NORTH YORKSHIRE COUNCIL

STATEMENT OF ACCOUNTS 2025/26

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NARRATIVE REPORT

INTRODUCTION

1. North Yorkshire Council's accounts for the year ended 31st March 2026 are presented in the format laid down in *The Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (The Code):* issued by the Chartered Institute of Public Finance and Accountancy and in accordance with the International Accounting Standards Board framework for the preparation and presentation of financial statements as interpreted by The Code. The Code is based upon International Financial Reporting Standards (IFRS).

(a) **the Narrative Report;** the purpose of this Report is to act as a guide to the most significant matters impacting on the Council's finances. It gives an indication of where the Council's money comes from, what it is spent on and what services it provides as well as its financial position and assisting in the interpretation of the accounting statements.

(b) **the Independent Auditor's Report;** this explains the auditor's responsibilities in relation to the Statement of Accounts. It also expresses an opinion on the Accounts and shows how this opinion was reached. The report also gives a conclusion on value for money in terms of the arrangements for securing economy, efficiency and effectiveness.

(c) **the Statement of Responsibilities for the Statement of Accounts;** this outlines the Council's responsibilities for the Accounts under local government legislation and any other requirements. It also shows the legal and professional responsibility for the Accounts of the Corporate Director - Resources.

(d) **the Statement of Accounting Policies;** which explains the principles, bases, conventions and rules applied by the Council in preparing the Statement of Accounts.

(e) **the Comprehensive Income and Expenditure Statement;** this shows the Net Cost of the Services provided by the Council and how this has been financed from general government grants and local tax payers. This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting principles, rather than the amount to be funded from taxation.

(f) **the Movement in Reserves Statement;** this statement shows the movement in the different reserves held by the Council over the year. The statement is analysed into usable reserves, those that can be applied to fund expenditure or reduce local taxation, and other unusable reserves.

(g) **the Balance Sheet;** this is a statement of the financial position of the Council and shows the Balances and Reserves at the Council's disposal, its long term indebtedness and the long term and net current assets employed in its operations.

(h) **the Cash Flow Statement;** this statement shows the changes in cash and cash equivalents of the Council during the financial year. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

(i) **notes to the Core Financial Statements;** these provide further details and explanation of the figures included in the Core Financial Statements.

(j) **the Housing Revenue Account Income and Expenditure Statement;** this Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the

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year, on the basis on which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

(k) movement on the Housing Revenue Account (HRA) Statement; which shows how the HRA Income and Expenditure Account surplus or deficit for the year reconciles to the movement on the HRA Balance for the year.

(l) the Collection Fund (England) Statement; this shows income and expenditure relating to Council Tax and National Non-Domestic Rate Collection.

(m) Group Accounts; the Council conducts some of its activities through partnerships and separate undertakings. Some of these are not directly reflected in the statements (e) – (i) above on the basis of materiality. These Group Accounts are required to present a full picture of the Council's economic activities and financial position in order to support the primary financial statements.

(n) the North Yorkshire Pension Fund Accounts; which show the income and expenditure of the North Yorkshire Pension Fund together with the financial position of the Fund on 31st March 2026.

(o) the Annual Governance Statement; this sets out the framework within which financial control and corporate governance is managed and reviewed by the Council and the main components of the system. It also reports on significant identified weaknesses and the actions undertaken to rectify these.

OVERVIEW

2. 2025/26 is the third year of the new unitary council and our transformation journey has continued. Like 24/25 there have been many challenges over the last year – balancing cost pressures alongside continuing work to converge services.

In total we finished the year with a net over-spend of just over £1m, but this very much belies the cost pressures we have being managing over the year. Our quarter 4 report highlighted the high demand in children's services which, despite the £12m growth already applied to the budget and some additional funding, has resulted in an overall overspend of £11.3m for the year.

Our Health and Adult Services have also been subject to cost pressures, particularly in long-term nursing and residential care – a final over-spend of £3.6m in total. Work to stabilise these costs through reviews of high-cost care packages and income from NHS partners have seen positive results.

Other services have been subject to a range of variances both positive and negative and these, together with prudent financial planning have helped to largely contain the pressures in our children's and adults' services.

We have also been working hard to drive out further benefits of unitarisation with £30m savings delivered in the year.

Our capital spending has also been subject to challenges over the year – on-going inflationary pressures and delays in progressing some schemes resulted in an overall net underspend of £3.3m which has been carried forward to 2026/27.

The Statement of Accounts also includes our Annual Governance Statement - it sets out the framework within which financial control and corporate governance is managed and reviewed by the Council and the main components of the system. It also reports on significant issues and the actions we intend to take forward into 2026/27 to address these.

North Yorkshire is the largest county in England – covering 8,654 km^2 with an estimated population of over 620k. The Council is responsible for many key local services and is organised into 5 directorates, each responsible for a range of services:

- Children and Young People's Service - including the safeguarding of children, looked after children, services to vulnerable children and young people and their families and adoption and 5 fostering services; early years and pre-school, mainstream schools and education, special educational needs provision, school improvement, raising the participation age, youth services and career advice, and traded services.

- Health and Adult Services - including services for older people, people with physical or learning disabilities, public health, mental health services, child health related matters and drug and alcohol matters.

- Environmental Services – including: highways and transportation, parking, street scene, parks and grounds; environmental services and climate change; integrated passenger transport, licensing. Public rights of way and harbours; regulatory services, registration, bereavement and coroners.

- Community Development – including: planning; economic development, regeneration, tourism and skills; culture, libraries and leisure; housing; and economic partnership unit.

- Central Services – including: customer, revenues and benefits; property, procurement and commercial service; transformation; technology; finance; local engagement; human resources and business support, legal and democratic services.

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SUMMARY OF REVENUE SPENDING

3. The main components of the final Budget for 2025/26 and a comparison with the actual position are set out below:-

	Final Budget £m	Actual £m	Variation £m
Directorate Net Expenditure			
Children and Young People's Service	129.7	141.0	11.3
Environmental Services	116.8	116.3	(0.5)
Health and Adult Services	265.2	268.8	3.6
Resource, Central Services and Corporate Miscellaneous	158.4	152.5	(5.9)
Community Development	35.3	32.0	(3.3)
Corporate Misc	(64.5)	(68.7)	(4.2)
Total Directorate Net Expenditure	640.9	641.9	1.0
Financed by:			
Business Rates	141.8	141.8	0.0
Council Tax Revenue	494.2	494.2	0.0
Contribution from Reserves	4.9	4.9	0.0
Total	640.9	640.9	0.0
(Deficit) / Surplus in Year	0.0	(1.0)	(1.0)
General Working Balance			
Start of Year	55.3	55.3	0.0
(Deficit) / Surplus in Year	0.0	(1.0)	(1.0)
Transfer to Earmarked Reserves	0.0	(10.5)	(10.5)
Transfers (to) / from Strategic Capacity Reserve	0.0	(0.5)	(0.5)
Closing Balance	55.3	43.3	(12.0)

The spending, financing and surplus figures reported above are not the same as those reported in the Comprehensive Income and Expenditure Statement. This is because of a number of statutory accounting transactions that are required to be reflected in the Comprehensive Income and Expenditure Statement. A brief reconciliation of the two sets of figures are as follows:-

	Net Position £m	Funding £m	Net £m
Council's Actual Directorate Net Expenditure	641.9	(640.9)	1.0
*Different treatment of some Government Funding	11.1	(11.1)	0.0
Other required accounting entries reflected in the Income and Expenditure Statement			
- Capital Accounting	69.6	(112.5)	(42.9)
- NNDR Collection Fund Accounting	0.0	(1.7)	(1.7)
- Accumulated Absences Adjustment	(0.4)	0.0	(0.4)
- Pension Accounting	(18.0)	0.0	(18.0)
- Financial Instruments	(0.2)	0.0	(0.2)
- Dedicated Schools Grant (DSG) Adjustment Account	6.9	0.0	6.9
- Movement in Earmarked Reserves	(3.0)	(7.5)	(10.5)
Net expenditure / funding and surplus per Comprehensive Income and Expenditure Statement	707.9	(773.7)	(65.8)

* Refers to non-ringfenced grants reported within revenue budgets.

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WHAT THE MONEY IS SPENT ON AND HOW IT IS FINANCED

4. The following table sets out how the money was spent:-

	2025/26 £m	2024/25 £m
Children and Young People's Service	570.6	579.3
Environmental Service	233.8	293.1
Health and Adult Services	456.6	448.8
Resources and Central Services	248.0	263.3
Community Development Service	73.6	144.6
Housing Revenue Account	69.1	33.9
Corporate Miscellaneous	61.7	12.7
Gross Cost of Services	1,713.4	1,775.7
Precepts Paid to Other Authorities	13.4	12.0
Interest Payable	28.3	29.5
Capital Adjustment Account Movements	42.9	(128.0)
IAS 19 Pension Adjustments *	0.0	0.0
Financial Instruments	0.0	(0.5)
DSG Adjustment Account	0.0	0.2
Reserve Movements	27.1	55.9
Loss on Disposal of Fixed Assets	15.7	48.9
Corporate Trading Account Deficit	0.0	0.0
Accumulated Absences Adjustment	0.4	(0.4)
= Actual Spending financed from Income, Government Grants, Council Tax, Business Rates and other Government funding	1,841.2	1,793.3

* This figure represents the Actual Employer Contributions made to the Pension Fund, less the current service costs (as determined by the Council's actuary) less Early Retirement costs.

5. The following table sets out the sources of finance:-

	2025/26 £m	2024/25 £m
Government Specific Grants		
- Dedicated Schools Grant	356.0	317.7
- Other Specific Grants	298.7	289.8
Council Tax Revenue	508.6	471.3
Fees and Charges etc.	376.3	424.5
Business Rates Receipts	91.7	139.9
Capital Grants	112.5	88.7
Other General Government Funding	60.8	20.6
Interest and Investment Income	32.2	37.7
Financial Instruments	0.2	0.0
Corporate Trading Account Surplus	0.6	0.7
IAS Pension Adjustments *	1.6	1.2
Dividends Received	2.0	1.2
	1,841.2	1,793.3

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6. The Council employed 12,077 full time equivalent staff at the end of the financial year and a breakdown across Service Directorates is as follows:

	2025/26		2024/25	
	No.	No.	No.	No.
Resources and Central Services		2,430		2,415
North Yorkshire Education Service		521		534
Children and Young People's Service				
Schools	3,412		3,544	
Other	1,132	4,544	1,112	4,656
Environment Service		1,743		1,777
Health and Adult Services		1,482		1,521
Community Development		1,357		1,300
		12,077		12,203

CAPITAL EXPENDITURE

7. In 2025/26 the Council spent £219.3m on capital expenditure and a comparison with the original and revised Capital Plan is set out below:-

	2025/26		2024/25	
	Revised Budget £m	Actual £m	Revised Budget £m	Actual £m
Capital Plan	268.8	219.3	232.1	178.6
Other expenditure on fixed assets funded directly from the revenue budget	0.4	4.2	0.4	0.8
	269.2	223.5	232.5	179.4

Actual Capital Plan spending was therefore £219.3m compared with a Revised Capital Plan of £268.8m approved in February 2026.

In addition, £4.2m (£0.8m 2024/25) was spent on Fixed Assets from Directorate revenue budgets, principally on works to property. The above Capital expenditure was funded as follows:-

	2025/26 £m	2024/25 £m
Borrowing		
- from external sources	0.0	0.0
- from internal sources (cash balances)	8.8	8.7
Grants from Government Departments	146.1	125.0
Contributions from External Bodies	3.8	6.4
Capital Receipts from Sale of Assets etc.	7.8	2.6
Direct Revenue Funding	52.8	35.9
	219.3	178.6
Expenditure on Fixed Assets funded directly from Revenue	4.2	0.8
	223.5	179.4

8. The major part of this capital expenditure related to spending on programmes in Community Development and Environmental Services. There were several large individual schemes including Kex Gill (£22.7m), Catterick Garrison Town Centre (£7.9m), Transforming Cities Skipton (£3.3m) and Superfast Broadband (£6.5m).

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9. Total outstanding borrowing for capital purposes as at 31st March 2026 was £556.4m, which includes both external borrowing and borrowing from internal sources and consists of the following:-

	2025/26 £m	2024/25 £m
External Borrowing		
Public Works Loans Board (PWLB)	340.4	352.1
Other Institutions	10.0	15.0
Total External Borrowing	350.4	367.1
Temporary Borrowing from Internal Cash Balances	206.0	201.4
Total Capital Spending funded by borrowing	556.4	568.5
PFI and Leases	150.5	154.5
Total Borrowing	706.9	723.0

The Capital Financing Requirement (CFR) at 31st March 2026 was £706.9m which includes the Capital Borrowing Requirement of £556.4m reported above together with other long term Private Finance Initiative (PFI) and finance lease liabilities of £150.5m.

LOCAL GOVERNMENT PENSION FUND

10. This Statement of Accounts includes a section on the Accounts of the North Yorkshire Pension Fund. The impact of the Council's participation in this Fund is reflected in the Council's Accounts based upon the requirements of IAS 19 Employee Benefits. IAS 19 requires that pension costs are recorded in the year in which the benefit entitlements are earned by the employees rather than the year in which the pensions and employers' contributions are actually paid. Also, any net liability arising from a deficit on the Pension Fund should be reflected on the Balance Sheet as calculated under the prevailing market conditions.

11. The results of the 2022 Triennial Valuation were produced in 2022/23 when the Actuary completed a detailed analysis of the Fund's liabilities. These results were used to determine the employer contributions from 2023/24 to 2025/26. The IAS 19 calculations for 2025/26 are based on the 2022 Triennial Valuation and any changes that have occurred since then.

The assets of North Yorkshire Pension Fund increased in value by 4.76% over the year. Full details of the management of the Fund and its investment performance are available in the Annual Report of the Fund.

12. The total reported pension liability of the Council stood at £5.7m as at 31st March 2026. This has decreased by £0.5m from an opening liability of £6.2m.

The North Yorkshire Pension Fund has an investment strategy in place to address its funding requirements.

The 2025 Triennial Valuation was completed on 27th March 2026 and has set appropriate employer contribution rates for 2026/2027, 2027/2028 and 2028/29 with no deficit payments required from the Council.

Due to its nature, the pension liability will not occur immediately as it represents benefit payments to pensioners over their lifetime. As a significant proportion of the membership is still actively contributing to the Fund this means that liabilities will be spread in excess of 50 years.

CHANGES IN ACCOUNTING POLICY

13. From 1 April 2025, the Code requirements changed in respect of the revaluations of property, plant and equipment. Revaluations must now only be undertaken once every five years or on a five-year

rolling basis and this is supported by indexation in intervening years to ensure that the value of assets are kept materially up to date. No particular index has been mandated and therefore the choice of index is a matter of judgement for the Council that should be made in the context of providing a reasonable estimate of the movement in the value of an asset from the prior year. Where the Council cannot obtain indices without undue cost or effort, it undertakes the revaluation of those assets using a quinquennial revaluation with a desktop revaluation in year three.

Under the transition arrangements, the Code states that revaluations carried out prior to 2025/26, in line with former requirements of the Code, remain valid throughout the transition period.

CHANGES TO THE STATEMENT OF ACCOUNTS

14. The most significant changes to the accounts for 2025/26 relate to the implementation of annual indexation for property, plant and equipment not fully revalued in year as part of the five-year rolling revaluation programme. See disclosure note 20.

MATERIAL CONTINGENT LIABILITIES

15. There have been no material contingent liabilities identified by the Council in 2025/26.

GROUP ACCOUNTS

16. The 2025/26 Code of Practice requires all Local Authorities to consider their relationships with associated companies, strategic partnerships, joint ventures and any other service delivery vehicles and to produce Group Accounts where a significant exposure to economic benefits or financial risks can be established.

Work has been undertaken to document all the entities connected with the Council and their financial relationship. Following Chartered Institute of Public Finance and Accountancy (CIPFA) guidance on Group Accounts, it has been established that the Council has group relations with:-

- Align Property Partners Limited;
- Align Property Services Limited;
- Bracewell Homes Limited;
- Brierley Homes Limited;
- Brimhams Active Limited;
- First North Law Limited;
- Maple Park LLP;
- NY Highways Limited;
- NYnet Limited;
- NYnet Public Sector Limited;
- Veritau Limited;
- Yorkshire Purchasing Organisation; and
- Yorwaste Limited.

Three of these bodies have been consolidated into the financial statements of the Council and a full set of equivalent “group” financial statements have been produced. The Companies that have been consolidated and have a major impact on the Council’s financial results are in relation to:-

- NYnet Limited, a company providing a broadband infrastructure in North Yorkshire;
- Yorwaste Limited, a subsidiary waste disposal company; and
- NY Highways Limited, a company providing construction, maintenance and repair of highways.

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Align Property Partners Limited, Align Property Services Limited, Veritau Limited, First North Law Limited, Brimhams Active Limited, Maple Park LLP, Bracewell Homes Limited, NYnet Public Sector Limited and Brierley Homes Limited have not been consolidated in the 2025/26 Group Accounts as their values do not materially impact on the group financial position.

Yorkshire Purchasing Organisation is not consolidated into the financial statements as the Council does not exert a significant level of influence over their activities.

The full set of Group Accounts and the financial implications are seen on pages 140 to 160.

THE COUNCIL PLAN

17. The Council Plan 2025-2029 sets out the council's vision, ambitions and priorities for the next four years, as well as the approach we will take to achieve them. The plan addresses the exciting opportunities to transform services, drive innovation and improve outcomes, but also the many significant challenges ahead due to the impact of rising costs and huge demand for our services.

Our vision: We want to harness the power of North Yorkshire's natural capital, unique communities and businesses, continuously improving our services to enable a good quality of life for all.

The plan is based around four key themes (each with supporting priority actions):

- support thriving places and empowered communities that live, work, visit and do business in North Yorkshire

- develop more sustainable and connected places across North Yorkshire

- ensure the people of North Yorkshire are safe, healthy and living well

- maximise the potential of North Yorkshire's people and communities

Supported by the following overarching ambition: One Council with strong, local and customer-led services.

Our aim is to be the 'most local large council'; therefore, locality working is another key element of our Council Plan. The plan outlines our four pillars of locality working:

- local services and access
- local accountability
- local action
- local empowerment

The plan also details where our funding comes from and what it is spent on.

PERFORMANCE AND BUDGET MONITORING

18. Reports are submitted on a Quarterly Basis (30th June, 30th September, 31st December and 31st March) to the Council's Executive on Performance and Budget Monitoring issues. The key issues covered in these Reports can be summarised as follows (alongside a very brief summary of the position to date as at 31st March 2026):-

Performance
North Yorkshire Council has well developed performance and financial processes which maintain rigour around delivering planned outcomes but within a sustainable fiscal environment. The internal

Performance Management Framework looks at performance at all levels of the Council. This links corporate, directorate, service, team and individual performance through to the Council Plan priorities. Each quarter, the Executive receives an update on Corporate Performance against the Council Plan ambitions.

General Fund
In 2025/26, the council reported an overspend of £1.0m against a net budget of £640.9m. There were overspends in Children and Young People's Services and Health and Adult Services primarily driven by higher demand pressures. These were significantly offset by underspends across the other directorates. It should be noted that a significant element of the offsetting underspends related to early achievement of budget savings due to be delivered in 2026/27, higher than anticipated interest returns and a lower than budgeted national pay agreement.

Housing Revenue Account (HRA)
Outturn for the financial year was £6.492m deficit against a balanced budget, this was transferred from the HRA Working Balance, along with a planned drawdown of £4.004m. The HRA Working Balance as at 31st March 2026 was £11.98m against a benchmark minimum balance of £12.5m, the dip below the minimum threshold and expected closing balance is as a result of cost pressures arising from meeting regulatory standards and work associated with stock condition surveys. A drawdown of £3.857m from the Major Repairs Reserve (MRR) was made during the year to fund capital expenditure, giving a closing balance of £12.4m at the end of 2025/26.

Performance metrics were introduced as part of the 2024-25 HRA Business plan and Medium Term Financial plan. The table below sets out the actual results of the four key metrics, showing the benchmark / 'golden rule' values, against the budgeted position and outturn. All measures excluding Debt to Turnover (which is a measure of borrowing capacity) dipped below threshold targets. This reflects the significant additional revenue investment to address regulatory compliance and repairs standards and is expected to be a temporary position, supporting a range of improvement measures.

Measure	Benchmark / Golden Rule	Budget	Actual
Operating Margin	(Min) 20%	25%	9%
Interest Cover	(Min) 2.00	2.74	1.13
Debt Turnover	(Max) 4.00	2.64	2.59
Minimum Working Balance	£12,934,740	£17,222,605	£11,340,777

Capital Expenditure and Financing
Gross Capital spend of £219.3m was £49.5m below the last Capital Plan update of £268.8m in January 2026. After accounting for £46.2m less capital income however there was a net capital underspend of £3.3m.

The net underspend of £3.3m is being carried over into 26/27. After utilising other capital income, the balancing figure of £8.8m has increased the level of internal borrowing.

Annual Treasury Management
External Debt for Capital purposes reduced from £367.1m as at 1st April 2025 to £350.4m at 31st March 2026, through loan repayments and no new external borrowing being taken. The average interest rate of this debt was 3.74% at 31st March 2026.

The total borrowing requirement in the year was -£16.1m, and the total internal capital financing position for the council moved to £205.9m at 31st March 2026 (£201.4m at 31st March 2025). The total underlying borrowing need at 31st March 2026 was therefore £556.4m consisting of £350.4m external debt and £206.0m internally financed capital debt.

For cash invested in 2025/26, the average rate of interest achieved was 4.38% which was above the average 7-day market rate of 4.02% and above the average bank rate of 4.04%. The balance

at 31st March 2026 was £640.9m of which £120.6m belonged to other organisations who are part of the Council's investment pool arrangements.

STRATEGIC DOCUMENTS

19. The Council produces a number of key strategic documents which can be accessed at www.northyorks.gov.uk and provide more strategic context to the annual Statement of Financial Accounts:-

Policy or Plan	Purpose of Policy or Plan
Constitution	Sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. It also details our policy framework which includes documents which are approved by the full Council.
Digital Strategy	This gives clear direction as to how North Yorkshire will become a smart county. It is a response to the massive changes as the 'Digital Revolution' accelerates and impacts on the county, our citizens and businesses in fundamental ways.
Medium Term Financial Strategy	Sets out how resources will be put in place to support the delivery of the Council Plan and to enable priorities and service objectives to be achieved.
Corporate Equality Policy Statement	The Council is committed to equality and to making fair treatment an important part of everything which the Council does. This statement sets out how the Council will achieve these aims.
Modern Slavery Statement	This statement sets out our actions to understand all potential modern slavery risks related to our business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in our own business or our supply chains.
Health and Safety Policy	The health and safety policy includes our financial and legal responsibilities and duties that we have for the health, safety and welfare of our employees and others affected by our activities.
Local Plan	The North Yorkshire Local Plan will set out where development will take place across North Yorkshire (outside of the National Parks) over the next 15 to 20 years and will be used to assess planning applications. It covers matters such as housing needs, improved access to services and getting good quality developments which protect and complement the outstanding natural environment and cultural heritage.
Climate Change Strategy	The Climate Change Strategy 2023-30 sets out how the Council will respond to the climate emergency by: reducing greenhouse gas emissions, preparing for the changing climate and supporting nature to thrive.

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Economic Growth Strategy	The Economic Growth Strategy 2024-29 is a key milestone which sees North Yorkshire Council tackling some of the big economic challenges such as net zero and energy security.
Local Transport Plan	Set of documents that the Government requires all local transport authorities to produce. The plan sets out the Council's plans and strategies for maintaining and improving all aspects of the local transport system over a set period.
Procurement and Contract Management Strategy	Our Procurement and Contract Management Strategy 2023-2029 sets out our plan to achieve best value, efficient use of resources, use of technology, innovation and practices and procedures to ensure we make the best use of spending.
Health and Adult Services Plan	This plan sets out how North Yorkshire's Health and Adult Services (HAS) will change by 2030.
Dignity in Care	The Dignity in Care campaign aims to stimulate debate around the need for people receiving care services to be treated with dignity and respect.
Housing Strategy	The North Yorkshire Housing Strategy 2024-29 sets out the strategic direction for housing activity across North Yorkshire and the vision to ensure good quality, affordable, healthy and sustainable homes that meet the present and future needs of all communities.

The Council must also abide by the Freedom of Information Act 2000 – which intends to promote openness and accountability among public bodies by ensuring that people have rights of access to information that is held by them.

Under the General Data Protection Regulation (GDPR) North Yorkshire Council is classified as a 'data controller'. This means the Council has a duty of care towards the individuals whose personal data it collects and uses.

RISKS AND UNCERTAINTIES AFFECTING THE COUNCIL

20. This note identifies the principal risks and uncertainties that are likely to impact on North Yorkshire Council together with the main trends and factors likely to affect future development, performance and the position of the Council. Many of these are financial and relate to the ability of the Council to be able to provide statutorily required services and meet public expectation against a background of reducing financial resources.

The Corporate Risk Register is included in the February 2026 Budget / Medium Term Financial Strategy (MTFS) report and highlights the following risks:-

SEND High Need Budget – Risk of further increased pressure on the budget given the current legislative framework, increased demand for specialist provision up to age 25 and budget reduction pressure resulting in negative impact on DSG, poor service performance and criticism.

Major Schemes – Failure to deliver the programme of major transport, regeneration and coastal engineering schemes resulting in impact on the council's growth plan, negative impact on national and regional partner relations, increased coastal erosion and loss of coastal assets.

Climate Change - Failure to deliver the Council's aspirations for carbon neutrality of its own operations by 2030, carbon neutrality of the region by 2034 and a carbon negative region by 2040 and ensure that appropriate mitigations and adaptations are progressed, failure would result in unmet public expectation and missed opportunities for external funding.

Funding Challenges – Growing financial pressures arising from increased service demand along with inadequate funding available to the Council to discharge its statutory responsibilities and to meet public expectation for the medium term resulting in legal challenge, unbalanced budget and public dissatisfaction.

Major failure due to Quality and /or Economic Issues in the Care Markets and Workforce Pressures - Major disruption in care markets results in being unable to meet the needs of vulnerable children, adults and families who use services. This could be caused by economic performance or resource capabilities including recruitment and retention. The impact could include loss of trust in the Care Markets, increased budgetary implications and inability to protect service users from harm.

Housing Regulation Compliance – Failure to comply with housing legislation including the Social Housing (Regulation) Act and achieve a satisfactory grade with the Regulator of Social Housing, resulting in injury or ill health of tenants, prosecution and subsequent financial penalty and reputational damage to the council.

North Yorkshire Transformation Programme - Failure to deliver a coherent NY transformation programme and alignment to the target operating model. In bringing eight pre-existing authorities to form one new council for North Yorkshire while delivering service operational requirements and savings requirements.

Information Governance and Cyber Security - Ineffective information governance and cyber security arrangements lead to unacceptable levels of unauthorised disclosure of personal and sensitive data, poor quality or delayed responses to FoI requests, and inability to locate key data upon which the Council relies resulting in loss of reputation, poor decision making, fine, etc (including Brierley Group companies). Failure to put in place the appropriate cyber security arrangements could potentially lead to breach, loss of data, loss of systems, loss of reputation and inability to operate effectively and discharge our responsibilities.

Recruitment, Retention and Resources - Failure to recruit and retain appropriately skilled staff and have sufficient resources resulting in inability to deliver services, key projects and the desired organisational transformation also increased staff workload, decreased morale and impact on staff wellbeing.

Significant Incidents - Failure to plan, respond to and recover effectively from significant incidents in the community resulting in risk to life and limb, impact on statutory responsibilities, impact on financial stability and reputation.

The February 2026 Budget / Medium Term Financial Strategy (MTFS) report also sets out some of the key financial risks, many of which are connected to those on the Risk Register above and warns that this should not be regarded as exhaustive due to many national and local uncertainties.

Cost and demand pressures – the Council is still experiencing high inflationary pressure. This is for a variety of reasons including national living wage and employer NI costs, supply chain distress and some areas of insufficient supply where price increases are exceptional, particularly for children and adult placements. In addition, demand is still a strong feature especially in home care for adults, social care for adults of working age, SEND, home to school transport and children's social care.

Inability to deliver existing savings whilst also looking for new savings opportunities – the Council plans to deliver over £54m worth of net savings over the next three years and, at the

same time, deliver business-as-usual and service improvements. There is clearly a risk therefore that some element of savings is not delivered. Resource will need to be prioritised to ensure savings can be delivered.

Workforce – insufficient resource to deal with competing demands of the authority and inability to deliver service and/or progress strategically important initiatives.

Financial assumptions – the MTFS includes assumptions around council tax levels and base; continuation of core funding streams; business rates levels; pay; income levels and inflation. Assumptions are also included for new burdens and / or responsibilities that are being subsumed in existing funding arrangements.

Legal challenge – savings proposals and the way in which the Council delivers services may be subject to legal challenge from third parties resulting in delays and additional costs.

Emergencies / incidents – incidents such as flooding, severe winters and cyber security will incur additional costs which it is simply not possible to predict and will compound costs and pressures.

Others including -

- *Schools / DSG* – increasing levels of deficit budgets

The on-going monitoring of the above and other risks will be essential throughout 2026/27. Given the government has provided a three-year settlement, it is assumed some of the above risks will be less during the MTFS period than has been experienced in previous years.

Anton Hodge
Corporate Director – Resources
County Hall
Northallerton
24th June 2026

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH YORKSHIRE COUNCIL

Report on the audit of the financial statements

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STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority is required to:

(a) make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Corporate Director – Resources;
(b) manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets; and
(c) approve the Statement of Accounts.

The Corporate Director – Resources is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices 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 Corporate Director – Resources has:

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

The Corporate Director – Resources has also:

(a) kept proper accounting records which were up to date;
(b) taken reasonable steps for the prevention and detection of fraud and other irregularities;
(c) assessed the Authority's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
(d) used the going concern basis of accounting on the assumption that the functions of the Authority and the Group will continue in operational existence for the foreseeable future; and
(e) maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

CERTIFICATE OF THE CORPORATE DIRECTOR – RESOURCES

I certify that the Statement of Accounts 2025/26 presents a true and fair view of the financial position of the Council and the North Yorkshire Pension Fund at the accounting date and their income and expenditure for the year ended 31st March 2026.

Anton Hodge
Corporate Director – Resources
24th June 2026

Co-signed by,
Richard Flinton
Chief Executive
24th June 2026

CERTIFICATE OF THE AUDIT COMMITTEE

I confirm that these Accounts were approved by the Audit Committee on DD MMM YYYY following completion of the External Audit.

Chair of the Audit Committee
(to be signed at the dd mmm yyyy Audit Committee Meeting)

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STATEMENT OF ACCOUNTING POLICIES

1. General

The purpose of this statement is to explain the basis for the recognition, measurement and disclosure of transactions and other events in the Accounts.

The authority is required to prepare an annual statement of accounts by the Accounts and Audit Regulations 2015. These Accounts have been prepared in accordance with *The Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (The Code):* issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Code has adopted International Financial Reporting Standards (IFRS) for financial statements produced since 2010/11. The accounting policies adopted have been used consistently throughout the current and prior period unless stated otherwise. Any significant non-compliance with The Code is disclosed as part of the relevant financial statement.

The accounting convention adopted in the statement of accounts is principally historical cost, modified by the revaluation of certain categories of property, plant and equipment and financial instruments.

The Code requires that a Local Authority's Statement of Accounts are prepared on a Going Concern basis. This means that the accounts are based on the assumption that the Council will continue in operational existence for the foreseeable future.

2. Property, Plant and Equipment

Recognition
All expenditure on the acquisition, creation or enhancement of Fixed Assets is capitalised on an accruals basis in the Accounts. Expenditure is capitalised, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the authority and the cost of the item can be measured reliably. This excludes expenditure on routine repairs and maintenance which is charged direct to revenue. A de-minimis level of £20k has been adopted by the Council in relation to capital expenditure.

Measurement
Assets are initially measured at cost, comprising all expenditure directly attributable to bringing the asset into working condition for its intended use. Borrowing costs incurred whilst assets are under construction are not capitalised. Assets are valued on the basis required by The Code and in accordance with the Appraisal and Valuation Standard issued by The Royal Institution of Chartered Surveyors (RICS).

Assets are classified into the groupings required by The Code with assets being valued on the following basis:-

- Land and Buildings (other property) are included in the Balance Sheet at Current Value, net of any subsequent depreciation. Current value is determined as the amount that would be paid for the asset in its existing use (existing use value) for assets for which there is an active market (e.g. offices) and Depreciated Replacement Cost (DRC) for assets for which there is not an active market (e.g. schools). Where there is an active market, current value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Land and Buildings are re-valued 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;

- Council dwellings are included in the Balance Sheet at their existing use value for social housing (EUV-SH);

- Surplus assets are not used for direct service provision but do not yet meet the strict criteria to be classified as assets held for sale. The current value measurement basis is fair value, based on the price that would be received to sell an asset in its highest and best use in an orderly transaction between market participants at the measurement date;

- The vehicles, plant, furniture and equipment recognised were either purchased outright and are all valued at depreciated historical cost as a proxy for current value due to the assets having short useful lives or low values (or both), or leased in and recognised as right-of-use assets;

- Assets under the course of construction are measured at historic cost.

A full Revaluation of Property is undertaken on a five year “rolling programme”. A desk top review of property not being revalued in any given year is also undertaken annually to ensure valuations reflect a true and current view of the carrying value of assets at the Balance Sheet date.

Council Dwellings are fully revalued as part of a five-year programme to comply with Resource Accounting for the Housing Revenue Account. In the intervening years the portfolio is subject to annual 'desk top reviews' to ensure that the carrying value of the assets is not materially different to their current value and to reflect any material changes in the year in which they occur.

A Revaluation Reserve for those Assets recorded at current value is held in the Balance Sheet made up of unrealised revaluation gains relating to individual Assets, with movements in valuations being managed at an individual asset level. Any decreases in value of an asset are recorded against the revaluation reserve to the extent that a balance of accumulated gains is recorded against the individual asset. Where the decrease in value is in excess of any balance held within the Revaluation Reserve the reduction is then charged to the relevant service line within the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1st April 2007 only, the date of this reserve’s formal implementation. Gains arising before that date were subsequently consolidated into the Capital Adjustment Account. Movement in the valuations of properties do not impact upon the General Fund Balance and are not a charge or credit to Council Tax.

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); or,

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

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

Disposal and Non-Current Assets Held for Sale

When it becomes probable an Asset will be sold rather than the Council recovering the economic value through its continuing use, it is reclassified as an Asset Held for Sale. The Council considers this to be where the asset is available for immediate sale in its present condition and the sale is highly probable.

The asset is revalued before reclassification and then measured at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is charged to Other Operating Expenditure in the Comprehensive Income and Expenditure Statement. Gains in current value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

Receipts from the disposal of Assets are accounted for on an accruals basis. When an asset is disposed of, the value of the asset in the Balance Sheet is written off to the Other Operating Expenditure line of the Comprehensive Income and Expenditure Statement, as is the disposal receipt. These amounts are not a charge or receipt to Council Tax as the cost of Fixed Assets is fully provided for under separate arrangements for capital financing. The asset value written off is appropriated to the Capital Adjustment Account, the capital receipt to the Usable Capital Receipts Unapplied Reserve, via the Movement in Reserves Statement. Any revaluation gains that have accumulated in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Capital Receipts have been used to finance capital expenditure based on the policy of the Council. A proportion of receipts relating to Housing Revenue Account dwellings (buildings) is payable into a Government pool, based on a central government formula.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment with a finite useful life (this can be determined at the time of acquisition or revaluation) according to the following policy:-

- Property assets are split into three specific components; Land (which is not depreciated), the Main Structure of the Building and the Mechanical and Electrical Services of the Building. Each component is depreciated separately at rates representative of their estimated remaining useful lives. This is normally between ten and fifty years.

- Vehicles, Plant, Furniture and Equipment are depreciated over a number of years depending on the nature of the asset. This is normally between four to six years.

Depreciation is calculated on a straight line basis with no residual value being assumed. Depreciation has been charged in the year of asset acquisition and also in the year of revaluation.

Depreciation is charged to the Comprehensive Income and Expenditure Statement but does not impact on Council Tax and is written off to the Capital Adjustment Account via the Movement in Reserves Statement. Where non-current assets have been re-valued the excess depreciation, above the historic cost depreciation, is transferred from the Revaluation Reserve to the Capital Adjustment Account.

2.1 Highways Infrastructure Assets

Highways infrastructure assets include carriageways, footways and cycle tracks, structures (eg bridges), street lighting, street furniture (eg illuminated traffic signals, bollards), traffic management systems and land which together form a single integrated network.

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Recognition
Expenditure on the acquisition or replacement of components of the network is capitalised on an accrual basis, provided that it is probable that the future economic benefits associated with the item will flow to the authority and the cost of the item can be measured reliably.

Measurement
Highways infrastructure assets are generally measured at depreciated historical cost. However, this is a modified form of historical cost – opening balances for highways infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April (1994 England and Scotland) (1996 Wales), which was deemed at that time to be historical cost.

Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

Depreciation
Depreciation is provided on the parts of the highways network infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives. Depreciation is charged on a straight-line basis.

Annual depreciation is the depreciation amount allocated each year. Infrastructure is depreciated at rates representative of their estimated remaining useful lives, covering periods of 5 to 120 years.

Disposals and derecognition
When a component of the network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off to the “Other operating expenditure” line in the Comprehensive Income and Expenditure Statement, also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal).

The written off amounts of disposals are 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 transferred to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

3. Heritage Assets

Heritage Assets are non-current assets that are intended to be preserved in trust for future generations because of their historical, artistic, scientific, technological, geophysical or environmental qualities. They are held and maintained principally for their contribution to knowledge and culture.

It is anticipated that any acquisition of Heritage Assets will be made by donation. Where an item is donated and it is deemed appropriate, valuations will be sought from an independent external valuer.

Heritage Assets are measured at valuation where available and the asset is recognised within the Balance Sheet. Valuations are reviewed with sufficient frequency to ensure measurement remains current.

Where the Council considers that obtaining full valuations for assets would involve a disproportionate cost in comparison to the benefits to the users of the financial statements the asset is not recognised in the Balance Sheet, but included in the accounts as a disclosure. When reported on the Balance Sheet, Heritage Assets are recognised and measured in accordance with the Council's accounting policies on Property, Plant & Equipment, and for property they are valued in accordance with the property Royal Institution of Chartered Surveyors (RICS) guidance. Other

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Heritage Assets, where a market value exists, the assets are valued at current market value and where no market value exists they are recognised at their insurance valuation.

Where Heritage Assets are held within the Balance Sheet, the carrying amounts will be reviewed where there is evidence of impairment i.e. where an item has suffered physical deterioration or breakage or where doubts arise to authenticity. Any impairment is recognised in accordance with the Council's general policies on impairment.

If it is agreed to dispose of any Heritage Assets the proceeds are accounted for in accordance with the Council's general provisions relating to the disposal of Property, Plant and Equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements for capital receipts.

Heritage Assets are not subject to depreciation as they are considered to have indefinite lives.

4. 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. Properties are not depreciated but are revalued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal. 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 transferred out of the General Fund Balance in the Movement in Reserves Statement and allocated to the Capital Adjustment Account.

Rentals received in relation to Investment Properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. As a non-financial asset an investment property shall be measured at highest and best use.

5. Intangible Assets

Intangible Assets represent Non-Current Assets that do not have physical substance, but are identifiable and are controlled by the Council through custodial or legal rights. All purchased Intangible Assets are capitalised at historical cost in line with The Code.

Following initial capitalisation, Intangible Assets are carried at its cost less any accumulated amortisation and any accumulated impairment loss.

In line with other Non-Current Assets, their useful economic life is determined based on the length of time that the benefit will accrue to the Council. Based on the best estimate of the useful economic life, the intangible asset is charged to the relevant service lines within the Comprehensive Income and Expenditure Statement over this period. This is for a period of up to twenty-five years on a straight line basis.

6. Charges to Revenue for non-current assets

Service Revenue Accounts, Support Services and trading accounts are charged with the following amounts to record the real cost of holding Fixed Assets throughout the year:-

- depreciation attributable to the assets used by the relevant service;

- Revaluation losses where there are no accumulated gains in the Revaluation Reserve for the impacted asset against which said losses can be written off;

- impairment losses attributable to non-current assets used by the service; and

- amortisation of intangible assets attributable to the service.

The Council does not raise Council Tax to cover depreciation, impairment loss or amortisations. The Council does, however, make an annual contribution from revenue to reduce its borrowing requirement . Depreciation, impairment losses, amortisation and gains or losses on the disposal of assets are therefore written out of the General Fund Balance via the Movement in Reserves Statement, by way of an adjusting transaction within the Capital Adjustment Account.

7. Revenue Expenditure Funded from Capital under Statute

Revenue Expenditure Funded from Capital under Statute represents expenditure which may be properly capitalised, but which does not result in the creation of any Fixed Asset to the Council. In line with the guidance contained in The Code, this expenditure is written off to the relevant service within the Comprehensive Income and Expenditure Statement in the year the expenditure is incurred, because the Council does not control the economic benefits arising from this expenditure. Any statutory provision that allows capital resources to meet the expenditure shall be accounted for by debiting the capital adjustment account and crediting the General Fund balance and showing as a reconciling item in the Movement in Reserves Statement.

8. Long Term Investments

The Council has equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI) which are its investments in non-consolidated subsidiaries and joint ventures. The Council has made an irrevocable election to designate these equity instruments as FVOCI on the basis that these are held for non-contractual benefits, not held exclusively for trading but for strategic purposes. These assets were transferred to the new category on 1 April 2018. The fair value of these long term investments is based on the principle that they do not have a quoted market price in an active market and there are no future plans to sell these investments in the Council's companies and joint ventures.

Other long term investments, in the form of simple deposits with banks / building societies, are valued at amortised cost using the effective interest rate method, in accordance with IFRS 9.

9. Accruals of Income and Expenditure and Revenue Recognition

The Accounts of the Council are, in general, maintained on an accruals basis in accordance with recognised accounting policies. The Accounts reflect sums due to or incurred by the Council during the year, whether or not the amount has actually been received or paid in the year. Appropriate provision has been made, therefore, for Creditors and Debtors at 31st March 2025.

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

Revenue is defined as income arising as a result of the Council’s normal operating activities and where income arises from contracts with service recipients it is recognised when or as the Council has satisfied a performance obligation by transferring a promised good or service to the service recipient.

Revenue is measured as the amount of the transaction price which is allocated to that performance obligation.

Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract unless the difference is immaterial.

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.

Where revenue and expenditure have been recognised but cash has not been received or paid, a Debtor or Creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of Debtors is written down and a charge made to revenue for the income that might not be collected.

10. Grants

Revenue grants are accrued and credited to income in the period in which the conditions of the grant have been complied with and there is reasonable assurance that the grant or contribution will be received. Where this is in advance of the related expenditure being incurred an Earmarked Reserve is credited to reflect the expenditure commitments in future years. Where the grant or contribution is for capital purposes then the grant income is recognised in the year it is received, although this is subject to any outstanding conditions having been met. Capital Grant income recognised in the Comprehensive Income and Expenditure Statement in advance of the related expenditure is transferred to the Capital Grants Unapplied Reserve. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried on the Balance Sheet as Creditors (Income in Advance).

This accounting treatment for grants is in accordance with IAS 20 Accounting for Government Grant.

11. VAT

Income and Expenditure transactions exclude any amounts relating to VAT as all VAT collected is payable to HM Revenue & Customs and all VAT paid is recoverable from them.

12. Leases

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

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

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

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

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

Subsequent measurement
The right-of-use asset is subsequently measured at their current value.

The right-of-use asset is valued as part of the Council's valuation process for property, plant and equipment. In these financial statements, right-of-use assets held under index-linked leases have also been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties taking into account the terms of the lease.

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

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

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

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

Low value and short lease exemption
As permitted by the Code, the authority excludes leases:

- for low-value items that cost less than £20,000 when new, provided they are not highly dependent on or integrated with other items, and

• with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise).

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

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

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

Operating Leases
Where the authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the cost of services in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease or where this is initiated by a service to the individual service, 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.

13. Private Finance Initiatives (PFI) and Similar Contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes, and as ownership of the property, plant and equipment will pass to the authority at the end of the contracts for no additional charge, the authority carries the assets used under the contracts on its Balance Sheet as part of property, plant and equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

The PFI liability is subsequently measured at amortised cost, using the effective interest method. Following the adoption of IFRS 16 the liability is remeasured where there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the authority.

The amounts payable to the PFI operators each year are analysed into four elements:

• fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement

- finance cost – an interest charge of 10.95% on the outstanding Balance Sheet liability, debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement
- payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease)
- lifecycle replacement costs – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to property, plant and equipment when the relevant works are eventually carried out.

14. Financial Instruments

A Financial Instrument is defined as: “any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another”. Although this covers a wide range of items, the main implications are in terms of investments and borrowings.

As reflected in The Code, the accounting standard on Financial Instruments, IFRS 9 covers the concepts of recognition, measurement, presentation and disclosure.

A financial asset or liability should be recognised on the Balance Sheet when, and only when, the holder becomes a party to the contractual provision of the instrument.

Financial Assets
There are three main classes of financial assets held by the Council which are measured at:

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

The Council largely holds investments to collect contractual cashflows i.e. payments of interest and principal. Most of the Councils financial assets are therefore classified as amortised cost, except for those that are not solely payment of principal and interest.

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

Any gains and 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.

Financial Assets Measured at Fair Value through Profit or Loss (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 as they arrive in the Surplus or Deficit on the Provision of Services. The Councils current investments that fall under FVPL are in property funds and are measured at market price, as quoted market prices exist for this type of investment. As these gains or losses impact on the General Fund balance, a statutory override has been agreed with the Ministry of Housing, Communities and Local Government (MHCLG), so any loss or gain is reversed and recorded in the Financial Instruments Revaluation

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Reserve, unless funded from capital in which case through the Capital Adjustment Account. Any gain or loss will only be realised when the investments are sold.

IFRS 9 Financial Instruments sets out that investments in equity should be classified as fair value through profit and loss unless there is an irrevocable election to recognise changes in fair value through other comprehensive income. The Council will assess each investment that falls in to this category on an individual basis and assign an IFRS 9 category (amortised cost, FVPL or FVOCI). The assessment will be based on the underlying purpose for holding the financial instrument.

Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)
The Council has equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI) which are its investments in non-consolidated subsidiaries and joint ventures. The Council has made an irrevocable election to designate these equity instruments as FVOCI on the basis that these are held for non-contractual benefits, not held exclusively for trading but for strategic purposes. These assets were transferred to the new category on 1 April 2018. The fair value of these long term investments is based on the principle that they do not have a quoted market price in an active market and there are no future plans to sell these investments in the Council's companies and joint ventures. Dividend income is credited to Financing and Investment Income and Expenditure in the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council. If there is a change in fair value, this is posted to Other Comprehensive Income and Expenditure and is balanced by an entry in the Financial Instruments Revaluation Reserve. When the asset is de-recognised, the cumulative gain or loss previously recognised in Other Comprehensive Income and Expenditure is transferred from the Financial Instruments Revaluation Reserve and recognised in the Surplus or Deficit on the Provision of Services.

Financial Liabilities
Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (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. Gains and losses (discounts and premiums) on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the CIES**.** If the Council decides to write off these gains or losses on early repurchase / settlement then this can be done over 10 years or over the life of the new loan or over a shorter more prudent time scale. The CIES is charged with one year related costs with the rest being taken to the Financial Instruments Adjustment Account in the Balance Sheet via the Movement in Reserves Statement - General Fund Balance. The accounting policy is to charge gains and losses to Net Operating Expenditure in the year of repurchase / settlement.

However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the CIES is spread over the life of the loan by an adjustment to the effective interest rate. Please note that this situation has not occurred and is not reflected in the current Statement of Accounts and is unlikely to occur in the future.

Expected Credit Loss Model
The Council recognises expected credit losses on all of its financial assets held at amortised cost and these measured at Fair Value through other Comprehensive Income where relevant and where material. Expected Credit losses are measured by multiplying the total value of the

investment by the financial institution's risk of default, as provided by our independent Treasury advisors.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower or investee 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.

Soft Loans
The Council has the power to advance loans to Voluntary Organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement, charged to the relevant service, for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited at a marginally higher effective rate of interest than the rate receivable from the Voluntary Organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provision requires that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year. The reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Revaluation Reserve in the Movement in Reserves Statement.

15. Inventories

Inventories have been included in the Accounts at weighted average cost price. Any obsolete and slow moving items are written off during the year and netted off against the value of the inventories shown in the Balance Sheet. No amounts are included for such items as inventories at Health and Adult Services residential homes, and inventories at special schools and outdoor education centres. It is considered that exclusion of these items does not have a material effect on the values stated.

16. Allocation of Support Services Costs

The costs of Support Services provided by Corporate Service Units have been allocated to the relevant Traded Services largely on the basis of the estimated time spent by officers. A proportion of the costs relating to the Central Services Directorate have been charged to the North Yorkshire Pension Fund in respect of the administration of the Fund.

17. Provisions, Contingent Liabilities and Contingent Assets

Provisions
Provision has been made against relevant services within the Comprehensive Income and Expenditure Statement for liabilities that have been incurred by the Council, but where the amounts or dates on which they will arise are uncertain.

Provisions are required to be recognised when the Council has a present obligation, as a result of a past event, where it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation, (IAS 37 Provisions, Contingent Liabilities and Contingent Assets).

When expenditure is incurred to which the provision relates, it is charged directly against the provision in the Balance Sheet and not against the Comprehensive Income and Expenditure Statement.

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The estimated value and timing of settlements are reviewed at the end of each financial year. Where it becomes more likely than not that a transfer of economic benefits will not now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service within the Income and Expenditure Statement.

Where some or all of the payment required to settle a provision is expected to be met by another third party (e.g. from an insurance claim), this is only recognised as income in the relevant service Revenue Account if it is virtually certain that reimbursement will be received if the obligation is settled.

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

Contingent Assets
A Contingent Asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent Assets are not recognised in the Balance Sheet but disclosed in a Note to the Core Financial Statements where it is probable that there will be an inflow of economic benefits or service potential.

18. Reserves

The Council maintains separate balances for the General Fund and Housing Revenue Account to or from which appropriations are made for annual surpluses or deficits.

The Council also holds reserves earmarked for specific purposes which are detailed in note 34b to 34d in the Notes to the Core Financial Statements. These reserves together with the Capital Grant Unapplied Reserve and Capital Receipts Unapplied Reserve are deemed to be distributable reserves, which can be utilised to support future expenditure.

Under arrangements for Local Management of Schools (LMS), budget allocations are made to individual establishments at the start of each financial year. Any under-spends or over-spends against budget allocations are carried forward into the following financial year's budget allocation by way of the LMS reserve.

When expenditure to be financed from a reserve is incurred, it is charged to the appropriate Service Income and Expenditure heading in that year and represents a charge against the Net Cost of Services. The reserve is then appropriated back into the General Fund Balance statement so that there is no net charge against Council Tax for the expenditure.

Non-distributable (unusable) reserves include the Revaluation Reserve, the Capital Adjustment Account, the Pension Reserve, the Accumulated Absences Reserve, Financial Instruments revaluation Reserve, DSG Adjustment Account and the Collection Fund Adjustment Account Reserve. These represent “technical non-cash” reserves which are maintained to manage the accounting processes and other statutory accounting adjustments under regulations. These reserves do not represent usable resources available to the Council or impact upon the level of local taxation and are not able to be utilised in support of service delivery.

North Yorkshire Council is the statutory harbour undertaker for both Whitby Harbour and Scarborough Harbour. The Council is required to maintain an account for each harbour to which

the revenue and capital income and expenditure that relates to each harbour is allocated. Within earmarked reserves, the Council holds the cumulative funds available to be spent on activities and assets that fall within each harbour boundary in two separate ringfenced reserves.

19. Pensions

The pension liabilities of the Council are to be accounted for using IAS 19 principles. The Council participates in three different pension schemes which meet the needs of employees in particular services. The three schemes are:-

- The Local Government Pension Scheme, administered by the Council;

- The Teachers' Pension Scheme administered by Capita Teachers' Pension on behalf of the Department for Education; and

- The NHS Pension Scheme administered by the NHS Business Services Authority on behalf of the Department of Health and Social Care.

All three schemes provide members with defined benefits related to pay and service. However, the arrangements for the teachers' scheme and the NHS scheme mean that liabilities for these benefits cannot be identified specifically to the Council. These schemes are therefore accounted for as if they are defined contribution schemes and no future liability for future payments or benefits is recognised in the Balance Sheet.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefit pension scheme. In line with the accounting policies outlined in The Code, the Council has complied with the requirements of IAS 19 Employee Benefits and in particular:-

- the assets of each scheme are measured at fair value;

- the attributable liabilities of each scheme are measured on an actuarial basis;

- quoted securities and unitised securities are measured at current bid-price, unquoted securities are measured using a professional estimate;

- the scheme liabilities are discounted at a rate based upon long dated, AA rated, corporate bonds which reflects the time value of money and the characteristic of the liability;

- the deficit in the scheme is the shortfall of the value of assets over the present value of liabilities;

- the interest cost is the allowance for one year's worth of the discount on the liabilities "unwinding" as the liabilities at the start of the period are one year closer to payment;

- the current service cost is the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;

- remeasurement of liabilities arises from changes in financial assumptions and demographic assumptions, as well as adjustments following the detailed analysis at each triennial valuation;

- settlements and curtailments are the increase or decrease in liabilities arising from current decisions where the effect relates to years of service earned in earlier years and is charged or credited to the Net Cost of Services in the Comprehensive Income and Expenditure Statement;

- interest on assets is the expected one year's growth of the assets held at the start of the year;

- remeasurement of assets reflects the difference between actual and expected growth of assets over the year, as well as adjustments following each triennial valuation; and

- administration expenses are the costs of running the Fund attributable to the Council.

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

20. Trust Funds Administered by the Council

Trust Funds administered by the Council have not been included in the Balance Sheet, in accordance with the provisions of The Code.

21. Group Accounts

The Council has financial relationships with a number of entities and partnerships and, as a result, is required to prepare Group Accounts in addition to its main financial statements. In preparing Group Accounts the Council has followed CIPFA guidance and in general, the following policies have been applied:-

- all financial relationships within the scope of Group Accounts have been assessed;

- subsidiary company statutory accounts have been prepared under UK GAAP (FRS101), this may give rise to inconsistent accounting treatments to those applied within the Council's accounts. Where material differences in the accounting treatment applied within subsidiaries are identified the subsidiary accounts are aligned with the accounting policies of the Council prior to consolidation;

- Associates and Joint Ventures have been accounted for in line with the provisions of IAS 28 Investment in Associates and IAS 31 Interest in Joint Ventures;

- financial interests that do not have a material impact on the Group Accounting Statements have not been consolidated.

22. Council Tax and Non-Domestic Rates (NDR) Income

The Local Government Finance Act 2012 introduced a business rates retention scheme from 1st April 2013 that enables local authorities to retain a proportion of non-domestic rates generated in their area.

Council Tax Income

North Yorkshire Council is a billing authority and is required by statute to maintain a separate fund for the collection and distribution of amounts due in respect of council tax and non-domestic rates. The Fund's key features relevant to accounting for council tax in the core financial statements are detailed below.

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In its capacity as a billing authority the Council acts as an agent: it collects and distributes Council Tax income on behalf of the major preceptors and itself. The major preceptors are North Yorkshire Police, North Yorkshire Fire and Rescue Authority and the North Yorkshire Police, Fire and Crime Commissioner.

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 General Fund of the billing authority or paid out of the Collection Fund to major preceptors. The amount credited to the General Fund under statute is the Council's precept or demand for the year plus the Council's share of the surplus on the Collection Fund for the previous year or less its share of the deficit on the Collection fund for the previous year; and this amount may be more or less than the accrued income for the year in accordance with GAAP, although in practice the difference would usually be small.

Council Tax income included in the Comprehensive Income and Expenditure Statement for the year is the accrued income for the year. The difference between the income included in the Comprehensive Income & Expenditure Account and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

Since collection of Council Tax is in substance an agency arrangement, the cash collected by the Council as billing authority from Council Tax debtors belongs proportionately to the billing authority and the major preceptors. There will therefore be a debtor/creditor position between the billing authority and each major preceptor to be recognised since the net cash paid to each major preceptor in the year will not be its share of cash collected from Council Tax payers.
If the net cash paid to a major preceptor in the year is more than its proportionate share of net cash collected from Council Tax debtors/creditors in the year the Council as billing authority shall recognise a debit adjustment for the amount overpaid to the major preceptor in the year and the major preceptor shall recognise a credit adjustment for the same amount to the debtor/creditor position between them brought forward from the previous year.

If the cash paid to a major preceptor is less than its proportionate share of net cash collected in the year from Council Tax debtors/creditors the Council as billing authority shall recognise a credit adjustment for the amount underpaid to the major preceptor in the year and the major preceptor shall recognise a debit adjustment for the same amount to the debtor/creditor position between them brought forward from the previous year.

The Cash Flow Statement of the Council includes in Revenue Activities cash flows only of its own share of Council Tax net cash collected from Council Tax debtors in the year; and the amount included for precepts paid excludes amounts paid to major preceptors. The difference between the major preceptors' share of the net cash collected from Council Tax debtors and net cash paid to major preceptors as precepts and settlement of the previous year's surplus or deficit on the Collection Fund is included as a net increase/decrease in other liquid resources.

The Balance Sheet includes the Authority's share of the end of year balances in respect of council tax relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals. Where debtor balances for the above are identified as impaired arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a change made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

Non-Domestic Rates (NDR) Income

With effect from 1 April 2013 the Government's localisation of business rates was introduced and the financing and accounting arrangements for NDR billing and income collection were changed. The following policy applies from 1 April 2013.

North Yorkshire Council is a billing authority and as such is required by statute to maintain a separate fund for the collection and distribution of amounts due in respect of council tax and non-domestic rates.

In its capacity as a billing authority the Council acts as an agent: it collects and distributes NDR income on behalf of the government, major preceptors and itself. The major preceptors are North Yorkshire Police, North Yorkshire Fire and Rescue Authority and the North Yorkshire Police, Fire and Crime Commissioner.

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 General Fund of the billing authority or paid out of the Collection Fund to the government and major preceptors. The amount credited to the General Fund under statute is the Council's pre-determined share for the year plus the Council's share of the surplus on the Collection Fund for the previous year or less its share of the deficit on the Collection fund for the previous year; and this amount may be more or less than the accrued income for the year, although in practice the difference would usually be small.

NDR income included in the Comprehensive Income and Expenditure Statement for the year is the accrued income for the year.

The difference between the income included in the Comprehensive Income & Expenditure Account and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

Since collection of NDR is in substance an agency arrangement, the cash collected by the Council as billing authority from NDR debtors belongs proportionately to the billing authority, the government and the major preceptors. There will therefore be a debtor/creditor position between the billing authority and the government and each major preceptor to be recognised since the net cash paid to the government and each major preceptor in the year will not be its share of cash collected from NDR payers.

Of the net cash paid to the government and the major preceptors in the year is more or less than its proportionate share of net cash collected from NDR debtors/creditors in the year, then the Council as billing authority shall recognise either a debit or credit adjustment for the amount over or underpaid to the government and major preceptors in the year and the government and major preceptors shall recognise a credit or debit adjustment for the same amount to the debtor/creditor position between them brought forward from the previous year.

The Council’s Cash Flow Statement only includes the Council’s share of NDR net cash flows; and the amount included for precepts paid excludes amounts paid to the government and major preceptors. The difference between the government and major preceptors' share of the net cash collected from NDR debtors and net cash paid to the government and major preceptors is included as a net increase/decrease in other liquid resources.

The Balance Sheet includes the Authority's share of the end of year balances in respect of NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals. Where debtor balances for the above are identified as impaired arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a change made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

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23. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash Equivalents are short term investments that are of a highly liquid nature. The Council has deemed that deposits held within call accounts and other short term investments that have a deposit term of one month or under and are held for the purposes of meeting short term cash commitments are categorised as Cash Equivalents.

In the Cash Flow Statement, Cash and Cash Equivalents are shown net of bank overdrafts that are repayable on demand where there is a right of offset.

24. Short Term Compensated Employee Benefits

The Council in accordance with IAS 19 makes accruals for short term employee compensated absences such as untaken holiday pay and accumulated flexi time at the period end. These balances are recognised as Provisions and under statutory guidance an offsetting balance is included within the reserves section of the Balance Sheet.

Short term employee benefits are those due to be settled within 12 months of the year end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave e.g. time off in lieu, flexi balances) earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual is charged against the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are ultimately charged to revenue in the financial year in which the holiday absence occurs.

25. Exceptional items

When items of income and expenditure are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the Notes to the Core Financial Statements, depending on how significant the items are to an understanding of the Council's financial performance.

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

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.
Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

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27. Events After the Balance Sheet Date

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; and
- 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.

28. Jointly Controlled Operations and Jointly Controlled Assets

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

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

29. Schools

The Code confirms that the balance of control for Local Authority maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the Local Authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the Local Authority financial statements (and not the Group Accounts). Therefore schools' transactions, cash flows and balances are recognised in each of the financial statements of the Council as if they were the transactions, cash flows and balances of the Council.

30. Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits. They are charged on an accruals basis at year-end, to the appropriate service in the Comprehensive Income and Expenditure Statement at the point where either 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, the General Fund Balance is 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, adjustments are made to and from the Pensions Reserve, to remove the notional debits and credits for pension enhancement

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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.

31. Explanation of the key accounting concept of Materiality

A key accounting concept when preparing the annual accounts of the council is that of materiality. Information is material if omitting it or misstating it could influence decisions that users make on the basis of financial information about a specific reporting local authority. In other words, materiality is a specific to each local authority based on the relevance, magnitude, or both, of the items to which the information relates in the context of an individual authority's financial statements. When conducting the external audit of the 2025/26 Statement of Accounts of the Council the external auditors have been working to a planning materiality threshold for North Yorkshire Council of £37.1million.

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COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT 2025/26

Year to 31st March 2025				Year to 31st March 2026		
Expenditure £000	Income £000	Net £000		Expenditure £000	Income £000	Net £000
579,223	(425,631)	153,592	Children and Young Peoples Service	570,602	(416,987)	153,615
293,092	(127,272)	165,820	Environmental Services	233,800	(91,188)	142,612
448,801	(190,950)	257,851	Health and Adult Services	456,644	(187,377)	269,267
263,257	(124,377)	138,880	Resources and Central Services	247,982	(117,306)	130,676
144,637	(76,088)	68,549	Community Development	73,615	(82,488)	(8,873)
33,921	(43,723)	(9,802)	Housing Revenue Account	69,050	(43,289)	25,761
12,749	(57,012)	(44,263)	Corporate Miscellaneous	61,716	(92,330)	(30,614)
1,775,680	(1,045,053)	730,627	**Cost of Services**	1,713,409	(1,030,965)	682,444
			Other Operating Expenditure			
		48,921	Loss on Disposal of Property, Plant and Equipment (note 21)			15,708
		12,018	Precepts of Local Precepting Authorities			13,402
		60,939				29,110
			Financing and Investment Income and Expenditure			
		29,479	Interest payable and similar charges (note 40b)			28,262
		(38,915)	Interest receivable and similar income			(34,243)
		(440)	Movement in fair value of financial assets			(140)
		(34)	Financial Instruments Premiums			(34)
		7,386	Investment Properties; revaluation and impairment (note 26)			4,570
		(667)	(Surplus)/Deficit of trading activities (note 6)			(570)
		(1,178)	Net interest on the net defined pension benefit liability / (asset) (note 10)			(1,561)
		(4,369)				(3,716)
			Taxation and Non-Specific Grant Income			
		(471,252)	Council Tax Income (note 7)			(508,610)
		(85,621)	Non-Domestic Rates Income (note 8)			(91,718)
		(74,968)	Non-Ringfenced Government Grants (note 9)			(60,820)
		(57,520)	Capital Grants (note 9)			(112,522)
		(689,361)	Taxation and Non-Specific Grant Income			(773,670)
		97,836	**(Surplus) or Deficit on Provision of Services**			**(65,832)**

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OFFICIAL - SENSITIVE

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (continued)

Year to 31st March 2025				Year to 31st March 2026		
Expenditure	Income	Net		Expenditure	Income	Net
£000	£000	£000		£000	£000	£000
		97,836	**(Surplus) or Deficit on Provision of Services**			**(65,832)**
		0	(Surplus) / Deficit on revaluation of Property, Plant and Equipment			0
		(51,340)	Revaluation (reversals) / losses on non-current assets charged to the Revaluation Reserve			(188,683)
		1,316	Remeasurements of the Net Defined Pension Benefit Liability/(asset)			17,501
		(50,024)	**Other Comprehensive Income and Expenditure**			**(171,182)**
		47,812	**Total Comprehensive Income and Expenditure**			**(237,014)**

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

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MOVEMENT IN RESERVES STATEMENT

	General Fund Balance £000 (note 35)	Housing Revenue Account £000	Earmarked Reserves £000 (note 35)	Major Repairs Reserve £000	Capital Receipts Unapplied Reserve £000 (note 35)	Capital Grants Reserve £000 (note 35)	Total Usable Reserves £000 (note 35)	Total Unusable Reserves £000 (note 36)	Total Authority Reserves £000
Movement in Reserves during 2025/26									
Balance at 1st April 2025	**(33,488)**	**(21,838)**	**(505,311)**	**(7,533)**	**(34,652)**	**(77,216)**	**(680,038)**	**(2,388,387)**	**(3,068,425)**
Total Comprehensive Expenditure and Income	(80,178)	14,346	0	0	0	0	(65,832)	(171,182)	(237,014)
Adjustments between accounting basis and funding basis under regulations (note 35)	62,186	(4,485)	0	(4,863)	(12,510)	1,885	42,213	(42,213)	0
Net (Increase) / Decrease before Transfers to Earmarked Reserves	**(17,992)**	**9,861**	**0**	**(4,863)**	**(12,510)**	**1,885**	**(23,619)**	**(213,395)**	**(237,014)**
Transfers (to) / from Earmarked Reserves	19,480	0	(19,480)	0	0	0	**0**	0	0
(Increase) / Decrease in Year	1,488	9,861	(19,480)	(4,863)	(12,510)	1,885	(23,619)	(213,395)	(237,014)
Balance at 31st March 2026	**(32,000)**	**(11,977)**	**(524,791)**	**(12,396)**	**(47,162)**	**(75,331)**	**(703,657)**	**(2,601,782)**	**(3,305,439)**

This statement shows the movement from the start of the year to the end on the different reserves held by the Council, analysed into 'Usable Reserves' (ie those that can be applied to fund expenditure or reduce local taxation) and other 'Unusable Reserves'. The Movement in Reserves 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 for the year. The net increase / decrease line shows the statutory General Fund balance movement in the year following those adjustments.

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MOVEMENT IN RESERVES STATEMENT (continued)

	General Fund Balance £000 (note 35)	Housing Revenue Account £000	Earmarked Reserves £000 (note 35)	Major Repairs Reserve £000	Capital Receipts Unapplied Reserve £000 (note 35)	Capital Grants Reserve £000 (note 35)	Total Usable Reserves £000 (note 35)	Total Unusable Reserves £000 (note 36)	Total Authority Reserves £000
Movement in Reserves during 2024/25									
Balance at 1st April 2024	**(55,872)**	**(19,285)**	**(448,050)**	**(8,863)**	**(27,185)**	**(119,924)**	**(679,179)**	**(2,437,058)**	**(3,116,237)**
Total Comprehensive Expenditure and Income	106,781	(8,945)	0	0	0	0	97,836	(50,024)	47,812
Adjustments between accounting basis and funding basis under regulations (note 35)	(141,678)	6,412	0	1,330	(7,467)	42,708	(98,695)	98,695	0
Net (Increase) / Decrease before Transfers to Earmarked Reserves	**(34,897)**	**(2,533)**	**0**	**1,330**	**(7,467)**	**42,708**	**(859)**	**48,671**	**47,812**
Transfers (to) / from Earmarked Reserves	57,281	(20)	(57,261)	0	0	0	**0**	0	0
(Increase) / Decrease in Year	22,384	(2,553)	(57,261)	1,330	(7,467)	42,708	(859)	48,671	47,812
Balance at 31st March 2025	**(33,488)**	**(21,838)**	**(505,311)**	**(7,533)**	**(34,652)**	**(77,216)**	**(680,038)**	**(2,388,387)**	**(3,068,425)**

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BALANCE SHEET AS AT 31ST MARCH 2026

31st March 2025 £000		31st March 2026 £000
2,899,269	Property, Plant and Equipment (note 19)	3,101,479
55,720	Investment Property (note 26)	42,906
9,312	Intangible Assets (note 25)	7,814
62,503	Heritage Assets (note 27)	62,550
18,719	Long Term Investments (note 30)	16,859
75,394	Long Term Debtors (note 31)	76,762
3,120,917	**Long Term Assets**	**3,308,370**
452,703	Short Term Investments (note 40a)	534,357
2,487	Inventories	2,572
204,674	Short Term Debtors (note 32)	239,656
194,128	Cash and Cash Equivalents (note 29)	110,894
2,732	Assets held for sale (note 28)	17,329
856,724	**Current Assets**	**904,808**
(112,788)	Short Term Borrowing (note 40a)	(140,657)
(161,853)	Short Term Creditors (note 33)	(159,304)
(5,555)	PFI/PPP Liability repayable within 12 months (note 12)	(5,760)
(1,599)	Lease repayable within 12 months (note 13)	(1,554)
(13,313)	Provisions to be used within 12 months (note 34)	(13,959)
(16,910)	Capital Grant Receipts in Advance (note 9)	(10,074)
(312,018)	**Current Liabilities**	**(331,308)**
(57,299)	Long Term Creditors (note 24)	(67,378)
(140,172)	PFI/PPP Liability repayable in excess of 12 months (note 12)	(136,349)
(6,961)	Lease repayable in excess of 12 months (note 13)	(6,758)
(20,024)	Provisions to be used in excess of 12 months (note 34)	(11,120)
(6,248)	Net Pensions Liability (note 10)	(5,726)
(350,449)	Long Term Borrowing (note 40a and 40d)	(333,740)
(16,045)	Capital Grant Receipts in Advance (note 9)	(15,360)
(597,198)	**Long Term Liabilities**	**(576,431)**
3,068,425	**Net Assets**	**3,305,439**

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BALANCE SHEET AS AT 31ST MARCH 2026 (continued)

31st March 2025 £000		31st March 2026 £000
	Usable Reserves	
33,488	General Fund Balance (note 35a)	32,000
21,838	General Fund Balance HRA	11,977
505,311	Earmarked Reserves (note 35b)	524,791
7,533	Major Repairs Reserve (HRA)	12,396
34,652	Capital Receipts Unapplied Reserve (note 35c)	47,162
77,216	Capital Grant Unapplied Reserve (note 35d)	75,331
680,038	**Total Usable Reserves**	**703,657**
	Unusable Reserves	
776,865	Revaluation Reserve (note 36a)	902,559
3,647	Collection Fund Adjustment Account (note 36b)	1,922
3,241	DSG Adjustment Account (note 36g)	(3,683)
303	Financial Instruments Adj Account	269
(1,701)	Financial Instruments Revaluation Reserve (note 36f)	(1,561)
(7,144)	Accumulated Absences Account (note 36c)	(6,722)
(6,248)	Pension Reserve (note 36d)	(5,726)
1,619,424	Capital Adjustment Account (note 36e)	1,714,724
2,388,387	**Total Unusable Reserves**	**2,601,782**
3,068,425	**Total Reserves**	**3,305,439**

The Balance Sheet shows the value as at the Balance Sheet date of the Assets and Liabilities recognised by the Council. The net Assets of the Council (Assets less Liabilities) are matched by the Reserves held by the Council.

Reserves are reported in two categories. The first category of Reserves are Usable Reserves, ie 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 that may only be used to fund Capital Expenditure or repay debt). The second category of Reserves are those that the Council is not able to use to provide services. This category of Reserves includes Reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the Assets are sold, and Reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

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CASH FLOW STATEMENT – YEAR ENDED 31ST MARCH 2026

31st March 2025 £000		31st March 2026 £000
(97,836)	**Net Surplus / (Deficit) on the Provision of Services - See Comprehensive Income and Expenditure Statement**	**65,832**
	Adjust net surplus / (deficit) on the provision of services for non cash movements	
135,254	Depreciation / Amortisation (note 35a)	139,036
63,310	Impairment and revaluations charged to the provision of services (note 35a)	13,379
23,274	Movement in Creditors (Decrease)/increase	14,423
6,798	Movement in Debtors Decrease/(increase)	(25,858)
(223)	Movement in Inventories Decrease/(increase)	(85)
6,993	Movement in Provisions (Decrease)/increase (note 34)	(8,258)
(2,425)	Movement in Pensions Liability	(18,023)
57,190	Carrying Amount of Non-current Assets sold (note 35a)	36,067
290,171		**150,681**
	Adjust for items included in the net deficit on the provision of services that are investing and financing activities	
(57,520)	Capital grants credited to the (surplus)/deficit on the provision of services (note 9)	(112,522)
(8,269)	Proceeds from the sale of property and other assets	(20,359)
(65,789)		**(132,881)**
126,546	**Net cash flows from Operating Activities**	**83,632**

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CASH FLOW STATEMENT (continued)

31st March 2025		31st March 2026 £000
126,546	**Net cash flows from Operating Activities**	**83,632**
	Investing Activities	
(141,763)	Purchase of Property, Plant and Equipment and Intangible Assets	(196,327)
(958,939)	Purchase of Short Term and Long Term investments	(835,154)
8,269	Proceeds from the Sale of Property (and other Assets)	20,359
970,487	Proceeds from Short Term and Long Term Investments	755,360
55,813	Other receipts for investing activities	80,499
(66,133)	**Net cash flows from / (for) Investing Activities**	**(175,263)**
	Financing Activities	
65,229	Cash receipts of Short and Long Term Borrowing	39,693
4,873	Other receipts from Financing Activities	4,661
(6,381)	Repayment of the outstanding liability of Lease and similar arrangements (notes 12 and 13)	(7,190)
(24,594)	Repayment of Short and Long Term Borrowing	(28,767)
0	Other payments for Financing Activities	0
39,127	**Net cash flows (from) / for Financing Activities**	**8,397**
99,540	**Net (Decrease) / Increase in Cash and Cash Equivalents**	**(83,234)**
94,588	Cash and Cash Equivalents at the beginning of the reporting period	194,128
194,128	Cash and Cash Equivalents at the end of the reporting period	110,894
99,540		**(83,234)**

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 (ie borrowing) to the Council.

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NOTES TO THE CORE FINANCIAL STATEMENTS

1. Prior Period Adjustments

There have been no prior period adjustments.

2. Accounting Standards that have been issued but have not yet been adopted

Accounting Standards that have been issued but not yet adopted by the CIPFA Code of Practice are:

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024.

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024.

- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024.

- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

Any impact on the Statement of Accounts will be assessed at the time of adoption by the CIPFA Code of Practice, but based on our initial assessment we expect the adoption of the above standards to be either not relevant to the Council or that any impact will not be material.

3. Critical Judgements in applying Accounting Policies

In applying the accounting policies as set out at the Statement of Accounting Polices the Council has had to make critical judgements about complex transactions and those involving uncertainty about future events (sensitivity analysis relating to changes to specific critical judgements are included where appropriate) :-

- The material judgement in choice of accounting policy relates to the valuation of the Council's dwellings stock. The guidance issued by the Department for Communities and Local Government permits two valuation methods: the Beacon Approach and the Discounted Cash Flow Approach. The Council has chosen the Beacon Approach which groups properties according to their type and values them accordingly at Open Market Value, then applies a multiplication factor of 41% (previously 31% prior to 2016/17) to reflect Existing Use (Social Housing), as it is felt that this more accurately reflects the value of the stock; and

- 5 schools transferred to Academy Status in 2025/26. It is the Council's policy to exclude academy schools from its Balance Sheet as it does not retain sufficient control over the schools service provision to warrant the recognition of the school as an asset. Typically, the land and buildings of schools that transfer to academy status are transferred to the Academy Trust under a 125 year lease at a peppercorn rent. The value of the Council's balance sheet would have been £14.0m higher if the schools had not been removed. Further schools may transfer to Academy Status in 2026/27;

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

The Statement of Accounts contains estimated figures that are based upon assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors.

Pension Liability

Estimation of the net liability to pay pensions depends upon a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged by the Council to provide expert advice about the assumptions to be applied, these assumptions may be adjusted on a yearly basis.

A sensitivity analysis around certain assumptions has identified the following changes to the pension deficit of £5.7m would occur if alternative assumptions were to be applied:-

- a +0.1% increase in the discount rate to be applied would reduce the pension deficit by £30.7m;
- a +0.1%pa increase in pension payments inflation would increase the deficit by £2.2m;
- a +0.1%pa pay growth would increase the deficit by £28.5m; and
- an additional 1 year increase in life expectancy would increase the deficit by £48.2m.

Further information regarding the carrying amount of the Pension Liability as at 31 March 2026 can be found in Disclosure Note 10 - Pension Arrangements.

Property, Plant and Equipment

Assets are depreciated over the useful economic life that the asset (or components of the assets where appropriate) will be operational. The useful economic life of an individual asset is dependent upon maintaining an appropriate level of repair and maintenance expenditure on that asset. Should insufficient expenditure be incurred to properly maintain an asset then it may be the case that the useful economic life of that asset is reduced; this might give rise to an impairment or accelerated depreciation being required.

Further information regarding the carrying amount of Property, Plant and Equipment as at 31 March 2026 can be found in Disclosure Note 19 - Movement in Property, Plant and Equipment.

Valuation and Revaluations of Property Plant and Equipment

The valuation programme for Property Plant and Equipment and Property (Non-Council Dwellings) is undertaken on a rolling basis of the course of a five-year period. As 2025/26 represents only the third year of the existence of North Yorkshire Council not all Property, Plant and Equipment assets have been revalued as part of the five-year rolling valuation programme. All these assets will have been revalued when the Statement of Accounts for 2027/28 are completed.

Where assets are not subject to a full revaluation in year, an overriding review is undertaken to identify any indicators of the existence of any material change to their valuation, and, where this is the case, a decision is taken by the council in consultation with its property valuation specialists as to whether the asset/s in question are revalued in year. Judgement is required to make an assessment as to whether there are any indicators of impairment. A review is undertaken on an annual basis which includes an assessment of whether there has been any material damage to the asset. The influence of external market factors on the value of assets are also reviewed annually. This work is undertaken by the Valuers employed by the Council. The impact of an impairment due

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to a 1% decrease in asset values would be to reduce the closing NBV on the Council's balance sheet by £31.0m.

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. If the Council fails to sustain its current maintenance programme, the useful economic life of an asset may be reduced. If the useful life of assets are reduced then depreciation increases and the carrying amount of an individual asset may fall.

5. Expenditure and Funding Analysis 2025/26

	Net Expenditure Chargeable to the General Fund & HRA Balances	Transfer to/(from) reserves	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000	£000	£000
Children and Young People's Service	140,993	(7,525)	133,468	20,147	153,615
Environmental Services	116,332	(16,236)	100,096	42,516	142,612
Health and Adult Services	268,806	432	269,238	29	269,267
Resources and Central Services	152,493	(5,205)	147,288	(16,612)	130,676
Community Development	32,001	(8,200)	23,801	(32,674)	(8,873)
HRA	0	10,497	10,497	15,264	25,761
Corporate Miscellaneous	(68,687)	16,208	(52,479)	21,865	(30,614)
North Yorkshire Education Services (NYES)	0	(569)	(569)	569	0
Net Cost of Services	**641,938**	**(10,598)**	**631,340**	**51,104**	**682,444**
Other Operating Income and Expenditure	12,953	0	12,953	16,157	29,110
Financing and Investment Income & Expenditure	0	0	0	(3,716)	(3,716)
Taxation and non specific income and Expenditure	(653,281)	1,493	(651,788)	(121,882)	(773,670)
(Surplus) or Deficit	**1,610**	**(9,105)**	**(7,495)**	**(58,337)**	**(65,832)**
Opening General Fund & HRA Balance			(560,637)		
Less/Plus (Surplus) or Deficit on General Fund & HRA in Year			(7,495)		
Closing General Fund Balance at 31st March 2025			**(568,132)**		
General Fund Balance					
General Fund			(32,000)		
HRA			(11,341)		
Earmarked Reserves			(524,791)		
			(568,132)		

The Expenditure and Funding Analysis demonstrates how the funding available to the Council for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. This statement also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income

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and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Comparative Expenditure and Funding Analysis 2024/25

	Net Expenditure Chargeable to the General Fund & HRA Balances	Transfer to/(from) reserves	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000	£000	£000
Children and Young People's Service	123,898	(2,631)	121,267	32,325	153,592
Environmental Services	97,837	3,374	101,211	64,609	165,820
Health and Adult Services	251,017	3,139	254,156	3,695	257,851
Resources and Central Services	139,673	1,196	140,869	(1,989)	138,880
Community Development	26,840	5,841	32,681	35,868	68,549
HRA	0	(2,533)	(2,533)	(7,269)	(9,802)
Corporate Miscellaneous	(62,453)	(12,954)	(75,407)	31,144	(44,263)
North Yorkshire Education Services (NYES)	0	(1,229)	(1,229)	1,229	0
Net Cost of Services	**576,812**	**(5,797)**	**571,015**	**159,612**	**730,627**
Other Operating Income and Expenditure	11,245	0	11,245	49,694	60,939
Financing and Investment Income & Expenditure	0	0	0	(4,369)	(4,369)
Taxation and non specific income and Expenditure	(594,402)	(25,288)	(619,690)	(69,671)	(689,361)
(Surplus) or Deficit	**(6,345)**	**(31,085)**	**(37,430)**	**135,266**	**97,836**
Opening General Fund & HRA Balance			(523,207)		
Less/Plus (Surplus) or Deficit on General Fund & HRA in Year			(37,430)		
Closing General Fund Balance at 31st March 2024			**(560,637)**		
General Fund Balance					
General Fund			(33,488)		
HRA			(21,838)		
Earmarked Reserves			(505,311)		
			(560,637)		

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Adjustments between funding and accounting basis 2025/26

	Adjustments for Capital Purposes £000	Net change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts				
Children and Young People's Service	24,752	(6,661)	2,056	20,147
Environmental Services	90,350	(3,713)	(44,121)	42,516
Health and Adult Services	5,137	(3,613)	(1,495)	29
Resources and Central Services	7,219	(5,328)	(18,503)	(16,612)
Community Development	(517)	(2,442)	(29,715)	(32,674)
HRA	25,474	(576)	(9,634)	15,264
Corporate Miscellaneous	0	7,233	14,632	21,865
NYES	0	(1,362)	1,931	569
Net Cost of Services	**152,415**	**(16,462)**	**(84,849)**	**51,104**
Other Operating Income and Expenditure	15,708	0	449	16,157
Financing and Investment Income and Expenditure	0	(1,561)	(2,155)	(3,716)
Taxation and non specific income and Expenditure	0	0	(121,882)	(121,882)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	**168,123**	**(18,023)**	**(208,437)**	**(58,337)**

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Comparative Movements in 2024/25

	Adjustments for Capital Purposes £000	Net change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts				
Children and Young People's Service	37,762	(2,289)	(3,148)	32,325
Environmental Services	91,201	(731)	(25,861)	64,609
Health and Adult Services	5,418	(783)	(940)	3,695
Resources and Central Services	12,782	(1,054)	(13,717)	(1,989)
Community Development	38,956	(385)	(2,703)	35,868
HRA	12,445	(89)	(19,625)	(7,269)
Corporate Miscellaneous	0	4,366	26,778	31,144
NYES	0	(282)	1,511	1,229
Net Cost of Services	**198,564**	**(1,247)**	**(37,705)**	**159,612**
Other Operating Income and Expenditure	48,921	0	773	49,694
Financing and Investment Income and Expenditure	0	(1,178)	(3,191)	(4,369)
Taxation and non specific income and Expenditure	0	0	(69,671)	(69,671)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	**247,485**	**(2,425)**	**(109,794)**	**135,266**

Segmental Income

Income received on a segmental basis is analysed below:-

Services	2025/26 £000	2024/25 £000
Children and Young People's Service	(411,533)	(418,164)
Environmental Services	(110,862)	(158,053)
Health and Adult Services	(205,949)	(195,818)
Resources and Central Services	(138,377)	(145,758)
Corporate Miscellaneous	(146,968)	(122,333)
NYES	(46,499)	(48,004)
Community Development	(79,150)	(69,153)
HRA	(47,882)	(47,393)
Total income analysed on a segmental basis	(1,187,220)	(1,204,676)

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Expenditure and Income Analysed by Nature

	2025/26 £000	2024/25 £000
Expenditure		
Employee benefits expenses	604,689	586,977
Other services expenses	939,849	967,184
Depreciation, Amortisation, Impairment	174,516	229,715
Interest payments	33,397	31,882
Precepts and levies	13,402	12,018
Loss on the disposal of assets	15,708	48,921
Total expenditure	1,781,561	1,876,697
Income		
Fees, charges and other service income	(355,026)	(407,508)
Interest and investment income	(39,378)	(41,318)
Income from council tax, non domestic rates income	(600,328)	(556,873)
Government grants and contributions	(852,385)	(772,864)
Investment Properties	(276)	(298)
Total income	(1,847,393)	(1,778,861)
(Surplus) or Deficit on the Provision of Services	(65,832)	97,836

Fees, charges and other service income includes £212.4m which relates to revenue from contracts with service recipients (£212.4m in 2024/25).

Cash Flow – Operating Activities

The cash flows for operating activities, included in the above Interest payments and Income and investment Income are:-

	2025/26 £000	2024/25 £000
Interest received	(32,204)	(37,677)
Interest paid	28,262	29,479
Dividends received	(2,039)	(1,238)
Total	(5,981)	(9,436)

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6. Trading Activities

The Council operates a number of trading services. Details of those services with a turnover of greater than £2m are as follows:-

	2025/26				2024/25			
Service	Total Cost £000	Total Income £000	Transfer (to) / from Reserves £000	Net Surplus / (Deficit) £000	Total Cost £000	Total Income £000	Transfer (to) / from Reserves £000	Net Surplus / (Deficit) £000
Building Cleaning Services	11,562	12,390	(828)	0	10,316	11,226	(910)	0
County Caterers Service	14,326	14,648	(322)	0	13,442	14,105	(663)	0
Maintenance and Servicing Scheme	2,744	2,874	(130)	0	2,908	3,066	(158)	0
NYES Digital	5,403	5,554	(151)	0	6,296	6,385	(89)	0
Staff Absence Scheme	2,997	2,742	255	0	2,895	2,807	88	0
Other Services (< £2 Million individually)	9,538	8,932	606	0	9,139	8,636	503	0
Total Results for Trading Units	46,570	47,140	(570)	0	44,996	46,225	(1,229)	0

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During 2025/26, the Council's traded services, including insurance offered to schools, operated under the brand of North Yorkshire Education Service (NYES). This is an in-house arrangement which reflects a governance and reporting structure whereby such services are held accountable by a Board, chaired by the Council's Chief Executive.

The net surplus / deficit on each traded activity is transferred to a reserve at the end of each financial year.

Trading operations are incorporated into the Comprehensive Income and Expenditure Statement. Some trading operations are an integral part of the Council's services to the public, whilst others are support services to the Council's activities e.g. Cleaning. Where the trading activities are not integral to the Council's service obligations, the net financial position of the trading operations are identified within the Financing and Investment Income section of the Comprehensive Income and Expenditure Statement.

	31st March 2026 £000	31st March 2025 £000
Net (surplus)/ deficit included within Cost of Services	1	(562)
Net (surplus) / deficit credited to Financing and Investment Income and Expenditure	(570)	(667)
Net (surplus) / deficit on trading operations	(569)	(1,229)

7. Council Tax Income

Council Tax Income totalled £508.6m consisting of:-

	£000	£000
Receipts in Year	507,158	465,715
Transfer to Reserves	4,314	5,936
Collection Fund Adjustment	(2,862)	(399)
	508,610	471,252

The income from Council Tax is equivalent to a basic amount of £1,939.54 for an average band D property.

8. Non-Domestic Rates

	2025/26 £000	2024/25 £000
Localised Receipts in Year	91,489	84,355
Transfer to Reserves	1,137	(8,091)
Collection Fund Adjustment	(908)	9,357
	91,718	85,621

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9. Grant Income

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

Credited to Taxation and Non-specific Grant Income

Non-Ringfenced Government Grants	2025/26		2024/25	
	£000	£000	£000	£000
Revenue Support Grant		2,148		1,042
Other Government Funding				
- Section 31 - NNDR	49,735		54,327	
- New Homes Bonus	4,043		3,732	
- Employers NI Contribution Scheme	3,912		0	
- Private Finance Initiative	982		982	
- Rural Services Delivery Grant	0		14,292	
- Services Grant	0		593	
		58,672		73,926
Total		60,820		74,968

Capital Grants	2025/26	2024/25
	£000	£000
Local Transport Plan	60,147	28,317
S31 Kex Gill Grant	10,066	0
HRA Programme	9,593	2,706
Levelling Up Fund (Catterick Garrison)	7,794	0
Transforming Cities Fund Grant	5,542	0
School Condition Grant	5,491	4,615
Special Provision Capital Fund	4,467	2,275
York & North Yorkshire Combined Authority	3,733	0
Basic Need Grant	3,450	0
Environment Agency Grants	3,229	2,832
S106 Developer Contributions	2,837	2,648
Other Capital Grants / Contributions	(3,827)	(2,327)
Pothole Grant	0	16,454
Total	112,522	57,520

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Revenue Grants Credited to Services	2025/26 £000	2024/25 £000
Dedicated Schools Grant	355,999	317,676
Housing Benefit Subsidy	74,974	85,701
Adult Social Care Support Grant	50,244	43,781
Public Health	26,000	24,574
Local Authority Better Care Fund	21,378	0
Extended Producer Responsibility (EPR)	16,842	0
Department for Education (DfE)	15,219	20,312
Market Sustainability	10,603	10,603
Pupil Premium	9,320	10,323
Local Transport Fund	6,461	3,281
Teachers Pay Grant	6,432	8,838
Household Support Grant	6,235	7,075
Homelessness Prevention Grant	3,305	2,313
Universal Infant Free School Meals	3,269	3,484
Unaccompanied Asylum Seeking Children (UASC)	3,240	4,280
Physical Education & School Sport	2,529	3,058
Homes for Ukraine	2,461	2,624
Apprenticeship Levy	2,277	1,746
Improved Better Care Fund Phase 1	0	13,912
ASC Discharge Fund / Urgent & Emergency Care Fund	0	8,902
Shared Prosperity Fund	0	6,360
Other Individual Grants <£2m	35,600	30,382
Total	652,388	609,225

The Council has received several grants and contributions that have yet to be recognised as income as they have conditions attached to them that will require the grant to be returned if those conditions are not met. The balances at the year-end are as follows:-

Capital Grants and Contributions Received in Advance

	31st March 2026 £000	31st March 2025 £000
To be used within 1 year		
Local Electric Vehicle Infrastructure Grant	4,880	4,880
Levelling Up Fund Grant (Catterick Garrison)	2,845	9,101
Other	1,218	359
Earmarked S106/Developer Contributions	882	928
Private Contributions (Highways Schemes)	155	277
District Contributions (Flood Risk Management Schemes)	10	81
Zero Emission Bus Regional Areas Capital Grant 2022-24	0	1,284
Total	9,990	16,910
To be used in excess of 1 year		
Towns Fund	9,260	0
Earmarked S106/Developer Contributions	4,920	14,584
Other Grants and Contributions	4	1,461
Total	14,184	16,045

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Capital Grants Credited to Services

	31st March 2026 £000	31st March 2025 £000
Disabled Facilities Grant Funded Programme	5,493	4,811
Combined Authority Grants	2,990	858
Towns Fund	2,450	487
Special Provision Capital Fund	2,288	0
S106 Developer Contributions	1,682	333
School Condition Grant	1,539	1,270
ZEBRA Grant	1,284	6,516
Devolved Formula Capital Grant	1,154	1,077
Housing Programme	859	75
Environment Agency Grants	836	0
Other	816	2,703
Housing Upgrade Grant	776	5,754
Early Years Grant Funded Programme	381	660
Self Help Schemes (Schools)	165	535
Rural England Prosperity Fund	0	3,752
UK Shared Prosperity Fund	0	2,160
Basic Need Grant	0	160
Total	22,713	31,151

10. Pension Arrangements

As part of the terms and conditions of employment, the Council offers retirement benefits to its employees. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. The Council participates in three different pension schemes:-

- Local Government Pension Scheme, for employees other than teachers, administered by North Yorkshire Council. This is a funded defined benefit scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance pension liabilities with investment assets;

- Teachers' Pension Scheme, sponsored by the Department for Education (DfE). This is an unfunded defined benefit scheme, meaning that there are no investment assets built up to meet the pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. The Actuary is unable to individually allocate a share of assets to scheme participants; this scheme is treated on the same basis as a defined contributions scheme for the purposes of these accounts.

  Any discretionary enhancements to benefits awarded by the Council remain the liability of the Council and are paid monthly in addition to the pension paid by the DfE. These costs are accounted for on a defined benefit basis and are identified separately within this note.

- NHS Pension Scheme, administered by the NHS Business Service Authority. This is an unfunded defined benefit scheme that the Council is required to account for as if it were a defined contribution scheme. This is because the Council's obligation is limited to paying contributions as they fall due, with no obligation to pay future benefits. Contributions paid in 2025/26 were £43k. The Council estimates that contributions payable in 2026/27 will be £38k. At 31 March 2026 only 2 employees of the Council pay contributions to the NHS Pension Scheme out of an estimated 1.9million active members nationally.

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The Council recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out (transferred) in the Movement in Reserves Statement - General Fund Balance.

Further information relating to sensitivity analysis for each significant actuarial assumption is available in Disclosure Note 4 - Pensions Liability on page 55.

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The following transactions have been made in the Comprehensive Income and Expenditure Statement:-

	Local Government Pension Scheme		Teachers' Pension Scheme		Total	
	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000
Comprehensive Income and Expenditure Statement						
Net Cost of Service						
Current Service Cost	45,553	61,133	0	0	45,553	61,133
Past Service Cost (including curtailments)	4,725	2,353	0	0	4,725	2,353
Settlement Costs	0	0	0	0	0	0
Financing and Investment Income and Expenditure						
Net Interest Expense	(1,894)	(1,505)	333	327	(1,561)	(1,178)
Total post employment Benefits charged to the (Surplus) / Deficit on the Provision of Services	48,384	61,981	333	327	48,717	62,308
Other Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement						
return on plan assets	1,960	59,505	0	0	1,960	59,505
experience (gain) / loss	62,445	4,411	28	13	62,473	4,424
actuarial (gains) / losses arising on changes in demographic assumptions	20,055	(17,005)	173	(32)	20,228	(17,037)
actuarial (gains) / losses arising on changes in financial assumptions	(27,703)	(394,644)	(31)	(313)	(27,734)	(394,957)
adjustment due to restriction of surplus	(39,426)	349,381	0	0	(39,426)	349,381
adjustment due to brought forward Legacy balances	0	0	0	0	0	0
Total Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement	17,331	1,648	170	(332)	17,501	1,316
Movement in Reserves Statement						
Reversal of Net Charge to the (Surplus) / Deficit on Provision of Services	(48,384)	(61,981)	0	(327)	(48,384)	(62,308)
Actual amount charged against the General Fund Balance in the Year						
Employers' contributions payable to scheme	65,715	63,629	0	0	65,715	63,629
Retirement benefits payable to pensioners	0	0	1,025	1,104	1,025	1,104
					66,740	64,733

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A comparison between the Net Cost of Service and the actual amount charged against the General Fund Balance in year shows that the costs disclosed for services are £28,420k higher than the amount charged against the General Fund. This is as a result of the following:

- the Councils contributions of £65,715k to the Local Government Pension Scheme being replaced with a current service cost of £45,553k. This £20,162k adjustment equates to a 30.7% decrease in employer's pension costs;

- in addition, under IAS 19, the unfunded liability arising from enhanced teachers' pensions requires that the cost of benefits paid in the year (£1,025k) is removed from the net cost of services as it relates to periods of service prior to 2025/26;

- a past service cost including curtailments and settlements of £4,725k relating to decisions taken in previous financial years; and

- administration expenses of £2,508k.

Reconciliation for the Change in Asset Ceiling

	2025/26 £000	2024/25 £000
Effect of asset ceiling - start of the period	618,715	256,998
Net interest in Surplus/ Deficit on Provision of Services	35,885	12,336
Remeasurement (gain) / loss in Other Comprehensive Income & Expenditure	(39,426)	349,381
Effect of the asset ceiling - end of period	615,174	618,715

Assets and Liabilities in Relation to Post-employment Benefits

Reconciliation of present value of the scheme liabilities (defined benefit obligation)

	Funded Liabilities Local Government Pension Scheme		Unfunded Liabilities Discretionary Benefits	
	2025/26 £m	2024/25 £m	2025/26 £m	2024/25 £m
Opening balance at 1st April	(2,061.7)	(2,381.8)	(6.2)	(7.4)
Current Service Cost	(45.6)	(61.1)	0.0	0.0
Interest Cost	(118.6)	(112.2)	(0.3)	(0.3)
Contributions by scheme participants	(21.0)	(21.0)	0.0	0.0
Financial Assumptions	27.7	394.6	0.0	0.3
Liability Experience	(62.4)	(4.4)	0.0	0.1
Demographic Assumptions (Gain)/Loss	(20.1)	17.0	0.7	0.0
Benefits Paid	113.5	109.6	0.1	1.1
Settlements / Curtailments	(4.7)	(2.4)	0.0	0.0
Closing Balance at 31st March	(2,192.9)	(2,061.7)	(5.7)	(6.2)

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Reconciliation of the fair value of the scheme assets

	Funded Liabilities Local Government Pension Scheme		Unfunded Liabilities Discretionary Benefits	
	2025/26 £m	2024/25 £m	2025/26 £m	2024/25 £m
Opening balance at 1st April	2,680.4	2,638.8	0.0	0.0
Interest on Plan Assets	154.8	126.1	0.0	0.0
Remeasurement (losses)/gains on assets	(2.0)	(59.5)	0.0	0.0
Employer Contributions	65.7	63.6	1.0	1.1
Contributions by scheme participants	21.0	21.0	0.0	0.0
Settlements	0.0	0.0	0.0	0.0
Benefits Paid	(111.9)	(109.6)	(1.0)	(1.1)
Closing Balance at 31st March	2,808.0	2,680.4	0.0	0.0

The actual return on the scheme assets in the year was £152.9m.

The liabilities show the underlying commitments that the Council has in the long-run to pay for retirement benefits. The total net liability of £5.7m has a sustained impact on the net worth of the Council.

However, statutory arrangements for funding the deficit mean that the financial position in relation to pensions remains healthy because:-

- the deficit on the local government scheme will be made good by setting appropriate contribution rates over the remaining working life of employees, as assessed by the scheme actuary; and

- finance is only required to be raised to cover the teachers' pension enhancements when the pensions are actually due to be paid.

Basis for estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The liabilities have been assessed by AON, an independent firm of actuaries and the main assumptions used in their calculations have been:-

	31st March 2026 %	31st March 2025 %
Rate of CPI inflation	2.8	2.5
Rate of increase in salaries	4.1	3.8
Rate of increase in pensions	2.8	2.5
Rate for discounting schemes liabilities	6.2	5.8
Proportion of employees opting to take a commuted lump sum (not Teachers Scheme)	50.0	50.0
	Years	Years
Post retirement mortality assumptions		
- Male future pensioner aged 65 in 20 years time	23.2	22.5
- Female future pensioner aged 65 in 20 years time	25.6	25.2
- Male current Pensioner aged 65	22.7	21.9
- Female current Pensioner aged 65	24.9	24.5

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Changes in the Local Government Pension Scheme permit employees retiring to take an increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension. On the advice of our actuaries we have assumed that 50% of employees retiring will take advantage of this change to the pension scheme. When first introduced, there was a significant "one-off" reduction in the Council's liabilities which was reflected as a change in accounting policies as it affected all accrued liabilities. In subsequent years the impact of commutation is considerably smaller as it only relates to liabilities arising in the year and is included under Past Service Costs/Gains.

Assets in the North Yorkshire Pension Fund are valued at fair value, principally market value for investments. The Council's share of the assets totals £2,808m at 31st March 2026. The assets consist of the following categories, by proportion of the total assets held by the Fund. There are no assets in place to cover the teachers' enhanced pension liability.

The overall expected rate of return on assets is based on the strategic asset allocation of the Fund as follows:-

	31st March 2026 %	31st March 2025 %
Equity investments	36.8	60.6
Government Bonds	19.7	14.8
Corporate Bonds / Other Bonds	7.7	7.6
Property	6.4	5.9
Multi Asset Credit	5.5	5.3
Other	22.0	4.3
Cash / Liquidity Assets	1.9	1.5
	100.0	100.0

Surplus / (Deficit) in the Scheme

	2025/26 £m	2024/25 £m
Present Value of defined benefit obligations	(2,198.7)	(2,067.7)
Fair Value of Scheme Assets	2,808.0	2,680.5
Adjustment due to restriction of surplus	(615.0)	(619.0)
Surplus/Deficit in the Scheme	(5.7)	(6.2)

Following the pension valuation by the Council's actuary, the fair value of its pension plan assets outweighed the present value of the plan obligations at 31st March 2026, resulting in a pension asset. IAS 19 and IFRIC 14 Employee Benefits required that where a defined benefit pension scheme has a surplus it is measured at the lower of:

- the surplus in the defined benefit plan; and

- the asset ceiling.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The Council's actuary calculated the asset ceiling as the net present value of future service costs less net present value of future contributions. The calculation has capped the pension asset at nil, therefore the only amounts recognised on the balance sheet are the unfunded pension liabilities.

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Actuarial Gains and Losses

The actuarial gains / (losses) identified as movements on the Pensions Reserve in 2025/26 can be analysed into the following categories, measured as absolute amounts and as a percentage of assets or liabilities at 31st March 2026:-

	2025/26		2024/25	
	£m	%	£m	%
Experience adjustments on scheme assets	(2.0)	(0.1)	(59.5)	(2.2)
Experience adjustments on scheme liabilities	62.4	2.8	4.4	0.2
	60.4		(55.1)	

Further details are contained in the Statement by Consulting Actuary, copies of which are available on request from Central Services, County Hall, Northallerton, DL7 8AD.

The estimated amount of contributions expected to be paid to the Scheme during the 2026/27 financial year is £57.4m.

Teacher's Pension Scheme

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by Teachers' Pensions on behalf of the Department for Education (DfE). It provides teachers with defined benefits upon their retirement, and the Council contributes towards the costs by making contributions based upon a percentage of members' pensionable salaries. The policy of offering enhancements to the retirement benefits of teachers ceased in 1996/97, however, the cost of enhancements awarded prior to that date will continue to be met until those pensions cease to be paid.

In 2025/26 the Council paid £35.2m to Teachers' Pensions as a contribution towards teachers' pension costs, which represents 28.68% of teachers' pensionable pay. The figures for 2024/25 were £26.9m and 23.6%. There were no contributions remaining payable at the year-end. The Council estimates that contributions payable in 2026/27 will be £35.4m. At 31 March 2026 2,301 teachers employed by the Council are active members and contribute to the Teachers' Pension Scheme out of an estimated 687,400 active members nationally.

The scheme is a multi-employer defined benefit scheme. Although the scheme is unfunded, Teachers' Pensions use a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. Valuations of the notional fund are undertaken every four years.

The scheme has more than 12,900 participating employers and consequently the authority is not able to identify its share of the underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purposes of this statement of accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These benefits are fully accrued in the pensions liability as described above.

The Council is not liable to the scheme for any other entities' obligations under the plan.

Assumptions for the Teachers' Pension Scheme are broadly in line with those for the Local Government Pension Scheme.

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In June 2023 the High Court ruled in the case of Virgin Media Limited v NTL Pension Trustees. The ruling was that certain pension scheme rule amendments were invalid if they were not accompanied by the correct actuarial confirmation. The High Court ruling has since been appealed. In a judgment delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court.

The current position in relation to local government pension schemes (LGPS) is that actuarial confirmations for all amendments have not yet been located. The most recent update was in July 2024 from Government's Actuary Department (GAD) and included the following information:

- Relevant certificates have been located in respect of the 2014 reforms.
- We believe a certificate will have been prepared in respect of the 2008 reforms, but the initial electronic search for this has meant paper files would now need to be retrieved from archive storage to try and locate this.

While it is known there is potential for additional pension liabilities to be recognised, the impact in monetary terms is not known and it is reasonable to form the view that it is not reasonably estimable. While the Court of Appeal has upheld the High Court judgement, there are further actions that could be taken regarding the case. In addition, the certificate in respect of the 2008 reforms could be located.

See note 38 for the detail on the action undertaken by the Government post year end.

The Council will continue to monitor any developments in relation to the case and the potential impact on the Council's pension balances.

11. Audit Fees

In 2025/26 the Council incurred the following fees relating to external audit:-

	2025/26 £000	2024/25 £000
Fees payable to the External Auditor with regard to :-		
Work carried out, by appointed auditor, as per the agreed scale fee	821	799
Work carried out, by appointed auditor, relating to previous years	309	373
Fee variation estimate 24/25 and 25/26	96	0
Teachers Pension return 23/24 - 25/26	41	0
	1,267	1,172

12. Private Finance Initiative (Service Concessions)

In April 2002, the Council commenced payments on a Private Finance Initiative (PFI) scheme which provides for four replacement primary schools at Barlby CPS, Brotherton and Byram CPS (both near Selby), Kirby Hill CEPS (near Boroughbridge) and Ripon Cathedral CEPS. The contract is for 25 years.

Brotherton and Byram CPS converted to academy status on 1st August 2015. As a result, the building value of the school has been removed from the Council Balance Sheet.

Two of the schools, Kirby Hill CEPS and Ripon Cathedral CEPS, are voluntary controlled schools. On expiry of the private finance initiative in 2027 these two school buildings will transfer to the respective Trustees of each of the schools. However, to reflect the substance of the transaction

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and to give consistency in approach to the PFI scheme the building values for these two schools are retained on the Council balance sheet along with that of Barlby CPS.

The associated liability for all of the schools is shown as a PFI liability within the accounts.

In March 2018, the Council commenced payments on a Public Private Partnership project in conjunction with York City Council, for a Waste treatment plant provided by Amey CESPA, AWPR Ltd. The payments required under the agreement and the ownership of the asset are split with North Yorkshire Council representing 79% of the scheme and 21% attributable to York City Council. The contract is for 25 years.

During the term of the contract, the provider is required to make facilities available in line with the agreement with approved variations adjusted through the payment mechanism where appropriate.

Upon expiry, the facility will be handed to the Councils in good working order. The Council's share of the associated asset has been recognised within Property, Plant & Equipment within the accounts, as well as the Council's share of the liabilities due over the term of the contract.

The Council adopted IFRS 16 Leases as at 1 April 2024, this standard also applies to service concession arrangements i.e. PFI schemes. Under IFRS 16 where the contract includes indexation that affect future service concession payments i.e. annual uplifts for inflation, the lease liability is required to be remeasured for each subsequent change to include the net present value of the indexed future payments.

No adjustment has been made to the Schools PFI liability, as due to the short remaining period under the arrangement the impact was immaterial.

Value of PFI Assets

	2025/26			2024/25		
	Schools £000	Waste £000	Total £000	Schools £000	Waste £000	Total £000
Opening Balance	13,943	184,919	198,862	12,844	186,570	199,414
Adjustment						
- IFRS 16 Adoption	0	0	0	0	10,034	10,034
Depreciation	(166)	(16,632)	(16,798)	(472)	(16,162)	(16,634)
Additions	88	0	88	2,236	0	2,236
Revaluations	(5,299)	7,973	2,674	(665)	2,847	2,182
Remeasurement - IFRS	0	1,791	1,791	0	1,630	1,630
Disposals	0	0	0	0	0	0
Closing Balance	8,566	178,051	186,617	13,943	184,919	198,862

Forming part of the above balance are the two voluntary controlled schools which have a net book value of £86k (£6,043k 2024/25). This represents the fair value of the Council's interest in the remaining term of the contract; on the expiry of the PFI arrangement in 2027, the buildings of the two voluntary controlled schools revert to the Trustees of those schools.

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Value of PFI Liabilities

	2025/26			2024/25		
	Schools £000	Waste £000	Total £000	Schools £000	Waste £000	Total £000
Opening Balance	1,092	144,223	145,315	1,620	136,926	138,546
Adjustment						
- IFRS 16 Adoption	0	0	0	0	10,034	10,034
Payments/Repayments	(472)	(4,938)	(5,410)	(528)	(4,367)	(4,895)
Additions	0	0	0	0	0	0
Remeasurement - IFRS 16	0	1,791	1,791	0	1,630	1,630
Closing Balance	620	141,076	141,696	1,092	144,223	145,315

The authority makes an agreed payment each year that is increased annually by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year but which is otherwise fixed. Payments remaining to be made under the PFI contract at 31 March 2026 (excluding any estimation of inflation and availability/performance deductions) are as follows:

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Payments due to be made under PFI

	Repayment of leasing liability		Payment of Interest		Lifecycle Costs		Provisions of Services		Total	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Within 1 year										
Schools	620		56		0		467		1,143	
Waste	5,141	5,761	13,792	13,848	1,981	1,981	12,314	12,781	33,228	34,371
More than 1 year										
within 2-5 years										
Schools	0		0		0		0		0	
Waste	18,348	18,348	52,702	52,702	15,341	15,341	52,666	52,666	139,057	139,057
within 6-10 years										
Schools	0		0		0		0		0	
Waste	39,177	39,177	56,822	56,822	12,198	12,198	73,857	73,857	182,054	182,054
within 11-15 years										
Schools	0		0		0		0		0	
Waste	61,374	61,374	32,966	32,966	15,685	15,685	84,121	84,121	194,146	194,146
within 16-20 years										
Schools	0		0		0		0		0	
Waste	17,450	17,450	3,556	3,556	610	610	32,829	32,829	54,445	54,445
Total - More than 1 year										
Schools		0		0		0		0		0
Waste		136,349		146,046		43,834		243,473		569,702
		136,349		146,046		43,834		243,473		569,702

A government grant of £704k towards the overall costs of the Schools PFI has also been credited in year to the Comprehensive Income and Expenditure Statement under Non-Ringfenced Government Grants. The value of this grant will remain at £704k until the end of the contract in 2027.

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13. Leases

Council as a lessee

The right-of-use assets are included within the Property, plant and equipment line within the Balance Sheet.

The Council's lease contracts comprise leases of operational land and buildings, plant and equipment and motor vehicles. All are individually immaterial.

Right-of-use assets

This table shows the change in the value of right-of-use assets held under leases by the Council:

	Land, Buildings, Vehicles, Plant & Equipment 2025/26 £000	Land, Buildings, Vehicles, Plant & Equipment 2024/25 £000
Balance at 1 April	8,358	0
Adoption of IFRS 16		9,668
Additions	1,530	345
Revaluations	7,839	
Depreciation & amortisation	(1,858)	(1,655)
Disposals	(33)	
Balance at 31 March	15,836	8,358

Transaction under leases

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

	2025/26 £000	2024/25 £000
Comprehensive Income & Expenditure Statement		
Interest expense on lease liabilities	497	523
Cash Flow Statement		
Interest expense on lease liabilities	497	523
Principle elements of lease liabilities	1,813	1,485

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Maturity analysis of lease liabilities

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

	2025/26 £000	2024/25 £000
Within 1 year	1,811	2,005
Between 2-5 years	3,419	3,580
Later than 5 years	11,261	11,190
Total undiscounted liabilities	**16,491**	**16,775**

Council as a lessor

The Council acted as lessor and sub-lessor for various properties under cancellable agreements, these primarily comprise of County Farms and highway maintenance depots operated under a service agreement with NY Highways Limited. Rental receipts for Land and Buildings received during the year amount to £2,129k (2024/25: £2,151k).

14. Related Party Transactions

The Accounting Code of Practice requires the disclosure of all material transactions undertaken by the Council with a related party during the year. IAS 24 Related Party disclosures was introduced to ensure that financial statements highlight any material transactions between an organisation and its related parties. These are bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council.

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

During 2025/26 one Member served as a council-appointed Director to a Housing charity to which the Council has offered funding and donated services to. One Member served as the Trustee of a charity which leased property from the Council. The spouse of one Member was employed by North Yorkshire Council. One Member served as a Trustee of an organisation which operates Public Toilets which are owned by the Council. One Member purchased a property from the Council for £50k and the same Member sold a property to the Council for £128k.

In 2025/26 and 2024/25 a Member's spouse had an interest in an organisation that leases a building, from the Council, at a peppercorn rent; the same Member's spouse also had an interest in a community library which was leased from the Council. Also in 2025/26 & 2024/25 one Member has been a partner in a business that received £62k (2024/25 - £53k) for services provided to the Council; the same Member had interests in a community group that received £431k (2024/25 - £670k) of funding from the Council. The community group occupies a council owned building rent-free. In 2025/26 the same Member served as a Trustee of a charity which owns property which is partly used by the Council as a school. The Council contributes £1.5k to the insurance costs.

One Member was a volunteer Director of a community benefit society that received a grant of £15k. The same Member is a volunteer Director for an organisation that received £3k of funding. The spouse of one councillor, that has a controlling interest in a business, entered into a s106 agreement with the Council.

Details of all relationships are recorded in the Register of Members' Interest.

Officers have day to day control of the running of the Council's affairs. It should also be noted that the Corporate Director – Resources is Treasurer to the North Yorkshire Pension Fund and an Assistant Director – Resources is Deputy Treasurer to North Yorkshire Pension Fund.

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Please note that the following Members were also Directors of the following companies in which the Council has an interest during 2025/26:

Company Name	Member
Central Northallerton Development Company Limited	Councillor Peter Wilkinson
Hambleton District Holdings Limited	Councillor Peter Wilkinson
NYNET Limited	Councillor Mark Crane & Councillor Carl Les
NYNET 100 Limited	Councillor Mark Crane & Councillor Carl Les
Veritau Limited	Councillor Gareth Dadd
Yorwaste Limited	Councillors John Weighell, Greg White & Andrew Lee
YPO Procurement Holdings Limited	Councillor Greg White

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Please note that the following Senior Officers of the Council are also Directors of the following companies in which the Council has an interest:

Company Name	Senior Officer
Align Property Partners Limited	Corporate Director Resources & Corporate Director Environment
Align Property Services Limited	Corporate Director Resources & Corporate Director Environment
Bracewell Homes Limited	Assistant Chief Executive Local Engagement & Corporate Director Community Development
Brierley Homes Limited	Assistant Chief Executive Legal & Democratic Services & Corporate Director Environmement
Brimhams Active Limited	Corporate Director Community Development & Head of People & Legal Services
Central Northallerton Development Company Limited	Corporate Director Resources
First North Law Limited	Assistant Chief Executive Legal & Democratic Services, Assistant Director Environment & Transport & Head of People & Legal Services
Hambleton District Council Holdings Limited	Corporate Director Environment, Assistant Director Legal Services & Assistant Director Resources
Mercury Housing Company Limited (dissolved on 5 May 2026)	Assistant Chief Executive Legal & Democratic Services & Assistant Director Regulation & Harbours
NY Highways Limited	Assistant Chief Executive HR & Business Support, Corporate Director Environment & Head of People &
NYNET Limited	Chief Executive & Assistant Chief Executive Legal Democratic Services
NYNET 100 Limited	Chief Executive & Assistant Chief Executive Legal Democratic Services
Veritau Limited	Corporate Director Resources
Veritau Public Sector Limited	Corporate Director Resources
Yorwaste Limited	Corporate Director Environment

Companies and Joint Ventures

The Council has a substantial interest in the following companies:-

- Align Property Partners Limited - owning 100% of the share capital
- Align Property Services Limited - owning 100% of the share capital
- Bracewell Homes Limited - wholly owned company limited by guarantee (LBG)
- Brierley Homes Limited - owning 100% of the share capital
- Brimhams Active Limited - owning 100% of the share capital
- First North Law Limited - owning 100% of the share capital
- Maple Park (Hambleton) LLP - owning 99% of the share capital
- NY Highways - owning 100% of the share capital

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- NYnet Limited	- owning 100% of the share capital
- NYnet Public Sector Limited	- owning 100% of the share capital
- Veritau Limited	- owning 50% of the share capital
- Veritau Public Sector Limited	- the company is limited by guarantee. The Members are North Yorkshire Council, City of York Council, Redcar & Cleveland Borough Council, Leicester City Council and Cherwell District Council.
- Yorwaste Limited	- owning 78% of the issued share capital.

The transactions between the Council and those companies where a material group relationship has been identified are eliminated in the Group Accounts financial statements.

There is also a group relationship with Yorkshire Purchasing Organisation (YPO) but, as there is not a significant level of control nor material expenditure, no consolidation adjustments have been undertaken within the Group Account statements on the grounds of it being a simple investment.

Align Property Partners Limited:
The total value of services provided by Align Property Partners Limited in 2025/26 to the Council was £790k (£2,580k in 2024/25) and at 31st March 2026 the trading creditor balance was £266k (£266k in 2024/25).

The Council provided services to Align Property Partners Limited totalling £107k (£199k in 2024/25) of which £Nil (£8k in 2024/25) was outstanding as at 31st March 2026.

The Council provided a loan facility to Align Property Partners Limited of up to £500k of which £Nil (£Nil in 2024/25) was taken up at 31st March 2026.

Align Property Partners Limited paid the Council a dividend of £2,500k in 2025/26 (£Nil in 2024/25).

Align Property Services Limited:
The total value of services provided by Align Property Services Limited in 2025/26 to the Council was £9,280k (£5,935k in 2024/25) and at 31st March 2026 the trading creditor balance was £1,466k (£557k in 2024/25).

The Council provided services to Align Property Services Limited totalling £947k (£675k in 2024/25) of which £46k (£78k in 2024/25) was outstanding as at 31st March 2026.

The Council provided a loan facility to Align Property Services Limited of up to £495k of which £495k was taken up at 31st March 2026 (£495k in 2024/25) and therefore £50k of interest was paid to the Council in 2025/26 (£54k 2024/25).

Align Property Services Limited paid the Council a dividend of £500k in 2025/26 (£Nil in 2024/25).

Bracewell Homes Limited:
The Council provided services to Bracewell Homes Limited totalling £50k (£41k in 2024/25) of which £Nil was outstanding at 31st March 2026 (£Nil in 2024/25).

The Council provided a loan facility to Bracewell Homes Limited of up to £10m of which £700k was taken up as at 31st March 2026 (£700k in 2024/25) and therefore £67k interest was paid to the Council in 2025/26 (£61k in 2024/25).

Brierley Homes Limited:
The total value of services provided by Brierley Homes Limited in 2025/26 to the Council was £Nil.
The Council provided services to Brierley Homes Limited totalling £379k (£350k in 2024/25) of which £379k (£346k in 2024/25) was outstanding as at 31st March 2026.

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The Council provided a loan facility to Brierley Homes Limited of up to £28.4m of which £27.54m (£22.49m in 2024/25) was taken up as at 31st March 2026. Interest totalling £2.54m (£2.28m in 2024/25) was due to the Council of which £2.54m was outstanding at 31st March 2026 (£Nil in 2024/25).

Brimhams Active Limited:
The operations undertaken by the company transferred to the Council at the beginning of 2025/26. The company is in the process of being voluntarily dissolved.

First North Law Limited:
The total value of services provided by First North Law Limited in 2025/26 to the Council was £Nil (£Nil in 2024/25) and at 31st March 2026 the trading creditor balance was £Nil (£Nil in 2024/25). The Council provided services to First North Law Limited totalling £268k (£113k in 2024/25) of which £165k was outstanding as at 31st March 2026 (£31k in 2024/25).

The Council provided a loan facility to First North Law Limited of up to £250k of which £65k was taken up as at 31st March 2026 (£65k in 2024/25) and therefore £5k interest was paid to the Council in 2025/26 (£6k in 2024/25).

Maple Park LLP:
The operations undertaken by Maple Park LLP transferred to the Council from 1 October 2024. The company is in the process of being voluntarily dissolved.

NYnet Limited:
The total value of services provided by NYnet Limited in 2025/26 to the Council was £1,001k (£1,050k in 2024/25), and at 31st March 2026 the trading creditor balance was £8,131 (£Nil in 2024/25).

The Council provided services to NYnet Limited totalling £98k in 2025/26 (£106k in 2024/25), of which £Nil was outstanding as at 31st March 2026 (£Nil in 2024/25).

The Council provided a loan facility to NYnet Limited of up to £10m in 2025/26 of which the closing balance as at 31st March 2026 was £2.69m (£2.3m in 2024/25). Interest accrued in 2025/26 of £Nil on this loan (£Nil in 2024/25).

NYnet Public Sector Limited:
The company was incorporated on 15 January 2026 but did not begin trading during 2025/26.

NY Highways Limited:
The total value of services provided by NY Highways Limited in 2025/26 to the Council was £84.6m (£61.7m in 2024/25), and at 31st March 2026 the trading creditor balance was £9.1m (£8.8m in 2024/25). The Council provided services to NY Highways Limited totalling £5.7m (£5.6m in 2024/25), and at 31st March 2026 the trading debtor balance was £1.8m (£4.9m in 2024/25).

The Council provided a loan facility to NY Highways Limited of up to £11m during 2025/26 (£11m in 2024/25) of which £8.46m was taken up at 31st March 2026 (£8.96m at 31st March 2025). Interest was received from NY Highways Limited by the Council of £943k in 2025/26 (£1.08m in 2024/25).

Veritau Limited:
The total value of services provided by Veritau Limited in 2025/26 to the Council was £Nil (£546k in 2024/25) and at 31st March 2026 the trading creditor balance was £Nil (£Nil in 2024/25).

The Council provided services to Veritau Limited in 2025/26 totalling £14k (£23k in 2024/25) and at 31st March 2026, £Nil was outstanding (£Nil in 2024/25).

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Veritau Public Sector Limited:
The total value of services provided by Veritau Public Sector Limited in 2025/26 to the Council was £1,750k (£1,143k 2024/25) and at 31 March 2026 the trading creditor was £4k (£Nil 2024/25).

The Council provided services to Veritau Public Sector Limited in 2025/26 totalling £34k (£41k 2024/25) and at 31 March 2026, £1k was outstanding (£Nil 2024/25).

Yorwaste Limited:
The total value of services, including landfill tax provided by Yorwaste Limited in 2025/26 to the Council was £37,989k (£37,886k in 2024/25) and at 31st March 2026 the trading creditor balance was £3,348k (£3,516k in 2024/25).

The Council provided services to Yorwaste Limited totalling £16,051k (£13,354k in 2024/25) of which £1,152k (£1,736k in 2024/25) was outstanding as at 31st March 2026.

The Council provided a loan to Yorwaste Limited of £3,700k (£3,700k in 2024/25) of which interest was received by the Council of £305k (£331k in 2024/25).

Yorwaste Limited paid the Council a dividend of £Nil in 2025/26 (£Nil in 2024/25).

Yorkshire Purchasing Organisation (YPO):
The Council made payments to YPO in 2025/26 totalling £1.7m (£1.9m in 2024/25).

A dividend of £94k in relation to YPO's 2025 trading activities is reflected in the Council's 2025/26 Accounts (£125k in 2024/25).

Other Related Party Transactions

The UK government exerts significant influence through legislation and grant funding. The following material transactions, (over £1m), with other related parties arose, which are not disclosed elsewhere in the Statement of Accounts:-

Revenue and Capital contributions received towards jointly funded schemes; NHS bodies within North Yorkshire totalling £47.9m (£41.1m in 2024/25) and made payments totalling £1.7m (£1.9m in 2024/25).

The Council provided the North Yorkshire Pension Fund with administrative and support services totalling £2.3m in 2025/26 (£2.2m in 2024/25).

15. Pooled Funds

Under Section 75 of the Health Act 2006, the Council has undertaken joint working arrangements with appropriate NHS bodies. Pooled funds enable the Council to address specific local health issues.

The formation of a Pooled Fund does not create a separate legal entity. The Council is involved in three distinct areas of pooled funds - the Intermediate Care (Whole Systems) Pooled Fund, Equipment Pooled Fund and the Better Care Pooled Fund. Where the Council acts as the 'host', the Council has responsibility for the financial administration of the pool. All contributions by the Council toward pooled funds have been included within the Net Cost of Services in the Comprehensive Income and Expenditure Statement.

The Intermediate Care (Whole Systems) Pooled Fund and Equipment Pooled Fund have not been itemised below as their values do not materially impact on the overall position.

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The Better Care Fund (BCF)

The BCF involves the Council and the three Integrated Care Boards (ICBs) that operate within the North Yorkshire Area. The aim of the fund is to reform and strengthen neighbourhood services across health and social care, with the goal of:

- providing more care closer to home
- increasing the focus on prevention so that people are living healthier and more independent lives
- harnessing digital technology to transform care

The Council is the host for the pooled fund for all areas of the County.

The Local Authority Better Care Grant (LA BCF) was announced for 2025/26 to provide greater flexibility in funding adult social care. This is paid as a direct grant to local government, with a condition that it is pooled into the local BCF plan. The LA BCF grant replaced the local authorities' Improved BCF and Discharge Funding.

The table below shows committed funds against planned BCF schemes. Any unspent but committed funds at the year-end have been held as a reserve.

	ICBs	NYC	NHS England	MHCLG	Total 2025/26	Total 2024/25
	£000	£000	£000	£000	£000	£000
Contributions	0	0	57,400	28,171	85,571	84,264
Expenditure						
Schemes/Additional Costs	37,433	0	0	0	37,433	32,306
Protection of Social Care	0	19,967	0	0	19,967	19,213
Disabled Facilities Grant	0	6,793	0	0	6,793	6,347
Improve BCF Schemes	0	0	0	0	0	17,328
Discharge Fund	0	0	0	0	0	9,070
LA BCF Grant - new 25/26	0	21,378	0	0	21,378	0
Total Expenditure	37,433	48,138	0	0	85,571	84,264

16. Members Allowances

The total amount of members allowances including travel and other expenses paid during the year was £2,090k (£2,073k in 24/25).

17. Disclosure of Remuneration

Regulations require the Council to disclose the number of staff receiving payments, including taxable benefits, of more than £50k in the relevant financial year.

The number of employees who receive remuneration of over £50k are as follows. Please note that these figures include (i) teachers employed directly by a school's governing body rather than by the local authority (ii) the senior employees as identified at the end of this note:-

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	2025/26			2024/25		
Band (£)	Teachers	Other	Total	Teachers	Other	Total
50,000 - 54,999	275	273	548	149	252	401
55,000 - 59,999	135	128	263	89	69	158
60,000 - 64,999	83	59	142	51	52	103
65,000 - 69,999	47	48	95	44	53	97
70,000 - 74,999	44	19	63	37	20	57
75,000 - 79,999	35	24	59	28	32	60
80,000 - 84,999	25	21	46	18	5	23
85,000 - 89,999	15	6	21	4	3	7
90,000 - 94,999	7	2	9	4	5	9
95,000 - 99,999	4	3	7	3	2	5
100,000 - 104,999	3	2	5	3	10	13
105,000 - 109,999	2	3	5	0	6	6
110,000 - 114,999	1	5	6	2	1	3
115,000 - 119,999	3	3	6	1	4	5
120,000 - 124,999	0	3	3	1	1	2
125,000 - 129,999	1	1	2	0	1	1
130,000 - 134,999	0	1	1	1	0	1
135,000 - 139,999	1	0	1	0	0	0
140,000 - 144,999	0	0	0	0	0	0
145,000 - 149,999	0	0	0	0	0	0
150,000 - 154,999	0	0	0	0	0	0
155,000 - 159,999	0	0	0	0	5	5
160,000 - 164,999	0	3	3	0	0	0
165,000 - 169,999	0	0	0	0	0	0
170,000 - 174,999	0	0	0	0	0	0
175,000 - 179,999	0	0	0	0	0	0
180,000 - 184,999	0	0	0	0	0	0
185,000 - 189,999	0	0	0	0	0	0
190,000 - 194,999	0	0	0	0	0	0
195,000 - 199,999	0	0	0	0	0	0
200,000 - 204,999	0	0	0	0	0	0
205,000 - 209,999	0	0	0	0	0	0
210,000 - 214,999	0	0	0	0	1	1
215,000 - 219,999	0	1	1	0	0	0
	681	605	1286	435	522	957

The Regulations also require the Council to disclose the individual remuneration details of senior employees, under the following categories:

- salary, fees and allowances;
- bonuses;
- expenses allowance;
- compensation for loss of employment;
- employer's pension contribution; and
- any other emoluments.

The regulations also require that persons whose salary is in excess of £150k per annum must be identified by name and that certain senior employees whose salary is £50k or more per year but less than £150k, must be listed individually by way of job title. Unless otherwise stated, none of the senior officers received fees, bonuses or compensation for loss of employment or any other emoluments in 2025/26 or 2024/25. Details of Members Allowances and Expenses are published annually on the 'Councillor Allowances' page of the NYC website.

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Role	2025/26 Salary, Fees and Allowance	2025/26 Expense Allowances	2025/26 Pension Contributions	2025/26 Total Remuneration	2024/25 Salary, Fees and Allowances	2024/25 Expense Allowances	2024/25 Pension Contributions	2024/25 Total Remuneration
Chief Executive - Richard Flinton	217,798	0	26,777	244,575	211,044	0	26,233	237,277
Corporate Director - Environmental Services - Karl Battersby	164,272	0	20,196	184,468	159,178	0	19,786	178,964
Corporate Director - Community Development - Nic Harne	164,272	0	20,196	184,468	159,178	0	18,491	177,669
Corporate Director - Resources - Gary Fielding	163,988	0	20,161	184,149	159,178	0	19,786	178,964
Corporate Director - Health and Adult Services - Richard Webb	163,389	0	20,107	183,496	159,178	0	19,786	178,964
Assistant Chief Executive (Legal and Democratic Services)	131,154	0	16,124	147,278	127,772	0	15,882	143,654
Assistant Chief Executive (Local Engagement)	126,556	0	15,355	141,911	121,384	0	15,166	136,550
Director of Public Health	119,774	0	14,725	134,499	116,060	0	14,426	130,486
Assistant Chief Executive (Business Support & HR)	117,830	0	14,348	132,178	121,384	0	13,614	134,998
Corporate Director - Children and Young People's Services - Stuart Carlton *	87,435	0	19,786	107,221	159,178	0	19,515	178,693
Corporate Director - Children and Young People's Services **	60,852	0	6,433	67,285	0	0	0	0
Corporate Director - Children and Young People's Services	35,308	0	4,341	39,649	0	0	0	0
Director of Transformation	0	0	0	0	68,362	0	8,415	76,777

* Left the Council in October 2025

** Left the Council in January 2026

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18. Exit Packages / Termination Benefits

Details of the Exit Packages / Termination Benefits paid out to employees who were made redundant during the year are set out in the table below.

The table shows the total number of compulsory and other voluntary redundancies / departures and their total cost. This is broken down into incremental bands of £20k up to £100k and bands of £50k thereafter. The total costs shown include payments made to the employees plus payments made to the relevant pension funds to compensate for "strain on the fund" costs resulting from the employee's exit and resulting pension entitlements.

The table covers all employees of the Council, including school teachers employed directly by the school's governing body rather than by the Local Authority.

Exit Package Cost Band (£)	Number of Compulsory Redundancies		Number of other Departures Agreed		Total Number of Exit Packages by Cost Band		Total Cost of Exit Packages in each Band £000	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
							£000	
1-19,999	49	29	10	23	59	52	353	389
20,000-39,999	11	11	3	3	14	14	388	388
40,000-59,999	4	4	1	1	5	5	264	250
60,000-79,999	1	3	0	0	1	3	69	209
80,000-99,999	0	5	0	1	0	6	0	522
100,000-149,999	0	3	1	0	1	3	116	378
150,000-199,999	0	2	0	0	0	2	0	379
200,000-249,999	0	0	0	0	0	0	0	0
250,000-299,999	0	0	0	0	0	0	0	0
300,000-349,999	1	1	0	0	1	1	345	303
	66	58	15	28	81	86	1,535	2,818

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19. Movement in Property, Plant and Equipment

Movements on Property, Plant and Equipment during the year 2025/26.

	Council Dwellings £000	Land and Buildings £000	Community Assets £000	Vehicles, Plant and Equipment £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Cost or Valuation							
As at 1st April 2025	557,153	1,412,185	4,658	78,516	5,474	9,223	2,067,209
Additions	21,847	22,884	0	24,448	0	24,145	93,324
Disposals	(7,764)	(25,037)	(695)	0	(377)	0	(33,873)
Transfers	6,413	(10,522)	0	0	2,120	(6,413)	(8,402)
Revaluation increases / (decreases)							
Recognised in the Revaluation Reserve	3,192	111,923	(47)	0	126	0	115,194
Recognised in Provision of Services	(24,058)	4,799	0	0	(2)	(260)	(19,521)
As at 31st March 2026	**556,783**	**1,516,232**	**3,916**	**102,964**	**7,341**	**26,695**	**2,213,931**
Depreciation and Impairments							
As at 1st April 2025	(3)	(31,808)	(38)	(44,795)	(317)	(2)	(76,963)
Charge for the Year	(8,354)	(47,771)	(13)	(15,496)	(37)	0	(71,671)
Disposals	0	0	0	0	4	0	4
Transfers	0	0	0	0	0	0	0
Revaluation increases / (decreases)							
Recognised in the Revaluation Reserve	749	75,762	47	0	353	0	76,911
Recognised in Provision of Services	7,607	3,301	4	0	1	1	10,914
As at 31st March 2026	**(1)**	**(516)**	**0**	**(60,291)**	**4**	**(1)**	**(60,805)**
Balance Sheet Net Amount as at 31st March 2026	**556,782**	**1,515,716**	**3,916**	**42,673**	**7,345**	**26,694**	**2,153,126**

The disposal of Vehicle, Plant and Equipment assets in year is due to a process to remove nil net book value items that are no longer held by the Council and there is no in year cost to the Council.

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Comparative movements 2024/25

	Council Dwellings £000	Land and Buildings £000	Community Assets £000	Vehicles, Plant and Equipment £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Cost or Valuation							
As at 1st April 2024	553,962	1,471,616	4,847	215,839	6,240	18,854	2,271,358
Additions	22,958	44,259	73	9,653	53	3,501	80,497
Disposals	(2,274)	(45,798)	0	(146,976)	0	(7,290)	(202,338)
Transfers	0	17,667	0	0	(3,223)	(4,061)	10,383
Revaluation increases / (decreases)							
Recognised in the Revaluation Reserve	(6,021)	41,557	13	0	1,750	0	37,299
Recognised in Provision of Services	(11,472)	(117,116)	(275)	0	654	(1,781)	(129,990)
As at 31st March 2025	**557,153**	**1,412,185**	**4,658**	**78,516**	**5,474**	**9,223**	**2,067,209**
Depreciation and Impairments							
As at 1st April 2024	(2)	(55,618)	(235)	(178,898)	(164)	(14)	(234,931)
Charge for the Year	(8,196)	(47,062)	(13)	(12,873)	(109)	0	(68,253)
Disposals	0	0	0	146,976	0	0	146,976
Transfers	0	(84)	0	0	72	12	0
Revaluation increases / (decreases)							
Recognised in the Revaluation Reserve	705	4,098	0	0	1	0	4,804
Recognised in Provision of Services	7,490	66,858	210	0	(117)	0	74,441
As at 31st March 2025	**(3)**	**(31,808)**	**(38)**	**(44,795)**	**(317)**	**(2)**	**(76,963)**
Balance Sheet Net Amount as at 31st March 2025	**557,150**	**1,380,377**	**4,620**	**33,721**	**5,157**	**9,221**	**1,990,246**

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Recognised Impairment
During 2025/26 the Council recognised impairment loss of £26.1m in relation to its land and buildings and surplus assets. Impairment losses were recognised within the Comprehensive Income and Expenditure Statement under the following sections.

	2025/26 £000	2024/25 £000
Impairment losses/(gains) recognised within the (Surplus) / Deficit on Provision of Services	13,379	41,604
Impairment losses recognised in Other Comprehensive Income and Expenditure and taken to the Revaluation Reserve	16,339	21,706
	29,718	63,310

Movements on Infrastructure
In accordance with the Code of Practice on Local Authority Accounting this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

	2025/26 £000	2024/25 £000
Net book value (modified historical cost)		
As at 1st April	909,021	892,492
Additions	105,031	81,300
Derecognition	0	0
Assets Transferred	0	410
Depreciation	(65,699)	(65,181)
Impairment	0	0
Other movements in cost	0	0
Net book value as at 31st March	**948,353**	**909,021**

Infrastructure assets are not disclosed on the face of the Balance Sheet. Total Property, Plant and Equipment (PPE) is shown in the reconciliation table below:-

	2025/26 £000	2024/25 £000
Property Plant and Equipment Assets	2,153,126	1,990,246
Infrastructure Assets	948,353	909,021
Total PPE Assets	**3,101,479**	**2,899,267**

The authority has determined in accordance with Regulation 30M of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

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20. Valuation of Non-Current Assets

The Council carries out a rolling programme that ensures that all Non-Current Assets that are required to be measured at current Value are revalued at least every five years.

Valuations of Land and Buildings were carried out by registered Valuers in the Council's Property Services Team and Align Property Partners, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations are undertaken with the approach that the valuations provided represent a true and fair value of the Assets as at 31st March 2026. The valuers have continued to exercise professional judgement and this continues to be the best information available to the Council.

In accordance with the five-year rolling programme, the following asset classes were revalued in 2025/26; Depots, Health & Adult Services Sites, Libraries, Public Conveniences & Leisure Centres. This comprises a total of £423.2m of the Council's Land and Building Portfolio as at 31st March 2026. In 2024/25 the following asset classes were revalued; Primary Schools and Temporary & Emergency Housing. This comprises a total of £253.9m of the Council's Land and Building Portfolio as at 31st March 2025. Those properties not considered as part of the rolling programme in 2025/26 were subject to an indexation exercise by the Registered Valuer.

The above detail on asset valuations covers the valuation programme for North Yorkshire Council following the Local Government Reorganisation that was undertaken as at 1 April 2023, all assets held by the Council will be revalued as part of the 5 year rolling programme.

Council Dwellings are subject to a five-year full inspection of the Council's Portfolio of Dwellings, with desktop reviews being performed in the intervening years. For 2025/26 a full review of the former Harrogate BC Housing stock was performed, along with a desktop review of the former Selby and Richmondshire stock. This resulted in a valuation of £556.8m as at 31st March 2026.

21. Disposal of Property, Plant and Equipment

5 Schools gained Academy status during 2025/26. As a consequence, the Land and Building assets of £14.0m relating to the schools were transferred to the relevant Academy Trusts and have now been removed from the Council's Balance Sheet.

In addition, the Local Authority Accounting Code of Practice requires a 'transfer of assets for no consideration' or 'loss on disposal of fixed assets' charge to be included in the Comprehensive Income and Expenditure Statement. This exceptional £14.0m loss is purely notional and does not impact on the Council's General Fund Balance or Council Tax levy.

Other disposals in the year resulted in a net gain of £2.4m, of which £0.2m relates to General Fund Disposals and £2.2m relates to Housing Revenue Account Disposals.

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22. Major Areas of Capital Spending

Major areas of capital spending, over £2m during 2025/26 were:-

	Actual £000
Structural Maintenance of Roads & Bridges	64,939
Housing (HRA)	28,815
Kex Gill Realignment	22,692
Fleet	11,711
Harbours	10,712
Catterick Garrison (Levelling Up)	7,877
IT Infrastructure	6,503
Capital Maintenance Programme	5,831
Transforming Cities Programme	5,642
Disabled Facilities Grant	5,493
Loans to Limited Companies etc	5,051
School Condition Schemes - Modernisation	5,039
Towns Fund Programme	3,563
Housing (Non-HRA)	2,963
Integrated Transport Block Provision	2,791
Coastal Protection	2,221
Technology Roadmap	2,196
Parking, Street Scene, Parks and Grounds	2,179
	196,218
All spending in areas below £2m	27,260
Total Capital Spending in 2025/26	223,478

Committed Capital Expenditure

The Council has an approved Capital Plan for 2026/27 of £117.6m. This figure includes an element (£63.3m) relating to a number of general provisions and other schemes where legal contracts had not been exchanged by 31st March 2026.

Committed capital expenditure consisted of the following:-

	Actual £000
Housing (HRA)	15,234
Transforming Cities	10,455
Regeneration	9,345
Kex Gill Realignment	8,467
Structural Maintenance of Roads & Bridges	6,364
Housing Programmes (Non-HRA)	1,757
Car Park Investment Programme	1,524
Special School Investment Programme	638
Maintaining the Fabric and Facilities of Property	181
Harbours	155
Property	150
	54,270

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23. Capital Expenditure, Capital Financing and the Capital Financing Requirement

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

(a) Capital Expenditure and its financing

	2025/26 £000	2024/25 £000
Capital Investment		
Property, Plant and Equipment and Loans	171,824	124,973
Property, Plant and Equipment Leases and PFI	3,321	20,555
Council Dwellings	28,260	22,958
Heritage Assets	775	63
Investment Properties	350	13
Intangible Assets	169	258
Revenue Expenditure Funded from Capital under Statute	22,101	31,151
	226,800	199,971
Sources of Finance		
Capital receipts		
- Sale of Property, Plant and Equipment	7,349	2,093
- Repayment of Loans to Limited Companies	500	500
Government grants and other contributions	149,882	131,379
Direct Revenue Contributions	57,010	36,728
Increase in underlying need to borrow	8,738	8,716
Increase in underlying need to borrow (PFI)	1,791	11,663
Increase in underlying need to borrow (Leases)	1,530	8,892
	226,800	199,971

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(b) Capital Financing Requirement (CFR)

	2025/26		2024/25	
	£000	£000	£000	£000
Opening Capital Financing requirement		722,977		717,055
Movement in year				
Increase in underlying need to borrow		8,738		8,716
Increase in underlying need to borrow (PFI)		1,791		11,663
Increase in underlying need to borrow (Lease)		1,530		8,892
MRP				
- capital spending funded by borrowing	(20,930)		(16,968)	
- PFI contracts	(5,410)		(4,896)	
- Leases	(1,779)	(28,119)	(1,485)	(23,349)
Closing Capital Financing Requirement		706,917		722,977
Decrease/(Increase) in Capital Financing Requirement		16,060		(5,922)
Closing CFR consists of				
Capital spending funded by borrowing		556,348		568,543
PFI contracts		142,109		145,727
Leases		8,460		8,707
CFR at 31st March		706,917		722,977

The lease and PFI balances included in the current year relate to the adoption of IFRS 16 and the remeasurements for indexed payments required under IFRS 16.

24. Long Term Creditors

	31st March 2026		31st March 2025	
	£000	£000	£000	£000
Government Entities				
Central Government Bodies	1		650	
Other Local Authorities	0		153	
NHS Bodies	73	74	0	803
General Creditors		670		878
(including Public Corporations and Trading Funds)				
Income in Advance		66,634		55,618
Total Long Term Creditors		67,378		57,299

25. Intangible Assets

An intangible item may meet the definition of an asset when “access to the future economic benefits” is controlled by an authority through custody or legal protection. Examples of this type of Intangible Assets within the Councils Capital Plan include:-

- Health and Adult Services partnership schemes where the Council holds nomination rights to services; and

- ICT schemes.

Details of Intangible Assets in 2025/26 are as follows:-

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	31st March 2026 £000	Charge to Net Cost of Service 2025/26 £000	Capitalised 2025/26 £000	31st March 2025 £000
Extra Care and Older Peoples Resources	4,589	(450)	0	5,039
Housing Revenue Account Assets	420	(10)	0	430
Other	2,805	(1,207)	169	3,843
	7,814	(1,667)	169	9,312

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

	2025/26 £000	2024/25 £000
Balance at start of year		
Gross carrying amount	41,790	41,532
Accumulated amortisation	(32,478)	(30,659)
	9,312	10,873
Additions	169	258
Amortisation	(1,667)	(1,819)
Balance at end of year	(1,498)	(1,561)
Comprising		
Gross carrying amount	41,959	41,790
Accumulated amortisation	(34,145)	(32,478)
	7,814	9,312

26. Investment Property

The Council has determined that County Farm properties and other commercial properties are classified as investment properties. The fair value for the farm properties (at market rents) has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area, as market conditions are such that similar properties by nature are actively purchased and sold. Due to no one County Farm being exactly the same as another however, the level of unobservable inputs lead to these properties being categorised at Level 3 in the fair value hierarchy. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements, including Investment Property, are categorised within the fair value hierarchy. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date. Level 2 inputs are those other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 are unobservable inputs for the asset or liability. Other commercial properties were purchased in a competitive open market and are valued annually at their fair value. There has been no change in the valuation techniques used during the year. The following table summarises the movement in the fair value of these properties over the year.

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	2025/26 £000	2024/25 £000
Balance at start of year	55,720	75,671
Additions (subsequent expenditure)	350	13
Assets Reclassification	(6,195)	(10,793)
Disposals	(2,204)	(1,630)
Net gain / (loss) from revaluations	(4,766)	(7,541)
Balance at end of year	42,905	55,720

The Council has no restriction on its ability to realise the value inherent in its investment property or its right to the remittance of income and the proceeds from disposal.

The following items of income and expenditure have been accounted for within the Financing and Investment Income section of the Comprehensive Income and Expenditure Statement, under Investment properties:-

	2025/26 £000	2024/25 £000
Rental Income from Investment Property	(276)	(298)
Direct operating expenses	80	155
Net (gain) / loss from revaluation	4,766	7,529
Total transactions relating to Investment Property	4,570	7,386

The Council has certain contractual obligations in relation to repairing and maintaining these investment properties.

27. Heritage Assets

Heritage Assets are non-current assets that are intended to be preserved in trust for future generations because of their historical, artistic, scientific, technological, geophysical or environmental qualities. They are held and maintained principally for their contribution to knowledge and culture.

Heritage Assets are measured at valuation and the asset should be recognised on the Balance Sheet when identified. An annual review is undertaken across the Council to identify any Heritage Assets.

Museum pieces & collections, and Monuments, statues & Sculptures
These items are held on the balance sheet at their insurance valuation as at 31st March 2023.

Civic Regalia
The Council holds Civic Regalia which are held on the balance sheet at their insurance valuation as at 31st March 2025.

Royal Hall Harrogate & Other Buildings
Assets were revalued as at 31st March 2025 by registered Valuers in the Council's Property Services Team and Align Property Partners.

The Council's Records Office hold a large number of archive collections, which are owned by the Council, which would meet the definition of Heritage Assets and should be classified as such.

A valuation of the items held by the Records Office has never been established and any valuation exercise would be costly and resource intensive. As a result, it was concluded that the cost of

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obtaining a full valuation of these assets would involve a disproportionate cost in comparison to the benefits to the users of the financial statements. The assets held by the records office are not, therefore, recognised in the Balance Sheet, but disclosed above for information.

	Cost/Valuation 1 Apr 2025	Additions	Revaluations	Cost/Valuation 31 Mar 2026
Museum pieces & Collections	15,242	0	0	15,242
Monuments, statues & sculptures	2,626	0	0	2,626
Civic Regalia	475	0	0	475
Royal Hall Harrogate	43,927	774	(728)	43,973
Other Buildings	233	0	0	233
	62,503	774	(728)	62,549

Comparative movements in 2024/25

	Cost/Valuation 1 Apr 2024	Additions	Revaluations	Cost/Valuation 31 Mar 2025
Museum pieces & Collections	15,242	0	0	15,242
Monuments, statues & sculptures	2,626	0	0	2,626
Civic Regalia	652	0	(177)	475
Royal Hall Harrogate	33,269	27	10631	43,927
Other Buildings	230	36	(33)	233
	52,019	63	10,421	62,503

28. Current Assets Held for Sale

Assets held for Sale are those properties that are currently marketed and it is anticipated will be sold within 12 months of the reporting period.

	2025/26 £000	2024/25 £000
Balance at start of year	2,732	2,932
Reclassification as Held for Sale	14,596	0
Disposals	0	(200)
Balance at end of year	17,328	2,732

29. Cash and Cash Equivalents

Cash and Cash Equivalents represents balances held within bank current accounts and short term investments that are of a highly liquid nature and the balance is made up of the following elements:-

	31st March 2026 £000	31st March 2025 £000
Bank current accounts and cash held by the Council	5,475	17,229
Short term / call deposits	105,419	176,899
Total Cash and Cash Equivalents	110,894	194,128

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30. Long Term Investments

The Council holds long term investments in local authority owned companies as follows:-

	Shareholding %	Shareholding £	Dividends £000
Align Property Partners Ltd	100	500,000	0
NY Highways	100	500,000	0
Bracewell Homes Limited	LBG	n/a	0
Brierley Homes Limited	100	100	0
Brimhams Active Limited	100	1	0
Central Northallerton Development Co Limited	50	2	0
First North Law Limited	100	100	0
Maple Park (Hambleton) Limited	99	1	0
NYnet Limited	100	1	0
Veritau Limited	50	1	0
Yorwaste Limited	78	3,517,524	0

These companies' Profit and Loss Accounts are not included as part of the Comprehensive Income and Expenditure Statement. However, any dividend income received is included as part of the Council's income for 2025/26. Similarly, these companies' Assets and Liabilities are not included in the Council's Balance Sheet on pages 50 and 51.

The Council has determined, however, that it has a group relationship with the following three companies and they have therefore been incorporated into its Group Accounts on pages 140 to 160.

Brief details of these Companies are as follows:-

Name :- NYnet Limited
Business :- The provision of broadband infrastructure in North Yorkshire

Name :- Yorwaste Limited
Business :- The management, transport and disposal of waste

Name :- NY Highways Limited
Business :- The construction, maintenance and repair of highways

	NYnet Limited		Yorwaste Limited		NY Highways	
	31st March 2026 £000	31st March 2025 £000	31st March 2026 £000	31st March 2025 £000	31st March 2026 £000	31st March 2025 £000
Net Assets / (Liabilities)	(1,248)	(3,228)	10,957	10,262	4,618	(1,485)
Loans from NYC	2,690	2,259	3,700	3,700	8,460	8,960
Dividend Payable	0	0	0	0	0	0
Profit / (Loss) for the year :-						
Before Tax and Dividend	1,980	5,612	948	1,650	7,046	1,387
After Tax and Dividend	1,980	5,612	695	1,116	6,103	305

Copies of these companies' Draft Accounts are held by Resources and Central Services, County Hall, Northallerton, North Yorkshire, DL7 8AD.

The investments the Council have are as follows:-

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	31st March 2026 £000	31st March 2025 £000
Funds and Other Local Authorities		
Property Funds	12,310	14,170
	12,310	14,170
Investments with Subsidiary Companies		
Yorwaste Limited	3,518	3,518
Align Property Partners Limited	500	500
NY Highways Limited	500	500
Veritau North Yorkshire Ltd	31	31
	4,549	4,549
Total Long Term Investments	16,859	18,719

31. Long Term Debtors

	31st March 2026 £000	31st March 2025 £000
Car Loans	6	13
Loans to Subsidiary Companies	43,656	38,672
Other Loans	928	2,051
Loans to Housing Association	31,600	33,600
Long Term Payments in Advance	379	137
Long Term Debtors	193	921
	76,762	75,394
Less: Expected Loss Provision	0	0
	76,762	75,394

Loan balances are increased by any new loans and reduced as a loan is repaid.

32. Short Term Debtors

	31st March 2026		31st March 2025	
	£000	£000	£000	£000
Government Entities				
Central Government Bodies	31,394		29,430	
Other Local Authorities	12,566		5,040	
NHS Bodies	33,536	77,496	24,854	59,324
General Debtors (including Public Corporations and Trading Funds)		165,045		143,916
Payments in Advance		38,399		37,546
		280,940		240,786
Less: Expected Loss Provision		(41,284)		(36,112)
Total Short Term Debtors		239,656		204,674

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33. Short Term Creditors

	31st March 2026		31st March 2025	
	£000	£000	£000	£000
Government Entities				
Central Government Bodies	23,955		21,581	
Other Local Authorities	4,585		9,654	
NHS Bodies	949	29,489	972	32,207
General Creditors		101,181		97,162
(including Public Corporations and Trading Funds)				
Income in Advance		28,634		32,484
Total Short Term Creditors		159,304		161,853

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34. Provisions

	Balance as at 1st April 2025	Changes during the year: Provision Made	Changes during the year: Provision Used	Changes during the year: Provision Written Down	Balance as at 31st March 2025	To be used: Within 1 year	To be used: In excess of 1 year	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Insurance	11,209	3,355	(2,595)	0	11,969	3,990	7,980	11,969
Highways Advance Payments	12,470	130	(9,540)	0	3,060	0	3,060	3,060
Alterations & Appeals	9,433	4,774	(4,382)	0	9,825	9,825	0	9,825
Other	225	0	0	0	225	144	81	225
	33,337	8,259	(16,517)	0	25,079	13,959	11,121	25,079

Comparison for 2024/25

	Balance as at 1st April 2024	Changes during the year: Provision Made	Changes during the year: Provision Used	Changes during the year: Provision Written Down	Balance as at 31st March 2025	To be used: Within 1 year	To be used: In excess of 1 year	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Insurance	9,969	3,010	(1,770)	0	11,209	3,736	7,473	11,209
Highways Advance Payments	6,032	8,843	(2,405)	0	12,470	0	12,470	12,470
Alterations & Appeals	10,118	3,793	(4,478)	0	9,433	9,433	0	9,433
Other	225	0	0	0	225	144	81	225
	26,344	15,646	(8,653)	0	33,337	13,313	20,024	33,337

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Alterations & Appeals
This provision is to cover the future loss of income following business rate appeals It is an estimate of the amount that businesses have been overcharged up to 31 March 2026. The estimate has been calculated in two parts. Firstly, in relation to the 2010 rating list, by using the Valuation Office ratings list of appeals and historical analysis of successful appeals. Secondly, in relation to the 2017 rating list, by using the allowance included within the business rates multiplier for appeals and multiplying it by the rateable value, and then adjusting for the amendments that have so far been made to. The uncertainty about the amount and timing of any resulting economic benefits or service potential is due to the unknown nature of the number of appeals the council will receive, how many appeals will be successful, the rateable value of the businesses appealing and how many years an appeal relates to.

Highways Advance Payments
Where building work is undertaken which fronts onto a private street, a deposit under the Advance Payment Code is required from developers in respect of the cost of necessary street works. A provision is maintained in the Accounts representing deposits held where the liability of the developer has not yet been discharged. The uncertainty about the amount and timing of any resulting economic benefits or service potential is due to the length of time a developer takes to complete street works, if the works are not completed to the council's standards or if the developer ultimately decides not to progress with a development.

Insurance (Claims & Liability)
Self-funding arrangements for employer's, public liability and motor claims have been established and an insurance provision has been created for this purpose. The Council is unable to accurately determine when the longer term (to be used in excess of one year) provision will be utilised. The uncertainty about the amount and timing of any resulting economic benefits or service potential is due to the unknown nature of any potential employer's, public liability or motor claim. It is not possible to predict the events that could lead to these claims.

Municipal Mutual Insurance (MMI) was the predominant insurer of public sector bodies, including the Council, until it stopped underwriting operations in 1992. The 1993 implementation of a ‘scheme of arrangement’ means that these public bodies have an exposure to MMI. Due mainly to subsequent much higher than expected levels of industrial disease type claims, MMI’s deteriorating solvency position led to insolvent liquidation. As a result the Council was liable for an initial 15% levy of claims paid since 1993, which was settled in 2013/14. In addition the Council is liable to pay a 15% contribution towards all future liability claim payments and thus a residual provision is required which is based on an external review of the historical claims experience.

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35. Usable Reserves

Supplementary to the Movement in Reserves Statement the following tables identify detail of the adjustments between the accounting basis and funding basis under regulations by reserve. The reserves are grouped by usable reserves and unusable reserves.

(a) General Fund & HRA Balance	2025/26 £000	2024/25 £000
Balance at Start of Period	**(55,326)**	**(75,157)**
Comprehensive Income & Expenditure charged to the General Fund Balance	**(65,832)**	**97,836**
Adjustments between accounting basis and funding basis under regulations		
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement		
Capital Adjustment Account		
Amortisation of Intangible Assets	(1,667)	(1,820)
Charges for depreciation and impairment of non current assets	(137,369)	(133,434)
Revaluation losses on Property, Plant and Equipment	(8,613)	(34,075)
Impairment from Non Enhancing Capital Expenditure	0	(21,693)
Movements in the value of Investment Properties	(4,766)	(7,542)
Capital Grants and Contributions	147,996	88,671
Revenue Expenditure Funded from Capital under Statute	(22,101)	(31,151)
Carrying Value of non current assets written off on disposal	(36,067)	(57,190)
Pension Reserve		
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(48,717)	(62,308)
Collection Fund Adjustment		
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(1,725)	(8,490)
Accumulating Short Term Compensated Absences Account		
Amount by which staff remuneration charged to the Comprehensive Income and Expenditure Statement on an accrual basis is different from that chargeable in the year in accordance with statutory requirements	422	(440)
Major Repairs Reserve	4,863	(1,330)
Financial Instruments		
Amount by which Financial Instruments held under Fair Value through Profit & Loss are subject to DLUHC statutory over-ride	140	440
DSG Adjustment Account	(6,924)	226
Inclusion of items not debited or credited to the Comprehensive Income and Expenditure Statement		
Capital Adjustment Account		
Statutory Provision for the financing of capital investment	28,119	23,349
Capital Expenditure charged against the General Fund Balance	57,011	36,728
Transfer of sale proceeds credited as part of the gain / loss on disposal to the Comprehensive Income and Expenditure Statement	7,849	2,593
Pension Reserve		
Employer pension contributions payable in the year	66,740	64,733
Capital Receipts Reserve	12,510	7,467
Total of adjustments between accounting basis and funding basis under regulations	**57,701**	**(135,266)**
Transfers to / (from) Earmarked Reserves	19,480	57,261
General Fund Balance at Period End	**(43,977)**	**(55,326)**

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(b) Earmarked Reserves

	Balance 31st March 2026 £000's	Movement in year 2025/26 £000's	Balance 31st March 2025 £000's	Movement in year 2024/25 £000's	Balance 31st March 2024 £000's
Earmarked for Schools					
Local Management of Schools	15,097	121	14,976	(1,136)	16,112
	15,097	121	14,976	(1,136)	16,112
Retained for Specific Initiatives					
Strategic Resources	199,650	8,360	191,290	58,224	133,066
Superfast Broadband	24,303	(3,449)	27,752	(4,102)	31,854
LGR Reserve	15,604	(4,953)	20,557	(5,490)	26,046
Brexit Renamed Capital Supply Chain	12,158	(21,282)	33,440	11,703	21,737
Programme for Growth	5,661	(6,160)	11,821	(8,804)	20,625
High Needs Reserve	31,100	7,503	23,597	4,800	18,797
Capital Development Reserve	162	(12,007)	12,169	(2,572)	14,741
HAS Market Shaping	11,096	(888)	11,984	(2,405)	14,388
Insurance	19,133	1,713	17,420	3,568	13,852
Equalisation (CTax & BR)	12,410	1,410	11,000	0	11,000
Other Resource & Central Service Reserves <£2m	8,127	(636)	8,763	(1,816)	10,579
Council Investment	0	(6,067)	6,067	(2,951)	9,017
Other Corporate Reserves <£2m	5,839	(668)	6,507	(4,732)	11,240
Other Community Development Reserves <£2m	11,545	4,456	7,089	(643)	7,732
Other Environment Reserves <£2m	34,936	24,512	10,424	1,467	8,957
Section 106 Commuted Sums	4,285	1,213	3,072	(4,162)	7,234
NY2020 Programme Support	5,734	0	5,734	(742)	6,476
Council Taxpayers Reserve	1,562	(237)	1,799	(4,058)	5,857
Risk Management Reserve	0	(660)	660	(4,340)	5,000
Outdoor Learning Service Project	1,336	(1,733)	3,069	(997)	4,066
Commercial Investments Depreciation Fund	3,900	0	3,900	0	3,900
Other CYPS Reserves <£2m	4,101	(176)	4,277	462	3,815
Capital Fund	2,651	(365)	3,016	(415)	3,431
LA Provision for Schools Deficits	4,068	358	3,710	841	2,869
Extra Care	2,624	0	2,624	(139)	2,763
PFI Scheme	2,296	(256)	2,552	(196)	2,748
Stronger Communities	2,380	38	2,342	(71)	2,413
Highways Advance Payments	1,980	(1,011)	2,991	611	2,380
Whitby Harbour Reserves	18,432	(68)	18,500	18,341	159
Scarborough Harbour Reserves	3,544	43	3,500	3,403	97
Property Projects	4,160	1,892	2,268	2,268	0
Local Plan Reserve	6,053	(315)	6,368	6,368	0
Brierley Group	7,000	7,000	0	0	0
Support Housing Commissioning	2,942	2,942	0	0	0
Affordable Housing Fund	2,940	2,940	0	0	0
Capital Plan Approved Revenue Reserve	16,242	16,242	0	0	0
	489,954	19,691	470,262	63,422	406,840

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Earmarked Reserves Continued

	Balance 31st March 2026 £000	Movement in year 2025/26 £000	Balance 31st March 2025 £000	Movement in year 2024/25 £000	Balance 31st March 2024 £000
Reserves of Trading & Service Units NYES					
Trading Reserves	4,512	(255)	4,767	(105)	4,872
Insurances	5,054	295	4,759	723	4,036
	9,566	40	9,526	618	8,908
Revenue Grants & Contributions Reserve					
CYPS Miscellaneous Grants	2,695	(275)	2,970	(3,252)	6,222
Public Health	4,117	132	3,985	(1,141)	5,126
Civil Parking Enforcement	2,267	21	2,246	(332)	2,578
Other Individual Reserves <£2m	1,095	(251)	1,346	(918)	2,264
	10,174	(373)	10,547	(5,643)	16,190
Total Earmarked Reserves	524,791	19,480	505,311	57,261	448,050

Strategic Resources Reserve - This reserve is funded from in-year revenue surpluses beyond those required to top up the General Fund Balance and windfall resources. It is used to fund revenue budget shortfalls and, subject to available resources, specific projects.

LGR Reserve - this reserve supports the additional transitioning and transformation costs for the new unitary council.

Brexit / Capital Supply Chain Management - this reserve was initially created to help manage the council's uncertain financial risks in a post EU environment. These included risks that suppliers of services with significant exposure to workers from the EU and / or currency fluctuations will seek to recover additional costs from customers including the Council. The council continues to experience issues with its supply chain.

Superfast Broadband - this reserve supports the creation and development of superfast broadband across North Yorkshire, especially in hard to reach, rural communities.

(c) Capital Receipts Unapplied Reserve

The Capital Receipts Unapplied Reserve records balances of monies received from capital disposals that can be retained for qualifying capital purposes, expenditure of a capital nature or repayment of long-term loans.

	31st March 2026 £000	31st March 2025 £000
Opening Balance	34,652	27,185
Transfer of sale proceeds credited as part of the gains/loss on disposal to the Comprehensive Income and Expenditure Statement	20,359	10,061
Use of the Capital Receipts Unapplied Reserve to finance new expenditure	(7,849)	(2,594)
Closing Balance	47,162	34,652

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(d) Capital Grants Unapplied Reserve

The Capital Grants Unapplied Reserve is required under IFRS and IAS 20 Accounting for Government Grants. The reserve holds the balances of capital grants received where the conditions of use have been met but the actual expenditure has not been incurred. This reserve is classified as a usable reserve as the balances held within this account can be utilised to fund future expenditure of a capital nature.

	2025/26 £000	2024/25 £000
Opening Balance	77,216	119,924
Adjustments between accounting basis and funding basis under regulation		
Capital Grants and Contributions Unapplied credited to the Comprehensive Income and Expenditure Statement	135,232	88,671
Application of Capital Grants and Contributions within the period and adjusted through the Capital Adjustment Account	(149,881)	(131,379)
Closing Balance	62,567	77,216

36. Unusable Reserves

(a) Revaluation Reserve

The Revaluation Reserve records the unrealised gains from the revaluation of Property, Plant and Equipment.

	2025/26 £000	2024/25 £000
Opening Balance	776,865	797,307
Upward revaluation of assets	201,000	96,624
Downward revaluation of assets and impairement - losses not charged to the surplus / deficit on the provision of services	(9,625)	(44,068)
Asset Revaluation within Other Comprehensive Income and Expenditure Statement	191,375	52,556
Adjustment between current value depreciation and historic cost depreciation	(46,714)	(46,203)
Write out of revaluation on disposal; Property, Plant and Equipment	(18,967)	(26,795)
Closing Balance	902,559	776,865

The revaluation reserve is built up from individual balances for each asset within the Property, Plant and Equipment categories of assets. No individual asset will have a negative revaluation balance even if the overall reserve is in surplus.

The Reserve contains only revaluation gains accumulated since 1st April 2007, the date that the reserve was created; prior to this date the Capital Adjustment Account was used to record revaluation gains.

Revaluations arising on investment properties are (under IFRS) charged to the Surplus or Deficit on Provision of Services section of the Comprehensive Income and Expenditure Statement as and when they arise. Revaluation values for investment properties are therefore not held within the revaluation reserve.

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(b) Collection Fund Adjustment Account

The Council Tax and Non-Domestic Rates Collection Fund Adjustment Account holds the movement between the Council Tax and Non-Domestic Rates income in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund. This is included as a reconciling item in the statement of Movement in Reserves. This is an unusable reserve for the Authority.

	Council Tax 2025/26 £000	NNDR 2025/26 £000	Total 2025/26 £000	Council Tax 2024/25 £000	NNDR 2024/25 £000	Total 2024/25 £000
Balance brought forward	5,218	(1,571)	3,647	5,617	6,520	12,137
Amount by which council tax & non-domestic rates income credited to the CI&E statement is different from council tax & non domestic rates income calculated for the year in accordance with statutory requirements	(2,862)	1,137	(1,725)	(399)	(8,091)	(8,490)
Balance carried forward	2,356	(434)	1,922	5,218	(1,571)	3,647

(c) Accumulated Absences Account

The Accumulated Absences Account is used to accrue for short term compensated absences such as holiday pay earned but not taken. This accrual is under statutory provision and does not represent a charge to the General Fund Balance; this reserve holds the balance of the accrual within the unusable reserves section of the Balance Sheet.

	2025/26 £000	2024/25 £000
Balance Brought Forward	(7,144)	(6,704)
Movement in Year	422	(440)
Closing Balance	(6,722)	(7,144)

(d) Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees; however, statutory arrangements require benefits earned to be financed as the Council makes contributions to the pension fund.

The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them.

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	2025/26 £000	2024/25 £000
Opening Balance (adjusted by Actuary to reflect LGR)*	(6,248)	(7,357)
Remeasurements of the Net Defined Benefit Liability (Actuarial gains / (losses) on pension assets/liabilities)	(17,501)	(1,316)
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(48,717)	(62,308)
Employers pension contributions payable in year	66,740	64,733
Closing Balance	(5,726)	(6,248)

(e) Capital Adjustment Account

The Capital Adjustment Account records the historic cost of acquiring, creating or enhancing Fixed Assets, (including depreciation and impairment), over the life of those assets as well as the resources set aside to finance them.

	2025/26 £000	2024/25 £000
Opening Balance	1,619,424	1,640,801
Adjustments between accounting basis and funding basis under regulations		
Amortisation of Intangible Assets	(1,667)	(1,820)
Charges for depreciation and impairment of non current assets	(137,369)	(133,434)
Revaluation losses on Property, Plant and Equipment	(8,613)	(34,075)
Impairment from Non Enhancing Capital Expenditure	0	(21,693)
Movements in the value of Investment Properties	(4,766)	(7,542)
Capital Grants and Contributions	149,881	131,379
Revenue Expenditure Funded from Capital under Statute	(22,101)	(31,151)
Carrying Value of non current assets written off on disposal	(36,067)	(57,190)
Statutory Provision for the financing of capital investment	28,119	23,349
Capital Expenditure charged against the General Fund Balance	57,011	36,728
Transfer of sale proceeds credited as part of the gain / loss on disposal to the Comprehensive Income and Expenditure Statement	7,849	2,593
Re-payment of long term loans	(2,658)	(1,519)
Other Reserve Movements		
Adjustment between current value depreciation and historic cost depreciation	46,714	46,203
Write out of revaluation on disposal; Property, Plant and Equipment	18,967	26,795
Closing Balance	1,714,724	1,619,424

(f) Financial Instruments Revaluation Reserve

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

- Revalued downwards or impaired and the gains are lost; or
- Disposed of and the gains are realised.

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	2025/26 £000	2024/25 £000
Opening Balance	(1,701)	(2,141)
Financial Instruments held under Fair Value through Profit & Loss subject to MHCLG Statutory Over-Ride*	(49)	440
Accumulated gains or losses on assets sold and maturing assets written out to the Comprehensive Income and Expenditure Statement as part of other investment income	189	0
Closing Balance	(1,561)	(1,701)

*The MHCLG introduced a statutory over-ride to protect the General Fund balance from any fluctuations in fair value movements in quoted investment funds. In the Council's case this relates to its investments in two Pooled Investment Property Funds. This over-ride initially expired on 31st March 2023, was extended until 31 March 2025, and has been subsequently further extended to 1 April 2029. Without this override all fair value movements will impact on the General Fund Balance.

(g) Dedicated Schools Grant Adjustment Account

	2025/26 £000	2024/25 £000
Opening Balance	3,241	3,015
Previous Year's Schools Fund deficit transferred from Earmarked Reserves		
In year DSG	(6,924)	226
Closing Balance	(3,683)	3,241

The Dedicated Schools Grant Adjustment Account is a reserve introduced in November 2020 by the laying of a new statutory instrument by MHCLG to amend the Local Authorities (Capital Finance & Accounting Regulations) 2003. The statutory instrument establishes new accounting practices relating to treatment of local authorities' schools budget deficits, requiring any such deficit to be recorded in a specific account established solely for the purpose of recording deficits relating to its schools' budget.

(h) Financial Instruments Adjustment Account

This account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefitting from gains per statutory provisions. The Council has used the Account to manage premiums paid and discounts received on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred but reversed out of the General Fund Balance to the Account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on council tax.

	2025/26 £000	2024/25 £000
Opening Balance	303	0
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	0	336
Proportion of discounts received in previous financial years to be transferred to the General Fund Balance in accordance with statutory requirements	(34)	(33)
Closing Balance	269	303

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37. Material Contingent Liabilities

There have been no material contingent liabilities identified by the Council in 2025/26.

38. Events after the Balance Sheet Date

Under IAS 10 Events after the Reporting Period, the Council is required to disclose the date that the financial statements are authorised for issue. This establishes the date after which events will not have been recognised in the Statement of Accounts.

The Draft Statement for 2025/26 was authorised for issue on 24th June 2026 by the Corporate Director – Resources. The Statement of Accounts is then subject to the External Audit process, being considered and approved by the Audit Committee Members on 21st September 2026.

Since the Balance Sheet date, 2 schools have converted to Academy status. Land and Building asset values totalling £2.1m will be transferred off the Council's balance sheet in 2025/26 and the Council will no longer receive Dedicated School Grant of around £1.4m. Schools converting to Academies after the balance sheet date is a non-adjusting event.

39. Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant monies provided by the Department for Education (DfE) and the Dedicated Schools Grant (DSG). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance and Early Years (England) Regulations 2026. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school. Details of the deployment of DSG receivable for 2025/26 are detailed below:-

	Central Expenditure £	Individual Schools Budgets £	Total £
Final DSG for 2025/26 before Academy recoupment			652,951
Academy figure recouped for 2025/26			(293,114)
Total DSG after Academy recoupment for 2025/26			359,837
Plus Brought forward from 2024/25			5,221
Less Carry-forward to 2026/27 agreed in advance			0
Agreed initial budgeted distribution in 2025/26	87,243	277,815	365,058
In year adjustments	0	535	535
Final budgeted distribution for 2025/26	87,243	278,350	365,593
Less Actual central expenditure	(91,372)	0	(91,372)
Less Actual ISB deployed to schools	0	(275,924)	(275,924)
Net Carry-forward in year	(4,129)	2,426	(1,703)
Plus/Minus: Carry-forward to 2026/27 agreed in advance			0
Net Carry-forward to 2026/27			(1,703)
DSG unusable reserve at the end of 2024/25			(1,980)
Addition to DSG unusable reserve at the end of 2025/26			0
Total of DSG unusable reserve at the end of 2025/26			(1,980)
Net DSG position at the end of 2025/26			(3,683)

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Comparative movements in 2024/25

	Central Expenditure £000	Individual Schools Budgets £000	Total £000
Final DSG for 2024/25 before Academy recoupment			586,598
Academy figure recouped for 2024/25			(265,170)
Total DSG after Academy recoupment for 2024/25			321,428
Plus Brought forward from 2023/24			0
Less Carry-forward to 2025/26 agreed in advance			0
Agreed initial budgeted distribution in 2024/25	82,438	243,985	326,423
In year adjustments		456	456
Final budgeted distribution for 2024/25	82,438	244,442	326,879
Less Actual central expenditure	(78,919)		(78,919)
Less Actual ISB deployed to schools	0	(242,739)	(242,739)
Net Carry-forward in year	3,519	1,703	5,221
Plus/Minus: Carry-forward to 2025/26 agreed in advance			0
Net Carry-forward to 2025/26			5,221
DSG unusable reserve at the end of 2023/24			(1,980)
Addition to DSG unusable reserve at the end of 2024/25			0
Total of DSG unusable reserve at the end of 2024/25			(1,980)
Net DSG position at the end of 2024/25			3,241

In 2025/26, £355,999k has been credited against the Education and Children's Services in the Comprehensive Income and Expenditure Statement.

The net over-spend in 2025/26 of £1,703k on central expenditure and ISB has been added to the carry forward DSG unusable reserve resulting in a net deficit of £3,683k.

This is in accordance with the statutory requirements (as defined in the School and Early Years Finance (England) Regulations 2026) for 2025/26, which affect the manner in which the Council can use the general reserves held as at 31 March 2026, and the requirements of the Accounts and Audit Regulations 2015, as amended (Regulation 7 (4)).

The DSG reserve is made up of £25m cumulative High Needs deficit, which is offset by surpluses from the School's block (£12m) and the Early Years Block (£9m). The Government have announced a scheme (High Needs Stability Grant) to cover 90% of the DSG overall deficit.

40. Financial Instruments

Financial Instruments are formally defined as contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. For the Council, this definition covers the instruments used in Treasury Management activities, including the borrowing and lending of money and the making of investments.

The Council has adopted the CIPFA Code of Practice on Treasury Management. This Code sets out a framework of operating procedures to reduce treasury risk and improve understanding and accountability regarding the Treasury position of the Council.

The CIPFA Code of Practice on Treasury Management requires:-

- a Treasury Management Policy Statement (TMPS) stating the Council's policies and objectives for its treasury management activities; and

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- a framework of Treasury Management Practices (TMPs) setting out the manner in which the Council will seek to achieve the policies and objectives set out above and prescribing how it will manage and control those activities.

The twelve recommended TMPs are reviewed and updated as and when necessary in the light of regulatory and/or local policy changes and cover the following areas:-

- risk management;
- performance measurement;
- decision-making and analysis;
- approved instruments, methods and techniques;
- organisation, clarity and segregation of responsibilities and dealing arrangements;
- reporting requirements and management information arrangements;
- budgeting, accounting and audit arrangements;
- cash and cash flow management;
- money laundering;
- training and qualifications;
- use of external service providers; and
- corporate governance.

The Council provides treasury management services to the external bodies listed on page 122 (the external bodies listed as having temporary loans with the Council) and the loans from them represent fund balances which are invested with the Council.

The Council recognises and measures financial assets at either amortised cost, at fair value through profit and loss or at fair value through other comprehensive income. IFRS 9 – Financial Instruments states that investments in equity should be recognised as fair value through profit and loss, which would result in changes in valuation impacting upon the Council's General Fund balance and its revenue budget. To mitigate this, the CIPFA Code of Practice allows councils to elect to treat equity investments as fair value through other comprehensive income. The Council has elected to designate its shareholdings in its non-consolidated subsidiaries and a joint venture as fair value through other comprehensive income.

The Council irrevocably elected to carry the value of its investment in its consolidated subsidiaries, Yorwaste Limited and NY Highways Limited, at amortised cost.

The Council also holds a pooled investment in four property funds. IFRS 9 also requires any changes in valuation to be recognised as fair value through profit and loss, which again would impact upon the Council's general fund balance and revenue budget. The MHCLG has permitted a temporary (5 year) statutory override for English local authorities to mitigate the impact of these changes in valuation, commencing 1st April 2018. The MHCLG subsequently extended the statutory override by two years, therefore the expiry date is 31 March 2025. The MHCLG has further decided to extend the override until 31 March 2029 for investments already in place at 1 April 2024, a category which the Council's four property Funds fall into. The Council will utilise the statutory override to account for any changes in the value of this investment.

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(a) Categories of Financial Instruments

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

Financial Assets

	Long Term				Short Term			
	Investments		Debtors		Investments		Debtors	
	31st March 2026 £000	31st March 2025 £000	31st March 2026 £000	31st March 2025 £000	31st March 2026 £000	31st March 2025 £000	31st March 2026 £000	31st March 2025 £000
Fair Value through Profit or Loss	12,311	14,170	0	0	0	0	0	0
Amortised Cost								
Investments	4,017	4,018	0	0	534,357	452,703	0	0
Loans to Subsidiary Companies	0	0	43,656	38,672	0	0	0	0
Loans to Housing Associations	0	0	31,600	33,600	0	0	0	0
Other	0	0	1,127	2,985	0	0	172,100	152,694
	4,017	4,018	76,383	75,257	534,357	452,703	172,100	152,694
Fair Value through other Comprehensive Income - designated	532	532	0	0	0	0	0	0
Fair Value through Other Comprehensive Income - other	0	0	0	0	0	0	0	0
Total Financial Assets	16,860	18,720	76,383	75,257	534,357	452,703	172,100	152,694
Non Financial Assets	0	0	379	137	0	0	67,556	51,980
Total	16,860	18,720	76,762	75,394	534,357	452,703	239,656	204,674

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Financial Liabilities

	Long Term				Short Term			
	Borrowings		Creditors		Borrowings		Creditors	
	31st March 2026 £000	31st March 2025 £000	31st March 2026 £000	31st March 2025 £000	31st March 2026 £000	31st March 2025 £000	31st March 2026 £000	31st March 2025 £000
Fair Value through Profit or Loss	0	0	0	0	0	0	0	0
Amortised Cost								
PWLB Loans	(242,805)	(243,273)	0	0	(17,341)	(12,358)	0	0
PWLB Loans - HRA	(80,936)	(97,176)	0	0	(1,198)	(1,258)	0	0
Market LOBO Loans	(10,000)	(10,000)	0	0	(44)	(5,047)	0	0
Temporary Loans from External Bodies	0	0	0	0	(122,074)	(94,125)	0	0
PFI and Leases	(143,105)	(147,133)	0	0	(7,314)	(7,155)	0	0
Other	0	0	(67,378)	(57,299)			(134,439)	(134,728)
	(476,846)	(497,582)	(67,378)	(57,299)	(147,971)	(119,943)	(134,439)	(134,728)
Total Financial Liabilities	(476,846)	(497,582)	(67,378)	(57,299)	(147,971)	(119,943)	(134,439)	(134,728)
Non Financial Liabilities	0	0	0	0	0	0	(24,864)	(27,125)
Total	(476,846)	(497,582)	(67,378)	(57,299)	(147,971)	(119,943)	(159,303)	(161,853)

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Reconciliation of liabilities arising from financing activities

	1st April 2025 £000	Financing cash flows £000	Changes which are not financing cash flows: Acquisition £000	Changes which are not financing cash flows: Other £000	31st March 2026 £000
Long term borrowings	(350,449)	0	0	0	(350,449)
- Lease liabilities	(6,961)	0	0	0	(6,961)
- PFI liabilities	(140,172)	0	0	0	(140,172)
Short term borrowings	(112,788)	0	0	0	(112,788)
- Lease liabilities	(1,599)	0	0	0	(1,599)
- PFI liabilities	(5,555)	0	0	0	(5,555)
Total liabilities from financing activities	(617,524)	0	0	0	(617,524)

	1st April 2024 £000	Financing cash flows £000	Changes which are not financing cash flows: Acquisition £000	Changes which are not financing cash flows: Other £000	31st March 2025 £000
Long term borrowings	(371,113)	0	0	20,664	(350,449)
- Lease liabilities	(1,132)	0	0	(5,829)	(6,961)
- PFI liabilities	(134,650)	0	0	(5,522)	(140,172)
Short term borrowings	(51,506)	(40,298)	0	(20,984)	(112,788)
- Lease liabilities	(168)	2,008	0	(3,439)	(1,599)
- PFI liabilities	(4,311)	5,032	0	(6,276)	(5,555)
Total liabilities from financing activities	(562,880)	(33,258)	0	(21,386)	(617,524)

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(b) Income, Expense, Gains and Losses

	2025/26		2024/25	
	Surplus / (Deficit) on the Provision of Services £000	Other Comprehensive Income and Expenditure £000	Surplus / (Deficit) on the Provision of Services £000	Other Comprehensive Income and Expenditure £000
Net Gains / (Losses) on investments in equity instruments designated at fair value through other profit or loss	(140)	0	(440)	0
Interest Revenue financial assets measured at amortised cost	(32,243)	0	(38,915)	0
Interest Expense	28,262	0	29,479	0

(c) Fair Values of Assets and Liabilities

The Council holds units within four Property Funds. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date. Level 2 inputs are those other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 are unobservable inputs for the asset or liability. Property Fund investments are held at Net Asset Value, as per the Investment Manager's Annual Statement, therefore classified as a Level 2 input.

The funding of these investments was from Capital reserves. The Council did not borrow funds to finance these investments therefore Minimum Revenue Provision (MRP) has not been adjusted. However, the performance of these investments will be monitored closely to ensure no / minimal loss, and MRP reviewed regularly and amended if indicated by the year end position.

As these gains or losses impact on the General Fund balance, the temporary statutory override, agreed with the MHCLG, will be utilised. This will result in any loss or gain being reversed and recorded in the Financial Instruments Revaluation Reserve. Any gain or loss will only be realised when the investments are sold and will be treated as a capital receipt and recognised through the Capital Adjustments Account, as these investments were funded from capital.

	2025/26		2024/25	
	Nominal £000	Fair Value £000	Nominal £000	Fair Value £000
Property Funds				
Blackrock	5,505	4,876	5,505	4,840
Threadneedle	5,366	4,824	5,366	4,738
Hermes	0	0	2,000	1,818
Fidelity	3,000	2,612	3,000	2,774
Shareholding				
Align Property Partners Limited	500	500	500	500
NY Highways Limited	500	500	500	500
Veritau Limited	32	32	32	32
	14,903	13,344	16,903	15,202

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Except for the Financial Assets valued at fair value above, all other financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised costs. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:-

- for loans from the Public Works Loan Board, (PWLB), new borrowing rates available from the PWLB have been applied and for other loans payable, current market rates were obtained from the Council's Treasury Management Advisors, Link Asset Services;

- for loans receivable, the prevailing benchmark market rates have been used to provide fair value;

- no early repayment or impairment is recognised; and

- the fair value of trade and other receivables is taken to be the invoiced or billed amount. Please note that during 2025/26 and 2024/25 all fair value measurements above were based on level 2 inputs, with no Level 1 or 3.

The fair values calculated are as follows:-

Borrowing Activities

	31st March 2026		31st March 2025	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
PWLB Maturity Loans	307,039	238,060	317,039	254,128
PWLB Annuity Loans	33,093	22,550	34,719	24,340
PWLB EIP Loans	316	296	355	333
Market LOBO Loans	10,000	7,102	15,000	11,754
Total	350,448	268,008	367,113	290,555

The fair value of the liabilities is lower than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the rates available for similar loans at the Balance Sheet date. This commitment to pay interest below market rates decreases the amount that the Council would have to pay if the lender requested to agree to early repayment of the loans.

The fair value of Public Works Loan Board (PWLB) loans measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered if the borrowing was undertaken at the Balance Sheet date. The difference between the carrying amount and the fair value measures the additional interest that the authority will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing PWLB rates.

However, the Council has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. A supplementary measure of the additional interest that the authority will pay as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the new borrowing rates available from the PWLB. If a value is calculated on this basis, the carrying amount of £350.4m would be valued at £268m. But, if the authority were to seek to realise the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge for early redemption in addition to charging a premium for the additional interest that will not now be paid.

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Investment Activities

	31st March 2026		31st March 2025	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Money Market Loans more than 1 year	0	0	0	0
Financial Liabilities	0	0	0	0

In addition the financial assets representing the shareholding in Yorwaste Limited (£3,518k), Align Property Partners Limited (£500k), NY Highways Limited (£500k), First North Law Limited (£0.1k), Brierley Homes Limited (£0.1k), NYnet Limited (£1), Veritau (£32k), Brimhams Active Limited (£1), Central Northallerton Development Company Limited (£2) and Maple Park (Hambleton) Limited (£1) continued to be valued at Historic Cost and have been omitted from the above. These share-holdings are valued at Historic Cost because they do not have a quoted market price in an active market and therefore their fair value cannot be measured reliably. In addition these investments are not classified as "Held for Sale" and therefore in accordance with The Code, can be accounted for at Cost.

(d) Disclosure of nature and extent of risks arising from Financial Instruments

The Council's activities expose it to a variety of financial risks, the key risks are:

Credit risk – the possibility that other parties might fail to pay amounts due to the Council;

Liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments;

Re-financing risk – the possibility that the Council might be required to renew a financial instrument on maturity at disadvantageous interest rates or terms; and

Market risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rate movements.

Overall Procedures for Managing Risk

The Council's overall risk management procedures focus on the unpredictability of financial markets and implementing restrictions to minimise these risks. The procedures for risk management are set out through a legal framework in the Local Government Act 2003 and the associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and Investment Guidance issued through the Act. Overall these procedures require the Council to manage risk in the following ways:-

- adopt the requirements of the Code of Practice;
- approve annually in advance, prudential indicator limits for the following three years;
- review the Council's overall borrowing limits;

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- its maximum and minimum exposures to fixed and variable rates;
- its maximum and minimum exposures to the maturity structure of its debt;
- its maximum annual exposures to investments maturing beyond a year; and

- approve an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance.

The Annual Treasury Management Strategy includes these procedures in order to manage the risks of the Council's financial instrument exposure. It is approved at the Council's annual council tax setting budget meeting before the beginning of the financial year.

Annual outturn reports are submitted to the Executive for Treasury Management and Prudential Indicators which set out full details of activities and performance during the preceding financial year. In addition, quarterly reports on Treasury Management matters are submitted to the Executive as part of the Council's Quarterly Performance Monitoring report and periodic meetings are held between the Corporate Director - Strategic Resources, the Chairman of the Audit Committee and the Deputy Leader to discuss issues arising from the day to day management of Treasury Management activities. The Audit Committee is responsible for scrutinising the Council's Treasury Management activities and receives regular reports and updates on Treasury Management matters.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined in the treasury management strategy.

The Council relies on credit ratings and "ratings watch" and "outlook" notices published by the three credit rating agencies (Fitch, Moody's and Standards & Poor's) to establish the credit quality of counterparties and investment schemes. All three credit rating agencies also produce a Sovereign Rating which assesses a country's ability to support a financial institution should they get into difficulty.

No combination of ratings can be viewed as entirely fail-safe and all credit ratings, ratings watches and outlooks are monitored on a daily basis and changes made as appropriate. In addition, the Council takes into account trends within the Credit Default Swap (CDS) Market. Since they are a traded instrument they reflect the market perception of an institution's credit quality unlike credit ratings which often focus on a longer term view. The Council also monitors other sources of market intelligence, including the financial press, for rumours and speculation which may impact on organisations which the Council may invest with.

Further details of the Council's investment criteria are included in the Annual Treasury Management Strategy, a copy of which is available on the Council's website, www.northyorks.gov.uk.

In addition, the Council has set maximum investment limits for each organisation which also reflect that institution's credit worthiness – the higher the credit quality, the greater the investment limit. These limits also reflect UK Government involvement (i.e. Government ownership or being part of the UK Government guarantee of liquidity).

These limits can be summarised as follows:-

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Maximum Investment Limit		Criteria
£90m	–	UK "Nationalised" Banks / UK Banks with UK Central Government Involvement
£40m - £90m	-	Selected UK "Clearing Banks" and other UK based Banks and Building Societies
£40m	-	High quality Foreign Banks

The Council's maximum exposure to credit risk in relation to its investments in Banks and Building Societies cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. A risk of recoverability applies to all of the Council's deposits, however, there was no evidence at the 31st March 2026 that this was likely to occur.

The following analysis summarises the Council's potential maximum exposure to credit risk as at 31st March 2026, based on experience of default assessed by the credit rating agencies and experience of its customer collection levels over the last five financial years, adjusted to reflect current market conditions.

Amounts Arising from Expected Credit Loss

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

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

	Amount at 31st March 2026	Historical experience of default	Historical experience adjusted for market conditions	Estimated Maximum Exposure to default and uncollectability at 31 March 2026
Deposits for less than 1 year:-	£000	%	%	£000
Deposits with Local Authorities	394,813	0.0	0.0	0.0
Institutions with Fitch Rating				
Long Term AA-, Short Term F1+	0	0.0	0.0	0.0
Long Term AA, Short Term F1+	0	0.0	0.0	0.0
Long Term A+, Short Term F1+	30,551	0.0	0.0	0.0
Long Term A+, Short Term F1	57,970	0.0	0.0	0.0
Long Term A-, Short Term F1	51,023	0.0	0.0	0.0
Part Nationalised Banks (Fitch rating Long Term A+, Short Term F1)	0	0.0	0.0	0.0
	534,357			

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Comparative movements in 2024/25

Deposits for less than 1 year:-	Amount at 31st March 2025 £000	Historical experience of default %	Historical experience adjusted for market conditions %	Estimated Maximum Exposure to default and uncollectability at 31 March 2025 £000
Deposits with Local Authorities	369,614	0.0	0.0	0.0
Institutions with Fitch Rating				
Long Term AA-, Short Term F1+	20,845	0.0	0.0	0.0
Long Term AA, Short Term F1+	0	0.0	0.0	0.0
Long Term A+, Short Term F1+	0	0.0	0.0	0.0
Long Term A+, Short Term F1	62,244			
Long Term A-, Short Term F1	0			
Part Nationalised Banks (Fitch rating Long Term A+, Short Term F1)	0	0.0	0.0	0.0
	452,703			

The Council's exposure to credit risk can also be analysed by the Sovereign Rating of the Country in which the financial institution is domiciled as follows:-

	Fitch Sovereign Rating as at 31st March 2026	Amount at 31st March 2026 £000	Fitch Sovereign Rating as at 31st March 2025	Amount at 31st March 2025 £000
UK	AA-	534,357	AA-	431,858
Singapore	AAA	0	AAA	20,845
Canada	AA+	0	AA+	0
		534,357		452,703

The Council does not generally allow credit for its trade debtors. Analysis of invoices raised as at 31st March 2026, which are included within the £239.7m Short Term Debtors, can be analysed by past-due and age status as follows:-

	31st March 2026 £m	31st March 2025 £m
Less than 1 month	32.4	35.5
1 to 2 months	11.0	9.6
3 months or more	62.3	48.6
	105.7	93.7

It is considered that £62.3m of the £105.7m debtors invoice balance is past its due date for payment. The Council maintains an Expected Loss Provision for debts based on both the age of the debt and the likelihood of a continued dispute or future settlement. No further assessment of the fair value has therefore been made. Amounts are carried on the Balance Sheet at their amounts outstanding and no amounts have been included in the table for the Councils exposure to default.

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The past due but not impaired amount for local taxation (council tax and non-domestic rates) can be analysed by age as follows:-

	31st March 2026		31st March 2025	
	Council Tax	NNDR	Council Tax	NNDR
Less than 1 year	19,169,588	5,657,169	12,664,265	2,824,569
2 - 5 Years	16,541,455	4,121,322	13,599,374	2,658,927
More than 5 years	3,522,633	764,258	2,692,404	604,491
Total	39,233,676	10,542,749	28,956,044	6,087,987

Liquidity Risk

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when needed. The Council has ready access to borrowings from the money markets to cover day to day cash flow need, whilst the PWLB and money markets provide access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is, therefore, no significant risk that it will be unable to meet its commitments under financial instruments.

The approved prudential indicators “limits for the maturity structure of debt” and the “limits placed on investments for greater than one year in duration” are the key parameters used to address liquidity risk. The maturity of debt limit is used when carefully planning new loans to be taken and (where it is economic to do so) making early loan repayments. Also, the limit placed on investments is monitored when considering cash flow needs and placing funds in the longer term.

Creditors are paid in accordance with suppliers’ terms which, for liquidity risk purposes to the Council, are less than one year and are not shown in the table above. Further analysis of creditors can be found in note 33.

All investments held with banks and financial institutions are due to mature within one year.

Refinancing and Maturity risk

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

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

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council day to day cash flow needs, and the spread of longer term investments provides stability of maturities and returns in relation to the longer term cash flow needs.

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The maturity analysis of financial liabilities (borrowing) is as follows:-

	31st March 2026 £000	31st March 2025 £000
Less than one year		
Public Works Loan Board	(18,538)	(13,616)
Market LOBO Loans	(44)	(5,047)
Temporary Loans from External Bodies		
- NYnet Limited	0	0
- Peak District National Park	(9,838)	(9,740)
- North Yorkshire Fire and Rescue Authority	(24,245)	(17,158)
- North York Moors National Park	(7,736)	(7,993)
- Yorkshire Dales National Park	(5,533)	(5,429)
- North Yorkshire Pension Fund	(5,208)	(15,226)
- Align Property Partners Limited	(1,287)	(2,557)
- National Parks England	(890)	(416)
- YNYCA	(66,012)	(33,608)
- Align Property Services	(1,179)	(1,919)
- First North Law	(147)	(79)
	(122,075)	(94,125)
Total Less than one year	(140,657)	(112,788)
Greater than one year		
Public Works Loan Board	(323,740)	(340,449)
Market LOBO Loans	(10,000)	(10,000)
	(333,740)	(350,449)
Analysis of loans by Maturity		
Between one and two years	(10,000)	(25,001)
Between two and five years	(16,503)	(16,503)
Between five and ten years	(56,244)	(57,525)
Between ten and fifteen years	0	0
Between fifteen and twenty five years	(64,393)	(64,393)
Between twenty five and forty years	(162,247)	(162,516)
More than forty years	(24,353)	(24,511)
	(333,740)	(350,449)

Market Risk - Interest rate risk

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

- borrowings at variable rates	-	the interest expense charged to the Comprehensive Income and Expenditure Statement will rise;
- borrowings at fixed rates	-	the fair value of the borrowing liability will fall;
- investments at variable rates	-	the interest income credited to the Comprehensive Income and Expenditure Statement will rise;
- investments at fixed rates	-	the fair value of the assets will fall.

Borrowings are not carried at fair value on the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable borrowings and investments will

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be posted to the Comprehensive Income and Expenditure Statement and affect the General Fund Balance.
The Treasury Management strategy includes sensitivity analysis and the prudential indicators for managing interest rate risk. One of the prudential indicators provides maximum and minimum limits for fixed and variable interest rate exposure. The treasury team also monitors the market and forecasts interest rates to adjust exposures accordingly. For example, during periods of falling interest rates, and where economic circumstances are favourable, fixed rate investments may be taken for longer periods to secure better long term returns.

If all interest rates had been 1.0% higher, with all other variables held constant, the financial effect would be:-

	£000
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable rate investments	5,504
Increase in government grant receivable for financing costs	0
Impact on Comprehensive Income and Expenditure Account	5,504
Decrease in fair value of fixed rate investment assets	0
Decrease in fair value of fixed rate borrowing liabilities	26,147

The impact of a 1.0% fall in interest rates would be as above but with the movements being reversed.

Market Risk – Price risk

The Council does not invest in equity shares but does have shareholdings to the value of £3.5m in Yorwaste Limited, £0.5m in Align Property Partners Limited, £0.5m NY Highways Limited, £32k in Veritau Limited, £100 in First North Law Limited, £100 in Brierley Homes Limited and a nominal value of £1 in NYnet Limited, Brimhams Active Limited, Maple Park Limited and Veritau Limited. These holdings are generally illiquid and therefore are not exposed to losses arising from movements in the prices of these shares.

The shareholdings have arisen as they have been acquired rather than originated by the Council. These long-term investments are as a result of acquisition of specific interest and are not quoted in an active market. The Council is not exposed to price movements.

The value of the above shares are classified as a reliable fair value cannot be determined.

Further information can be found in note 30 Long Term Investments.

Market Risk – Foreign exchange risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

41. Land at Whitby and Scarborough Harbours

North Yorkshire Council is the statutory harbour undertaker for Whitby and Scarborough Harbours. All income and expenditure, both revenue and capital in nature, that relates to land within each of the harbours, irrespective of that land's current use, is ringfenced for the respective harbour. A ringfenced reserve is maintained in relation to each harbour to hold accrued balances.

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Whitby Harbour Revenue Account

The table below shows the revenue financial performance of Whitby Harbour in the year:

Income and Expenditure

	2025/26 £000	2024/25 £000
Income	(2,428)	(2,527)
Employees	805	882
Premises	627	361
Supplies and Services	188	43
Transport	4	3
Third Party Payments	48	74
Net Service Cost	**(756)**	**(1,164)**
Contributions to/(from) General Fund	0	0
Capital Programme Funded from General Fund	0	161
Transfer to/(from) Whitby Harbour Reserves	0	0
Total Net Service Cost	**(756)**	**(1,003)**
Corporate Headings	175	673
Net surplus (to)/from Whitby Harbour Activities	**(581)**	**(330)**

Depreciation has not been charged to the harbour revenue account on the basis it is a notional cost and would be reversed out to comply with CIPFA Code of Practice.

In 2025/26, utility costs are shown within the 'Premises' line rather than Corporate Overheads.

In 2024/25, some capital expenditure was initially funded by the general fund. As part of the work undertaken to allocate historic costs and expenditure to the Harbour account (see note below the Reserves table below), these costs were adjusted for and charged to the Harbour account. They are presented here as being funded from the General Fund to maintain consistency with the 2024/25 Statement of Accounts.

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Capital expenditure and funding

The capital works undertaken in the harbour in the year were:

		Funded from		
	Expenditure	Whitby Harbour Reserve	Government Grant	General Fund Contribution
2025/26	**£000**	**£000**	**£000**	**£000**
Fish Pier Remedial works	482	482	0	0
Eskside Wharf repairs	41	41	0	0
Whitby Maritime Hub construction	8,999	68	8,931	0
Workboat replacement purchase	58	58	0	0
Total	**9,580**	**649**	**8,931**	**0**
2024/25				
Fish Pier Remedial works	62	0	0	62
Eskside Wharf repairs	99	0	0	99
Whitby Maritime Hub construction	439	0	439	0
Total	**600**	**0**	**439**	**161**

Whitby Harbour Reserve

The value of the reserves that are held within the ringfenced account for Whitby Harbour are detailed below. This reserve must be spent on activities and assets that fall within the harbour boundary:

	2025/26 £000	2024/25 £000
Opening Balance	**18,500**	**159**
Transfer (to)/from Whitby revenue account	581	0
Contributions to Capital Works	(649)	0
Transfer to Harbour Reserve for historical adjustment following court judgment (including 24/25 surplus)*	0	18,341
Closing Balance	**18,432**	**18,500**

* In 2024/25, following the court judgement of March 2025 that stated that all income and expenditure that related to land within the harbour, irrespective of that land's current use, should be ringfenced for the harbour, extensive work was undertaken to establish the estimated capital and revenue income and expenditure that should have been historically allocated to the ringfenced Whitby Harbour Reserve. This resulted in a one-off transfer of funds to the Whitby Harbour Reserve.

Harbour Assets

The balance sheet values of the assets that sit within Whitby Harbour, as defined by the March 2025 court judgement, are as follows:

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	2025/26 £000	2024/25 £000
Net Book Value 1 April	**26,642**	**26,204**
Depreciation in year	(611)	(623)
Revaluation increases/decreases (-) to CIES	(23)	108
Revaluation increases/decreases (-) to Revaluation Reserve	701	511
Additions	9,003	442
Net Book Value 31 March	**35,712**	**26,642**

There are no capital liabilities associated with Whitby Harbour.

Scarborough Harbour Revenue Account

The table below shows the revenue financial performance of Scarborough Harbour in the year:

Income and Expenditure

	2025/26 £000	2024/25 £000
Income	(1,140)	(1,180)
Employees	576	460
Premises	563	106
Supplies and Services	144	39
Transport	1	1
Third Party Payments	8	55
Net Service Cost	**152**	**(519)**
Contributions to/(from) General Fund	0	0
Capital Programme funded from General Fund	0	125
Transfer to/(from) Scarborough Harbour Reserves	0	0
Total Net Service Cost	**152**	**(394)**
Corporate Headings	83	424
Net (surplus)/deficit from Scarborough Harbour activities	**235**	**30**

Depreciation has not been charged to the harbour revenue account on the basis it is a notional cost and would be reversed out to comply with CIPFA Code of Practice.

In 2025/26, utility costs are shown within the 'Premises' line rather than Corporate Overheads.

In 2024/25, some capital expenditure was initially funded by the general fund. As part of the work undertaken to allocate historic costs and expenditure to the Harbour account (see note below the Reserves table below), these costs were adjusted for and charged to the Harbour account. They are presented here as being funded from the General Fund to maintain consistency with the 2024/25 Statement of Accounts.

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Capital expenditure and funding

The capital works undertaken in the harbour in the year were:

		Funded from		
	Expenditure	Scarborough Harbour Reserve	Government Grant	General Fund contribution
2025/26	**£000**	£000	£000	£000
West Pier redevelopment	358	0	358	0
West Pier piling repairs	774	774	0	0
Total	**1,132**	**774**	**358**	**0**
2024/25				
West Pier redevelopment	248	0	248	0
West Pier piling repairs	125	0	0	125
Total	**373**	**0**	**248**	**125**

Scarborough Harbour Reserve

The value of the reserves that are held within the ringfenced account for Scarborough Harbour are detailed below. This reserve must be spent on activities and assets that fall within the harbour boundary.

	2025/26 £000	2024/25 £000
Opening Balance	**3,500**	**97**
Transfer (to)/from Scarborough revenue account	(235)	0
Contributions to Capital Works	(774)	0
Transfer to Harbour Reserve for historical adjustment following court judgement (including 24/25 deficit)*	0	3,403
Transfer from Capital Development Reserve **	1,052	0
Closing Balance	**3,543**	**3,500**

* In 2024/25, following the court judgement of March 2025 in relation to Whitby Harbour that stated that all income and expenditure that related to land within the harbour, irrespective of that land's current use, should be ringfenced for the harbour, extensive work was undertaken to establish the estimated capital and revenue income and expenditure that should have been historically allocated to the ringfenced Scarborough Harbour Reserve. This resulted in a one-off transfer of funds to the Scarborough Harbour reserve.

** There was an additional £1,052k held within the Council's Capital Development Reserve in 24/25 that emanated from Scarborough Harbour activities; this balance was transferred to the Scarborough Harbour Reserve in 2025/26 so that all Harbour-related funds were held in one place.

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Harbour Assets

The balance sheet values of the assets that sit within Scarborough Harbour are as follows:

	2025/26 £000	2024/25 £000
Net Book Value 1 April	**5,396**	**5,374**
Depreciation in year	(101)	(103)
Revaluation increases/decreases (-) to CIES	12	78
Revaluation increases/decreases (-) to Revaluation Reserve	286	47
Additions	3	0
Net Book Value 31 March	**5,596**	**5,396**

There are no capital liabilities associated with Scarborough Harbour.

For both Harbours' accounts, if the situation arises that a reserve holds insufficient funds to cover the required capital or revenue expenditure, the expenditure will be funded from the Council's General Fund, with the amount being repaid to the General Fund from annual surpluses on the respective harbour account in subsequent years. Any funding provided from the General Fund will not be subject to an Minimum Revenue Position or interest charge on any outstanding balance. Any balances owed to the General Fund would be recorded and disclosed within this note.

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HOUSING REVENUE ACCOUNT (HRA)

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

	2025/26 £000	2024/25 £000
Expenditure		
Repairs & Maintenance	18,356	12,155
Supervision & Management	10,239	9,127
Rents, rates, taxes and other charges	1,153	76
Depreciation and Impairment of non-current assets (note 40a)	25,474	12,445
Debt Management costs	36	35
Movement in the debt impairment allowance (note 40c)	77	24
Total Expenditure	55,335	33,862
Income		
Dwelling Rents	(41,502)	(41,733)
Non-dwelling rents	(431)	(448)
Charges for Services and Facilities	(1,277)	(1,445)
Other Income	(32)	0
Contributions towards expenditure	(160)	(62)
Total Income	(43,402)	(43,688)
Net cost of HRA Services as included in the Comprehensive Income & Expenditure Statement	**11,933**	**(9,826)**
HRA services share of Corporate & Democratic Core	(2,719)	24
HRA Share of other amounts included in the whole authority Cost of Services but not allowed to specific services	0	0
Net Expenditure / Income for HRA Services	**9,214**	**(9,802)**
(Gain) or loss on the sale of HRA non-current assets	0	(2,274)
Interest payable and similar charges (note 40k)	3,606	3,477
Interest and investment income	(731)	(1,975)
Net interest on the net defined benefit liability	2,257	1,629
Capital grants and contributions receivable	0	0
(Surplus) / Deficit for the year on HRA services	**14,346**	**(8,945)**

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Movement on the HRA Statement

	2025/26 £000	2024/25 £000
Balance on the HRA at 1st April	(21,836)	(19,285)
Adjustment to brought forward balance	(2)	0
(Surplus) / Deficit for year on the HRA Income and Expenditure Statement	14,346	(8,945)
Adjustments between accounting basis and funding under statute	(4,485)	6,414
Net (Increase) / Decrease before transfers to or from reserves	9,859	(2,531)
Transfer to / (from) earmarked reserves	0	(20)
(Increase) / Decrease in year on the HRA	9,859	(2,551)
Balance on the HRA at 31st March	(11,977)	(21,836)

Note to the movement on the HRA statement

	2025/26 £000	2024/25 £000
Adjustments between accounting basis and funding under statute		
Items included in the HRA Income & Expenditure Account, but excluded fom the movement on the HRA Balance for the year		
Accumulated Absences accrual adjustment	0	0
Transfers to or (from) Capital Adjustment Account: Depreciation, impairments and revaluation losses	(25,474)	(12,445)
Gain or (loss) on sale of HRA fixed assets	0	2,274
HRA share of contributions to or (from) the Pensions Reserve	576	(1,540)
	(24,898)	(11,711)
Items not included in the HRA Income & Expenditure Account, but included in the movement on HRA Balance for the year		
Transfer to / (from) Major Repairs Reserve	8,720	8,535
Transfers to / (from Housing Repairs Account)	0	0
Transfer to / (from) the Capital Adjustment Account: Voluntary set aside for the repayment of debt	1,200	1,170
Capital Expenditure funded by the HRA	10,493	8,418
	20,413	18,123
Net additional amount required by statute to be debited or (credited) to the HRA Balance for the year	(4,485)	6,412
Transfers to / (from) earmarked reserves		
Transfer to / (from) Housing Carry Forward Budget Revenue	0	0
Transfer to / (from) Other Reserves	0	(20)
Transfer to / (from) ICT Reserve	0	0
Total Transfer to / (from) reserves	0	(20)

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NOTES TO THE MOVEMENT ON THE HRA STATEMENT

1. HRA Self Financing

During 2011, the Government announced significant changes to the funding of the HRA. The aim of the government reforms was to enable Councils to manage their housing stock for the benefit of local residents in a transparent, accountable and cost-effective way. In practical terms, the self-financing initiative put an end to the housing subsidy system and put authorities in a position where stock can be supported from income raised within the HRA. New arrangements were introduced from 1 April 2012, and the HRA is a self-sufficient ring-fenced account which retains and uses rental income.

2. Depreciation & Impairments

The following amounts were charged to the Account in respect of revaluation and depreciation of assets:

2024/25 £000		2025/26 £000
12,178	Council Dwellings	24,806
267	Other Land, Buildings & Assets	668
12,445	**Total**	25,474

The operational / non-operational split of the charges is as follows:

2024/25 £000		2025/26 £000
12,445	Operational	25,474
0	Non-operational	0
12,445	**Total**	25,474

The following amounts were charged to the service revenue accounts for impairment and reversal of impairment costs where there has been an increase in value:

	2025/26 £000	2024/25 £000
Council Dwellings	16,452	3,982
Other Land and Buildings	(17)	(54)
Vehicles	0	0
Intangibles	0	0
Total	16,435	3,928

Impairment occurs because something has happened either to the non-current assets, or to the economic environment in which they are used. A review for impairment of a non-current asset whether carried at historical cost or valuation should be carried out if events or changes in circumstances indicate that the carrying amount of the non-current asset may not be recoverable. The Statement of Accounting Policies gives further information.

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3. Provision For Debt Impairment

The account is charged with the 'top up' required for provision towards debt impairment in respect of rent arrears, an adjustment of £77k was made during the year in respect of rent arrears in 2025/26. The total rent arrears provision at 31 March 2026 amounted to £725k.

4. Major Repairs Reserve

The following is a statement of the movements in this reserve during the financial year 2025/26:

2024/25 £000		2025/26 £000
8,863	Opening Balance 1 April	7,533
0	Amount transferred to the reserve from the Capital Adjustment Account	0
	Amount transferred to / (from) the reserves to the HRA:	
8,535	- Non current assets	8,720
	Debits to the reserve in respect of HRA Capital expenditure on:	
(9,865)	- Housing	(3,857)
7,533	**Total**	12,396

5. Housing Revenue Account Non-Current Assets

The total balance sheet value of non-current assets owned by the HRA is summarised as follows:

2024/25 £000		2025/26 £000
557,152	Council Dwellings	556,789
9,375	Other Land & Buildings	8,829
630	Surplus	630
981	Assets Under Construction	6,910
495	Vehicles, Plant & Equipment	454
429	Intangible	419
569,062	**Total**	574,031

Assets can be defied as either operational (such as council dwellings and other buildings) or non-operational (such as community land). The split is summarised below:

2024/25 £000		2025/26 £000
	Operational	
557,152	- Dwellings	556,789
9,366	- Other Land & Buildings	14,749
924	- Other Property, Plant and Equipment	873
1,620	Non-operational	1,620
569,062	**Total**	574,031

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Vacant Possession Value

The vacant possession value of the houses within the HRA as at 31 March 2026 was £1,358.0m (£1,358.9m at March 2025). The substantial difference between the vacant possession value and the balance sheet value of dwellings demonstrates the economic cost to Government of providing council housing at less than open market value.

6. Capital Receipts

Capital receipts totalling £9,970k were received by the HRA in 2025/26. The total can be broken down as follows:

2024/25 £000		2025/26 £000
	Other HRA Property & Assets	
(2,984)	Houses	(9,970)
0	Land	0
(2,984)		(9,970)
0	Principal Repaid on Housing Advances	0
0	Repayment of discount received on Right to Buy sales	0
(2,984)	**Total**	(9,970)

7. Capital Expenditure

Capital expenditure and sources of financing during the year were as follows:

2024/25 £000	**Capital Expenditure**	2025/26 £000
15,236	Planned Maintenance	15,294
5,826	Purchase of properties to add into HRA stock	12,505
2,135	Construction of properties to add into HRA stock	1,016
0	Intangible Assets	0
0	Other Property	0
23,197	**Total**	28,815
	Sources of Finance	
0	Other Reserves	(781)
1,344	Prudential Borrowing	(5,309)
922	Capital Receipts	(3,613)
9,215	Revenue Contributions	(10,493)
1,851	Capital Grants	(4,762)
9,865	Major Repairs Reserve	(3,857)
23,197	**Total**	(28,815)

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8. Rent Arrears

At the end of the financial year 2025/26, rent arrears as a proportion of gross income are 3.4% (£1,449k) from 3% (£1,287k) in 2024/25.

2024/25 £000		2025/26 £000
1,136	Rent arrears at 31 March	1,276
151	Hostel Arrears	173
1,287	**Total**	1,449

9. Revenue Expenditure Financed 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 an asset being carried on the Balance Sheet. The purpose of this is to enable it to be funded from capital resources rather than being charged to the HRA.

10. Housing Stock

The analysis of the HRA housing stock is summarised as follows:

31 March 2025 number of		31 March 2026 number of
	Houses and Bungalows	
943	- 1 Bedroom	943
2,075	- 2 Bedroom	2,061
2,354	- 3 Bedroom	2,305
159	- 4 Bedroom	155
9	- 5 Bedroom	10
1	- 6 Bedroom plus	1
	Flats, Bedsits and maisonettes	
1,778	- 1 Bedroom	1,771
1,015	- 2 Bedroom	1,010
17	- 3 Bedroom	15
1	- 4 Bedroom	1
73	Multi Occupied Dwellings (Hostels)	73
8,425	**Total**	8,345

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11. Capital Asset Charges Accounting Adjustment

The Code of Practice requires an explanation of the capital assets accounting adjustment, calculated in accordance with the Item 8 Credit and Item 8 Debit (General) Determination for the year.

2024/25 £000		2025/26 £000
155	Interest payable on the HRA average Capital Financing Requirement (CRF) for the year at the Consolidated Rate of Interest (CRI) calculated in accordance with the determination	374
155	**Total**	374

In accordance with the calculation for the Capital Asset Charges Accounting Adjustment, interest is payable on the mid-year HRA capital financing requirement, except that where the CFR is negative, where interest is receivable.

The costs of impairment are included as charges to the HRA Income and Expenditure Account. The effect of the capital asset charges accounting adjustment is that the impairment cost is reversed out of the HRA in the Movement on the HRA Statement as this is not a cost to be borne by HRA Tenants. For 2025/26 the impairment charge is £16.435m (£3.928m in 2024/25).

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COLLECTION FUND STATEMENT

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of Council Tax and Non-Domestic Rates (NDR).

	Council Tax £000	2025/26 Business Rates £000	Total £000
INCOME			
Council Tax Receivable	(624,416)	0	(624,416)
Council Tax Discounts Funded from Billing Authority General Fund	(138)	0	(138)
Business Rates Receivable	0	(231,198)	(231,198)
Transitional Protection Payments due from Government	0	(1,016)	(1,016)
	(624,554)	(232,214)	(856,768)
Contribution Towards Previous Year's Estimated Collection Fund Deficit			
Central Government	0	(3,952)	(3,952)
North Yorkshire Council	0	(3,873)	(3,873)
York & North Yorkshire Combined Authority - Police (Formerly North Yorkshire PCC)	0	0	0
York & North Yorkshire Combined Authority - Fire (Formerly North Yorkshire PCC - Fire & Rescue Authority)	0	(79)	(79)
	0	(7,904)	(7,904)
EXPENDITURE			
Precepts, Demands and Shares			
Central Government	0	105,544	105,544
North Yorkshire Council	507,158	103,434	610,592
York & North Yorkshire Combined Authority - Police (Formerly North Yorkshire PCC)	81,757	0	81,757
York & North Yorkshire Combined Authority - Fire (Formerly North Yorkshire PCC - Fire & Rescue Authority)	27,270	2,111	29,381
	616,185	211,089	827,274
Allocation of Previous year's Estimated Collection Fund Surplus			
Central Government	0	0	0
North Yorkshire Council	4,314	0	4,314
York & North Yorkshire Combined Authority - Police (Formerly North Yorkshire PCC)	699	0	699
York & North Yorkshire Combined Authority - Fire (Formerly North Yorkshire PCC - Fire & Rescue Authority)	189	0	189
	5,202	0	5,202
Charges to the Collection Fund			
Less: Increase / (Decrease) in Expected Loss Provision	6,625	4,681	11,306
Less: Increase / (Decrease) in Provision for Appeals	0	9,742	9,742
Settlement against the Provision	0	(8,943)	(8,943)
Less: Cost of Collection	0	1,181	1,181
Renewable Energy	0	14,384	14,384
	6,625	21,045	27,670
(Surplus) / Deficit arising during the Year	**3,457**	**(7,983)**	**(4,526)**
(Surplus) / Deficit brought forward 1 April 2025	**(6,301)**	**9,257**	**2,956**
(Surplus) / Deficit carried forward 31 March 2026	**(2,844)**	**1,273**	**(1,571)**

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Comparison for 2024/25	Council Tax £000	2024/25 Business Rates £000	Total £000
INCOME			
Council Tax Receivable	(571,615)	0	(571,615)
Council Tax Discounts Funded from Billing Authority General Fund	(364)	0	(364)
Business Rates Receivable	0	(205,893)	(205,893)
Transitional Protection Payments due from Government	0	(4,661)	(4,661)
	(571,979)	(210,554)	(782,533)
Contribution Towards Previous Year's Estimated Collection Fund Deficit			
Central Government	0	0	0
North Yorkshire Council	0	0	0
York & North Yorkshire Combined Authority - Police (Formerly North Yorkshire PCC)	0	0	0
York & North Yorkshire Combined Authority - Fire (Formerly North Yorkshire PCC - Fire & Rescue Authority)	0	0	0
	0	0	0
EXPENDITURE			
Precepts, Demands and Shares			
Central Government	0	98,220	98,220
North Yorkshire Council	465,715	96,255	561,970
York & North Yorkshire Combined Authority - Police (Formerly North Yorkshire PCC)	75,490	0	75,490
York & North Yorkshire Combined Authority - Fire (Formerly North Yorkshire PCC - Fire & Rescue Authority)	20,424	1,964	22,388
	561,629	196,439	758,068
Allocation of Previous year's Estimated Collection Fund Surplus			
Central Government	0	3,040	3,040
North Yorkshire Council	5,936	2,980	8,916
York & North Yorkshire Combined Authority - Police (Formerly North Yorkshire PCC)	884	0	884
York & North Yorkshire Combined Authority - Fire (Formerly North Yorkshire PCC - Fire & Rescue Authority)	241	61	302
	7,061	6,081	13,142
Charges to the Collection Fund			
Less: Increase / (Decrease) in Expected Loss Provision	3,665	1,090	4,755
Less: Increase / (Decrease) in Provision for Appeals	0	7,742	7,742
Settlement against the Provision	0	(8,991)	(8,991)
Less: Cost of Collection	0	1,189	1,189
Renewable Energy	0	16,549	16,549
	3,665	17,579	21,244
(Surplus) / Deficit arising during the Year	**375**	**9,548**	**9,923**
(Surplus) / Deficit brought forward 1 April 2023	**(6,676)**	**(291)**	**(6,967)**
(Surplus) / Deficit carried forward 31 March 2024	**(6,301)**	**9,257**	**2,956**

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NOTES TO THE COLLECTION FUND

1. Income from Council Tax

Council Tax is charged on residential properties based upon valuation bandings established when the system was introduced in 1993. The Tax base for North Yorkshire Council was 254,805 for 2025/26, being the total number of properties converted to an equivalent number of Band D dwellings. The number of properties in each band and the calculation of the tax base (adjusted to reflect relevant discounts and exemptions) was approved by the Full Council on 14 February 2025 and is summarised below:

Band	Number of chargeable Properties after effect of discounts	Ratio	Band D equivalent dwellings
-A	106	5/9	59
A	39,061	6/9	26,040
B	55,940	7/9	43,509
C	60,599	8/9	53,865
D	41,238	9/9	41,238
E	34,489	11/9	42,153
F	20,607	13/9	29,766
G	12,960	15/9	21,600
H	1,120	18/9	2,241
Total	**266,120**		**260,471**
Impact of anticipated changes to council tax base - adjustments			(5,666)
Council Tax Base			**254,805**

Comparative movements 2024/25

Band	Number of chargeable Properties after effect of discounts	Ratio	Band D equivalent dwellings
-A	105	5/9	58
A	38,936	6/9	25,957
B	55,490	7/9	43,159
C	59,688	8/9	53,056
D	40,912	9/9	40,912
E	34,092	11/9	41,668
F	20,438	13/9	29,522
G	12,892	15/9	21,487
H	1,110	18/9	2,220
Total	**263,662**		**258,037**
Impact of anticipated changes to council tax base - adjustments			(12,028)
Council Tax Base			**246,010**

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2. Income from Business Ratepayers

The Council collects National Non-Domestic Rates (NNDR) for its area based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by a uniform business rate set nationally by Central Government, these are as follows:

	2025/26	2024/25
Rateable Value at year-end	609,037	607,020
National Multiplier	55.5	54.6
Small Business Multiplier	49.9	49.9

3. Allocation of collection Fund Surplus

	2025/26			2024/25		
	Council Tax	NNDR	Total	Council Tax	NNDR	Total
Central Government	0	636	636	0	4,628	4,628
North Yorkshire Council	(2,356)	624	(1,732)	(5,218)	4,536	(682)
York & North Yorkshire Combined Authority - Police (Formerly North Yorkshire PCC)	(370)	0	(370)	(845)	0	(845)
York & North Yorkshire Combined Authority - Fire (Formerly North Yorkshire PCC - Fire & Rescue Authority)	(118)	13	(105)	(238)	93	(145)
	(2,844)	**1,273**	**(1,571)**	**(6,301)**	**9,257**	**2,956**

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GROUP ACCOUNTS

INTRODUCTION

1. The Code of Practice on Local Authority Accounting recognises the wide diversity of service delivery vehicles used nationally by Local Authorities. The Council produces a consolidated set of Group Accounts to show the totality of its operations in a transparent manner.

The Council has undertaken significant research to identify and document its relationships with all partners, companies, joint ventures and voluntary organisations. Consideration of issues such as the type of interest, ownership of share capital, membership of appropriate committees, the degree of operational and financial control, access to benefits and exposure to risks have been key elements in this analysis.

SUMMARY OF FINDINGS

2. In the majority of cases the arrangements for accounting for relationships with these organisations are fully covered within the Council's Comprehensive Income and Expenditure Statement. Similarly any assets and liabilities generated are accounted for within the Council's Balance Sheet.

As a result there is no 'group' relationship for most of these arrangements.

After consideration of all relevant criteria, the Council has determined that for 2025/26, it has a group relationship with eleven bodies (including their subsidiaries where appropriate):-

- Align Property Partners Limited;
- Align Property Services Limited;
- Bracewell Homes Limited;
- Brierley Homes Limited;
- Brimhams Active Limited;
- First North Law Limited;
- Maple Park (Hambleton) LLP;
- NY Highways Limited;
- NYnet Limited;
- NYnet Public Sector Limited
- Veritau Limited;
- Veritau Public Services Limited;
- Yorkshire Purchasing Organisation; and
- Yorwaste Limited.

(a) Align Property Partners Limited

The Council owns 100% of the issued share capital of Align Property Partners Limited; a company established in 2016 whose principal activities are architectural, engineering and property consultancy services. The Council has provided a loan facility to Align Property Partners Limited for £500k.

Align Property Partners Limited has not been consolidated into North Yorkshire Council's Group Accounts as its values do not materially impact on the group financial position.

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(b) Align Property Services Limited

The Council owns 100% of the issued share capital of Align Property Services Limited; a company established in 2023 whose principal activities are architectural, engineering and property consultancy services to the Council and external clients.
Align Property Services Limited has not been consolidated into North Yorkshire Council's Group Accounts as its values do not materially impact on the group financial position.

(c) Bracewell Homes Limited

Bracewell Homes Limited is a wholly owned company limited by guarantee; a company established in 2019, whose principal activities are to provide high quality homes to more residents across the Harrogate area. The Council has provided a loan facility to Bracewell Homes Limited for £10m.

Bracewell Homes Limited has not been consolidated into North Yorkshire Council's Group Accounts as its values do not materially impact on the group financial position.

(d) Brierley Homes Limited

The Council owns 100% of the issued share capital of Brierley Homes Limited; a company established in 2016 whose principal activities are development of building projects, construction of domestic buildings, buying and selling of own real estate and other letting and operating of own or leased real estate. The Council has provided a loan facility to Brierley Homes Limited of £28.4m.

Brierley Homes Limited has not been consolidated into North Yorkshire Council's Group Accounts as its values do not materially impact on the group financial position.

(e) Brimhams Active Limited

The Council owns 100% of the issued share capital of Brimhams Active Limited; a company established in 2021 whose principal activities as a community health and wellbeing company, is to operate gyms, leisure centres and community hubs within the Harrogate area.

Brimhams Active Limited has not been consolidated into North Yorkshire Council's Group Accounts as its values to not materially impact on the group financial position.

(f) First North Law Limited

The Council owns 100% of the issued share capital of First North Law Limited; a company established in 2016 whose principal activities are the provision of professional legal services. The Council has provided a loan facility to First North Law Limited for £250k.

First North Law Limited has not been consolidated into North Yorkshire Council's Group Accounts as its values do not materially impact on the group financial position.

(g) Maple Park (Hambleton) LLP

The Council owns 99% of the issued share capital of Maple Park (Hambleton) LLP; a company established in 2022 whose principal activities are the provision of crematorium and wake facilities.

Maple Park (Hambleton) LLP has not been consolidated into North Yorkshire Council's Group Accounts as its values do not materially impact on the group financial position.

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(h) NY Highways Limited

NY Highways Limited is a company set up by the Council in June 2021 to undertake and deliver all highway maintenance activities. The Council has provided a loan facility to NY Highways for £11m.

NY Highways Limited has been consolidated into North Yorkshire Council's Group Accounts.

(i) NYnet Limited

NYnet Limited is a company set up by the Council in February 2007 to provide a world class high speed communication (broadband) infrastructure across North Yorkshire.

The Company has competitively procured a 'next generation broadband network' and sells capacity on that network to public sector organisations (including the Council) as well as private sector internet service providers (ISPs) who then sell onto the end users of businesses and consumers.

The Company is limited by shares, which are 100% owned by the Council and is managed by a Board of Directors appointed by the Council.

NYnet 100 Limited was established in 2011/12 to facilitate and fund on-going developments around the "Connecting North Yorkshire" project.

The financial results reported are for the entire NYnet sub-group. NYnet 100 Ltd is 100% owned by NYnet Limited.

A working capital loan facility is being provided by the Council with the sum taken up at 31st March 2026 being £2.7m. This loan is included in the Council's Balance Sheet as a Long Term Debtor.

NYnet Limited has been consolidated into North Yorkshire Council's Group Accounts as a consolidated subsidiary.

(j) Veritau Limited

In April 2009 North Yorkshire Council and the City of York Council worked in partnership to develop a shared service covering all the functions of internal audit, counter fraud and information governance.

The company is wholly owned by both councils, with each council holding 50% of the shares. Veritau Limited has responsibility for carrying out all internal audit, information governance and counter fraud services for the two councils and a number of other District Councils.

Veritau Limited is not consolidated into North Yorkshire Council's Group Accounts as their values do not materially impact on the group financial position.

(k) Yorkshire Purchasing Organisation (YPO)

Established as a joint committee of Local Authorities in 1974, YPO is a purchasing and supply service for office supplies, stationery and general equipment. The company supplies the constituent 13 member authorities but also schools, the voluntary sector and the general public. YPO operates on a self-financing basis with no subsidies payable by any member authority. Any surpluses are used for dividend payment primarily but with some scope for re-investment.

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Due to the involvement of all member authorities in the Management Committee and its increasing use of customers outside of the local authority market, the Council does not exert a significant level of influence over YPO's activities. Analysis of the relationship for group Account purposes concludes that it is equivalent to a simple investment. As the Council made no original investment in 1974 and has no share capital, no consolidation adjustments are necessary.

(l) Yorwaste Limited

The Council owns 78% of the issued share capital of Yorwaste Limited; a company established in 1993 and based in Northallerton whose principal activity is the provision of waste disposal facilities by the operation and management of landfill sites/recycling centres. The remaining shareholder in Yorwaste Limited is the City of York Council holding 22%.

The policies of Yorwaste Limited in relation to Fixed Assets are different to that operated by the Council. All the company's Fixed Assets are valued at historic cost less depreciation. The useful economic life of each asset is calculated individually with depreciation calculated on a straight line basis taking into account both commercial and technical obsolescence.

The total issued share capital of Yorwaste Limited is £4,526k (a total of 4,526,000 ordinary shares issued at £1 each).

The Council has provided a loan facility to Yorwaste Limited for £3.7m (£3.7m in 2024/25). This loan is included in the Councils Balance Sheet as a Long Term Debtor.

Yorwaste Limited has paid the Council a dividend in 2025/26 of £Nil (2024/25 £Nil).
Yorwaste Limited has been consolidated into North Yorkshire Council's Group Accounts as a subsidiary.

FINANCIAL STATEMENTS AND RESULTS

3. The Group Accounts for the Council are based upon the consolidation of the Council, NYnet Limited, Yorwaste Limited and NY Highways Limited. It should be noted that although adjustments have been made to facilitate comparability between the sets of Accounts, there is a fundamental difference between the objectives of the organisations with the Council being a non-profit making body. The figures included are based on Draft Accounts for the three bodies. These companies do not report under IFRS, rather as small unlisted companies, and their accounts are produced under UK GAAP, incorporating FRS 102 in their 2025/26 accounts.

Although the subsidiaries consolidated into the group accounts may use different accounting policies to the Council, there is no material difference and no material effect to the reader's interpretation of the accounts. For example, non-current assets have been consolidated using the valuation basis specified by the Code unless the entity has a distinct class of asset that the Council does not and in this case the subsidiary's policy is used. Yorwaste owns landfill sites and account for restoration, afterlife and site life development costs which the council as a single entity does not. Details of Yorwaste's accounting policies for these assets can be found in their published accounts at Companies House.

OFFICIAL - SENSITIVE

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Year to 31st March 2025				Year to 31st March 2026		
Expenditure £000	Income £000	Net £000		Expenditure £000	Income £000	Net £000
579,223	(425,631)	153,592	Children and Young People's Service	570,602	(416,987)	153,615
193,506	(108,318)	85,188	Environmental Services	111,211	(69,437)	41,774
448,801	(190,950)	257,851	Health and Adult Services	456,644	(187,377)	269,267
262,207	(124,271)	137,936	Resources and Central Services	246,981	(117,208)	129,773
144,637	(76,088)	68,549	Community Development	73,615	(82,488)	(8,873)
33,921	(43,723)	(9,802)	Housing Revenue Account	69,050	(43,289)	25,761
12,749	(57,012)	(44,263)	Corporate Miscellaneous	61,716	(92,330)	(30,614)
30,200	(8,056)	22,144	Yorwaste Limited	29,948	(9,657)	20,291
(2,744)	(1,924)	(4,668)	NYnet Limited	3,443	(4,520)	(1,077)
55,053	(340)	54,713	NY Highways	72,203	(320)	71,883
1,757,553	(1,036,313)	721,240	**Cost of Services**	1,695,413	(1,023,613)	671,800
			Other Operating Expenditure			
		48,921	Loss on Disposal of Property, Plant and Equipment			15,679
		12,018	Precepts of Local Precepting Authorities			13,402
		60,939				29,081
			Financing and Investment Income and Expenditure			
		30,396	Interest payable and similar charges			29,212
		(39,094)	Interest receivable and similar income			(34,494)
		(440)	Movement in fair value of financial assets			(140)
		(34)	Financial Instruments Premiums			(34)
		7,386	Investment Properties; revaluation and impairment			4,570
		(667)	Deficit / (Surplus) on trading activities			(570)
		(1,178)	Net interest on the net defined pension benefit liability (asset)			(1,561)
		(3,631)				(3,017)
		(471,252)	Council Tax Income			(508,610)
		(85,621)	Non-Domestic Rates Income			(91,718)
		(74,968)	Non-Ringfenced Government Grants			(60,820)
		(57,520)	Capital Grants			(112,522)
		(689,361)				(773,670)
		89,187	**(Surplus) or Deficit on Provision of Services**			**(75,806)**

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OFFICIAL - SENSITIVE

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (continued)

Year to 31st March 2025 Expenditure £000	Income £000	Net £000		Year to 31st March 2026 Expenditure £000	Income £000	Net £000
		89,187	**(Surplus) or Deficit on Provision of Services**			**(75,806)**
		1,616	Tax expense/(income)			1,196
		0	Interim Dividend			0
		90,803	**Group (Surplus) or Deficit on Provision of Services**			**(74,610)**
		0	(Surplus) / Deficit on revaluation of Property, Plant and Equipment			0
		(51,340)	Impairment (gains) / losses on non-current assets charged to the Revaluation Reserve			(188,683)
		1,316	Remeasurement of the Net Defined Benefit Liability			17,501
		(50,024)	**Other Comprehensive Income and Expenditure**			(171,182)
		40,779	**Total Comprehensive Income and Expenditure**			**(245,792)**

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

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OFFICIAL - SENSITIVE

GROUP MOVEMENT IN RESERVES STATEMENT

	Total Usable Reserves £000	Total Unusable Reserves £000	Total Authority Reserves £000	Council's Share of Subsidiaries £000	Minority Share of Reserves £000	Total Group Reserves £000
Movement in Reserves during 2025/26						
Balance at 1st April 2025	**(680,038)**	**(2,388,387)**	**(3,068,425)**	**754**	**(2,285)**	**(3,069,956)**
Total Comprehensive Expenditure and Income	(65,832)	(171,182)	(237,014)	(8,623)	(155)	(245,792)
Adjustments between accounting basis and funding basis under regulations	42,213	(42,213)	0	0	0	0
Net (Increase) / Decrease before Transfers	**(23,619)**	**(213,395)**	**(237,014)**	**(8,623)**	**(155)**	**(245,792)**
Balance at 31st March 2026	**(703,657)**	**(2,601,782)**	**(3,305,439)**	**(7,869)**	**(2,440)**	**(3,315,748)**

Comparison for 2024/25

	Total Usable Reserves £000	Total Unusable Reserves £000	Total Authority Reserves £000	Council's Share of Subsidiaries £000	Minority Share of Reserves £000	Total Group Reserves £000
Movement in Reserves during 2024/25						
Balance at 1st April 2024	**(679,179)**	**(2,437,058)**	**(3,116,237)**	**7,539**	**(2,037)**	**(3,110,735)**
Total Comprehensive Expenditure and Income	97,836	(50,024)	47,812	(6,785)	(248)	40,779
Adjustments between accounting basis and funding basis under regulations	(98,695)	98,695	0	0	0	0
Net (Increase) / Decrease before Transfers	**(859)**	**48,671**	**47,812**	**(6,785)**	**(248)**	**40,779**
Balance at 31st March 2025	**(680,038)**	**(2,388,387)**	**(3,068,425)**	**754**	**(2,285)**	**(3,069,956)**

This statement shows the movement from the start of the year to the end on the different reserves held by the Council, analysed into 'Usable Reserves' (ie those that can be applied to fund expenditure or reduce local taxation) and other 'Unusable Reserves'. The Movement in Reserves 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 for the year. The net increase / decrease line shows the statutory General Fund balance movement in the year following those adjustments.

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OFFICIAL - SENSITIVE

GROUP BALANCE SHEET AS AT 31ST MARCH 2026

31st March 2025 £000		31st March 2026 £000
2,935,167	Property, Plant and Equipment (note 3)	3,139,527
55,720	Investment Property	42,906
9,312	Intangible Assets	7,814
62,503	Heritage Assets	62,550
14,701	Long Term Investments	12,841
60,475	Long Term Debtors	61,912
3,137,878	**Long Term Assets**	**3,327,550**
452,703	Short Term Investments	534,357
2,732	Assets held for sale	17,329
3,675	Inventories	3,768
205,654	Short Term Debtors (note 5)	240,619
210,909	Cash and Cash Equivalents (note 4)	130,282
875,673	**Current Assets**	**926,355**
(112,788)	Short Term Borrowing	(140,657)
(167,710)	Short Term Creditors (note 6)	(163,332)
(5,555)	PFI/PPP Liability repayable within 12 months	(5,760)
(13,313)	Provisions to be used within 12 months	(13,959)
(1,599)	Lease repayable within 12 months	(1,554)
(16,910)	Capital Grant Receipts in Advance	(10,074)
(317,875)	**Current Liabilities**	**(335,336)**
(79,841)	Long Term Creditors	(88,656)
(140,172)	PFI/PPP Liability repayable in excess of 12 months	(136,349)
(6,961)	Lease payable in excess of 12 months	(6,758)
(7,129)	Pensions Liability	(5,726)
(31,082)	Provisions to be used in excess of 12 months	(22,622)
(344,490)	Long Term Borrowing	(327,350)
(16,045)	Capital Grant Receipts in Advance	(15,360)
(625,720)	**Long Term Liabilities**	**(602,821)**
3,069,956	**Net Assets**	**3,315,748**
680,038	Usable Reserves	703,657
2,388,387	Unusable Reserves	2,601,782
1,531	Reserves - Group Entities	10,309
3,069,956	**Total Reserves**	**3,315,748**

The Balance Sheet shows the value as at the Balance Sheet date of the Assets and Liabilities recognised by the Group. The net Assets of the Group (Assets less Liabilities) are matched by the Reserves held by the Group.

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OFFICIAL - SENSITIVE

GROUP CASH FLOW STATEMENT

31st March 2025 £000		31st March 2026 £000
(90,803)	**Net Surplus / (Deficit) on the Provision of Services**	**74,610**
	Adjust Net Surplus / (Deficit) on the Provision of Services for non cash movements	
140,872	Depreciation / Amortisation	144,524
63,310	Impairment and revaluations charged to the provision of services	13,379
(4,722)	Movement in Creditors	3,942
(3,583)	Movement in Debtors	(25,870)
(223)	Movement in Inventories	(85)
6,812	Movement in Provisions	(7,814)
(2,425)	Pensions Liability	(18,023)
57,226	Carrying Amount of Non-current Assets sold	36,067
17,805	Other non-cash items charged to the provision of services	3,323
275,072		**149,443**
	Adjust for items included in the Net Surplus / (Deficit) on the Provision of Services that are investing and financing activities	
(57,520)	Capital grants credited to the (surplus)/deficit on the provision of services	(112,522)
(8,393)	Proceeds from the sale of property and other assets	(20,459)
(65,913)		**(132,981)**
0	Equity Dividends Paid	0
534	Taxation	253
118,890	**Net cash flows from Operating Activities**	**91,325**
	Investing Activities	
(147,275)	Purchase of Property, Plant and Equipment and Intangible Assets	(202,239)
(958,939)	Purchase of Short Term and Long Term investments	(835,154)
8,483	Proceeds from the Sale of Property (and other Assets)	20,581
970,487	Proceeds from Short Term and Long Term Investments	755,360
55,484	Other receipts for investing activities	80,240
(71,760)	**Net cash flows from Investing Activities**	**(181,212)**
	Financing Activities	
79,266	Cash receipts of Short and Long Term Borrowing	39,693
6,908	Other receipts from Financing Activities	5,515
(6,646)	Repayment of the outstanding liability of Finance Lease and similar arrangements	(7,691)
(23,153)	Repayment of Short and Long Term Borrowing	(28,257)
(1,091)	Other payments for Financing Activities	0
55,284	**Net cash flows for Financing Activities**	**9,260**
102,414	**Net Increase / (decrease) in Cash and Cash Equivalents**	**(80,627)**
108,495	Cash and Cash Equivalents at the beginning of the reporting period	210,909
210,909	Cash and Cash Equivalents at the end of the reporting period	130,282
102,414		**(80,627)**

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NOTES TO THE GROUP STATEMENTS

1. Expenditure and Funding Analysis 2025/26

	Net Expenditure £000	Movement to Earmarked Reserves £000	Net Expenditure Chargeable to the General Fund £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Children and Young People's Service	140,993	(7,525)	133,468	20,147	153,615
Environmental Services	116,332	(16,236)	100,096	(58,322)	41,774
Health and Adult Services	268,806	432	269,238	29	269,267
Resources and Central Services	152,493	(5,205)	147,288	(17,515)	129,773
Community Development	32,001	(8,200)	23,801	(32,674)	(8,873)
Housing Revenue Account	0	10,497	10,497	15,264	25,761
Corporate Miscellaneous	(68,687)	16,208	(52,479)	21,865	(30,614)
NYES	0	(569)	(569)	569	0
Yorwaste Limited	(1,647)	0	(1,647)	21,938	20,291
NYnet Limited	(1,980)	0	(1,980)	903	(1,077)
NY Highways	(7,017)	0	(7,017)	78,900	71,883
Net Cost of Service	**631,294**	**(10,598)**	**620,696**	**51,104**	**671,800**
Other Operating Income and Expenditure	12,924	0	12,924	16,157	29,081
Financing and Investment Income and Expenditure	699	0	699	(3,716)	(3,017)
Taxation and non specific Income and Expenditure	(653,281)	1,493	(651,788)	(121,882)	(773,670)
Tax Expenses	1,196	0	1,196	0	1,196
(Surplus) or Deficit	**(7,168)**	**(9,105)**	**(16,273)**	**(58,337)**	**(74,610)**
Opening Group Balance			(562,168)		
Less/Plus Surplus or (Deficit) on Group in Year			(16,909)		
Closing Group Balance at 31 March 2025			**(579,077)**		
General Fund Balance			(43,977)		
Earmarked Reserves			(524,791)		
Group Reserves			(10,309)		
			(579,077)		

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Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts

	Adjustments for Capital Purposes £000	Net change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000
Children and Young People's Service	24,752	(6,661)	2,056	20,147
Environmental Services	90,350	(3,713)	(144,959)	(58,322)
Health and Adult Services	5,137	(3,613)	(1,495)	29
Resources and Central Services	7,219	(5,328)	(19,406)	(17,515)
Community Development	(517)	(2,442)	(29,715)	(32,674)
Housing Revenue Account	25,474	(576)	(9,634)	15,264
Corporate Miscellaneous	0	7,233	14,632	21,865
NYES	0	(1,362)	1,931	569
Yorwaste Limited	0	0	21,938	21,938
NYnet Limited	0	0	903	903
NY Highways	0	0	78,900	78,900
Net Cost of Services	**152,415**	**(16,462)**	**(84,849)**	**51,104**
Other Operating Income and Expenditure	15,708	0	449	16,157
Financing and Investment Income and Expenditure	0	(1,561)	(2,155)	(3,716)
Taxation and non specific income and Expenditure	0	0	(121,882)	(121,882)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	**168,123**	**(18,023)**	**(208,437)**	**(58,337)**

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Comparative Expenditure and Funding Analysis 2024/25

	Net Expenditure £000	Movement to Earmarked Reserves £000	Net Expenditure Chargeable to the General Fund £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Children and Young People's Service	123,898	(2,631)	121,267	32,325	153,592
Environmental Services	97,837	3,374	101,211	(16,023)	85,188
Health and Adult Services	251,017	3,139	254,156	3,695	257,851
Resources and Central Services	139,673	1,196	140,869	(2,933)	137,936
Community Development	26,840	5,841	32,681	35,868	68,549
Housing Revenue Account	0	(2,533)	(2,533)	(7,269)	(9,802)
Corporate Miscellaneous	(62,453)	(12,954)	(75,407)	31,144	(44,263)
NYES	0	(1,229)	(1,229)	1,229	0
Yorwaste Limited	(2,388)	0	(2,388)	24,532	22,144
NYnet Limited	(5,612)	0	(5,612)	944	(4,668)
NY Highways	(1,387)	0	(1,387)	56,100	54,713
Net Cost of Service	**567,425**	**(5,797)**	**561,628**	**159,612**	**721,240**
Other Operating Income and Expenditure	11,245	0	11,245	49,694	60,939
Financing and Investment Income and Expenditure	738	0	738	(4,369)	(3,631)
Taxation and non specific Income and Expenditure	(594,402)	(25,288)	(619,690)	(69,671)	(689,361)
Tax Expenses	1,616	0	1,616	0	1,616
(Surplus) or Deficit	**(13,378)**	**(31,085)**	**(44,463)**	**135,266**	**90,803**
Opening Group Balance			(517,705)		
Less/Plus Surplus or (Deficit) on Group in Year			(44,463)		
Closing Group Balance at 31 March 2024			**(562,168)**		
General Fund Balance			(55,326)		
Earmarked Reserves			(505,311)		
Group Reserves			(1,531)		
			(562,168)		

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Comparator Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts 2024/25

	Adjustments for Capital Purposes £000	Net change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000
Children and Young People's Service	37,762	(2,289)	(3,148)	32,325
Environmental Services	91,201	(731)	(106,493)	(16,023)
Health and Adult Services	5,418	(783)	(940)	3,695
Resources and Central Services	12,782	(1,054)	(14,661)	(2,933)
Community Development	38,956	(385)	(2,703)	35,868
Housing Revenue Account	12,445	(89)	(19,625)	(7,269)
Corporate Miscellaneous	0	4,366	26,778	31,144
NYES	0	(282)	1,511	1,229
Yorwaste Limited	0	0	24,532	24,532
NYnet Limited	0	0	944	944
NY Highways	0	0	56,100	56,100
Net Cost of Services	**198,564**	**(1,247)**	**(37,705)**	**159,612**
Other Operating Income and Expenditure	48,921	0	773	49,694
Financing and Investment Income and Expenditure	0	(1,178)	(3,191)	(4,369)
Taxation and non specific income and Expenditure	0	0	(69,671)	(69,671)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	**247,485**	**(2,425)**	**(109,794)**	**135,266**

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2. The Individual Group Companies together with consolidating adjustments are identified within the following schedules for the Comprehensive Income and Expenditure Statement and the respective Balance Sheets.

Summarised Income and Expenditure Statements for the period to 31st March 2026

	NYC £000	NYnet Limited £000	Yorwaste Limited £000	NY Highways £000	Consolidation Adjustments £000	Group £000
Cost of Service	682,444	(1,980)	(1,647)	(6,136)	0	671,800
Other Operating Expenditure						
Loss on Disposal of Property, Plant and Equipment	15,708	0	0	(29)	0	15,679
Impairment of Assets Held for Sale	0	0	0	0	0	0
Precepts of Local Precepting Authorities	13,402	0	0	0	0	13,402
	29,110	0	0	(29)	0	29,081
Financing and Investment Income and Expenditure						
Interest payable and similar charges	28,262	0	950	0	0	29,212
Interest receivable and similar income	(34,243)	0	(251)	0	0	(34,494)
Movement in fair value of financial assets	(140)	0	0	0	0	(140)
Financial Instruments Premiums	(34)	0	0	0	0	(34)
Investment Properties; revaluation and impairment	4,570	0	0	0	0	4,570
Deficit / (Surplus) on trading activities	(570)	0	0	0	0	(570)
Net interest on the defined benefit liability (asset)	(1,561)	0	0	0	0	(1,561)
	(3,716)	0	699	0	0	(3,017)
Taxation and Non-Specific Grant Income	(773,670)	0	0	0	0	(773,670)
(Surplus) / Deficit on Provision of Services	**(65,832)**	**(1,980)**	**(948)**	**(6,165)**	**0**	**(75,806)**
Tax Expenses	0	0	253	943	0	1,196
Interim Dividend	0	0	0	0	0	0
Group (Surplus) / Deficit	**(65,832)**	**(1,980)**	**(695)**	**(5,222)**	**0**	**(74,610)**
(Surplus) / Deficit on Revaluation of Fixed Assets	0	0	0	0	0	0
Impairment losses on non-current assets charged to the Revaluation Reserve	(188,683)	0	0	0	0	(188,683)
Remeasurements of the Net Defined Benefit Liability	17,501	0	0	0	0	17,501
Other Comprehensive Income and Expenditure	**(171,182)**	**0**	**0**	**0**	**0**	**(171,182)**
Total Comprehensive Income and Expenditure	**(237,014)**	**(1,980)**	**(695)**	**(5,222)**	**0**	**(245,792)**

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Comparative statement for 2024/25

Summarised Income and Expenditure Statements for the period to 31st March 2025	NYC £000	NYnet Limited £000	Yorwaste Limited £000	NY Highways £000	Consolidation Adjustments £000	Group £000
Cost of Service	730,627	(5,612)	(2,388)	(1,387)	0	721,240
Other Operating Expenditure						
Loss on Disposal of Property, Plant and Equipment	48,921	0	0	0	0	48,921
Impairment of Assets Held for Sale	0	0	0	0	0	0
Precepts of Local Precepting Authorities	12,018	0	0	0	0	12,018
	60,939	0	0	0	0	60,939
Financing and Investment Income and Expenditure						
Interest payable and similar charges	29,479	0	917	0	0	30,396
Interest receivable and similar income	(38,915)	0	(179)	0	0	(39,094)
Movement in fair value of financial assets	(440)	0	0	0	0	(440)
Financial Instruments	(34)	0	0	0	0	(34)
Investment Properties; revaluation and impairment	7,386	0	0	0	0	7,386
Surplus of trading activities	(667)	0	0	0	0	(667)
Net interest on the defined benefit liability (asset)	(1,178)	0	0	0	0	(1,178)
	(4,369)	0	738	0	0	(3,631)
Taxation and Non-Specific Grant Income	(689,361)	0	0	0	0	(689,361)
(Surplus) / Deficit on Provision of Services	**97,836**	**(5,612)**	**(1,650)**	**(1,387)**	**0**	**89,187**
Tax Expenses	0	0	534	1,082	0	1,616
Interim Dividend	0	0	0	0	0	0
Group (Surplus) / Deficit	**97,836**	**(5,612)**	**(1,116)**	**(305)**	**0**	**90,803**
(Surplus) / Deficit on Revaluation of Fixed Assets	0	0	0	0	0	0
Impairment losses on non-current assets charged to the Revaluation Reserve	(51,340)	0	0	0	0	(51,340)
Remeasurements of the Net Defined Benefit Liability	1,316	0	0	0	0	1,316
Other Comprehensive Income and Expenditure	**(50,024)**	**0**	**0**	**0**	**0**	**(50,024)**
Total Comprehensive Income and Expenditure	**47,812**	**(5,612)**	**(1,116)**	**(305)**	**0**	**40,779**

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Balance Sheet as at 31st March 2026

	NYC £000	Yorwaste Limited £000	NYnet Limited £000	NY Highways £000	Consolidation Adjustments £000	Group £000
Property, Plant and Equipment	3,101,479	21,004	13,062	3,982	0	3,139,527
Investment Property	42,906	0	0	0	0	42,906
Intangible Assets	7,814	0	0	0	0	7,814
Heritage Assets	62,550	0	0	0	0	62,550
Long Term Investments	16,859	0	0	0	(4,018)	12,841
Long Term Debtors	76,762	0	0	0	(14,850)	61,912
Long Term Assets	**3,308,370**	**21,004**	**13,062**	**3,982**	**(18,868)**	**3,327,550**
Short Term Investments	534,357	0	0	0	0	534,357
Inventories	2,572	0	358	838	0	3,768
Short Term Debtors	239,656	6,776	1,299	8,296	(15,408)	240,619
Cash and Cash Equivalents	110,894	7,660	4	11,724	0	130,282
Assets held for sale	17,329	0	0	0	0	17,329
Current Tax Assets	0	0	0	0	0	0
Current Assets	**904,808**	**14,436**	**1,661**	**20,858**	**(15,408)**	**926,355**
Short Term Borrowing	(140,657)	0	0	0	0	(140,657)
Short Term Creditors	(159,304)	(6,719)	(955)	(11,762)	15,408	(163,332)
PFI/PPP Liability repayable within 12 months	(5,760)	0	0	0	0	(5,760)
Finance Lease repayable within 12 months	(1,554)	0	0	0	0	(1,554)
Provisions to be used within 12 months	(13,959)	0	0	0	0	(13,959)
Capital Grant Receipts in Advance	(10,074)	0	0	0	0	(10,074)
Current Liabilities	**(331,308)**	**(6,719)**	**(955)**	**(11,762)**	**15,408**	**(335,336)**
Long Term Creditors	(67,378)	(6,262)	(15,016)	0	0	(88,656)
PFI/PPP Liability repayable in excess of 12 months	(136,349)	0	0	0	0	(136,349)
Finance Lease repayable in excess of 12 months	(6,758)	0	0	0	0	(6,758)
Pension Liability	(5,726)	0	0	0	0	(5,726)
Provisions to be used in excess of 12 months	(11,120)	(11,502)	0	0	0	(22,622)
Long Term Borrowing	(333,740)	0	0	(8,460)	14,850	(327,350)
Capital Grant Receipts in Advance	(15,360)	0	0	0	0	(15,360)
Long Term Liabilities	**(576,431)**	**(17,764)**	**(15,016)**	**(8,460)**	**14,850**	**(602,821)**
Net Assets	**3,305,439**	**10,957**	**(1,248)**	**4,618**	**(4,018)**	**3,315,748**
Usable Reserves	703,657	0	0	0	0	703,657
Unusable Reserves	2,601,782	0	0	0	0	2,601,782
Reserves - Group Entities	0	10,957	(1,248)	4,618	(4,018)	10,309
Total Reserves	**3,305,439**	**10,957**	**(1,248)**	**4,618**	**(4,018)**	**3,315,748**

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Comparative statement for 2024/25

Balance Sheet as at 31st March 2025

	NYC £000	Yorwaste Limited £000	NYnet Limited £000	NY Highways £000	Consolidation Adjustments £000	Group £000
Property, Plant and Equipment	2,899,269	17,782	13,944	4,172	0	2,935,167
Investment Property	55,720	0	0	0	0	55,720
Intangible Assets	9,312	0	0	0	0	9,312
Heritage Assets	62,503	0	0	0	0	62,503
Long Term Investments	18,719	0	0	0	(4,018)	14,701
Long Term Debtors	75,394	0	0	0	(14,919)	60,475
Long Term Assets	**3,120,917**	**17,782**	**13,944**	**4,172**	**(18,937)**	**3,137,878**
Short Term Investments	452,703	0	0	0	0	452,703
Inventories	2,487	0	459	729	0	3,675
Short Term Debtors	204,674	8,245	6,283	5,404	(18,952)	205,654
Cash and Cash Equivalents	194,128	7,774	3	9,004	0	210,909
Assets held for sale	2,732	0	0	0	0	2,732
Current Tax Assets	0	0	0	0	0	0
Current Assets	**856,724**	**16,019**	**6,745**	**15,137**	**(18,952)**	**875,673**
Short Term Borrowing	(112,788)	0	0	0	0	(112,788)
Short Term Creditors	(161,853)	(6,387)	(7,469)	(10,953)	18,952	(167,710)
PFI/PPP Liability repayable within 12 months	(5,555)	0	0	0	0	(5,555)
Finance Lease repayable within 12 months	(1,599)	0	0	0	0	(1,599)
Provisions to be used within 12 months	(13,313)	0	0	0	0	(13,313)
Capital Grant Receipts in Advance	(16,910)	0	0	0	0	(16,910)
Current Liabilities	**(312,018)**	**(6,387)**	**(7,469)**	**(10,953)**	**18,952**	**(317,875)**
Long Term Creditors	(57,299)	(6,094)	(16,448)	0	0	(79,841)
PFI/PPP Liability repayable in excess of 12 months	(140,172)	0	0	0	0	(140,172)
Finance Lease repayable in excess of 12 months	(6,961)	0	0	0	0	(6,961)
Pension Liability	(6,248)	0	0	(881)	0	(7,129)
Provisions to be used in excess of 12 months	(20,024)	(11,058)	0	0	0	(31,082)
Long Term Borrowing	(350,449)	0	0	(8,960)	14,919	(344,490)
Capital Grant Receipts in Advance	(16,045)	0	0	0	0	(16,045)
Long Term Liabilities	**(597,198)**	**(17,152)**	**(16,448)**	**(9,841)**	**14,919**	**(625,720)**
Net Assets	**3,068,425**	**10,262**	**(3,228)**	**(1,485)**	**(4,018)**	**3,069,956**
Usable Reserves	680,038	0	0	0	0	680,038
Unusable Reserves	2,388,387	0	0	0	0	2,388,387
Reserves - Group Entities	0	10,262	(3,228)	(1,485)	(4,018)	1,531
Total Reserves	**3,068,425**	**10,262**	**(3,228)**	**(1,485)**	**(4,018)**	**3,069,956**

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3. Movement in Property, Plant and Equipment

	Council Dwellings £000	Aggregated Land and Buildings* £000	Vehicles, Plant and Equipment £000	Landfill Site Development & Restoration Costs £000	Total £000
Cost of Valuation					
As at 1st April 2025	557,153	1,460,283	116,104	41,066	2,174,606
Additions	21,847	47,029	31,113	1,104	101,093
Disposals	(7,758)	(26,109)	(628)	0	(34,495)
Transferred to Assets Held for Sale	6,413	(14,815)	0	0	(8,402)
Revaluations / (Impairments)					
Recognised in the Revaluation Reserve	3,192	112,002	0	0	115,194
Recognised in Provision of Services	(24,058)	4,537	0	0	(19,521)
As at 31st March 2026	**556,789**	**1,582,927**	**146,589**	**42,170**	**2,328,475**
Depreciation and Impairments					
As at 1st April 2025	(3)	(43,002)	(65,593)	(39,864)	(148,462)
Charge for the year	(8,354)	(48,922)	(19,132)	(751)	(77,159)
Disposals	0	4	498	0	502
Transferred					
Revaluations / (Impairments)	0	0	0	0	0
Recognised in the Revaluation Reserve	749	76,162	0	0	76,911
Recognised in Provision of Services	7,607	3,307	0	0	10,914
Yorwaste Asset Impairment	0	0	0	0	0
As at 31st March 2026	**(1)**	**(12,451)**	**(84,227)**	**(40,615)**	**(137,294)**
Balance Sheet Net Amount at 31st March 2026	**556,788**	**1,570,476**	**62,362**	**1,555**	**2,191,181**
Balance Sheet Net Amount at 1st April 2025	**557,150**	**1,417,281**	**50,511**	**1,202**	**2,026,144**

*The balances for Community assets, surplus assets and Assets under construction have been included within 'Aggregated land and buildings' as they are not individually material to the group.

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Comparative Movements in 2024/25

	Council Dwellings £000	Aggregated Land and Buildings £000	Vehicles, Plant and Equipment £000	Landfill Site Development & Restoration Costs £000	Total £000
Cost of Valuation					
As at 1st April 2024	553,962	1,530,325	249,245	41,567	2,375,099
Additions	22,958	48,073	15,164	0	86,195
Disposals	(2,274)	(53,092)	(1,351)	(501)	(57,218)
Transferred to Assets Held for Sale	0	10,362	21	0	10,383
Revaluations / (Impairments)					
Recognised in the Revaluation Reserve	(6,021)	43,320	0	0	37,299
Recognised in Provision of Services	(11,472)	(118,705)	0	0	(130,177)
As at 31st March 2025	**557,153**	**1,460,283**	**263,079**	**41,066**	**2,321,581**
Depreciation and Impairments					
As at 1st April 2024	(2)	(65,771)	(197,740)	(38,529)	(302,042)
Charge for the year	(8,196)	(48,285)	(16,056)	(1,334)	(73,871)
Disposals	0	(79)	1,226	0	1,147
Revaluations / (Impairments)	0	84	0	0	84
Recognised in the Revaluation Reserve	705	4,099	0	0	4,804
Recognised in Provision of Services	7,490	66,951	0	0	74,441
Yorwaste Asset Impairment	0	0	0	0	0
As at 31st March 2025	**(3)**	**(43,001)**	**(212,570)**	**(39,863)**	**(295,437)**
Balance Sheet Net Amount at 31st March 2025	**557,150**	**1,417,282**	**50,509**	**1,203**	**2,026,144**
Balance Sheet Net Amount at 1st April 2024	**553,960**	**1,464,554**	**51,505**	**3,038**	**2,073,057**

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4. Cash and Cash Equivalents

	31st March 2026 £000	31st March 2025 £000
Bank current accounts and cash held by the Council	5,475	17,229
Short term / call deposits, inc. Cash Balances held by Group Entities	124,807	193,680
Total Cash and Cash Equivalents	130,282	210,909

5. Short Term Debtors

	31st March 2026		31st March 2025	
	£000	£000	£000	£000
Government Entities				
Central Government Bodies	31,394		29,430	
Other Local Authorities	12,402		2,389	
NHS Bodies	33,536	77,332	24,854	56,673
General Debtors (including Public Corporations and Trading Funds)		166,172		147,547
Payments in Advance		38,399		37,546
		281,903		241,766
Less: Expected Loss Provision		(41,284)		(36,112)
Total Short Term Debtors		240,619		205,654

6. Short Term Creditors

	31st March 2026		31st March 2025	
	£000	£000	£000	£000
Government Entities				
Central Government Bodies	23,955		21,581	
Other Local Authorities	6,122		8,848	
NHS Bodies	949	31,026	972	31,401
General Creditors (including Public Corporations and Trading Funds)		103,672		103,825
Income in Advance		28,634		32,484
Total Short Term Creditors		163,332		167,710

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7. Provisions

	Balance as at 1st April 2025 £000	Changes during the year: Provision Made £000	Provision Used £000	Provision Written Down £000	Balance as at 31st March 2026 £000	To be used: Within 1 year £000	In excess of 1 year £000	Total £000
Insurance	11,209	3,355	(2,595)	0	11,969	3,990	7,979	11,969
Highways Advance Payments	12,470	130	(9,540)	0	3,060	0	3,060	3,060
Alterations & Appeals	9,433	4,774	(4,382)	0	9,825	9,825	0	9,825
Other	225	0	0	0	225	144	81	225
	33,337	8,259	(16,517)	0	25,079	13,959	11,120	25,079
Yorwaste Limited	11,058	933	(489)	0	11,502	0	11,502	11,502
	44,395	9,192	(17,006)	0	36,581	13,959	22,622	36,581

Comparative Movements in 2024/25

	Balance as at 1st April 2024 £000	Changes during the year: Provision Made £000	Provision Used £000	Provision Written Down £000	Balance as at 31st March 2025 £000	To be used: Within 1 year £000	In excess of 1 year £000	Total £000
Insurance	9,969	3,010	(1,770)	0	11,209	3,736	7,473	11,209
Highways Advance Payments	6,032	8,843	(2,405)	0	12,470	0	12,470	12,470
Alterations & Appeals	10,118	3,793	(4,478)	0	9,433	9,433	0	9,433
Other	225	0	0	0	225	144	81	225
	26,344	15,646	(8,653)	0	33,337	13,313	20,024	33,337
Yorwaste Limited	11,239	601	(782)	0	11,058	0	11,058	11,058
	37,583	16,247	(9,435)	0	44,395	13,313	31,082	44,395

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NORTH YORKSHIRE PENSION FUND
FUND ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2026

2024/25 £000			2025/26 £000	£000
	CONTRIBUTIONS AND BENEFITS			
	Contributions			
109,388	Employers	- Normal	115,121	
1,459		- Deficit	1,602	
4,053		- Early Retirement Costs Recharged	3,036	
40,021	Employees	- Normal	43,958	
84		- Additional Voluntary	136	
155,005	**Total Contributions Receivable (note 7)**			163,853
31,049	**Transfers in (note 8)**			39,306
	Less			
	Benefits			
(133,689)	Pensions		(141,178)	
(37,205)	Commutation and Lump Sum Retirement Benefits		(35,581)	
(4,010)	Lump Sums Death Benefits		(4,102)	
(174,904)	**Total Benefits Payable (note 9)**			(180,861)
	Payments to and on Account of Leavers			
(692)	Refunds to Members Leaving Service		(619)	
(34,399)	Transfers Out		(26,441)	
(35,091)	**Total Payments on Account of Leavers (note 10)**			(27,060)
(23,941)	**Net additions/(withdrawals) from dealings with Members**			(4,762)
(39,810)	**Management Expenses (note 11)**			(42,565)
(63,751)	**Net additions/(withdrawals) including Fund Management expenses**			(47,327)
	RETURNS ON INVESTMENTS			
33,874	Investment income (note 12)			49,832
123,278	Profit and losses on disposal and changes in value of investments (note 14a)			200,421
157,152	**Net returns on investments**			250,253
93,401	**Surplus/(deficit) on the pension fund for the year**			202,926
4,660,097	**Opening Net Assets of the Fund**			4,753,498
4,753,498	**Closing Net Assets of the Fund**			4,956,424

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NORTH YORKSHIRE PENSION FUND – NET ASSETS STATEMENT

31st March 2025 £000		31st March 2026 £000
	INVESTMENT ASSETS	
1,182	Equities	1,182
3,705,532	Pooled Investments	3,745,182
291,592	Pooled Property Investments	324,767
713,823	Private Markets	836,848
4,712,129		4,907,979
949	Cash Deposits	31,708
13,898	Investment Debtors	0
4,726,976	**TOTAL INVESTMENT ASSETS**	4,939,687
0	**INVESTMENT LIABILITIES**	0
0	**TOTAL INVESTMENT LIABILITIES**	0
4,726,976	**NET INVESTMENT ASSETS (note 14a)**	**4,939,687**
0	**LONG-TERM DEBTORS**	0
	CURRENT ASSETS	
12,964	Contributions due from employers	13,284
1,078	Other Non-Investment Debtors	1,265
15,017	Cash	4,954
29,059	**TOTAL CURRENT ASSETS**	19,503
	CURRENT LIABILITIES	
(2,537)	Non-Investment Creditors	(2,766)
(2,537)	**TOTAL CURRENT LIABILITIES**	(2,766)
4,753,498	**TOTAL NET ASSETS**	**4,956,424**

The accounts summarise the transactions of the Fund and deal with the net assets. They do not take account of the obligations to pay pensions and benefits which fall after the end of the financial year.

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NOTES TO THE NORTH YORKSHIRE PENSION FUND ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2026

1. Description of the Fund

The North Yorkshire Pension Fund (NYPF or "the Fund") is part of the Local Government Pension Scheme (LGPS) and is administered by North Yorkshire Council (NYC). The Council is the reporting entity for the Fund.

The following description of the Fund is a summary only. For more detail, refer to the NYPF Annual Report 2025/26 and the statutory powers underpinning the Scheme, namely the Public Service Pensions Act 2013 and the Local Government Pension Scheme (LGPS) Regulations.

(a) General

The Fund is governed by the Public Service Pensions Act 2013 and is administered in accordance with the following secondary legislation:

- the LGPS Regulations 2013 (as amended)
- the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- the LGPS (Management and Investment of Funds) Regulations 2016 (as amended)

It is a contributory defined benefit pension scheme administered by NYC to provide pensions and other benefits for pensionable employees of NYC and a range of other scheduled and admitted bodies within the county area. Teachers, police officers and fire fighters are not included as they come within other national pension schemes.

The Fund is overseen by the Pension Fund Committee, which is a committee of NYC.

(b) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the Fund, remain in the Fund or make their own personal arrangements outside the Scheme. New joiners are auto-enrolled to the Fund but may subsequently opt-out.

Organisations participating in NYPF include:

- scheduled bodies, which are local authorities, academy trusts and similar bodies whose staff are automatically entitled to be members of the Fund
- admitted bodies, which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

At 31 March 2026 there were 124 contributing employer organisations within NYPF including the Council itself, and over 101,000 individual members.

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Active, pensioner and deferred pensioner numbers, split between NYC as the Administering Authority and all other employers were as follows:

	31st March 2025 No.	31st March 2026 No.
Number of Employers with Active Members	113	124
Employees in the Fund		
NYC	15,204	15,371
Other employers	15,489	15,128
Total	30,693	30,499
Pensioners		
NYC	22,346	20,952
Other employers	10,638	9,824
Total	32,984	30,776
Deferred Pensioners		
NYC	25,865	26,917
Other employers	13,172	12,948
Total	39,037	39,865

(c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the LGPS Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ended 31 March 2026. Employee contributions are supplemented by employers' contributions which are primarily determined as part of each triennial valuation. The last such valuation was on 31 March 2025 and that set the contribution rates for 2026/27, 2027/28, 2028/29; details of the rates for individual employers are available on the Fund's website.

(d) Benefits

Prior to 1 April 2014 pension benefits under the LGPS up to 31 March 2014 are based on final pensionable pay and length of pensionable service.

For service up to 31 March 2008 each year worked is worth 1/80th of final pensionable salary, an automatic lump sum of three times salary is payable, and part of the annual pension can be exchanged for a one-off tax-free cash payment at the rate of £12 lump sum for each £1 pension given up. For service from 1 April 2008 each year worked is worth 1/60th of final pensionable salary, there is no automatic lump sum, and part of the annual pension can be exchanged at the same rate as for service up to 31 March 2008.

From 1 April 2014 the scheme became a career average scheme whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is adjusted annually in line with CPI.

There are a range of other benefits provided under the Scheme including early retirement, disability pensions and death benefits. For more details, please refer to the Publications section on the Fund's website at https://www.nypf.org.uk/index.shtml.

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2. Basis of Preparation

The Statement of Accounts summarises the Fund's transactions for the 2025/26 financial year and its year end position as at 31 March 2026. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on a going concern basis that the functions of the Pension Fund will continue in operational existence for the foreseeable future.

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year.

3. Summary of Significant Accounting Policies

Fund Account – Revenue Recognition

(a) Contribution Income

Normal contributions, both from the members and from the employer, are accounted for on an accruals basis at the percentage rate recommended by the fund actuary for employer contributions and the rates set by statute for employee contributions.

Employer deficit funding contributions are accounted for in the period in which they are payable under the schedule of contributions set by the Actuary or on receipt if earlier than the due date.

Employers' augmentation contributions (pension strain due to early retirement and compensatory added years) are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current asset. Amounts due in future years are classed as long term assets.

(b) Transfers To and From Other Schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with LGPS Regulations (see notes 8 and 10).

Individual Transfers in/out are accounted for when received or paid, which is normally when the member liability is accepted or discharged.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions or other defined contribution arrangements to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (see note 8).

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

(c) Investment Income

Interest income is recognised in the Fund as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs or other differences between the initial cost of the instrument and its value at maturity calculated on an effective interest rate basis.

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Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current asset.

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current asset.

Changes in the net market value of investments are recognised as income/expenditure and comprise all realised and unrealised profits/losses during the year.

Fund Account – Expense Items

(d) Benefits Payable

Pensions and lump sum benefits payable include all amounts known to be due as at the financial year end. Any amounts due but not paid are disclosed in the Net Assets Statement as current liabilities.

(e) Taxation

The Fund is a registered public service scheme under Section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.

(f) Management expenses

The Fund discloses its pension fund management expenses in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Expenses (2016), as shown below. All items of expenditure are charged to the fund on an accruals basis as follows:

Administrative expenses	All staff costs of the pensions administration team are charged direct to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.
Oversight and governance	All staff costs associated with governance and oversight are charged direct to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.
Investment management expenses	Fees of the external investment managers are set out in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change. In addition, the Fund has negotiated with the following managers that an element of their fee will be performance related: • Baillie Gifford & Co - Global Equities • Arcmont – Private Debt

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- Permira – Private Debt
- Border to Coast Pensions Partnership (BCPP) – Infrastructure, Private Debt and Climate Opportunities, UK Opportunities

Where an investment manager's fee note has not been received by the year-end date, an estimate based upon the market value of their mandate as at the end of the year is used for inclusion in the Fund Account.

Net Assets Statement

(g) Annual and Lump Sum Allowances

Fund members are entitled to request the Fund pays their tax liabilities due in respect of the annual and lump sum allowances in exchange for a reduction in pension. Where the Fund pays member tax liabilities direct to HMRC it is treated as an expense in the year in which the payment occurs.

(h) Financial Assets

Equity shares in the LGPS asset pool, BCPP, are valued at transaction price, i.e. cost, as an appropriate estimate of fair value. An asset is recognised in the Net Assets Statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in the fair value of the asset are recognised in the Fund Account.

If valuations at the reporting date are not yet available, as may be the case for private debt and infrastructure investments, the latest available valuation is adjusted for cashflows in the intervening period.

The values of investments as shown on the Net Assets Statement have been determined at fair value in accordance with the requirements of the Code and IFRS 13 (see Note 16). For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in *Practical Guidance on Investment Disclosures* (PRAG / Investment Association, 2016).

(i) Foreign Currency Transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of the transaction. Any differences between this rate and the rate at settlement are accounted for in Investment management costs. End of year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investment and purchases and sales outstanding at the end of the reporting period.

(j) Cash and Cash Equivalents

Cash comprises cash in hand and demand deposits, and includes amounts held by the Fund's external managers and custodian.

Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and that are subject to minimal risk of changes in value.

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(k) Liabilities

The Fund holds liabilities at amortised cost as at the reporting date. A liability is recognised in the Net Assets Statement on the date the Fund becomes party to the liability. From this date any gains or losses arising from changes in the fair value of the liability are recognised in the Fund Account as part of the change in market value of investments.

(l) Actuarial Present Value of Promised Retirement Benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the Fund's Actuary in accordance with the requirements of IAS26 and relevant actuarial standards.

As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of an **Appendix** to these statements.

(m) Additional Voluntary Contributions

The Fund provides an Additional Voluntary Contribution (AVC) scheme for its members, the assets of which are invested separately from those of the Fund. The Fund has appointed Prudential as its AVC provider. AVCs are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

AVCs are not included in the accounts in accordance with Section 4(1)(b) of the LGPS (Management and Investment of Funds) Regulations 2016 but are disclosed for information only (see note 23).

(n) Contingent assets and contingent liabilities

A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by the occurrence of future events.

A contingent liability arises where an event has taken place prior to the year-end giving rise to a possible financial obligation whose existence will only be confirmed or otherwise by the occurrence of future events. Contingent liabilities can also arise in circumstances where a provision would be made, except that it is not possible at the balance sheet date to measure the value of the financial obligation reliably.

Contingent assets and liabilities are not recognised in the Net Assets Statement but are disclosed by way of narrative in the notes.

4. Critical Judgement in Applying Accounting Policies

There were no material instances of critical judgements in relation to the application of the accounting policies of the Fund resulting in significant impact to the presentation of the 2025/26 Financial Statements.

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

These accounts require management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and for revenue and expenses during the year. Estimates are made taking into account historical experience, current

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trends, and other relevant factors. However, the nature of estimation means that the actual outcomes could differ from those based on these assumptions and estimates.

Investments, where at least one input with a material effect on the instrument's fair value is not based on observable market data, are classified as Level 3 assets within the Fair Value Hierarchy. The Fund held £836m of financial assets under this valuation basis on 31 March 2026 (31 March 2025 £713.8m). A description of the valuation basis for each level 3 asset along with an associated sensitivity analysis can be found at Note 16.

6. Events After the End of the Reporting Period

The Treasurer has evaluated all subsequent events or transactions for potential recognition or disclosure through to the date on which these Financial Statements were signed and has determined that there were no subsequent events requiring adjustment or disclosure in the 2025/26 Financial Statements.

7. Contributions Receivable

By category

	2024/25 £000	2025/26 £000
Employees' Contributions	40,105	44,094
Employers' Contributions		
Normal contributions	109,388	115,121
Deficit recovery contributions	1,459	1,602
Augmented contributions	4,053	3,036
Total Contributions	155,005	163,853

By authority

	2024/25 £000	2025/26 £000
Contributions Receivable		
North Yorkshire Council	86,295	89,330
Other Scheduled Bodies	62,395	66,055
Admitted Bodies	6,315	8,467
	155,005	163,852

8. Transfers In from Other Pension Funds

One transfer receipt of £608.8k during 2025/26 related to a Group Transfer (£16.7m in 2024/25). This amount was received from Humber Education Trust during October 2025.

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9. Benefits Payable

	2024/25 £000	2025/26 £000
Benefits Payable		
North Yorkshire Council	108,819	113,171
Other Scheduled Bodies	54,920	54,886
Admitted Bodies	11,166	12,804
	174,905	180,861

10. Payments To and On Account of Leavers

	2024/25 £000	2025/26 £000
Leavers		
Refunds to Members Leaving Service	692	619
Individual Transfers	17,870	26,441
Group Transfers	16,529	0
	35,091	27,060

11. Management Expenses

	2024/25 £000	2025/26 £000
Administrative Costs	2,294	1,924
Investment Management Costs	36,243	38,905
Oversight and Governance Costs	1,274	1,736
	39,811	42,565

Investment Management Costs includes £4,295k (2024/25: £4,282k) in respect of performance related fees payable to the Fund's investment managers and £6,809k in respect of transaction costs (2024/25; £5,594k).

In addition to these costs, indirect costs are incurred through the bid-offer spread on investments sales and purchases. These are reflected in the cost of acquisitions and in the proceeds from the sales of investments (see Note 14a).

12. Investment Income

	2024/25 £000	2025/26 £000
Income from Bonds	72	894
Income from Equities	0	13,954
Pooled Property Investments	5,993	2,740
Pooled Investments - Other Managed Funds	27,065	31,948
Interest on Cash Deposits	744	297
	33,874	49,833

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13. Other Fund Account Disclosures

	2024/25 £000	2025/26 £000
Payable in respect of external audit	107	124

14. Investments

(a) Reconciliation of Movements in Investments

	Value as at 1st March 2025 £000	Change in market value £000	Sale proceeds receipts £000	Purchases as at cost payments £000	Value as at 31st March 2026 £000
Equities	1,182	0	0	0	1,182
Pooled Investments	3,705,531	173,054	(790,142)	656,739	3,745,182
Pooled Property	291,593	8,301	(1,286)	26,160	324,767
Private Markets	713,823	19,065	(93,632)	197,592	836,848
Total Invested	4,712,129	200,420	(885,060)	880,491	4,907,979
Spot FX		0			
Amout receivable for sales	13,898				0
Cash Deposits	949				31,708
Net Investment Assets	4,726,976	200,420			4,939,687

	Value as at 31st March 2024 £000	Change in market value £000	Sale proceeds receipts £000	Purchases as at cost and payments £000	Value as at 31st March 2025 £000
Equities	1,182	0	0	0	1,182
Pooled Funds	3,815,246	64,519	(742,049)	567,815	3,705,531
Pooled Property	260,850	19,403	(18,660)	30,000	291,593
Private Markets	548,723	39,357	(84,977)	210,720	713,823
Total Invested	4,626,001	123,279	(845,686)	808,535	4,712,129
Spot FX		0			
Amount receiveable for sales	15,000				13,898
Cash Deposits	4,637				949
Net Investment Assets	4,645,638	123,279			4,726,976

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(b) Analysis of Investments

	2024/25 £000	2025/26 £000
Equities		
UK Unquoted	1,182	1,182
	1,182	1,182
Pooled Investments		
UK Cash Funds	43,906	42,375
Overseas Cash Funds	7,831	13,152
UK Equity	366,762	265,729
UK Property	291,592	324,767
UK Government Bonds	696,122	964,000
UK Corporate Bonds	367,304	383,878
Multi Asset Credit	258,777	278,352
Overseas Equity	1,964,830	1,797,696
Private Markets - Private Debt	261,256	281,403
Private Markets - Infrastructure	452,567	555,445
Insurance Linked Securities	0	0
	4,710,947	4,906,797
Total Investments	4,712,129	4,907,979
Cash Deposits	949	31,708
Investment Debtors	13,898	0
Net Investment Assets	4,726,976	4,939,687

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(c) Investments analysed by Fund Manager

	31st March 2025 £000	%	31st March 2026 £000	%
Investments managed by Border to Coast Pension Partnership:				
BCPP - Global Equity Alpha	1,394,941	29.5	1,456,633	29.5
BCPP - Index Linked Bonds	696,122	14.7	964,000	19.5
BCPP - Investment Grade Credit	367,304	7.8	383,878	7.8
BCPP - Infrastructure 1A	282,234	6.0	299,445	6.1
BCPP - Listed Alternatives	286,813	6.1	299,415	6.1
BCPP - Multi Asset Credit	258,777	5.5	278,352	5.6
BCPP - Infrastructure Series 2A	129,671	2.7	180,274	3.6
BCPP - Private Debt	144,945	3.1	129,191	2.6
BCPP - Climate Opportunities Fund	64,511	1.4	82,317	1.7
BCPP - Private Credit Series 2	49,445	1.0	78,144	1.6
BCPP - Climate Opportunities Fund 2	13,094	0.3	27,986	0.6
BCPP - UK Property Fund	0	0.0	24,825	0.5
BCPP - Infrastructure Series 3A	0	0.0	16,529	0.3
BCPP - UK Opportunities	3,721	0.1	8,092	0.2
BCPP - Private Credit Series 3	0	0.0	4,629	0.1
BCPP - UK Equities	112,255	2.4	0	0.0
	3,803,833	80.6	4,233,710	85.8
Investments managed outside of Border to Coast Pensions Partnership:				
Baillie Gifford & Co. - LTGG	537,582	11.4	307,376	6.2
Threadneedle	243,833	5.2	249,740	5.1
Legal & General	47,759	1.0	50,202	1.0
Northern Trust - STIF - UK	43,906	0.9	42,375	0.9
Northern Trust - STIF - Overseas	7,831	0.2	13,152	0.3
Blue Bay	19,438	0.4	8,231	0.2
Permira	6,765	0.1	2,011	0.0
BCPP - UK Unquoted Equities	1,182	0.0	1,182	0.0
	908,296	19.2	674,269	13.7
Investment Debtors	13,898	0.2	31,708	0.5
Cash Deposits	949	0.0	0	0.0
Total	4,726,976	100.0	4,939,687	100.0

The investments BCPP Global Equity Alpha, BCPP Index Linked Bonds, BCPP Investment Grade Credit, BCPP Infrastructure 1A, BCPP Listed Alternatives, BCPP Multi Asset Credit, Baillie Gifford & Co and Threadneedle each represent more than 5% of net assets (2024/25: BCPP Global Equity Alpha, BCPP Listed Alternatives, BCPP Multi Asset Credit, BCPP Index Linked Bonds, BCPP Investment Grade Credit, BCPP Infrastructure 1A, Baillie Gifford & Co and Threadneedle). These investments are in pooled funds.

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15. Analysis of Derivatives

The Fund does not hold derivatives (Nil in 2024/25).

16. Fair Value – Basis of Valuation

The basis of the valuation of each class of investment asset is set out below. There has been no change in the valuation techniques used during the year. All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date.

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Pooled investments – overseas unit trusts and property funds	Level 2	Closing bid price where bid and offer prices are published Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not required
Other unquoted and private markets	Level 3	Investments in unquoted private equity, infrastructure funds and private credit funds are valued based on the Fund's share of the net assets in the fund using the latest financial statements published by the respective fund managers in accordance with the guidelines set out by the British Venture Capital Association.	Earnings before interest, tax, depreciation and amortisation; revenue multiple; discount for lack of marketability; and control premium.	Valuations could be affected by changes to expected cashflows, and by any differences between audited and unaudited accounts

Sensitivity of assets valued at level 3

Having analysed historical data and current market trends, and consulted with independent investment advisors, the Fund has determined that the valuation methods described above are likely to be accurate to within the following ranges, and has set out below the consequent potential impact on the closing value of investments held at 31 March 2026.

	Value at 31 March 2026 £000	Value on increase £000	Value on decrease £000
Assessed valuation range (+/-)			
Private Markets - Private Debt	281,403	303,633	259,172
Private Markets - Infrastructure	555,445	607,657	503,233
Total	836,848	911,290	762,405

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Assessed valuation range (+/-)	Value at 31 March 2025 £000	Value on increase £000	Value on decrease £000
Private Markets - Private Debt	261,256	281,896	240,617
Private Markets - Infrastructure	452,567	495,108	410,025
Total	713,823	777,004	650,642

a. Fair Value Hierarchy

Asset and liability valuations have been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur.

Level 1
Assets and liabilities at level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed securities, quoted index linked securities and unit trusts.

Level 2
Assets and liabilities at level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value.

Level 3
Assets and liabilities at level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

The following table provides an analysis of the financial assets and liabilities of the Pension Fund grouped into levels 1 to 3, based on the level at which the fair value is observable.

	Quoted market price Level 1 £000	Using observable inputs Level 2 £000	With significant unobservable inputs Level 3 £000	Total £000
Values at 31 March 2026				
Financial assets at fair value through profit and loss	0	4,069,950	836,848	4,906,798
Net investment assets	0	4,069,950	836,848	4,906,798

	Quoted market price Level 1 £000	Using observable inputs Level 2 £000	With significant unobservable inputs Level 3 £000	Total £000
Values at 31 March 2025				
Financial assets at fair value through profit and loss	13,898	3,997,124	713,823	4,724,845
Net investment assets	13,898	3,997,124	713,823	4,724,845

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b. Reconciliation of Fair Value Measurements Within Level 3

	Market Value at 1st April 2025	Transfers into Level 3	Transfers out of Level 3	Purchases During the Year	Sales During the Year	Unrealised Gains and Losses	Realised Gains and Losses	Market Value at 31 March 2026
	£000	£000	£000	£000	£000	£000	£000	£000
Private Debt	261,258	0	0	75,673	(49,946)	(9,254)	3,672	281,403
Infrastructure	452,565	0	0	121,919	(22,301)	3,669	(407)	555,445
	713,823	0	0	197,592	(72,247)	(5,585)	3,265	836,848

	Market Value at 1st April 2024	Transfers into Level 3	Transfers out of Level 3	Purchases During the Year	Sales During the Year	Unrealised Gains and Losses	Realised Gains and Losses	Market Value at 31 March 2025
	£000	£000	£000	£000	£000	£000	£000	£000
Private Debt	212,888	0	0	86,612	(47,585)	9,982	(640)	261,258
Infrastructure	335,836	0	0	124,108	(37,218)	29,374	465	452,565
	548,724	0	0	210,720	(84,803)	39,356	(175)	713,823

17. Financial Instruments

(a) Classification of Financial Instruments

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table summarises the carrying amounts of financial assets and liabilities by category.

31st March 2025				31st March 2026		
Fair value through profit and loss	Assets amortised cost	Financial Liabilities amortised at cost		Fair value through profit and loss	Assets amortised cost	Financial Liabilities amortised at cost
£000	£000	£000		£000	£000	£000
			Assets			
0	1,182	0	Equities	0	1,182	0
3,705,532	0	0	Pooled Investments	3,745,182	0	0
291,592	0	0	Pooled Property	324,767	0	0
713,823	0	0	Private Markets	836,848	0	0
0	15,967	0	Diversified Growth Funds	0	0	0
0	0	0	Cash	0	36,662	0
13,898	0	0	Investment Debtors	0	0	0
0	14,042	0	Non Investment Debtors	0	14,549	0
4,724,846	31,191	0		4,906,797	52,393	0
			Liabilities			
0	0	0	Investment Creditors	0	0	0
0	0	(2,537)	Non Investment Creditors	0	0	(2,766)
0	0	(2,537)		0	0	(2,766)
4,724,846	31,191	(2,537)		4,906,797	52,393	(2,766)

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(b) Net Gains and Losses on Financial Instruments

	2024/25 £000	2025/26 £000
Fair Value Through Profit & Loss	123,278	200,420
	123,278	200,420

18. Nature and Extent of Risks Arising from Financial Instruments

Risk and Risk Management

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. NYC manages these investment risks as part of its overall approach to Pension Fund risk.

Responsibility for the Fund's risk management strategy rests with the Pension Fund Committee. A Risk Register has been established to identify and analyse the risks faced by NYC's pensions operations. This document is reviewed regularly to reflect changes in activity and in market conditions.

(a) Market Risk

Market risk is the risk of loss from fluctuations in equity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's Risk Register includes identifying, managing and controlling market risk exposure within acceptable parameters, whilst optimising the risk-adjusted return.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Pension Fund Committee (PFC) and its investment advisers undertake appropriate monitoring of market conditions and benchmark analysis.

The Fund manages these risks in two ways:

- the exposure of the Fund to market risk is monitored through advice from the investment advisers to ensure that risk remains within tolerable levels
- specific risk exposure is limited by applying risk weighted maximum exposures to individual investments through Investment Management Agreements

Other Price Risk

Other price risk represents the risk that the value of a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or foreign exchange risk),

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whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share and derivative price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The Fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored to ensure it is within limits specified in the Fund's investment strategy.

Other Price Risk – Sensitivity Analysis

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the Fund's investment advisers, the Fund has determined that the following movements in market price risk are reasonably possible for the 2025/26 reporting period.

Asset Type	Potential Market Movements as at 31st March 2026 (+/-) %	Potential Market Movements as at 31st March 2025 (+/-) %
Equities	7.1	7.1
Property	6.5	6.4
Infrastructure	9.3	9.4
Listed alternatives	7.1	7.1
Private Debt	8.2	7.9
UK Corporate Bonds	6.2	6.0
Multi-Asset Credit	6.9	6.7
Absolute Return	8.0	7.8
UK Government Bonds	4.6	4.8
Cash	4.4	4.1

The potential price changes disclosed above are broadly consistent with a one-standard deviation movement in the value of the assets. The sensitivities are consistent with the assumptions contained in the investment advisors' most recent review. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.

Had the market price of the Fund's investments increased/decreased in line with the above, the change in the net assets available to pay benefits in the market price would have been as follows (the prior year comparator is shown below).

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Asset Type	Value as at 31st March 2026 £000	Potential Market Movement £000	Value on Increase £000	Value on Decrease £000
Equities	2,063,425	146,503	2,209,928	1,916,922
UK Government Bonds	964,000	44,344	1,008,344	919,656
UK Corporate Bonds	383,878	23,800	407,678	360,078
Multi-Asset Credit	278,352	19,206	297,558	259,146
Property	324,767	21,110	345,877	303,657
Infrastructure	555,445	51,656	607,101	503,789
Private Debt	281,403	23,075	304,478	258,328
Total Assets	4,851,270		5,180,964	4,521,576

Asset Type	Value as at 31st March 2025 £000	Potential Market Movement £000	Value on Increase £000	Value on Decrease £000
Equities	2,331,592	165,543	2,497,135	2,166,049
UK Government Bonds	696,122	33,414	729,536	662,708
UK Corporate Bonds	367,304	22,038	389,342	345,266
Multi-Asset Credit	258,777	17,338	276,115	241,439
Property	291,592	18,662	310,254	272,930
Infrastructure	452,567	42,541	495,108	410,025
Private Debt	261,256	20,639	281,896	240,617
Total Assets	4,659,210		4,979,386	4,339,034

Interest Rate Risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's interest rate risk is monitored by the Fund and its investment advisers through the risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the strategic benchmark.

The Fund's direct exposure to interest rate movements on 31 March 2026 and 31 March 2025 is set out in the table below. These disclosures present interest rate risk based on the underlying financial assets at fair value.

	2024/25 £000	2025/26 £000
Cash and Cash Equivalents	15,967	36,662
Pooled Investments	1,373,939	1,681,757
	1,389,906	1,718,419

The Fund recognises that interest rates can vary and can affect both income to the Fund and the value of the net assets available to pay benefits. For illustrative purposes if it were to change by +/- 1% the values in the table above would change by £259m for 2025/26 and £210m for 2024/25.

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Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the Fund (GBP). The Fund holds both monetary and non-monetary assets denominated in currencies other than GBP.

The Fund's currency rate risk is monitored in accordance with the Fund's risk management strategy, including monitoring the range of exposure to currency fluctuations. After receiving advice it is considered that the likely volatility associated with foreign exchange movements to be +/-6.17% in 2025/26. A fluctuation of this size is considered reasonable based on an analysis of the implied volatility of the one-year options contracts for the exchange rates in the financial market.

Assuming all other variables, in particular, interest rates remain constant, a 6.17% strengthening/weakening of the pound against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows:

Asset Type	Value as at 31st March 2026 £000	Value on 6.2% Increase £000	Value on 6.2% Decrease £000
Overseas Cash Fund	13,152	13,964	12,340
Overseas Bonds	259,703	275,728	243,678
Overseas Equity	1,806,543	1,918,014	1,695,072
Overseas Pooled Funds	690,284	732,877	647,691
	2,769,682	2,940,583	2,598,781

Asset Type	Value as at 31st March 2025 £000	Value on 7.0% Increase £000	Value on 7.0% Decrease £000
Overseas Cash Fund	7,831	8,381	7,281
Overseas Bonds	241,439	258,388	224,490
Overseas Equity	1,969,172	2,107,408	1,830,936
Overseas Pooled Funds	559,542	598,822	520,262
	2,777,984	2,972,999	2,582,969

(b) Credit Risk

Credit risk is the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's assets and liabilities.
In essence the Fund's entire investment portfolio is exposed to some form of credit risk, where the risk equates to the net market value of a positive derivative position. However, the selection of high-quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

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Contractual credit risk is represented by the net payment or receipt outstanding, and the cost of replacing the derivative position in the event of counterparty default. The residual risk is minimal due to the various insurance policies held by the exchanges to cover defaulting counterparties.

Credit risk on over-the-counter derivative contracts is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings determined by recognised rating agencies.

Deposits are not made with banks and financial institutions unless they are rated independently and meet NYC's credit criteria. NYC has also set limits as to the maximum value of deposits placed with any one financial institution. The banks and institutions chosen all have at least the minimum credit rating as described in NYC's Treasury Management Strategy.

NYC believes it has appropriately managed its exposure to credit risk and has had no experience of default or uncollectible deposits over the past five financial years. The Fund's cash holding under its treasury management arrangements with NYC on 31 March 2026 was £4.9m (31 March 2025, £15m) and was held with the following institutions:

	Credit Rating	31 March 2025 £000	31 March 2026 £000
Call Accounts			
Barclays Bank Plc (NRFB)	A+ / F1	15,017	4,954
Handelsbanken	AA / F1+	0	0
Fixed Term Deposit Notice Accounts			
Santander UK	A+ / F1	0	0
Bank of Scotland	A+ / F1	0	0
National Westminster Bank PLC	A+ / F1	0	0
DBS Bank Ltd	AA- / F1+	0	0
Goldman Sachs	A+ / F1	0	0
Standard Chartered	A+ / F1	0	0
Helaba	A+ / F1+	0	0
Sumitomo Mitsui BCE	A- / F1	0	0
Local Authorities	-	0	0
		15,017	4,954

The Fund held liquid cash in a UK and an Overseas Short Term Investment Fund during 2025/26, the average investment balances for these funds were £24m and £7m respectively (£22m and £5m in 2024/25). The Fund received interest of £791k on these funds in 2025/26 (£726k in 2024/25).

(c) Liquidity Risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund therefore takes steps to ensure that it has adequate cash resources to meet its commitments.

The Fund has immediate access to its cash holdings, subject to the fixed periods determined when deposits are placed. These deposits are scheduled to ensure cash is available when required.

The Fund also has access to an overdraft facility for short term (up to three months) cash needs. This facility is only used to address changes in the strategic benchmark and is met by either surplus cash from contributions received exceeding pensions paid or if necessary, disinvesting.

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The Fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those assets which will take longer than three months to convert to cash. On 31 March 2026 the value of illiquid assets was £712m (31 March 2025, £687m).

All liabilities on 31 March 2026 are due within one year. The Fund does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategies.

19. Funding Arrangements

In line with the Local Government Pension Scheme Regulations 2013 the Fund's Actuary, Aon, undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place on 31 March 2025.

The key elements of NYPF's funding policy are:

- to ensure the long-term solvency of the Fund, i.e. that sufficient funds are available to meet all pension liabilities as they fall due for payment
- to ensure that employer contribution rates are as stable as possible
- to minimise the long-term cost of the scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return
- to reflect the different characteristics of employing bodies in determining contribution rates where the Administering Authority considers it reasonable to do so
- to use reasonable measures to reduce the risk to other employers and ultimately to the council taxpayer from an employer defaulting on its pension obligations

At the 2025 valuation the aim was to achieve 100% solvency over a period of 15 years from April 2026 and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Solvency is achieved when the funds held, plus future expected investment returns and future contributions are sufficient to meet expected future pension benefits payable.

At the 2025 triennial valuation the Fund was assessed as 120% funded (116% at the 2022 Valuation). This reflected a surplus of £798m (surplus of £640m at the 2022 Valuation).

The common rate of employers' contributions is the average rate required from all employers calculated as being sufficient, together with contributions paid by employees, to meet all liabilities arising in respect of service after the valuation date. For 2025/26 the common rate (determined at the 2022 valuation) is 16.7% of pensionable pay. In addition, certain employers paid additional contributions, amounting to £1.9m in aggregate.

Individual employers' rates will vary from the common contribution rate depending on the demographic and actuarial factors particular to each employer. Full details of the contribution rates payable can be found in the 2025 Triennial Valuation Report and the Funding Strategy Statement on the Fund's website.

The valuation of the Fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement or withdrawal from service. The principal assumptions were:

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	For Future Service Liabilities	
Investment Return	4.80%	per annum
Inflation	2.10%	per annum
Salary Increases	3.35%	per annum
Pensions Increases	2.10%	per annum

Future life expectancy (from age 65) based on the Actuary's Fund specific mortality review was:

	Male	Female
Future Pensioners (assumed current age 45)	23.0	25.4
Current Pensioners	22.4	24.7

Commutation Assumption
It is assumed that future retirees will take 85% of the maximum additional tax-free lump sum up to HMRC limits for pre-April 2008 service and for post-April 2008 service.

50:50 Option
It is assumed that no active members (evenly distributed across the age, service and salary range) will take up the 50:50 option in the LGPS 2014 scheme.

20. Actuarial Present Value of Promised Retirement Benefits

The actuarial present value of promised retirement benefits based on projected salaries is disclosed via an IAS26 based triennial funding valuation for the Fund. In addition to this, the Actuary also undertakes a valuation of pension fund liabilities on an IAS19 basis each year on behalf of employers, using the same base data as the valuation, taking account of changes in membership numbers, and utilising updated assumptions. A statement prepared by the actuary is attached as Appendix A.

In June 2023 the High Court ruled in the case of Virgin Media Limited v NTL Pension Trustees. The ruling was that certain pension scheme rule amendments were invalid if they were not accompanied by section 37 actuarial confirmations. The High Court ruling was subsequently appealed. In a judgement delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court.

The Government Actuary's Department is the actuary for the Local Government Pension Scheme and has so far failed to evidence that section 37 certificates are in place for all amendments. Work is ongoing to discover whether the evidence exists.

On 5 June 2025, the Government announced that it will 'introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards'. Once the legislation has been passed, affected pension schemes will be able to obtain written confirmation from an actuary about the benefit changes that were previously made and apply that confirmation retrospectively without making the plan amendments void, if the changes met the necessary standards.

Given this announcement, it is unlikely that there will be an impact on the LGPS liabilities, however management will continue to monitor developments.

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21. Current Assets

	31st March 2025 £000	31st March 2026 £000
Debtors		
Investment Debtors		
Accrued Dividends	0	0
Withholding Taxes Recoverable	4,009	0
Amount recievable for sales of investments	9,889	0
	13,898	0
Other Debtors		
Contributions due from Scheduled (Government) Bodies	12,337	12,615
Contributions due from Admitted Bodies	627	669
Pensions Rechargeable	491	821
Other	588	444
	14,043	14,549
Cash	15,017	4,954
	42,958	19,503

22. Current Liabilities

	31st March 2025 £000	31st March 2026 £000
Creditors		
Sundry Other Creditors	2,537	2,766
	2,537	2,766

23. Additional Voluntary Contributions (AVCs)

The AVC provider for the North Yorkshire Pension Fund is Prudential. The market value of the AVCs on 31 March 2026 was £20.8m (£18.3m as at 31 March 2025). Contributions paid directly to Prudential during the year 2025/26 were £4.6m (£3.9m in 2024/25).

24. Related Party Transactions

North Yorkshire Council
The North Yorkshire Pension Fund is administered by North Yorkshire Council. Consequently, there is a strong relationship between the Council and the Fund.

The Council incurred costs of £2.3m (£2.2m in 2024/25) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses. The Council is also the single largest employer of members of the Fund and contributed £89.3m to the Fund in 2025/26 (£86.3m in 2024/25).

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The Fund's cash holdings for cashflow purposes are invested with banks and other institutions by the treasury management operations of the Council, through a service level agreement. During the year to 31 March 2026 the Fund had an average investment balance of £4.5m (£5.2m during 2024/25) and received interest of £201k (£227k received in 2024/25) on these funds.

Governance
On 31 March 2026 there were no Pension Fund Committee Members who were also active members of the Fund (2024/25: 0). The Corporate Director – Resources, who was also the Treasurer of the Fund was an active member as at 31 March 2025 and 2026. Benefits for the Treasurer were accrued on the same basis as for all other members of the Fund.

Key Management Personnel
The section 151 Officer, linked to the Fund is directly employed by North Yorkshire Council and the costs to the Fund are included within recharges to the Fund. The remuneration disclosure required by The Accounts and Audit (England) Regulations can be found in the main accounts of NYC.

Members
North Yorkshire Council appoint a number of elected members to the Pension Fund Committee and Audit Committee. Two of these members are in receipt of pension benefits from the Fund (2024/25: 2).

There have been no material transactions between any Member or their families and the Pension Fund in the year ending 31 March 2026 or 31 March 2025.

Employers
Employers are related parties in so far as they pay contributions to the fund in accordance with the appropriate Local Government Pension Scheme (LGPS) Regulations. Contributions owed by employers in respect of March 2026 payroll total £13.28m (2024/25: £12.96m) and are included within the non-investment debtors figures in Note 17

25. Contractual Commitments

Outstanding capital commitments (investments) on 31 March 2026 were £1,023m (31 March 2025 £1,056m). These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private debt and infrastructure parts of the portfolio.

26. Contingent Assets

The Fund held no contingent Assets on 31 March 2026.

27. Accounting Standards that have been issued but have not yet been adopted

Accounting Standards that have been issued but not yet adopted by the CIPFA Code of Practice are:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

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- IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

Any impact on the Statement of Accounts will be assessed at the time of adoption by the CIPFA Code of Practice. Based on our initial assessment we expect the adoption of the above standards to be either not relevant to the Fund or that any impact will not be material.

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APPENDIX A

Statement of the Actuary

North Yorkshire Pension Fund
Statement of the Actuary for the year ended 31 March 2026

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013 (the 'LGPS Regulations').

The LGPS Regulations require that a full actuarial valuation is carried out every third year. The purpose of this is to establish that the North Yorkshire Pension Fund (the 'Fund') is able to meet its liabilities to past and present contributors and to review employer contribution rates.

The latest actuarial valuation of the Fund was completed as at 31 March 2025 by Aon, in accordance with Regulation 62 of the LGPS Regulations and the funding principles set out in the Fund's Funding Strategy Statement. The results of the valuation are set out in Aon's report dated 27 March 2026 (the "actuarial valuation report") which is available at the following address: North Yorkshire Pension Fund 2025 valuation report

Actuarial Funding Position

1. The actuarial valuation as at 31 March 2025 showed that the funding level of the Fund had increased since the previous valuation with the market value of the Fund's assets as at 31 March 2025 (of £4,753.5M) covering 120% of the liabilities.

2. The overall Fund primary contribution rate was assessed to be 15.0% of pensionable pay. The primary rate is the employers' overall share of the cost of benefits being earned in the future.

3. The valuation also assessed each individual employer's (or group of employers') position separately. The funding plan adopted in assessing the contributions for each employer is in accordance with the Funding Strategy Statement. Different approaches were adopted in relation to the calculation of the primary contribution rate, stepping of contribution changes, recovery/amortisation periods and treatment of surplus as agreed with the Administering Authority and set out in the Funding Strategy Statement, reflecting the employers' circumstances.

4. Total contributions payable by all employers over the three years to 31 March 2029 are estimated to be:

Year from 1 April	% of pensionable pay	Plus total contribution amount (£M)
2026	12.0%	0.432
2027	12.0%	0.423
2028	12.0%	0.436

Certain employers who are in surplus in excess of 110% are paying contributions below their share of the cost of benefits being earned in the future. Whilst the overall Fund has a surplus, additional monetary contributions are payable for individual employers assessed to have a deficit.

Assumptions and method

5. The valuation was carried out using the projected unit actuarial method for most employers, allowing for future increases in pensionable pay. The main financial actuarial assumptions used for assessing the funding target and contribution rates were as follows:

Scheduled and subsumption body funding target	
Discount rate (p.a.)	4.80%
Long-term CPI inflation (pension increases / revaluation) (p.a.)	2.10%
Post 88 GMP pension increases (p.a.) where full CPI does not apply	1.80%

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Low risk (exit) basis	
Discount rate (p.a.)	5.00%
CPI inflation (pension increases / revaluation) (p.a.)	2.95%
Post 88 GMP pension increases (p.a.) where full CPI does not apply	2.25%
Intermediate funding targets	
Intermediate (standard approach) discount rate (p.a.)	n/a*
Intermediate (strong covenant approach) discount rate (p.a.)	4.80%
CPI inflation / Post 88 GMP increases as for the Scheduled and subsumption body funding target	
Pay increases (in addition to promotional increases) (p.a.)	3.35%

**There were no employers that adopted the Intermediate (standard approach) funding target at the 2025 valuation*

6. The assets were valued at market value.

7. The key demographic assumption was the allowance made for longevity. The post retirement mortality assumption adopted for the actuarial valuation was based on an analysis of the Fund's pensioner mortality experience and a Fund membership postcode analysis and included an allowance for future improvements. Full details (including the other demographic assumptions) are set out in the actuarial valuation report. The resulting average future life expectancies at age 65 (for normal health retirements) were:

	Men	Women
Current pensioners aged 65 at the valuation date	22.4	24.7
Current active members aged 45 at the valuation date	23.0	25.4

Final comments

8. The valuation results summarised above are based on the financial position and market levels at the valuation date, 31 March 2025. As such the results do not make allowance for changes which have occurred after the valuation date. The Fund monitors the funding position on a regular basis via funding updates from the actuary.
9. The actuarial valuation report and the Rates and Adjustments Certificate setting out the employer contribution rates for the period from 1 April 2026 to 31 March 2029 were signed on 27 March 2026. Other than as agreed or otherwise permitted or required by the Regulations, employer contribution rates will be reviewed at the next actuarial valuation of the Fund as at 31 March 2028 in accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013.
10. The Government Actuary's Department carries out a review of all LGPS pension fund valuations in England and Wales under Section 13 of the Public Service Pensions Act 2013, to ensure they are following the Regulations and to assess whether the valuations are being carried out in a broadly consistent way. The review for the 2025 valuations has not yet been completed.
11. This Statement has been prepared by the actuary to the Fund, Aon, for inclusion in the accounts of the Fund. It provides a summary of the results of their actuarial valuation which was carried out as at 31 March 2025. The valuation provides a snapshot of the funding position at the valuation date and is used to assess the future level of contributions required. This Statement must not be considered without reference to the actuarial valuation report which details fully the context and limitations of the actuarial valuation.
12. Aon does not accept any responsibility or liability to any party other than our client, North Yorkshire Council, the Administering Authority of the Fund, in respect of this Statement.

Aon Solutions UK Limited
May 2026

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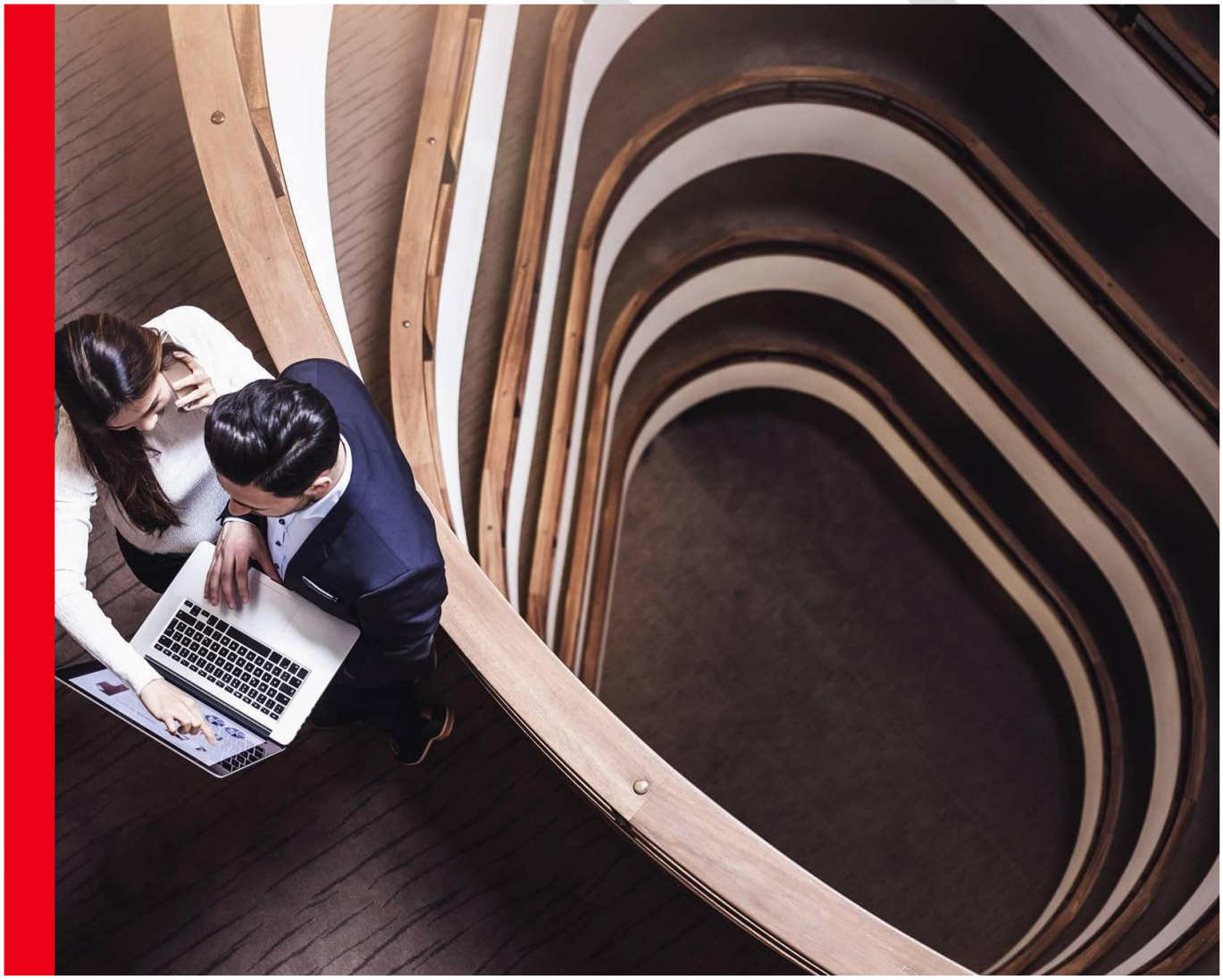
APPENDIX B

IAS 26 Results

Whole of Pension Fund Accounting 2026

Prepared for: North Yorkshire Council, as Administering Authority to the North Yorkshire Pension Fund
Prepared by: Aon Solutions UK Ltd

20 May 2026
Private and Confidential



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Glossary

Accounting Date	31 March 2026
Fund	North Yorkshire Pension Fund
Fund Administering Authority	North Yorkshire Council
2025 Valuation	Actuarial Valuation of the North Yorkshire Pension Fund as at 31 March 2025 as reported in the document titled 'Report on the actuarial valuation of the North Yorkshire Pension Fund as at 31 March 2025' dated 27 March 2026

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Introduction

Why bring you this report?

This report is commissioned by and addressed to North Yorkshire Council (the Addressee).

This report sets out information required by the Fund Administering Authority in order to meet their disclosure requirements in relation to their pension obligations as specified by the accounting standard, IAS 26.

We have carried out this work in relation to benefits payable from the Fund.

Related documents

The advice provided in this report is supported by advice contained in the following documents:

- IAS 26 Terms of Reference - Pension Fund accounts 2026 ('Terms of Reference').
- IAS 26 Assumptions Advice - Pension Fund accounting 2026 ('Assumptions Advice').

In addition, the following documents should be referred to:

- 2025 Valuation report

Background

CIPFA's Code of Practice 2025/26 sets out that the Fund accounts for the year ending 31 March 2026 should disclose the 'actuarial present value of the promised retirement benefits' as set out in IAS 26 and that the actuarial present value should be calculated on assumptions set in accordance with IAS 19 rather than on the funding assumptions.

CIPFA allows three options for disclosing the actuarial present value of promised retirement benefits. Further detail on these can be found in our Terms of Reference.

The Fund Administering Authority has chosen option C. Option C requires the actuarial valuation of the liabilities on an IAS 19 basis to be prepared at formal triennial valuations only, the most recent being as at 31 March 2025. Under option C this, together with other related information, should be disclosed in an actuarial report which will accompany the notes to the accounts.

The calculations contained in this document have been carried out on a basis consistent with our understanding of IAS 19.

Methodology

The approach to our calculations was set out in the Terms of Reference and Appendix A of this report.

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IAS 26 disclosures

IAS 26 requires the 'actuarial present value of the promised retirement benefits' to be disclosed, which is the IAS 26 terminology for what IAS 19 refers to as the 'defined benefit obligation'.

The information set out below relates to the actuarial present value of the promised retirement benefits in the Fund which is part of the Local Government Pension Scheme.

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits covered by these figures are set out in 'The Local Government Pension Scheme Regulations 2013' (as amended) and 'The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014' (as amended).

Actuarial present value of promised retirement benefits

CIPFA's Code of Practice on local authority accounting for 2025/26 sets out that the actuarial present value of promised retirement benefits based on projected salaries should be disclosed.

The results as at 31 March 2025, together with the results as at 31 March 2022 are shown in the table below. The corresponding fair value of Fund assets is also shown in order to show the level of surplus or deficit within the Fund when the liabilities are valued using IAS 19 assumptions.

We do not believe the Fund Administering Authority needs to show the 2022 figures under IAS 26 if it does not wish to do so. The Code of Practice is not clear if the fair value of assets and the surplus / deficit at 31 March 2025 also needs to be disclosed but you may want to include these figures for clarity.

	Value as at 31 March 2025 (£M)	Value as at 31 March 2022 (£M)
Fair value of net assets	4,753.5	4,634.5
Actuarial present value of the defined benefit obligation	3,625.1	5,533.1

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Key risks associated with reporting under IAS 26 and sensitivity

Volatility of results

Results under IAS 26 can change dramatically depending on market conditions. The defined benefit obligation is linked to yields on AA-rated corporate bonds, while a significant proportion of the assets of the Fund are invested in equities and other growth assets. Changing markets in conjunction with discount rate volatility will lead to volatility in the funded status of the pension fund.

For example:

- A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes, although this will be marginally offset by the increase in the assets as a result (to the extent the Fund invests in corporate bonds).
- The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are not perfectly correlated with inflation meaning that an increase in inflation will increase the deficit
- The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

Post balance sheet date experience

Between 31 March 2025 and 31 March 2026 the Fund's assets generally delivered slightly lower returns than the IAS 19 discount rate, and this will have worsened the IAS 26 results all else unchanged. Both corporate bond yields and market-implied inflation have increased, with a small increase in net discount rate which will have slightly reduced the defined benefit obligation (liabilities) on an accounting basis. The Continuous Mortality Investigation has recently published updated mortality improvement factors (CMI 2025) which, if adopted, would slightly increase the liabilities. Overall, we would expect the Fund's IAS 26 balance sheet position to have worsened slightly over the year, with a lower IAS 26 surplus at 31 March 2026 if the Fund had chosen to update the position annually.

Choice of accounting assumptions

The calculation of the actuarial present value of the promised retirement benefits involves projecting future cash-flows from the Fund many years into the future. This means that the assumptions used can have a material impact on the surplus / deficit. As such, the Fund Administering Authority should ensure that it understands the reasoning behind the assumptions adopted and is comfortable that they are appropriate.

Furthermore, the Fund Administering Authority should bear in mind that, as required by the accounting standard, the assumptions (with the exception of the discount rate) have been set so that they represent a best estimate of future experience from the Fund. In practice future experience within the Fund may not be in line with the assumptions adopted. This means that the liabilities shown in this report only represent one view of the future and the true position could be different from those shown. For example, members could live longer than foreseen or inflation could be higher or lower than allowed for in the calculations.

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Sensitivity of results to key assumptions

In order to understand the magnitude of the possible volatility in the balance sheet position and to understand which assumptions are most important in determining the size of the liabilities, it is helpful to understand how sensitive the results are to the key assumptions.

IAS 19 requires entities to disclose information about the sensitivity of the defined benefit obligation to changes in key assumptions although it is not clear that IAS 26 or the CIPFA Code of Practice requires this information. Nevertheless, we have set out below how the results would alter by changing the discount rate, the pay increase assumption and pension increase assumption by plus or minus 0.1% and if life expectancy was to reduce or increase by 1 year. In each case, only the assumption mentioned is altered; all other assumptions remain the same.

Discount rate assumption		
Adjustment to discount rate assumption	+0.1%	-0.1%
Change to present value of defined benefit obligation (£M)	(51.6)	52.4
Change to present value of defined benefit obligation (%)	-1.4%	1.4%

Rate of general increase in salaries		
Adjustment to salary increase rate assumption	+0.1%	-0.1%
Change to present value of defined benefit obligation (£M)	2.5	(2.4)
Change to present value of defined benefit obligation (%)	0.1%	-0.1%

Rate of increase to pensions and rate of revaluation of pensions accounts		
Adjustment to discount rate assumption	+0.1%	-0.1%
Change to present value of defined benefit obligation (£M)	49.9	(49.2)
Change to present value of defined benefit obligation (%)	1.4%	-1.4%

Post retirement mortality assumption		
Adjustment to members' life expectancy	- 1 year	+ 1 year
Change to present value of defined benefit obligation (£M)	(111.6)	108.3
Change to present value of defined benefit obligation (%)	-3.1%	3.0%

Membership data

A summary of the membership data used in these calculations is set out in the 2025 Valuation report.

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Appendix A: Explanation of actuarial methods used

Benefits

Our calculations relate to benefits payable from the Fund (as set out in LGPS Regulations – further details can be found in the 2025 valuation report). These benefits include retirement pensions and benefits on members' death and leaving service.

Unfunded defined benefit obligations e.g. discretionary pensions benefits being paid under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (generally referred to as Compensatory Added Years), have not been valued as they do not form part of the Fund. However, they may be required in the IAS 19 figures prepared for individual employers within the Fund.

The results include the impact of the McCloud judgement and the Goodwin Employment Tribunal. Further information on these national developments was set out in the Terms of Reference.

Data

The valuation of accrued pension benefits for IAS 26 purposes requires detailed information in respect of each member such as date of birth, gender, date of joining the fund, their accrued pension and so forth.

This information was supplied by the Fund Administering Authority for the 2025 Valuation of the Fund in the form of a standardised data extract from the Fund Administering Authority's administration systems.

The formal valuation process (which is a precursor to the valuation for IAS 26 purposes) involves a series of structured validation tests on the data items for integrity and reasonableness. These tests, together with any actions taken in respect of specific data issues, are documented as part of the valuation process.

Where tests revealed data that was missing or outside tolerance these were reported to the Fund Administering Authority. Where it was not possible to resolve any data queries in the required timescales for preparing the valuation, reasonable estimates were made to ensure that valuation results could be produced.

We can confirm that no data issues were identified at the 2025 valuation that we believe would have a material effect on the calculations presented in this report. Overall, it is our opinion that the data presented at the valuation is sufficiently accurate, relevant and complete for the Fund Administering Authority to rely on the resulting IAS 19 (IAS 26) figures.

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Assumptions

IAS 19 sets out the following general requirements for the setting of assumptions:

- Actuarial assumptions shall be unbiased and mutually compatible; and
- Financial assumptions shall be based on market expectations, at the balance sheet date, for the period over which the obligations are to be settled.

Furthermore IAS 19 requires that the assumed discount rate is determined by reference to market yields at the balance sheet date on high quality corporate bonds and in countries where there is no deep market in such bonds, the market yield (at the balance sheet date) on government bonds shall be used.

The assumptions are ultimately the responsibility of the Fund Administering Authority. Any assumptions that are affected by economic conditions (financial assumptions) should reflect market expectations at the balance sheet date.

The key financial assumptions are set out in "Information required for IAS 26" and the derivation of the assumptions is set out in our assumptions letter referred to in the Related Documents section.

Method of calculation

The figures at 31 March 2025 have been based on a full calculation of the liabilities using the data summarised in the 2025 Valuation report and the assumptions set out in the Assumptions Advice. Further information on the method was set out in the Terms of Reference.

Assets

IAS 19 requires that assets be valued at Fair Value which is defined as the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. For the purposes of this exercise we have taken the asset values directly from the Fund's audited annual accounts as at 31 March 2025.

The assets do not include defined contribution Additional Voluntary Contributions.

Treatment of risk benefits

To value the risk benefits paid on death in service and ill health early retirement we have valued service related benefits based on service completed to the date of calculation only.

Expenses

Fund administration expenses are not reserved for in the net present value of actuarial liabilities, consistent with the treatment adopted for individual employers who require IAS 19 disclosures.

IFRIC 14

IFRIC 14 is an interpretation of paragraph 58 of the IAS 19 accounting standard setting out limits to the amount of surplus that can be recognised by employing organisations in their accounts. We do not believe it has any relevance to IAS 26.

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Appendix B: Compliance and disclaimer

This document has been prepared in accordance with the framework below.

Compliance with Professional Standards

This document complies with the Financial Reporting Council Limited's 'Technical Actuarial Standard 100: General Actuarial Standards' ('TAS 100') (updated July 2023).

Disclaimer

The calculations contained in this report have been made on a basis consistent with our understanding of IAS 19 and IAS 26. Figures required for other purposes should be calculated in accordance with the specific requirements of those purposes. It must not be assumed that figures produced for the purposes of IAS 26, which we present in this report, have any relevance beyond the scope of IAS 26.

This report is prepared on the instructions of the Fund Administering Authority ("you" or "your") in relation to the preparation of accounting figures for your financial reporting as at the Accounting Date. It has been prepared at this date, for the purpose and on the basis set out in this report.

This report should not be used or relied upon by any person other than the Addressee for any other purpose including, without limitation, other professional advisers, including the auditors and accountants ("third parties" or "third party") to the Addressee. All third parties are hereby notified that this report shall not be used as a substitute for any enquiries, procedures or advice which ought to be undertaken or sought by them. We do not accept any responsibility for any consequences arising from any third party seeking to rely on this report.

We neither warrant nor represent (either expressly or by implication) to any third party who receives this report that the information contained within is fair, accurate or complete, whether at the date of its preparation or at any other time.

Unless we provide express prior written consent, no part of this report should be reproduced, distributed or communicated to any other person other than to meet any statutory requirements and, in providing this report, we do not accept or assume any responsibility for any other purpose or to anyone other than the Fund Administering Authority.

We recognise that the Fund Administering Authority's auditors may request to see a copy of our report, as part of their audit process and under statutory requirements. We agree that you may release our report to your auditors for such purpose however in making such disclosure you shall ensure that this disclaimer remains attached to this report, and you further agree that you shall ensure that your auditors have read this disclaimer. For the avoidance of doubt, if we are approached directly by any third party for copies of this report or requested to answer queries about the report, we will require such third party to accept a third party release non reliance letter agreeing that we did not prepare the report for the third party and we do not accept any legal obligations to them. Please rest assured that this approach does not affect our contractual obligations to you as our client, with whom we continue to hold a duty of care in accordance with our terms of engagement.

This report was based on data available to us at the effective date of our calculations and takes no account of developments after that date except where explicitly stated otherwise.

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Annual Governance Statement
2025/2026 (draft)

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11 June 2026

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1. Executive Summary

North Yorkshire Council (the Council) has completed an annual review of the effectiveness of its governance arrangements for the year ended 31 March 2026. The outcome of this review is that the Council's governance framework, including its arrangements for risk management and internal control, was operating effectively and was fit for purpose in supporting the achievement of its objectives.

The review was informed by assurance from directorates, statutory officers, internal audit, external audit and external assurance providers. The evidence supports the conclusion while recognising that there are areas where control arrangements require further strengthening and management attention.

The review has identified areas where governance arrangements require further strengthening. These include ensuring consistency in information governance controls, addressing governance and financial challenges within commercial activity, responding to the reliability and completeness of housing data and compliance information. Actions to address these areas are set out in Section 5 of this statement.

The Council remains committed to maintaining and improving its governance arrangements. Progress made during the year, together with a continued focus on emerging risks and future challenges, provides confidence that governance arrangements will continue to be fit for purpose.

Signatures

We, the undersigned, accept primary responsibility for the content of this Annual Governance Statement (AGS) and confirm that it reflects the outcome of a robust and evidence-based review of the Council's governance arrangements.

We are satisfied that the actions set out in this statement will address those areas where further improvement is required and will be monitored through the Council's governance framework.

Signed:

Cllr Carl Les Leader of the Council	Richard Flinton Chief Executive
Date:	Date:

I confirm the Audit Committee (meeting on the 22 June 2026) was satisfied, on the basis of the information available to it, that this Annual Governance Statement for 2025/26 has been prepared and approved after due and careful enquiry.

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Cllr Clifford Lunn
Chair of the Audit Committee

Date:

2. Purpose of the Annual Governance Statement

The Council is accountable to residents, communities, partners and other stakeholders for ensuring that it is governed effectively, makes decisions in the public interest, safeguards public resources and delivers sustainable outcomes.

The AGS is prepared and published in accordance with the Accounts and Audit (England) Regulations 2015. It provides assurance on the effectiveness of the Council's governance arrangements for the year ended 31 March 2026 and sets out an overall opinion on whether those arrangements were fit for purpose in supporting the achievement of the Council's objectives, managing risk and maintaining financial sustainability.

The AGS is informed by an annual review of governance, risk management and internal control, aligned to the principles of good governance set out in Delivering Good Governance in Local Government (CIPFA/SOLACE, 2016) and the 2025 Addendum guidance.

As a large unitary authority delivering a wide range of services across a diverse geography, North Yorkshire Council operates in a complex and challenging environment. The AGS provides an opportunity to reflect on how effectively governance arrangements have operated during the year, to identify areas where further improvement is required, and to demonstrate the Council's commitment to continuous improvement, strong stewardship and public accountability.

In line with the Addendum guidance, this AGS:

- summarises the key conclusions of the annual governance review, including an overall opinion on effectiveness.
- explains how the review of effectiveness was conducted and the evidence considered.
- identifies areas where governance arrangements require strengthening and the actions being taken; and
- sets out a forward look on governance, highlighting emerging risks, challenges and areas where governance arrangements may need to evolve in future years.

3. Scope of responsibility

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for. The Council also has a statutory duty to secure continuous improvement in the exercise of its functions, having regard to economy, efficiency and effectiveness.

The Council's Constitution sets out how the Council operates, how decisions are made and by whom, and the procedures that apply to ensure clear authority and accountability. Elected members are collectively responsible for the overall governance of the Council.

The Council has arrangements in place for the discharge of the Head of Paid Service, the Chief Financial Officer (Section 151) and the Monitoring Officer functions as the Council's statutory officers, with their respective roles and responsibilities set out in the Constitution.

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The governance arrangements of the North Yorkshire Pension Fund are audited separately from those of the Council. However, as the Council acts as the administering authority, its corporate governance framework also applies to the Pension Fund, and this Annual Governance Statement therefore contributes to the overall governance assurance for the Fund.

Responsibility for the preparation of the Annual Governance Statement rests with the Corporate Director of Resources (Section 151 Officer) and the Assistant Director – Resources (Deputy Section 151 Officer). The Annual Governance Statement is reviewed by the Council's Management Board. It is then considered and approved by the Audit Committee.

The Audit Committee provides oversight of governance, risk management, internal control and financial reporting as part of the Council's overall accountability framework.

4. Our assessment of effectiveness

How governance effectiveness was reviewed

The Council undertook an annual review of the effectiveness of its governance arrangements for the year ended 31 March 2026. The review was designed to assess whether governance arrangements were fit for purpose in practice, supported the delivery of the Council's planned outcomes, and met its responsibilities for value for money and best value.

For 2025/26, the review was conducted in a structured and evidence-based way. Formal annual governance effectiveness reviews were completed by each directorate and formed the primary source of assurance.

The directorate governance effectiveness reviews provided assurance within each area of responsibility, identifying any significant issues, risks or pressures and the actions or mitigations in place.

The outputs of these reviews were reported to the Audit Committee during the year. This provided the opportunity for statutory officer oversight and member scrutiny, and for the identification and escalation of any significant control weaknesses. These arrangements support compliance with laws and regulations and internal policies, and ensure that expenditure during the year was lawful.

During 2025/26, a formal mid-year review of progress against significant governance issues identified in the previous Annual Governance Statement was introduced and reported to members. This provided additional oversight and challenge on the delivery of agreed actions and strengthened in-year monitoring of governance improvements.

In addition to the directorate reviews, the assessment was informed by statutory officer oversight. This included consideration by the Head of Paid Service, the Section 151 Officer and the Monitoring Officer. Senior officer discussions considered the evidence arising from directorate reviews and the extent to which any issues required escalation or corporate level response.

The Council's corporate risk management arrangements also formed part of the evidence considered in the annual review. The Corporate Risk Register was reviewed and updated by Management Board during the year. Ongoing monitoring provided assurance that material and emerging risks are identified, escalated and managed through established governance arrangements.

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The assessment was informed by the annual opinion of the Head of Internal Audit and relevant external audit and inspection findings, providing independent assurance to support the Council's assessment of governance effectiveness.

Together, these sources provided a balanced and evidence-led basis for forming an overall opinion on governance effectiveness.

Findings from the governance effectiveness review

The Council has adopted a Local Code of Corporate Governance in line with the CIPFA/SOLACE Delivering Good Governance in Local Government Framework (2016). The Code was last reviewed in June 2025 and considered by Members to ensure it reflects the Council's governance arrangements. As part of the annual review of governance arrangements supporting the preparation of this Annual Governance Statement, the Council has considered the continued adequacy of the Local Code. The Council is satisfied that it remains consistent with the principles of the CIPFA/SOLACE Framework.

The directorate governance effectiveness reviews were reported to the Audit Committee during the year, providing opportunity for statutory officer oversight and member scrutiny. Through these arrangements, the Audit Committee has been able to review and challenge the evidence supporting the Council's governance effectiveness. All these Council arrangements help to ensure compliance with laws and regulations and internal policies, and that expenditure during the year was lawful.

The directorate governance effectiveness reviews did not identify any significant internal control weaknesses or governance failures at that stage. The reviews did highlight a number of ongoing risks, pressures and areas of complexity inherent in the Council's operating environment. These matters were being actively managed through existing governance, risk management and internal control arrangements, and were subject to oversight and challenge through established corporate and member governance routes.

To support the overall assessment, drawing on the full range of assurance sources considered in the review, a number of areas requiring continued management attention have been identified.

Information governance and security remain areas of ongoing risk, given the increasing complexity of systems and the evolving cyber threat environment. Continued focus is required to ensure controls operate consistently and effectively across the organisation

Our commercial arrangements have been subject to review over the year supported by a Commercial Governance report presented to the Audit Committee. Brierley Homes has presented governance and financial performance challenges and has been subject to continued scrutiny. An independent external review of the company was undertaken and reported to the Executive. Action is being taken to strengthen management and governance arrangements, including leadership changes, and to deliver a recovery plan. This remains a key area of governance focus and requires continued management attention.

The Council also recognises that the Housing service operates within an area of significant regulatory focus and ongoing transformation. This reflects the scale and complexity of service integration following local government reorganisation. A structured improvement programme has been established in response to regulatory engagement. This is supported by strengthened governance oversight through a dedicated Housing Improvement Board and a focus on improving data, systems and compliance arrangements. While progress is being

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made, these arrangements will require continued management focus to ensure improvements are embedded and deliver the intended outcomes. This area requires continued improvement.

Internal audit work undertaken during the year, together with the annual opinion of the Head of Internal Audit, has also provided independent assurance on the effectiveness of the Council's governance, risk management and internal control arrangements. The Head of Internal Audit issued a reasonable assurance opinion for 2025/26. This work has supported the overall assessment of effectiveness.

Counter fraud activity undertaken during the year has not identified any particular issues arising that would affect the Council's overall governance effectiveness.

The annual governance review took account of internal audit work relating to legacy arrangements of predecessor authorities, which has been subject to member scrutiny and external audit awareness. This work was undertaken on a retrospective, lessons-learnt basis and does not represent internal control weaknesses within North Yorkshire Council's current governance framework.

External audit work during the year, including consideration of the Council's arrangements for governance, financial sustainability and value for money, did not identify any matters that altered the Council's overall assessment of governance effectiveness.

External assurance provided during the year from regulators and inspectorates across relevant service areas supported the Council's overall assessment of governance effectiveness. While some areas for improvement have been identified, these are being addressed through established governance arrangements.

The outcome of the annual review is that the Council's governance arrangements were operating effectively during the year, with areas for improvement identified in Section 5 of this document.

In forming its overall assessment, the Council recognised that effective governance is demonstrated through clear accountability, appropriate escalation and proportionate controls.

5. Where our governance needs to improve

The governance and internal control arrangements can provide reasonable, but not absolute, assurance that assets are safeguarded, transactions are authorised and properly recorded, and significant risks to the achievement of the Council's objectives are mitigated. An effective governance framework supports the management of risk but cannot, by itself, eliminate all risks arising from the current operating environment.

Some areas identified in the previous year's AGS have progressed and are no longer considered governance weaknesses.

The areas set out below reflect where governance arrangements require further strengthening, embedding or development, based on the outcome of this year's review. These represent matters of significance to the Council's governance framework and require management attention to ensure governance arrangements remain effective.

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Significant Governance and Business Challenges requiring attention in 2026/27 and beyond	
Challenge	
A1	**Information Governance and security** To ensure the Council's information governance controls operate consistently and reliably in practice across the organisation, in compliance with data protection, information governance and information security legislative, regulatory and statutory obligations. **(Responsible officer: Senior Information Risk Owner).**
Actions	
a)	Use existing reporting to focus on repeat incidents and where they occur, so that services with higher levels of incidents are identified and addressed through targeted action.
b)	Ensure that services review and respond to repeat incidents, including appropriate follow-up where similar issues occur more than once.
c)	Use learning from repeat incidents to review and improve processes, systems and ways of working that contribute to errors, to reduce incidents and reliance on reactive fixes.
Challenge	
A2	**Council Companies:** Ensuring effective governance, oversight and financial performance of council owned companies, including Brierley Homes **(Responsible officers: Chief Executive, Monitoring Officer, S151 Officer)**
a)	Strengthen governance oversight through regular and structured reporting to the Shareholder Committee and relevant Boards.
b)	Ensure clear and consistent monitoring of financial and operational performance, including robust challenge of delivery against agreed plans.
c)	Oversee the development and delivery of recovery and improvement plans for Brierley Homes.
Challenge	
A3	**Housing Data and Compliance** To ensure housing data is complete, accurate and consistently recorded so that the Council can reliably demonstrate statutory requirements and support effective decision making. **(Responsible officer: Corporate Director Community Development)**
Actions	
a)	Complete consolidation of housing systems and ensure consistent use across services so that data is aligned, accurate and supports reliable reporting.
b)	Improve data quality across stock condition surveys and repairs by ensuring information is recorded consistently and aligns across systems, work orders and reported outputs.
c)	Strengthen the capture, retention and accessibility of compliance evidence, ensuring records are complete, up to date and available for all properties.
d)	Strengthen assurance over housing performance information by introducing validation and oversight arrangements to ensure data is reliable before it is used for reporting and decision making.

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6. How have we improved our governance arrangements in 2025/26?

The items included in the table below represent the list of key issues reported in last year's statement that required attention in 2025/26 and beyond, along with a progress update as of April 2026.

Significant governance challenge	Progress update
A1: Information Governance and security: To ensure the council continues to comply with its data protection, information governance and information security legislative, regulatory and statutory obligations (Responsible officer: Senior Information Risk Owner).	
Actions: a) Ongoing monitoring and reporting of data breaches including identification of lessons learned.	Oversight was maintained through regular reporting of data breaches to the Corporate Information Governance Group, with a focus on learning and risk mitigation. Work to enhance the security performance framework will improve how changes in behaviours and culture are understood and monitored.
b) Ongoing measures to raise staff awareness of risks including updates to and completion of mandatory training as necessary; phishing simulation exercises; case studies; and monitoring arrangements in place to evaluate effectiveness and any other required actions.	In 2025/26 a comprehensive programme of mandatory training was implemented, with high levels of completion across the workforce, supported by phishing simulation and targeted follow-up activity to reinforce behaviours in practice.
c) Continued investment in technology to best protect the Council's network and data integrity from potential cyber threats.	Investment in cyber security controls, alongside ISO27001 accreditation and Cyber Essentials compliance, has strengthened the control environment and improved protection of the Council's network and data
A2: Transformation and savings delivery: The council has an established transformation programme to bring together services following unitarisation and deliver significant savings. However, increasing funding pressures mean there are further challenges ahead and more savings will be needed.	
Actions: a) Consider both internal and external opportunities for wider transformation and savings delivery.	During 2025/26, transformation activity expanded covering workforce productivity, technology, property rationalisation and customer services. The "Way We Will Work" and Customer programmes set out our ambitions to modernise services and improve efficiency, and will continue to support delivery of future transformation and savings requirements into 2026/27 and beyond. A research and development function was established to assess innovation opportunities, including AI and automation. Delivery of £29.6m of the £34.3m savings in 2025/26 target demonstrates the impact of transformation activity.

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Significant governance challenge	Progress update
b) Review existing service delivery structures. Challenge current ways of working and service delivery. To fully roll out the Target Operating Model way of working throughout the Council. Adopt standard ways of working to reduce possible waste and to improve outcomes. Identify changes which cut across services and provide a better journey and outcome for customers (linked to the Customer Strategy).	Service restructuring following LGR is largely complete, with redesigned structures, processes and systems supporting consistent operating models across services. Seven legacy Revenues and Benefits systems were consolidated into a single platform with aligned reporting. Implementation of a new finance system is progressing, which will standardise financial processes and strengthen access to data and reporting. A Customer Experience Strategy was approved, providing a framework for improving customer journeys and aligning service delivery across the Council.
c) Consider opportunities for services to increase net income, reduce third party expenditure and deliver savings. Ensure services have the right tools and operating environment to drive out efficiencies and increase productivity.	Savings and transformation opportunities were developed through the service planning process and incorporated into budget setting and medium-term financial planning. System consolidation, including income management and finance systems, has reduced duplication and improved efficiency. These developments have strengthened financial management arrangements and improved visibility, ownership and control of budgets and performance across the Council.
d) Identify measures to reduce and manage demand, working collaboratively across services and with partners.	Demand management was progressed through cross-service transformation and partnership working. Collaboration through the Multi Agency Screening Team improved safeguarding demand management, including referral handling and threshold application. Reviews of referrals, practice workshops and family assessments strengthened demand management and supported more inclusive mainstream education provision.
e) Develop and agree a council wide plan to help deliver these improvements and savings.	An updated Transformation Strategy was approved by Management Board, establishing a coordinated framework for transformation activity and savings delivery across the Council. The Strategy sets out cross-cutting programmes, including demand management, customer and operating model redesign. The strategy is being progressed through member governance arrangements to support oversight, challenge and alignment with financial planning.

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Significant governance challenge	Progress update
A3: Consistent good quality management of Capital Schemes: To ensure the council consistently and effectively manages the delivery of major capital programmes and projects.	
a) Review of project management guidance to provide greater clarity on roles, responsibilities (including financial management), project governance, accountability and decision making.	Capital project delivery arrangements were strengthened during 2025/26 to clarify roles and accountability. A standardised gateway process, covering the full project lifecycle, has been introduced with supporting templates and risk categorisation. Capital boards have adopted refreshed terms of reference and consistent reporting arrangements across programmes, supporting governance and decision making.
b) Review and roll out budget management training to ensure the consistent application of the Council's requirements for effective control of programme and project budgets.	Targeted training for contract and budget managers has improved application of project and financial management practices, aligned to Council requirements. Initial training for over 200 contract managers was delivered in October 2025, with further sessions planned. Improvements to budget monitoring, aligned to the new finance system, are strengthening financial control, forecasting and management of programme and project budgets.
c) Implement standard processes for the appointment, use and management of consultants to ensure consistent practices are being followed throughout the Council.	Standard processes for the appointment, use and management of consultants have been implemented, improving control across the Council. Lessons learned from reviews of significant capital schemes are being shared. Procurement arrangements are being reviewed to standardise routes to consultancy, including the Matrix framework, with re-procurement planned to strengthen control and value for money.
d) Implement assurance frameworks to ensure capital schemes are being managed in line with Council expectations.	Assurance over capital schemes is supported through the standardised gateway process and templates, providing monitoring of risks, performance and expenditure. Capital boards operate with refreshed terms of reference and consistent reporting, supporting oversight and assurance that schemes are managed in line with Council expectations.
A4: Data and Systems: The new Council inherited a large number of systems and processes. Further work is required so the council has the reliable data and insights to consistently support decision making, track outcomes and drive improvement	
Actions: a) To define, develop and implement the data strategy.	The Council has strengthened its approach to data and systems through approval of a council-wide data strategy and the establishment of a supporting delivery programme. This has included development of

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Significant governance challenge	Progress update
	data architecture and implementation of a single Local Land and Property Gazetteer, now live, with oversight provided through reporting to the Corporate and Partnerships Overview and Scrutiny Committee.
b) To fully roll out the Target Operating Model way of working throughout the Council.	Data is now embedded within transformation activity, supported by approval of a council-wide data strategy by Management Board, and including development of the Customer Relationship Management system and wider use of GIS tools. Targeted training has increased data awareness across the workforce.

7. Forward look on governance

Ongoing demand and cost pressures, particularly within children's and adult services, will continue to require strong financial management and clear governance to ensure that resources are prioritised effectively and remain sustainable over the medium term. While the Council has maintained overall financial control, the position is supported in part by one-off measures and underspends elsewhere, highlighting the need for continued focus on delivering sustainable budget alignment and strengthening financial resilience over the medium term.

Governance will need to continue to focus on embedding the integration of systems, processes and data following Local Government Reorganisation. Ensuring that information is complete, consistent and aligned across services will be critical to support reliable reporting, compliance and decision-making. Strengthening data quality, system integration and the flow of information across the Council will provide a robust basis for assurance and oversight.

Governance arrangements for the York and North Yorkshire Combined Authority will require continued focus, particularly as arrangements continue to develop, in relation to how decisions are taken, evidenced and agreed between constituent authorities. This includes ensuring clarity of roles, responsibilities and the exercise of powers, and that decision-making processes are robust, legally compliant and supported by clear evidence, particularly where there are significant financial and service implications.

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GLOSSARY OF TERMS

Accruals
The concept that income and expenditure are recognised as they are earned or incurred, not as cash is received or paid.

Actuary
An actuary is an expert on pension scheme assets and liabilities. The Local Government Pension Scheme Actuary determines the rate of employer contributions due to the Pension Fund every three years.

Amortised
Written off over a suitable period of time (usually in line with the useful life of a fixed asset). This is a proxy for depreciation for intangible assets.

Appropriations
Amounts transferred from the Comprehensive Income and Expenditure Statement through the Movement in General Fund Balance to revenue or capital reserves.

Asset Rental Charges
The Council charges Asset Rentals to Services in order to reflect the economic costs of the assets they use in service provision. These charges do not impact on Council Tax.

Assets
Anything which has a monetary value e.g. property, investments or cash.

Assets Held for Sale
Those assets that are actively being marketed with the expectation that disposal will occur within a 12 month period.

Associate
An entity is an associate of a reporting authority if it has a participating interest and over whose operating and financial polices the reporting authority is able to exercise significant influence.

AVC
Additional Voluntary Contributions.

Benchmark
A measure against which investment performance is assed. The benchmark may take the form of a “market index” where performance is measured by comparison with a particular market or where measurement is against an average established by reference to the performance of a peer group or league table.

BCF
Better Care Fund

Bid Price
In the context of stock trading on a stock exchange, the bid price is the highest price a buyer of a stock is willing to pay for a share of that given stock.

Bond
A type of investment where cash is exchanged for a certificate of debt issued by the government or company, promising regular payment on a specified date, or range of dates, usually involving a final lump sum capital payment at the time the bond is given up by the investor.

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Budget
A statement of the Council's expected level of service and spending over a set period, usually one year.

Callable Deposit
Deposit with a bank or building society for an agreed term but where the bank has the option of repaying the full amount at set intervals. For example, a three year deposit with six monthly calls.

Capital Expenditure
Expenditure on the acquisition of a fixed asset or expenditure which adds to, or enhances, the life or value of an existing fixed asset.

Capital Financing
Funds used to pay for capital expenditure. These funds can come from both external and internal sources.

Capital Plan
The proposed budget for capital expenditure and funding for the Council.

Capital Receipts
Proceeds from the sale of Fixed Assets. These are used to finance new capital expenditure.

Carrying Amount
The amount at which an asset is recognised in the Balance Sheet.

Cash and Cash Equivalents
A Balance Sheet heading to identify both cash (or overdraft) and other highly liquid resources, these liquid resources are deemed to be short term investments that are held with maturity periods of three months or less and are for the purposes of cash management.

CCG
Clinical Commissioning Groups.

The Code
In relation to the financial statements The Code refers to the Code of Practice on Local Authority Accounting. The Code of Practice is based upon approved accounting standards and provides the accounting standards under which the Statement of Accounts are prepared.

CFR
Capital Financing Requirement.

CIPFA
The Chartered Institute of Public Finance and Accountancy is the lead accountancy body for the Public Sector on accounting practice and the preparation of local authority Accounts.

CIPFA FM Code
Chartered Institute of Public Finance and Accountancy Financial Management Code. This Code sets the standards of financial management for Local Authorities.

Consolidation
The process of adjusting and combining financial information from the individual financial statements of a reporting authority and its subsidiaries. The overall aim is to prepare consolidated financial statements that present financial information for the group as a single entity.

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Contingencies
Sums set aside to meet either the potential costs of activities expected to occur during the year, over and above those costs included in the services budget (pay and price), or items which are difficult to predict in terms of financial impact or timing (uncertain items).

Corporate Governance
The authoritative rules and controls in place within an organisation required to promote openness, inclusivity, integrity and accountability.

Council Tax
The means of raising money locally to pay for local authority services. This is a property based tax where the amount levied depends on the valuation of each dwelling.

Credit Rating
A published ranking, based on detailed financial analysis by a credit bureau, of an organisation's financial history, specifically relating to an organisation's ability to meet its debt obligations.

Creditors
Amounts owed by the Council for goods or services that it has received but for which payment had not been made by the last day of the financial year (31st March).

Current Assets and Liabilities
Current assets are items that are owed to Council and can be readily converted into cash. Current liabilities are items that are due for payment immediately or in the short term.

Current Service Cost IAS 19
Employer pension contributions charged during the year have been removed from the Comprehensive Income and Expenditure Statement and replaced with an amount (i.e. current service cost) which reflects the increase in the scheme liabilities expected to arise from employee membership of the scheme in the year of account.

Debtors
Amounts owed to the Council at the last day of the financial year (31st March) where services have been delivered but payment has not been received.

Delegated Budgets
Budgets for which schools and other services have complete autonomy in spending decisions.

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

DfE
Department for Education.

DSG
Dedicated Schools Grant. A ring-fenced grant which can only be applied to expenditure properly included in the Schools budget.

Earmarked Reserves
These reserves represent monies set aside that can only be used for a specific purpose.

EFA
Expenditure & Funding Analysis

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Expected Return on Assets
The average rate of return expected on the actual assets held by the Local Government Pension Fund.

Fair Value
A rational and unbiased estimate of the potential market price of a good, service or asset.

Finance Leases
Under a finance lease agreement, most of the risks and rewards associated with ownership are transferred to the lessee. The accounting policy is to recognise these assets.

FRS
Financial Reporting Standard

FVOCI
Financial Assets Measured at Fair Value through Other Comprehensive Income

FVPL
Financial Assets Measured at Fair Value through Profit or Loss

GAAP
Generally Accepted Accounting Practice.

Government Grants
Revenue grants and contributions are credited to the appropriate service Revenue Account where they relate to a specific service; general grants including capital grants are credited to non-specific grant income within the Comprehensive Income and Expenditure Statement to the extent that the conditions of the grant have been met.

HWRC
Household Waste Recycling Centre

IAS
International Accounting Standard

ICT
Information and Communications Technology.

IFRIC
Interpretations originated from the International Financial Reporting Interpretations Committee.

IFRS
International Financial Reporting Standards. Guidelines and rules set by the International Accounting Standards Board (IASB) that companies and organisations can follow when compiling financial statements.

Impairment
The worsening of an asset, through damage, dilapidation etc., which affects the value of that asset.

Income
Amounts which the Council receives, or expects to receive, from any source. Income includes fees, charges, sales, capital receipts, government grants, the precept on Council Tax collection funds, Revenue Support Grant and National Non-Domestic Rate.

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Income in Advance
Amounts received by the Council during the current financial year relating to services to be delivered in the following financial year.

Intangible Assets
Assets that do not have physical substance but are identified and are controlled by the Council through custody or legal rights.

Interest Cost
A financing charge reflecting the increases in the present value of Pension Fund scheme liabilities.

Investments
Short term investments comprise of deposits of funds with banks or similar institutions.

Investment Properties
Properties that are held for income or capital appreciation only, rather than used for any service delivery purposes.

ISAB
International Accounting Standards Board.

ISB
Individual School Budgets.

ISP
Internet Service Provider.

Joint Venture
An entity in which the reporting authority has an interest on a long term basis and is jointly controlled by the reporting authority and one or more entities under a contractual or other binding arrangement.

LAA
Local Area Agreement. A partnership with other public bodies involving the pooling of government grants to finance work towards jointly agreed objectives for local public services.

LAAP
Local Authority Accounting Panel. Bulletins issued by CIPFA to provide guidance on topical issues and accounting developments and when appropriate provide clarification on the detailed accounting requirements.

LASAAC
Local Authorities (Scotland) Accounts Advisory Committee.

LDDF
Learning Difficulties Development Fund.

LGPS
Local Government Pension Scheme.

LGR
Local Government Reorganisation.

LIBOR
The London Interbank Offered Rate. A daily reference rate based on the interest rates at which banks borrow unsecured funds from other banks in the London wholesale money.

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LOBO
Lender Option Borrower Option. Financial instrument used to borrow from the money market such loans feature on initial fixed interest period followed by a specified series of calls where the lender has the option to request an interest rate increase. The borrower has the option of repaying the loan (at no penalty) or accepting the higher rate.

LPSA
Local Public Service Agreement.

LSP
Local Strategic Partnership. A non-statutory, multi-agency partnership, which matches a local authority boundary, and includes representatives from the public, private, community and voluntary sector.

LMS
Local Management of Schools.

Long Term Borrowing
Long term borrowing is loans that have been raised to finance capital expenditure.

Market Value
The monetary value of an asset as determined by current market conditions.

MHCLG
Ministry of Housing, Communities and Local Government.

Mid-market price
The mid-point between the bid price and the offer price for a security based on quotations for transactions of normal market size by recognised market-makers or recognised trading exchanges.

Minimum Revenue Provision
The statutory minimum amount that must be charged to a Revenue Account in each financial year to repay external debt.

Minority Interest
The interest in a subsidiary entity that is attributable to the share held by, or on behalf of persons other than the reporting authority.

MTFS
Medium Term Financial Strategy

NAHT
National Association of Head Teachers.

NASUWT
National Association of Schoolmasters Union of Women Teachers.

National Non-Domestic Rate
The Government levies a standard rate on all properties used for commercial purposes. The rates are collected on behalf of the government by District Councils, and then redistributed nationally on the basis of resident population.

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 amounts provided for depreciation.

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Net Current Replacement Cost
The cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

Net Debt
This comprises cash in hand, cash overdrawn, short term investments and long term borrowing.

Net Realisable Value
The open market value of the asset in its existing use (or open market value in the case of non-operational assets) less the expenses to be incurred in realising the asset.

NEU
National Education Union (formerly NUT National Union of Teachers and ATL Association of Teachers and Lecturers.

NHS
National Health Service.

NJC
National Joint Council.

Non-Current Assets
Assets that yield benefits to the authority and the services it provides for a period of more than one year.

NYBEP
North Yorkshire Business and Education Partnership.

NYES
North Yorkshire Education Services.

NYnet Limited
A company providing broadband connectivity within North Yorkshire.

Past Service Cost
The increase in Pension Fund liabilities arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

PFC
Pension Fund Committee.

PFI
Private Finance Initiative. A means of securing new assets and associated services in partnership with the private sector.

PIP
The Pending Issues Provision (PIP) was set up in 2008/09 as part of the budget and medium term financial strategy process to underpin a financial strategy that would ensure sufficient recurring funds are available in future years to meet the predicted year on year costs of the Waste Strategy.The provision was funded by increasing the annual Council Tax charge in the three year period 2008/09 to 2010/11 by more than was strictly needed to pay for the annual cost of the Council's services in those year's.

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In addition to providing the longer term funding required for the Waste Strategy, the funding paid into the PIP but not yet drawn down by the Waste Strategy is available for non- recurring items of urgent expenditure and investment in services.

Portfolio
A block of assets managed by a fund manager, to an agreed performance specification, on behalf of an investor.

PPP
Public Private Partnership. A long-term contract between a private party and a government entity for providing a public asset.

Precept
The amount of money the Council has to levy on Council Tax payers (via district collection funds) to pay for Council services.

Prepayments
Amounts paid by the Council in the current financial year that relate to goods and services not received until the following financial year.

Provisions
Provisions represent sums set aside for any liabilities of uncertain amount or timing that have been incurred.

PWLB
Public Works Loan Board. The Government agency set up to provide loans to Local Authorities to finance capital expenditure.

REFCUS (Revenue Expenditure funded from Capital under Statute)
Expenditure which may be properly capitalised, but which does not result in the creation of any fixed asset.

Reserves
There are two types of reserves, usable and unusable reserves. Usable reserves are those reserves that can be applied to fund expenditure or reduce local taxation. Unusable reserves are other reserves, such as the revaluation reserve, that arise from accounting requirements.

Revenue Expenditure
Revenue expenditure is spending on the day to day running costs of the Council. It includes expenditure on employees, premises, transport and supplies and services.

RICS
Royal Institution of Chartered Surveyors.

RSG
Revenue Support Grant. Central Government grant support towards local government expenditure.

SEN
Special educational needs.

SEND
Special educational needs and disability.

SDT
Standard Desktop.

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Section 151 Officer
The Officer designated to assume overall responsibility for the administration of the financial affairs of the Council and for the preparation of the Council's Statement of Accounts.

Settlements and Curtailments
Settlements and liabilities settled at a cost materially different to the IAS 19 reserve during the year. Curtailments represent the cost arising from early payment of accrued pensions in respect of any redundancies during the year.

Simple Investment
The reporting authority's interest does not qualify the entity as a subsidiary, associate or a joint venture because the reporting authority has limited influence or its interest is not long term.

SIF
Special Investment Fund.

SIP
Statement of Investment Principles.

Subsidiary
An entity is a subsidiary of a reporting authority if the authority is able to exercise control over the operating and financial policies of the entity and is able to gain benefits / be exposed to risk of potential losses from this control.

Surplus Properties
Those properties that are not used in service delivery but neither do they meet the classification of investment properties or assets held for sale.

T&C
Technology and Change.

Term Deposit
A deposit held in a financial institution for a fixed term at a fixed rate.

TMP
Treasury Management Practices.

TMPS
Treasury Management Policy Statement.

VAT
Value Added Tax.

Veritau Limited
A company providing Internal Audit, Counter fraud and Information Governance Services.

VOICE
This is a union for Education Professionals.

Work in Progress
The value of rechargeable work which has not been recharged at the end of the financial year.

YDHTP
Yorkshire Dales and Harrogate Tourism Partnership.

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Yorwaste Limited
A subsidiary waste disposal company.

YPO
Yorkshire Purchasing Organisation.

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