas of future focus and improvement in relation to the Council's governance arrangements. ❖ **Public Meetings/ Webcasting:** meetings are open to the public for all items apart from those exempt from publication and are normally livestreamed so all residents can view remotely. ❖ **Public Participation:** The public can attend meetings of the Council and its Committees (except where personal or confidential matters are being discussed), petition the Full Council, see reports and records of decisions made by the Council and Cabinet, inspect the Council's accounts, ask questions to Members in accordance with the Council's Procedure Rules and public speaking rights exist in relation to planning committees. ❖ **Forward Plan:** publication of a Forward Plan each month which sets out a list of key decisions (those incurring significant expenditure, savings or effect on communities) to be made by Cabinet or Individual Cabinet Members/Portfolio Holders during the next four months. ❖ **Wealden and Tenants Together Housing Board** to enable the voice of tenants to be heard and considered in the provision and development of the Council's Housing Services. ❖ **Contracts Register:** maintained by the East Sussex Procurement Hub. ❖ **Tenant Involvement Strategy 2021-2026**

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits; and **Principle D: Determining the interventions necessary to optimise the intended outcomes**	
Supporting Principles	**How do we achieve this?**
❖ Defining Outcomes ❖ Sustainable economic, social and environmental benefits ❖ Determining interventions ❖ Planning interventions	❖ **Council Strategy:** Wealden District Council 2023 - 2027 sets out the Council's mission and priorities. ❖ **The Council's Constitution:** see Principle A ❖ **The Policy and Budget Framework:** set out in the Council's Constitution ❖ **Performance Management Framework:** the Council has developed a strong performance management culture across the organisation. A place-based performance management framework is a combination of activities, performance indicators and outcome measures that evidence how the Council's work impacts on and improves the district's infrastructure and environment and the lives of our residents. ❖ CIPFA Audit Committee self-assessment conducted annually. ❖ **Risk Management and monitoring:** See Principle F.

❖ Optimising achievement of intended outcomes	❖ **Procurement and Social Value:** Social value outcomes are embedded in all procurement. The East Sussex Procurement Hub is committed to providing Social Value within the delivery of its services and projects, where possible, for the benefit of the local communities. This is reflected in a Social Value Policy. ❖ **Financial Planning** – see Principle F ❖ **Forward Plan**: see Principle B ❖ **Relevant Considerations:** report templates and consultation processes ensure that all committee reports incorporate key information on factors such as legal, financial, resources which are used to identify areas of concern and plan required interventions.

Principle E: Developing the entity's capacity including the capability of its leadership and the individuals within it.	
Supporting Principles	**How do we achieve this?**
❖ Developing the entity's capacity ❖ Developing the capability of the entity's leadership and other individuals	❖ **People Strategy:** sets out the strategic Human Resources agenda on key cross-cutting strategic HR priorities. ❖ **Learning and Development:** The Council is committed to developing its staff by providing appropriate professional development and training opportunities. The Council operates a comprehensive induction and training programme for councillors and staff. All Officers are required to complete mandatory e-learning courses including health and safety, equalities and diversity, data protection and information governance. Officers and Councillors have access to a range of learning

	opportunities. It has locally been determined, in line with good practice, that mandatory training is provided for Members who sit on planning and licensing committees. Other member-led training is available and gives Members the opportunity to build on existing skills and knowledge in order to carry out their roles effectively. ❖ **Performance Monitoring:** the Council has an annual appraisal system which includes mid-year performance reviews. This allows for the assessment of workloads and performance and identification of development needs. ❖ **Protocol for Member / Officer Relationships and Officer Scheme of Delegation:** as set out in the Constitution. ❖ **Code of Practice on Good Governance for Local Authority Statutory Officers:** adopted and appended to Constitution. ❖ **Monitoring Officer Protocol:** adopted and set out in Constitution. ❖ The Solace/CIPFA/LLG Code of Practice for Good Governance for Local Authority Statutory Officer and The Golden Triangle: Governance Roles and Responsibilities forms part of the Constitution.

Principle F: Managing risks and performance through robust internal control and strong public financial management	
Supporting Principles	**How do we achieve this?**
❖ Managing risk ❖ Managing performance ❖ Robust internal control ❖ Managing data ❖ Strong public financial management.	❖ **Risk Management:** The Council has a Risk Management Policy and Framework which acknowledges that managing risk is the responsibility of everyone; it is at the heart of the council's culture and values. It offers staff and members guidance to help ensure there is an effective, robust, consistent and communicated way of managing risk. It sets out the most significant corporate risks to the Council in the context of multiple risks identified and managed within each service area. It also alerts the Council to new or increasing risks that may impact our ability to serve our residents and wider community. The Corporate Risk Register is reported regularly to the Audit and Governance Committee and Cabinet. The Corporate Governance Group reviews the effectiveness of arrangements. ❖ **Internal Audit:** See Principle G. ❖ **External Audit:** External Audit work programme and statutory reporting. ❖ **Audit and Governance Committee:** monitors and reviews the effectiveness of the authority's internal controls, risk management and financial reporting holds internal and external audit to account. ❖ **Scrutiny and Performance Committee:** includes a Budget Scrutiny Working Group to lead on scrutinising the Council's budget and budget setting process. ❖ **Financial Management:** The council undertakes a "star chamber" approach to its budget setting and produces a Medium Term Financial Strategy ("MTFS") which sets out how the Council will use its financial resources to meet the priorities identified within the Council Strategy. It draws together the strategic planning priorities, demand and resource forecasts and impact of the wider service delivery environment to produce a costed plan for the impact of proposed policies and plans on the medium-term financial sustainability of the

	Council. This medium term financial planning process is critical to ensuring that the Council has an understanding of the likely level of available resources and the potential costs of delivering services, identifying budget shortfalls at the earliest opportunity to ensure appropriate action can be taken in advance. The council undertakes quarterly budget monitoring to monitor spend against planned budgets and its MTFS. ❖ **Data Management:** The Council has a designated data protection officer, a Senior Information Responsible Owner and a dedicated Information Governance team. There are clear and established processes for ensuring data is handled appropriately and ensuring compliance with Data Protection legislation. ❖ **Performance Management:** See Principles C and D

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability	
Supporting Principles	**How do we achieve this?**
❖ Implementing good practice in transparency	❖ **Annual Governance Statement** ❖ **Transparency**: publishing information in compliance with the requirements of the Local Government Transparency Code 2015 ❖ **External Audit** ensuring that recommendations made by external audit are acted upon.

❖ Implementing good practices in reporting ❖ Assurance and effective accountability	❖ **Internal Audit:** Adds value to the organisation and its stakeholders by considering strategies, objectives and risks; strives to offer ways to enhance governance, risk management and control processes; and objectively provides relevant assurance. Provides an annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control. Monitors and follows up on the implementation of recommendations agreed by management. Undertakes its work in accordance with the Global Internal Audit Standards (UK Public Sector). ❖ **Place based performance monitoring:** in support of the Council's commitment to be open, honest and transparent with our residents, the Council has developed themed data portals to make information on performance complete, accessible, understandable and timely for a wider audience to reach. ❖ **Information Governance: see Data Management under Principle F.** ❖ **Peer Review:** The Council is committed to continuous improvement and is committed to learning and arising from external challenge such as via Local Government Association Peer Reviews. ❖ **Public participation:** see Principle B. ❖ **Corporate Governance Group:** consists of the statutory officers, the Internal Audit Manager and Investigations Manager and reviews, monitors, and advises on the Council's corporate governance practices, processes, and procedures.

5. Monitoring the Framework

The effectiveness of the governance arrangements set out above will be considered during the preparation of the Annual Governance Statement.

The Annual Governance Statement will be reported to and approved by the Audit and Governance Committee. It will include a statement as to whether the governance arrangements are adequate and working effectively in practice or identify any significant gaps in the governance arrangements and if so, require an improvement plan to be prepared that details the action to be taken to address any weaknesses.

Once approved, the Annual Governance Statement will be published alongside the Statement of Accounts.