

DRAFT

# STATEMENT OF ACCOUNTS

For the Year Ended

31 March 2023

Clare James CPFA

Corporate Director Resources

(Section 151 Officer)

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## NARRATIVE REPORT

### **Message from the Corporate Director**

The financial year 2022/23 has been focused on both recovery from the global pandemic and reacting to the emerging Cost of Living crisis, both of which have impacted on the preparation of the 2022/23 Statement of Accounts. The Financial Services team has played a key role in supporting services as well as the delivery of grants and hardship payments and is committed to continuing to undertake the high standard of work for which it has earned an excellent reputation. As such, the accounts have been prepared to exacting standards, submitted to the External Auditor by 31 May 2023.

This year sees a return to 'faster closedown' deadlines for producing a draft set of accounts by 31 May and the deadline for signing off the audited accounts is 30 September 2023. In order to aid transparency, Local Authorities are required to have a common thirty day public inspection period which includes the first ten working days in June. As a result, the council's accounts could not be formally approved until after the tenth working day in June. (Readers should note that owing to national issues relating to the treatment of infrastructure assets in the accounts affecting the final sign-off of the 2020/21 and 2021/22 statements, approval of the 2022/23 accounts will be dependent on these having been formally resolved.) The requirement to advertise the inspection period is still in place and this was done on the council's website as in previous years. The accounts were open to public inspection during the period from 1 June 2023 to 12 July 2023.

There is no longer a requirement for the Audit Committee to review the draft accounts. Training materials for the review of the Statement of Accounts were issued to Audit Committee in advance of the scheduled meeting on 20 June 2023. The training was recorded and distributed electronically for Audit Committee members to view at their convenience.

Working to our final accounts deadlines and the achievement of such high standards is only possible because of the hard work and dedication of officers across the council but especially the staff in Financial Services. This is reflected not just in our timely production of the accounts but in all aspects of the work that the service undertakes. During 2022/23 Financial Services continued to lead and support transformational council initiatives including major capital projects, bids for external funding and the significant new burdens placed on the council in the response to the Cost of Living pressures.

The Statement of Accounts has been prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA). The style and format of the accounts complies with CIPFA standards and is similar to that of previous years. This Narrative Report provides information about Wyre, including the key issues affecting the council and its accounts. It also provides a summary of the financial position as at 31 March 2023.

Clare James

**Corporate Director Resources (S.151 Officer)**

## ORGANISATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT

### An Introduction to Wyre

Wyre Council is one of fourteen District or Unitary Authorities in the Lancashire County region and is named after the River Wyre, which runs through the borough, and gives Wyre its motto “*utraque parte fluminis*” meaning ‘on either side of the river’. The borough covers 283 square kilometres and shares its borders with Blackpool, Fylde, City of Lancaster, City of Preston and Ribble Valley. Wyre enjoys an enviable location with coastal borders to the west enjoyed by residents of Fleetwood, Cleveleys and Knott End and scenic countryside to the east including the Forest of Bowland, an area of Outstanding Natural Beauty.

Wyre’s population in 2021 based on the census information provided by the Office for National Statistics was 111,900.

### Elected Members

There are 50 Wyre Councillors in total and all are elected every four years in local elections with the next election to be held in May 2023. They represent 24 wards and work to support the best interests of the borough, their local neighbourhood and must also represent public interest generally as well as individuals in their ward.

Councillors are usually, but not always, aligned with one of the main national political parties and the position in Wyre at 31 March 2023 was as follows:

Conservative Group Councillors = 36; Labour Group Councillors = 8; Wyre Alliance Councillors = 3; Wyre Residents Councillors = 2; and 1 Independent.

As shown above, the Conservative Party has the most number of Councillors and as such they have control of the Council as the ruling group.

Councillors decide how the council should carry out its various activities. They are responsible for:

- Deciding how council services are provided
- Ensuring that the services that the council provides are delivered in the most efficient and effective way
- Fixing the rates of council tax and the fees that the council charges for its services
- Determining how the council's money should be spent

### The Council’s Spending

The council has two types of expenditure:

*Revenue expenditure*: the everyday costs incurred with running the council such as employee costs, premises related expenditure and various supplies and services.

*Capital expenditure*: the more sizeable costs, which usually relate to the acquisition of new assets, or significant enhancement of existing assets to extend the economic benefit to the council.

## Council Funding

2013/14 - a reduction of £0.5m or 7%  
 2014/15 - a reduction of £1m or 14%  
 2015/16 - a reduction of £1m or 16%  
 2016/17 - a reduction of £0.9m or 16%  
 2017/18 – a reduction of £0.7m or 14%  
 2018/19 – a reduction of £0.4m or 9%  
 2019/20 – a reduction of £0.4m or 10%  
 2020/21 – a slight increase of £0.05m or 1.6%

In 2021/22 our baseline funding was frozen at £3.409m. We also received £0.145m in Lower Tier Authority grant.

In 2022/23 our baseline funding was frozen at £3.409m. We continued to receive the Lower Tier Services Grant at £0.156m, Revenue Support Grant of £0.001m and as a one-off we received £0.235m in 2022/23 Services Grant.

In 2023/24...

Over the thirteen years up to and including 2023/24 we have lost **£6.9m** in funding which is the equivalent of nearly **77%** of our grant back in 2010/11 (which was £8.9m).

### What can we expect in future?

2023/24 is another one-year settlement deal so beyond this our funding position is uncertain. The current government are not intending to conduct the delayed Fair Funding Review and Business Rates Retention Reform before 2025/26.

### How have we compensated for the reduction in funding?

We've prepared for it over the years by reducing spending, not increasing the level of borrowing and balancing the books through efficiency savings, income generation and prudent financial management including exploring commercial opportunities.

We also have an excellent track record in efficiency savings which has protected residents from the full impact of reductions in funding. We've saved nearly **£7m** between 2010/11 and 2021/22 that's an average of **£606,000 per year**.

Wyre has never shied away from challenging how we deliver services or making difficult decisions and will continue to do so. This means continually reviewing how we operate, being innovative and ensuring services meet the needs of our communities.

### What does the budget mean for residents?

We've been steadfast in protecting and improving council services so residents consistently receive high standards of delivery.

Our latest Life in Wyre Survey results show that 78% of our residents are satisfied or very satisfied with where they live.

Some of our key activities over the last 12 months and looking ahead include:

## Support for residents

Over the last twelve months we've worked hard to support residents and businesses in our borough who are most in need, processing and awarding millions of pounds of grant funding through government schemes including the Household Support Fund, the Energy Rebate Fund and the Covid-19 Additional Relief Fund.

Support for vulnerable residents continues as funds like the Household Support Fund have been confirmed for 2023/24. We are currently working on distributing the latest round of the Household Support Fund and have already awarded money to thousands of our most vulnerable residents and local food banks to support their good work in the community. Other grant schemes have been announced including the Energy Bill Support Scheme Alternative Funding (EBSSAF) and the Alternative Energy Support Scheme (AESS) aimed at providing financial support to those who don't pay their bills directly to gas or electricity companies, or don't use traditional mains gas or electricity to power their homes.

Information about available funding schemes and how to access them are updated regularly on our [website](#).

## Supporting Ukraine

Last year, we supported 80 Ukrainians seeking refuge in Wyre. The welcome and hospitality shown by our host families has been wonderful to see. The feedback from their guests, many of whom have been through incredible trauma, is that they are extremely appreciative of their host families, the council and the UK in general for supporting them through this difficult time.

## Marking historic occasions in Wyre

We joined together to celebrate the Queen's Jubilee. As a council we hosted a series of fantastic free events across the borough which were enjoyed by many and we supported street parties in communities all over Wyre.

We also sadly marked the passing of Her Majesty Queen Elizabeth II, coming together to mourn the loss of our longest serving monarch.

Following the proclamation of King Charles III, we now look ahead to celebrating the coronation of His Majesty The King and Her Majesty The Queen Consort in May. We will be hosting a Wyre Coronation Walk in Garstang on Monday 8 May and are inviting people from all over the borough to join us and enjoy the great British countryside. The walk will be just under 2 miles and there will be music and entertainment along the route as well as medals for finishers. We will also be hosting a volunteer event on the same day in Cherestanc Square as part of the Big Help Out Day. We will be promoting volunteering opportunities in the area and encouraging as many people as possible to help out in their community. We will also make the application for hosting street parties a simple process to encourage celebrations to take place across Wyre.

## Levelling up Wyre

Last year our investment plans for the UK Shared Prosperity Fund (UKSPF) were approved by government, which means that we will receive £3.9 million over the next three years as part of the government's Levelling Up agenda.

The UK Shared Prosperity Fund will provide a total of £2.6 billion funding and all areas across the UK will receive an allocation of the fund. The overarching aim of the funding is to build pride of place and increase life chances.

In order to secure the funding, we submitted an investment plan proposal to government outlining projects that the funding would be used for. The plan and the priorities it identified were written in consultation with Wyre's Town Centre Partnership boards and organisations who can deliver county-wide initiatives. It supports strategic business recovery in key economic centres in the borough and includes a range of projects that focus around seven themes, which in turn contribute to the government's set priorities:

- Town centre improvements
- Wyre gives back
- Wyre moving more
- Arts and culture
- Visitor economy
- Wyre backs business
- Wyre net zero

Our first UKSPF project is underway at Cottam Hall Community Garden in Poulton. The project is part of a bigger vision for Cottam Hall including a strategic masterplan which will be commissioned for the whole of the site, in consultation with key users and stakeholders. £12,000 of the UKSPF money awarded is being used to build new raised beds, a polytunnel, accessible pathways, buy new gardening equipment and provide planting for this shared community space. We are working together with Poulton in Bloom volunteers to manage the site and offer this space to other partners and community groups who may want to access the gardens. Plants will be grown within the garden which volunteers can then use to decorate the town with beautiful floral displays.

### **Investing in Fleetwood Market**

Fleetwood Market is undergoing an exciting period of rejuvenation and this year we are carrying out significant improvement works to support its future as a key attraction in Wyre.

As part of our ambition to achieve net zero carbon emissions, we have secured grant funding of £1m from the Public Sector Decarbonisation Scheme. This is allowing us to carry out energy efficiency works at the market, including the installation of renewable energy technologies and removing fossil fuel gas heating.

We are also investing £1.9m to carry out repairs and reinstate the historic features of the nineteenth century Market Hall. This will greatly improve the appearance of the market and ensure the continued life of the building through the delivery of significant enhancement works including the replacement of the main hall slate roof, windows and doors.

Works will bring the building up to an improved standard, repairing damage and weathering that has occurred over the years and will allow us to futureproof this key attraction. Throughout the works some stalls will be affected however the market will remain open.

### **Supporting local businesses**

We have relaunched Wyred Up, a free business support network specifically for businesses and organisations in Wyre. The network helps businesses to connect across the borough and encourages local businesses to trade with each other, driving the economic growth and prosperity of Wyre.

Business who sign up can gain access to networking events, regular newsletters, training and learning opportunities.

We also hosted the Wyre Business Awards in 2022 after a break due to the pandemic. Nominations for the 2023 awards will open soon, giving businesses the chance to come together to celebrate their passion, expertise and contribution to Wyre's economic development.



## Visitor economy

We have launched a range of activity to boost visitor numbers to Wyre, increasing footfall in our town centres and providing additional custom for high street businesses.

We have hosted a series of free family events, created a new [website](#) to showcase Wyre, places to visit and events and created a series of [trails](#) for visitors to follow. Cleveleys now also has its own [augmented reality app](#) which brings the characters of the mythic coast to life.

## Wyre's great outdoors

We coordinate an extensive programme of events and activities that take place in Wyre's great outdoors. Running all year round there are hundreds of activities to choose from including guided walks, conservation days, wildlife and nature activities, family fun and much more.

Many of the activities are free and they are a great way to explore our beautiful coast and countryside, give your wellbeing a boost and get a breath of fresh air. There is a printed guide with all the activities in which is available from our tourist information points, the Civic Centre in Poulton, Marine Hall in Fleetwood, Rossall Point Tower and the café at Wyre Estuary Country Park, Stanah. You can also view the calendar and book tickets for guided walks and other activities online at [www.wyre.gov.uk/greatoutdoors](http://www.wyre.gov.uk/greatoutdoors)

## Garstang Walking Festival

We run this much loved celebration of walking every year and it will return to Garstang in 2023 from 5 to 14 May. With over 40 walks for all ages and abilities, this annual festival is the perfect chance to experience the best of springtime in the countryside around Garstang, rural Wyre, the Forest of Bowland and Morecambe Bay. Choose from a huge range of walks, including the three day Wyre Way Challenge, easy access short walks, family activities, evening walks, wildlife strolls, heritage rambles, dog friendly trails and everything in between. For the first time tickets are available to book online at [www.wyre.gov.uk/garstangwalkingfestival](http://www.wyre.gov.uk/garstangwalkingfestival)

We are holding a launch event for the festival called Walk This Way on Saturday 15 April, 11am – 4pm in Cherestanc Square, Garstang. Visitors can meet the team behind the festival, try some taster walks and find out more about the festival and walking in Wyre.

## Holiday Activity and Food Clubs

Hundreds of children have benefitted from our [Holiday Activity and Food clubs](#).

Funded by the Department for Education, we offer clubs in the Easter, summer and Christmas holidays to children on benefits related free school meals. The clubs give young people the chance to be active, socialise and learn new skills and enjoy a healthy lunch during the school holidays.

## Health and wellbeing

We have continued to offer a [range of activities](#) to help people improve their health and wellbeing. From TrySport for young people, to free weight management programmes, exercise classes and cycling sessions, guided walks, singing groups, reminiscence sessions, creative art sessions and more.



## Care and Repair

Our [Care and Repair service](#) provides help for homeowners aged over 65 and adults aged over 18 with a disability. Our friendly team can help with repairs, home improvements, maintenance and adaptations. We can help with things such as replacing light bulbs, easing windows and doors, installing grab rails, installing key safes and carrying out small maintenance jobs. We also help residents with filling out forms for Attendance Allowance, Personal Independence Payment, Disability Living Allowance (DLA) and Carers Allowance.

## Our Environment

In addition to the electric vans added to our fleet and electric powered bin lifts on our refuse collection vehicles, we are providing electric charging points in our car parks to help meet government targets of making all new cars and vans transition to zero emission by 2035.

We already have five rapid charging points in Wyre Council car parks allowing drivers of electric vehicles to fully charge their vehicle in just 40 minutes to two hours, depending on the car model. We are now installing 23 fast charging stations (46 charging points) which we hope to have ready for use soon. These will give users approximately 30 miles of range per hour of charging and will allow residents without off road parking at home to still have an electric car and charge up overnight.

We have committed to planting 25,000 trees by 2025 as part of our pledge to tackle climate change. We have already planted 9,624 trees so far, with a target of 15,042 by the end of March, bringing us to 60% of our target. This climate-focused tree planting is playing a vital role in mitigating climate change, protecting and enhancing threatened biodiversity.

## Wyre Beach Management Scheme

We have secured over £40m in government funding for our next major coastal defence project, the Wyre Beach Management Scheme.

We are currently in Phase 1 of the project with work expected to be complete by the end of July 2023. Phase 2 will begin following this and is expected to be completed by March 2027.

Building on the success of the completed Cleveleys and Rossall Coastal defence schemes, this project will help to significantly reduce the risk of coastal erosion and flooding to over 11,000 properties and critical infrastructure. This will be achieved by constructing rock armour groynes to help build a high stable beach. This will in turn reduce wave height and energy and the risk of overtopping and damage to the sea defences. Rock armour toe protection will also protect the existing structures from being undermined if and when beach levels drop.

## Our Future Coast

We have successfully bid for £7.2m of funding to develop coastal resilience. The Our Future Coast programme aims to work with nature to safeguard coastal communities, testing and implementing nature-based solutions at 14 sites across the North West including Pilling, Knott End and Fleetwood in Wyre.

Natural interventions such as the creation of natural buffer strips around the coast, developing salt marsh, creating dune systems and intertidal lagoons and reclaiming redundant brownfield sites will help to mitigate the consequences of climate change including flood risk and the loss of biodiversity

We are supporting this project led by Wyre River's Trust, which aims to use nature-based solutions to reduce rapid runoff during heavy rainfall reducing the flood risk to Scorton, Garstang, Churchtown, St Michael's and Great Eccleston. We have also been working with the Rivers Trust on smaller scale

interventions in the downstream catchment including flood storage areas in Thornton Cleveleys at Stanah, White Carr Lane and a development at King Georges playing fields, which will reduce flood risk and provide carbon and biodiversity benefits.

### **Protecting vulnerable residents**

In an effort to increase the protection for our most vulnerable residents, the level of contribution to the localised council tax support scheme for those previously on full benefit has reduced to **0% in 2023/24**, which is significantly lower than some nearby local authorities.

Citizens Advice will continue to receive funding from Wyre at the same level to support their free debt advice service, which helps those affected by welfare reforms, and we will continue to deliver a care and repair service which offers free advice and support to both the over 60s and disabled people.

The Household Support Fund launched in January 2022 and we have distributed hundreds of thousands of pounds already to those on low incomes to support fuel poverty and will continue to do so in 2023/24.

### **How does the future look?**

With an excellent track record in identifying efficiency savings and doing more for less, Wyre is in a strong financial position and we're planning ahead for potential changes in the funding allocation over the coming years.

Residents will continue to benefit from investment thanks to an approach of investing now to save money in the future and our track record of bringing in external funding.

As we ensure that we make best possible use of our assets, taxpayers can be certain of value for money and be reassured that we will negotiate improved community facilities where alternative options are required.

We will continue to generate investment and encourage development in the borough by providing a supportive business environment and making Wyre an attractive place to live and work.

Communities remain at the heart of everything we do and we will continue to find new ways of working, improving our services and providing excellent value for money.

### **Significant Liabilities**

As part of the terms and conditions of employment of its officers, the council offers retirement benefits. Although not required to be paid until employees retire, the council is committed to making the payments and is required to disclose the authority's liability at the time that employees earn their future entitlement. The scheme is funded, however, meaning that both the authority and its employees pay contributions into the fund calculated at a level intended to balance the pension liabilities with investment assets.

The underlying commitment that the authority has to pay retirement benefits is normally reflected in a net liability on the pension fund. However, the net pension liability has reduced and is now a net asset of £18,448,000 in 2022/23. Statutory arrangements for funding any deficit mean that the financial position of the authority would remain healthy even if a significant deficit existed, as it has in previous years, as any deficit on the scheme will be made good by increased contributions over the remaining working life of employees as assessed by the Scheme Actuary.

## Principal Risks and Uncertainties

The council manages its significant business risks and recognises that effective risk management is integral to the council's corporate governance arrangements. The council's Corporate Management Team meets annually to review the council's strategic risks as identified on the council's strategic risk register, and identify any new risks that may prevent the council from achieving its long-term corporate objectives. Further information can be found in the Annual Governance Statement. Risk Management is under the remit of the Audit Committee and regular updates are provided to this committee along with access to the Strategic and Operational Risk Registers. Further details can be found on the council's website [www.wyre.gov.uk](http://www.wyre.gov.uk).

The Council uses Zurich Municipal's STORM methodology (Strategic and Tactical Organisational Risk Management); a structured, systematic methodology that identifies, evaluates, prioritises and manages opportunities and risk at strategic and operational levels. The Audit Committee are required to review the Risk Management Policy on an annual basis with the last review being completed in June 2022 and this and further updates can be found on the council's website [www.wyre.gov.uk](http://www.wyre.gov.uk).

## Our People

It is vital to ensure that the workforce is highly skilled and motivated. We understand the importance of supporting all our employees to allow them to work in a safe environment and to continue to advance their knowledge and skills. Developing and retaining our workforce enables us to deliver our objectives and grow as a business. In 2017/18 we introduced a new 'My 1-2-1' appraisal process following work carried out by a cross-directorate working group reflecting the diverse workforce employed by the council and tailored to meet the needs of staff and managers to get the most out of the appraisal process.

The council is overseen by the Chief Executive (Garry Payne in 2022/23, Rebecca Huddleston from 1 April 2023) who is supported by three Corporate Directors who are responsible for the Resources, Environment and Communities Directorates.

Further information can be found in the Annual Governance Statement.

The council is one of the largest employers in the borough employing approximately 328.8 full time equivalents. The workforce generally reflects the diversity of the residents in the borough.

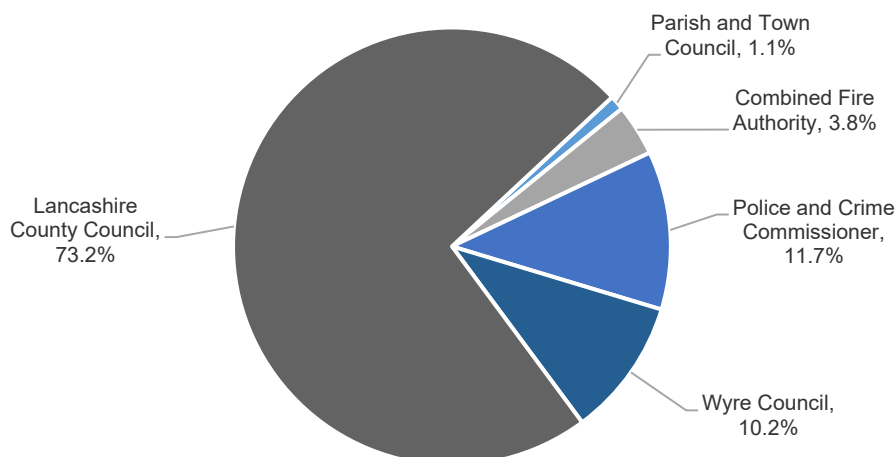
## Council Tax 2023/24

The Government amended their position in December 2022 to allow districts to increase council tax by up to 3% or £5 a year on a Band D equivalent property, if that is greater than 3%, without triggering a referendum. Their spending power calculation for 2023/24 assumes that districts will increase their council tax by the maximum amount (3%).

Members decided not to follow the government's lead to maximise our spending power potential. Instead, recognising the cost of living pressures, they opted for a £5 increase which still allows the council to continue to provide Wyre's vital front-line services. This rise of £5 (2.33%) a year on a band D property, or just 10p a week, means that the overall cost for all Wyre's services will be **60p per day in 2023/24**.

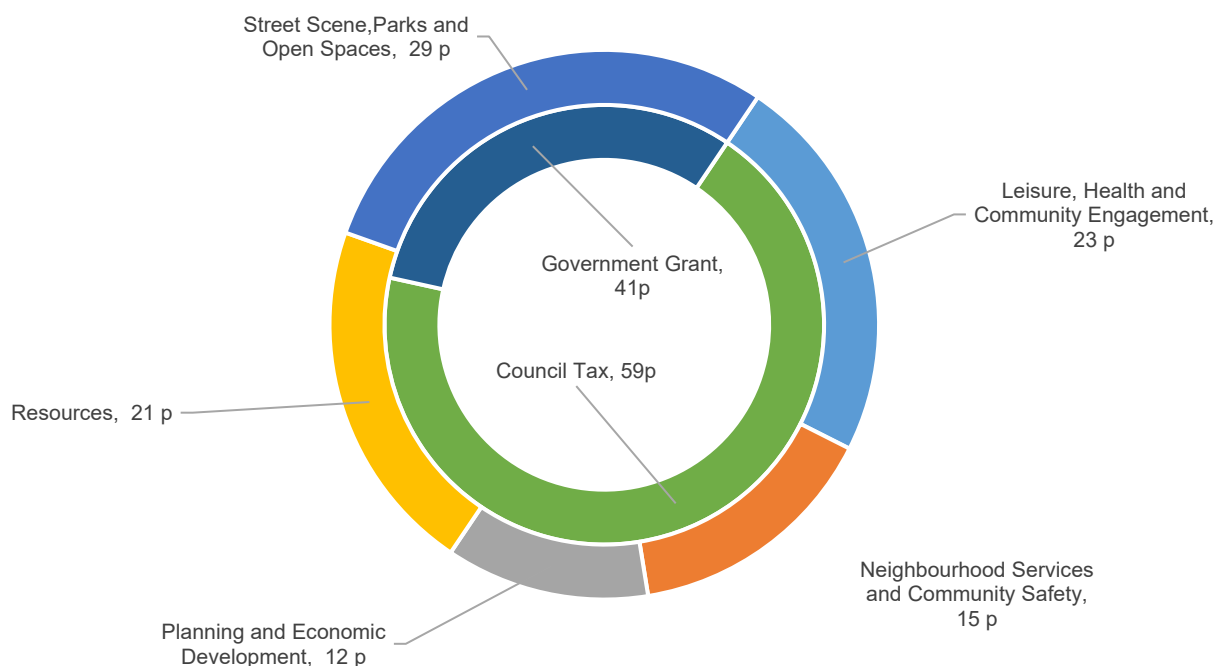
Council tax is made up of a number of payments to the authorities that provide services in the area:

### COUNCIL TAX



Wyre Council is the billing authority and collects council tax on behalf of all these agencies. However, Wyre's portion represents 10.3% or £219.74 (on a band D property) of the total amount of your bill in 2023/24 in a parished area (10.2% in a non-parished area). This compares to the equivalent figure of £214.74 (on a band D property) in 2022/23.

For every £1.00 the council receives in income it spends it in the following council areas (based on 2022/23 outturn):



## Business Plan 2019 to 2023 (2023 Update)

The Council's Business Plan sets out its vision, themes, priorities and key programmes and projects for a 4-year period, highlighting the issues upon which we have decided to focus in order to ensure that our vision is realised. All of this is captured under 'Wyre – proud, ambitious and thriving... Together We Make a Difference'. The core priorities in the Business Plan are shown below.

In addition to the Business Plan, the Council has adopted a Strategic Narrative (updated in 2021) which contains three 'Big Goals'.

By 2025 we envisage the council will be characterised by:

- **A culture where everyone embraces working collaboratively.** We recognise that the most appropriate response to the pressures on the public sector is to work with and through others. We will actively develop the skills that will make us more effective in building strong, trusting and outward-focused working relationships with other councils, partners, organisations and our communities; delivering excellent joined up services for the residents of Wyre.
- **Highest levels of performance with a clear focus on responsibility and empowerment.** We will make sure that everyone is clear about the part they play in delivering high impact outcomes. We will invest and develop the skills of our employees and promote team working across the council, allowing teams and team members to have greater flexibility, authority and control. Employees will have the opportunity to gain new skills and experiences through cross-directorate working.
- **Innovative, commercially minded and environmentally aware.** We will upskill our staff to think and act commercially, we will embrace new ways of working and we will be open to exploring innovative service delivery options. We will take our climate change responsibility seriously and work to ensure that we minimise the negative and maximise the positive impact on the environment in everything we do.



# Business Plan 2019-2023

Our Vision: Wyre - proud, ambitious and thriving... Together we make a difference

Last updated: April 2023

## People and Communities

### WE WILL:

- Collaborate with residents and local stakeholders to maximise opportunities for improving health and wellbeing across our communities
- Work with our partners to focus on supporting people to become more active and increase their physical activity
- Explore opportunities for communities and partners to build resilience supporting our most vulnerable residents and our ageing population
- Work with partners to reduce violence and anti-social behaviour

### OUR AMBITION EMPOWERED HEALTHIER AND RESILIENT COMMUNITIES

#### HOW:

- Work with partners to deliver Wyre's Moving More Strategy to increase rates of physical activity across Wyre
- Complete a review of our indoor leisure provision by Summer 2023
- Deliver effective support to our most vulnerable residents including the Household Support fund
- Continue to take a proactive role in delivering the Community Safety Partnership, co-ordinating an action plan for Violence Reduction

#### OUR SUCCESS MEASURES:

- Increased number of people engaged with our health programmes
- Reduced percentage of adults that are physically inactive
- 600,000 annual visits to our leisure centres
- 20,000 volunteer hours facilitated and supported
- 900 children engaged with holiday activities
- Outcomes from delivering the Household Support Fund
- Proactive actions to reduce violence against the person and Anti-Social Behaviour

## Growth and Prosperity

### WE WILL:

- Work with the Fylde Coast Economic Prosperity Board to support economic growth and attract greener investment to Wyre
- Collaborate with our partners to facilitate cleaner, greener, vibrant town centres
- Support businesses to grow, prosper and recover
- Maximise commercial opportunities and promote our tourism assets
- Deliver efficiencies

### OUR AMBITION A STRONG LOCAL ECONOMY

#### HOW:

- Continue to support business growth and job creation as accountable body for Hillhouse Technology Enterprise Zone
- Continue to support town centre recovery and explore investment and sustainable development opportunities for our key town centres and the visitor economy
- Support our business community to establish new start-ups, grow and create jobs through our Wyred Up business support programme
- Explore external funding and investment opportunities for our key council assets including theatres, markets and leisure facilities
- Deliver the UK Shared Prosperity Fund and Rural England Prosperity Fund 2023-2025

#### OUR SUCCESS MEASURES:

- Support job creation within the Enterprise Zone
- Increase footfall to our town centres
- Reduce town centre vacancy rates to below 11%
- Increase number of businesses supported in Wyre
- 80% of fledgling businesses surviving for 18 months
- Increase number of visitors to the borough each year
- 97% of business rates collected
- 97% of council tax collected
- Successful delivery of our UKSPF projects

## Environment and Climate

### WE WILL:

- Work towards reducing the council's and wider borough's emissions by at least 78% by 2035
- Collaborate with our partners to respond to a range of climate change issues, including our commitment to carbon footprint reduction and tackling flood risk across Wyre
- Work with residents, Parish and Town Councils and businesses to plan, protect and enhance the quality of our neighbourhoods and environment and promote responsible use of Wyre's great outdoors.

### OUR AMBITION A CLEANER, GREENER AND MORE SUSTAINABLE ENVIRONMENT

#### HOW:

- Deliver our Climate Change Strategy including a carbon budget
- Deliver our action plan to reduce the effect of climate change on our borough including the carbon footprint of all council activities and assets
- Collaborate with partners to reduce community energy consumption through retrofitting houses and the delivery of Cosy Homes in Lancashire (CHIL)
- Deliver the Wyre Beach Management Scheme to protect 11,000 homes from coastal flooding by October 2026
- Lead on Our Future Coast project and support the Wyre Natural Flood Management project to help prepare communities for coastal change resulting from climate change
- Complete a full review of the Wyre Local Plan by 2024

#### OUR SUCCESS MEASURES

- 10% reduction in council carbon emissions by May 2023
- Delivery of our Climate Change Action Plan
- Number of domestic energy measures installed under the Cosy Homes in Lancashire, via Government grant schemes
- 11,000 more homes protected from flooding by October 2026



## Financial Performance in 2022/23

### Revenue

The Council's net expenditure, i.e., after income from fees and charges that we receive from users of the facilities, and grants and contributions is primarily funded by the government in the form of grants (approximately 41%) and the balance is funded by the council tax payer (approximately 59%). The following table sets out the comparison between the Updated Revised Budget and the outturn position, and how this expenditure has been funded:

Description	Updated Revised Budget £	Outturn £	Variance £
Net Cost of Services	20,263,585	19,600,756	(662,829)
Other Income and Expenditure	(5,214,235)	(6,511,630)	(1,297,395)
(Use of)/additions to balances	(15,270)	1,187,670	1,202,940
<b>TOTAL</b>	<b>15,034,080</b>	<b>14,276,796</b>	<b>(757,284)</b>
<i>FUNDING</i>			
New Homes Bonus	(1,256,530)	(1,256,528)	2
Local Services Support Grant	(155,960)	(155,964)	(4)
Revenue Support Grant	(540)	(542)	(2)
Services Grant	(235,030)	(235,026)	4
Non Domestic Rates – Retained Share	557,860	560,705	2,845
Non Domestic Rates – Section 31 Grant	(4,686,960)	(3,983,557)	703,403
Non Domestic Rates – Surplus Levy Grant	0	(28,592)	(28,592)
Council Tax (Wyre Borough)	(8,377,790)	(8,377,793)	(3)
Council Tax (Parishes)	(864,170)	(864,171)	(1)
Enterprise Zone	(14,960)	64,672	79,632
<b>TOTAL</b>	<b>(15,034,080)</b>	<b>(14,276,796)</b>	<b>757,284</b>

The main contributors to the outturn variance reported against the movement of general balances, totalling £1,202,940, are outlined below:

Description	£	£
<i>Increased Spending/Reduced Income</i>		
ICT Strategy Reserve – Top Up	500,000	
Leisure Management Reserve – Top Up	200,000	
Capital Investment Reserve – Top Up	394,906	
Value for Money Reserve – Top Up	252,020	
Property Investment Reserve – Top Up	50,000	
Water Charges	160,161	
Special Maintenance - Trees	21,849	
Materials and Consumables	17,177	
Postage	46,263	
Benefits and Rent Allowances	88,324	
<b>Increased Spending/Reduced Income TOTAL</b>		<b>1,730,700</b>



Description	£	£
<i>Reduced Spending/Increased Income</i>		
2022/23 Slippage to Future Years (excluding Reserve Funded)	(1,197,750)	
2022/23 reduced planned expenditure to be funded from general balances	(5,190)	
Salaries and Agency Costs (incl Training)	(351,858)	
Provision of Bins, Boxes and Sacks	(59,525)	
Consultants Fees	(44,831)	
Legal Fees	(18,491)	
Impairment Allowances for Outstanding Debt	(212,329)	
Private Contractors	(18,735)	
Bulky Household Waste Collection	(37,043)	
Market Stall Income	(41,240)	
Planning Application Income	(127,569)	
Legal Fees Income	(73,645)	
Contain Outbreak Management Fund	(41,501)	
Cost of Living Grants Funding	(264,267)	
New Burdens Funding – Non Domestic Rates	(36,872)	
Interest Received	(208,151)	
Other Minor Variances (in aggregate)	(194,643)	
<b>Reduced Spending/Increased Income TOTAL</b>		<b>(2,933,640)</b>
<b>GRAND TOTAL</b>		<b>(1,202,940)</b>

Some of the spending that was planned to take place during 2022/23 has slipped into 2023/24 (details are available on the 26 September 2023 Audit Committee agenda pack on [www.wyre.gov.uk](http://www.wyre.gov.uk)) and will be covered by an increase in balances at year end. Spending officers ask for unspent budgets to be moved to the next financial year to avoid paying for previously committed works from their new year's budget. The underspend against their budget is slipped so that next year they can spend their full budget and underspend from the previous year. The slippage for 2022/23 includes:

Description	Amount £
<i>Revenue Slippage</i>	
Legal Fees	100,000
VAT	225,330
Sea Defences – Private Contractors	150,320
Street Cleansing Initiatives	103,570
Local Plan - Consultants Fees	70,440
Asset Maintenance	50,000
Leisure Centre Operations	50,000
Climate Change	39,780
Service Development Board (Waste Collection)	52,530
Heritage Lottery Projects	34,840
Development Control - Consultants Fees	32,810
Children's Trust	31,060
CCTV Improvements	29,630
Civil Contingencies	23,500
Promotions – Waste Collection	21,990
Other Slippage	199,670
Less Reserve Funded Items	(17,720)
<b>TOTAL</b>	<b>1,197,750</b>

The council maintains revenue balances to protect against unforeseen sudden costs which might occur during the year. The current levels of balances, compared to the anticipated position is as follows:

	Anticipated position £	Actual position £
Opening balance	13,329,220	13,329,220
(Withdrawals)/Additions in year	(15,270)	1,187,670
<b>Closing balance</b>	<b>13,313,950</b>	<b>14,516,890</b>

## Capital

The council spent a total of £13,356,549 (2021/22 £4,270,709) on capital investment in the year compared with a Revised Budget of £17,343,792. A summary of the main items of expenditure is shown below:

Main items of expenditure	2021/22 £	2022/23 £
Project Neptune Commercial Units	-	4,165,933
Sea and flood defences	1,527,715	3,559,771
Fleetwood Market	53,910	2,457,423
Disabled Facilities Grants	2,201,318	2,182,050
Fleetwood Heritage Action Zone grants	-	387,739
Other asset management	56,611	212,284
Vehicle Replacement	53,817	170,985
Parks and open spaces	92,651	132,844
ICT	-	87,520
Fleetwood High Street Improvements	284,687	-
<b>TOTAL</b>	<b>4,270,709</b>	<b>13,356,549</b>

The main reasons for the variation of £3,987,243 when compared to the Updated Revised Budget are listed below (details will be available as part of 26 September 2023 Audit Committee agenda pack on [www.wyre.gov.uk](http://www.wyre.gov.uk)):

Description	£	£
Capital slippage into future years	(3,911,729)	
<b>TOTAL</b>		<b>(3,911,729)</b>
<i>Reduced capital spending</i>		
Project Neptune Commercial Units	(145)	
Sea and flood defences	(13,343)	
Other asset management	(4,060)	
ICT	(57,960)	
Other minor underspends (in aggregate)	(6)	
<b>TOTAL</b>		<b>(75,514)</b>
<b>GRAND TOTAL</b>		<b>(3,987,243)</b>

Capital expenditure can be funded from earmarked reserves which have been built up from revenue contributions, prudential borrowing, capital grants and contributions from both government and non-government departments, or by using the proceeds from the disposal of non-current assets (e.g. land and buildings). In 2022/23 capital expenditure was funded as follows:

<b>Resources</b>		<b>Amount</b>
		<b>£</b>
Grants and contributions	Environment Agency - Coastal Defence Works, Beach Management and Cell Eleven	3,559,771
	Better Care funding towards Disabled Facilities Grants (DFG)	2,107,050
	Salix Public Sector De-Carbonisation	999,468
	Fleetwood Heritage Action Zone	912,264
	UK Shared Prosperity Fund	180,403
	Other grant and contributions	166,071
	Regenda funding towards DFGs	75,000
Capital Receipts		2,283,048
Revenue		3,073,474
<b>TOTAL</b>		<b>13,356,549</b>

The council maintains a fund of capital receipts from the disposal of non-current assets to fund capital expenditure. At 31 March 2023 the funds available were:

<b>Description</b>	<b>Revised</b>	<b>Actual</b>
	<b>£</b>	<b>£</b>
Opening balance	869,121	869,121
Received in year	5,715,000	5,742,550
Applied in year	(2,121,240)	(2,283,048)
<b>Closing balance</b>	<b>4,462,881</b>	<b>4,328,624</b>

## Available for Capital Investment

The table below summarises the approved resources available for the 2022/23 Capital Programme and the indicative programme to 2027/28. This level of resources ensures that overall planned spending and funding are in balance. The future years estimates reflect the capital programme approved as part of the 2023/24 budget process.

Resource	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Outturn	Estimates	Estimates	Estimates	Estimates	Estimates	Estimates
	£	£	£	£	£	£	£
<i>No revenue implications</i>							
Capital Receipts	883,192	14,398	-	7,000	-	-	-
Grants and contributions	9,399,883	18,256,086	17,530,825	14,833,317	3,145,964	2,079,964	2,079,964
<b>SUB TOTAL</b>	<b>10,283,075</b>	<b>18,270,484</b>	<b>17,530,825</b>	<b>14,840,317</b>	<b>3,145,964</b>	<b>2,079,964</b>	<b>2,079,964</b>
<i>With revenue implications</i>							
Other revenue contributions	3,073,474	149,500	302,500	215,000	404,500	306,700	306,700
<b>SUB TOTAL</b>	<b>3,073,474</b>	<b>149,500</b>	<b>302,500</b>	<b>215,000</b>	<b>404,500</b>	<b>306,700</b>	<b>306,700</b>
<b>TOTAL</b>	<b>13,356,549</b>	<b>18,419,984</b>	<b>17,833,325</b>	<b>15,055,317</b>	<b>3,550,464</b>	<b>2,386,664</b>	<b>2,386,664</b>

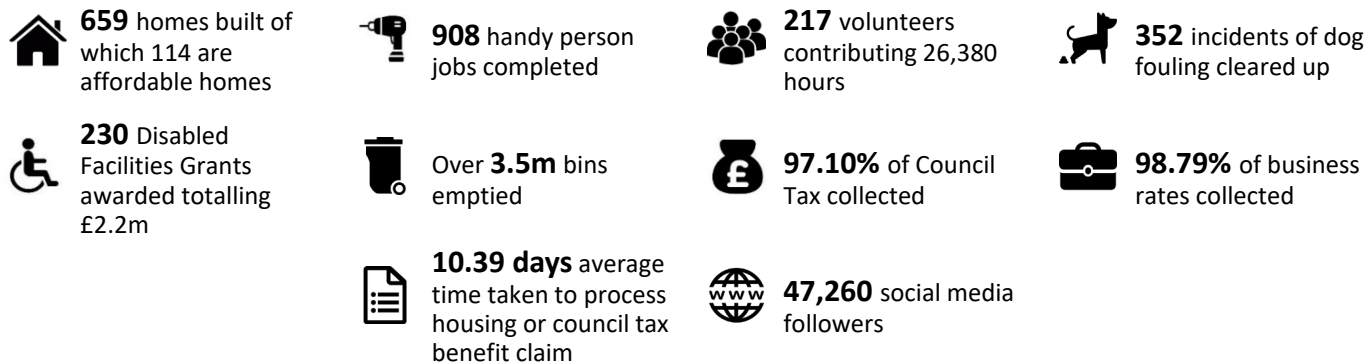
## Levels of Borrowing

In an effort to reduce the Council's reliance on borrowing and following concerns about the sustainability of continuing to borrow in the current economic climate, a Capital Investment Reserve was created as part of the 2009/10 closure of accounts. The Council repaid the following remaining long-term borrowing in October 2022 and is now debt free:

Date	Loan ref.	Value (£)	Period (Years)	Rate (%)	Maturing
05/03/2008	494404	552,000	30	4.48	September 2037
05/03/2008	494405	1,000,000	50	4.41	September 2057
<b>Total</b>		<b>1,552,000</b>			

## Non-Financial Performance Indicators

The following statistics relate to 2022/23:



## Trade Union (Facility Time Publication Requirements) Regulations 2017

Under new requirements introduced from April 2017, information must be published on the Council's website by 31 July in relation to union officials and time spent on trade union activities. This information can be found on [www.wyre.gov.uk](http://www.wyre.gov.uk).

## EXPLANATORY FOREWORD TO THE STATEMENT OF ACCOUNTS

This Statement of Accounts covers the financial year ended 31 March 2023 (2022/23). It has been prepared in accordance with the Accounts and Audit Regulations 2015 and the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22. The main Accounting Statements within this document are:

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

**Movement in Reserves Statement** – This statement shows the movement in the year on the different reserves held by the authority, analysed into ‘usable reserves’ (i.e., those that can be applied to fund expenditure or reduce local taxation) and unusable reserves. The Surplus or Deficit on the Provision of Services line shows the true economic cost of providing the authority’s services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the General Fund Balance for Council tax setting purposes. The Net Increase / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority.

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

**Cash Flow Statement** – The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority’s future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e., borrowing) to the authority.

**Collection Fund Account** – There is a 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 preceptors (Lancashire County Council, Police and Crime Commissioner for

Lancashire, Lancashire Combined Fire Authority and Wyre Borough Council) and Government of Council tax and non-domestic rates.

These statements are supported by the:

- a) **Statement of Responsibilities** - this sets out the responsibilities of the Authority and the Corporate Director Resources (Section 151 Officer) in respect of the Statement of Accounts.
- b) **Annual Governance Statement** - this statement sets out the framework that forms the basis of the Code of Corporate Governance and reviews the Authority's arrangements in the light of the code.
- c) **Notes to the Financial Statements** - these allow information about the basis of preparation e.g., the accounting policies used, and the disclosure / provision of information not presented elsewhere in the statements which is relevant to the readers' understanding.
- d) **Notes to the Collection Fund** - these allow information about the basis of preparation e.g., the accounting policies used, and the disclosure / provision of information not presented elsewhere in the statements which is relevant to the readers' understanding.



## STATEMENT OF RESPONSIBILITIES

### The Authority's Responsibilities

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers (the Chief Financial Officer) has responsibility for the administration of those affairs;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

### The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Statement of Accounts (which includes the financial statements) in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing this Statement of Accounts, the Chief Financial Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code;
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities;
- assessed the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- used the going concern basis of accounting on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future; and
- maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether owing to fraud or error.

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Authority at 31 March 2023 and of its income and expenditure for the year then ended.

C JAMES  
CORPORATE DIRECTOR RESOURCES (CHIEF FINANCIAL OFFICER)  
(Authorised for issue) 31 May 2023

## **FURTHER INFORMATION**

Further information about the Accounts is available from:

Financial Services, Wyre Council, Civic Centre, Breck Road, Poulton-le-Fylde, Lancashire, FY6 7PU

Via the Council's website at [www.wyre.gov.uk](http://www.wyre.gov.uk)

If you would like this information in another language or format, please contact our Contact Centre:

Tel: 01253 891000

Email: [mailroom@wyre.gov.uk](mailto:mailroom@wyre.gov.uk)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WYRE COUNCIL

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

The external audit report will form part of the final accounts document

## ANNUAL GOVERNANCE STATEMENT

### 1.0 INTRODUCTION TO CORPORATE GOVERNANCE

- 1.0 Good governance is about how the council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, culture and values by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities. Good governance also enables the council to pursue its corporate vision effectively, as well as underpinning that vision, with mechanisms for control and management of risks.

### 2.0 SCOPE OF RESPONSIBILITY

- 2.1 Wyre Council is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded and properly accounted for, and that funding is used economically, efficiently and effectively. Wyre Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 2.2 In discharging this overall responsibility, Wyre Council is responsible for putting in place suitable arrangements for the governance of its affairs, which facilitate the effective exercise of its functions and includes arrangements for the management of risk.
- 2.3 Wyre Council has adopted a code of corporate governance, which is consistent with the principles of the CIPFA / SOLACE 'Delivering Good Governance in Local Government' framework 2016.

### 3.0 THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 3.1 The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled, together with the activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 3.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to meet the targets in our policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Wyre Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 3.3 The governance framework has been in place at Wyre Council for the year ending 31 March 2023 and up to the date of approval of the annual accounts.

#### 4.0 WYRE COUNCIL'S LOCAL CODE OF CORPORATE GOVERNANCE

- 4.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) have published a framework and guidance for delivering good governance in local government. The guidance helps local authorities to interpret the overarching principles contained in the framework prior to developing and maintaining their own 'local' corporate governance arrangements. The framework recognises that effective governance is achieved through seven core principles and 21 sub-principles.
- 4.2 It should be noted that the CIPFA / SOLACE guidance is not prescriptive and authorities are encouraged to use it in a way that best reflects their structure, type, functions and size.
- 4.3 In writing this statement, consideration has also been given to CIPFA's Advisory Note: Understanding the challenge to local authority governance (March 2022).

#### 5.0 5.0 PROCESS FOR THE COMPLETION, REVIEW AND REPORTING OF THE ANNUAL GOVERNANCE STATEMENT

- 5.1 The CIPFA/SOLACE guidance recommends that authorities should undertake annual reviews of their governance arrangements to ensure continuing compliance with best practice as set out in the framework.
- 5.2 On 24 April 2023, a governance workshop was held with key officers of the council who have the most appropriate knowledge, expertise and levels of seniority to consider the extent to which the organisation complies with the principles set out in the good governance framework. The principles were discussed in length and evidence was put forward to demonstrate how the council was meeting each of the principles. It was also an opportunity to identify any issues or gaps that could lead to a weaker governance structure.
- 5.3 In addition, evidence to produce the statement was also collected from a number of other sources, namely:
- The views of Internal Audit through regular progress reports, the Annual Internal Audit Opinion and the review of the effectiveness of Internal Audit;
  - The views and reports of our External Auditors in their value for money opinion, and the
  - The examination of risk reports, risk registers and an overview of the risk management process.
- 5.4 Following the meeting, this information was collated and a draft statement was produced and circulated for comment. The final draft version of the statement is presented to Audit Committee for approval. Once approved by the Audit Committee, the statement is then signed by the Leader and Chief Executive and will ultimately form part of the 2022/23 Statement of Accounts. The draft Annual Governance Statement can be revised, up to the date of the signing of the Statement of Accounts, should there be a requirement to do so.

## 6.0 HOW WE COMPLY WITH THE CIPFA/SOLACE FRAMEWORK

6.1 Set out below is how the council has complied with the seven core principles set out in the CIPFA / SOLACE framework during 2022/23.

### **Core Principle A - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.**

#### Behaving with integrity

- Established codes of conduct define expected standards of personal behaviour for both staff and Elected Members.
- The council has a set of corporate values for its staff reflecting public expectations about the conduct and behaviour of individuals and these are reflected in the recruitment and selection and performance appraisal processes.
- The council has a Member Code of Conduct in place that helps to achieve high standards of conduct for Elected Members.
- Elected Members attend training in relation to ‘Ethical Standards’ and the recently refreshed Code of Conduct.
- Induction training is in place for both staff and newly Elected Members.
- Arrangements are in place to ensure that Elected Members and employees of the council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.
- A register of interests is maintained for Elected Members and officers.
- An up-to-date register of gifts and hospitality is maintained for officers and Elected Members and is reviewed annually by the Monitoring Officer and the Audit Committee.
- There is an efficient Standards Committee. However it should be noted that following the May 2023 elections this has now been merged with the Audit Committee. A new terms of reference for the Audit and Standards Committee has been approved by Full Council in May 2023.
- Arrangements are in place for whistleblowing, to which all officers, Elected Members and all those contracting with the council have access. A fundamental review was completed in 2022 and approved by the Audit Committee in November 2022.
- Arrangements are in place so that conflicts of interest on behalf of Elected Members and officers are avoided.
- Effective, transparent and accessible arrangements are in place for dealing with complaints. This includes the use of Independent Members in relation to councillor complaints.

#### Demonstrating strong commitment to ethical values

- The Head of Governance and Business Support champion’s ethical compliance for both officers and Elected Members.
- Ethical Governance Surveys are carried out every three to four years to test both staff and Elected Members’ knowledge and understanding of the council’s key policies and procedures. The last staff survey was carried out in 2019 and the Elected Member survey took place during November 2021. This survey will be repeated for both staff and Elected Members later in the year.
- Protocols are in place for partnership working. These are documented in the council’s Financial Regulations and Financial Procedure Rules and reviewed annually.
- A competency framework, listing required behaviours and values is currently used to drive recruitment and regular performance reviews are undertaken as part of the performance appraisal system.
- Policies and procedures are in place and are regularly reviewed for dealing with unacceptable behaviours.

## Respecting the rule of law

- The authority observes both the Chartered Institute of Public Finance and Accountancy (CIPFA) statement on the Role of the Chief Financial Officer and the Head of Internal Audit in Local Government with any non-compliance reported in the Annual Governance Statement.
- The Constitution sets out the responsibilities of Elected Members by defining the decision-making powers of the Council, Executive, Overview and Scrutiny and regulatory and other committees, providing clear terms of reference and describing their roles and functions.
- The Chief Internal Auditor is a 'Certified' Internal Auditor and has extensive internal audit experience.
- The Head of Governance and Business Support is a Certified and Chartered Auditor (CIA, CMIIA), holds a Qualification in Internal Audit Leadership (QIAL) and also has an Advanced Certificate in GDPR Practice.
- Anti-fraud and anti-corruption policies are in place and reviewed annually by the Audit (and Standards) Committee.
- The Monitoring Officer is responsible to the council for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.
- All allegations concerning breaches of the Code of Conduct by Elected Members are thoroughly investigated by the Monitoring Officer.
- Up to date job descriptions and person specifications are maintained for the Chief Executive, Section 151 Officer and the Monitoring Officer.
- All staff completed Data Protection training in 2018. However, this is to be refreshed later this year using the on-line training material within Learning Pool. Newly Elected Members are to receive training by an external provider in July 2023.
- Freedom of Information and Environmental Information Regulation training was provided to Service Managers in February 2022.
- Subject Access Request training was provided to all officers involved in the administration of these in February 2022.
- Regular training is provided to Elected Members who sit on regulatory committees such as Planning, Licensing and the Audit (and Standards) Committee.
- Specific legislative requirements are observed, as well as the requirements of general law. In particular the key principles of good administrative law including rationality, legality and natural justice form part of procedures and decision-making.
- Proper professional advice on matters that have legal or financial implications is available and when sought, recorded in advance of decision-making.
- Limits of lawful activity are recognised by the ultra vires doctrine and managers strive to utilise their powers to the full benefit of the community.
- The Council's Constitution was amended following the pandemic to allow 'Non-Executive Decisions' to be taken under 'Emergency Powers' in the event of an on-going emergency.



**Core Principle B – Ensuring openness and comprehensive stakeholder engagement.**

Openness

- A business plan is published annually giving information on the council’s strategic narrative, priorities and performance measures which is shared with all officers, Members, partners and the community. However, it should be noted that a fundamental review is imminent following the appointment of a new Chief Executive and Leader.
- An annual Statement of Accounts is produced with an easy to read narrative report.
- The annual efficiency statement is published with the revenue estimates.
- The Corporate Director Resources (Section 151 Officer) is responsible for publishing annual accounts, in a timely manner and within statutory deadlines, to communicate the council’s activities and achievements, its financial position and performance. The draft 2020/21 and 2021/22 accounts are awaiting formal sign-off following delays by External Audit and a national issue affecting infrastructure asset valuations.
- The council as a whole is open and accessible to the community, service users and its officers and is committed to openness and transparency in all its dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.
- Compliance to the Local Government Transparency Code 2015 continues to be monitored following a review in 2021/22 that identified a number of gaps.
- Wyre Voice, an information magazine produced by the council, is delivered to every household annually with a monthly E-newsletter being sent to those who have subscribed.
- A monthly newsletter ‘core brief’ is produced and cascaded to all staff.
- Periodic reports are produced on the overview and scrutiny function activity.
- Key decisions are published in the Schedule of Executive Decisions.
- All audio recordings of Council meetings are available on the council’s website and YouTube.
- A property investment panel has been established which considers proposals for investment opportunities.
- The Council website complies with the New Accessibility Regulations 2019.
- Full Council receives Executive Report updates from all Cabinet members.

Engaging comprehensively with institutional stakeholders

- The council continues to meet regularly with the YMCA to oversee the operation of the council’s leisure centres and pools.
- The council has established a Beach Management Board that meet on a monthly basis to oversee the sea defences scheme, which is estimated to cost £42m. Internal Audit attend each meeting to provide advice and guidance on risk, control and governance issues.
- Key partnerships are periodically reviewed through the internal audit plan and the Financial Regulations and Financial Procedure Rules include advice and guidance, which can assist officers in managing the key risks of partnership arrangements.
- Corporate guidance has been issued on consultation and public involvement mechanisms offering practical steps and advice.
- The council maintains links with the parish and town councils by regular attendance at the Lancashire Association of Local Councils (LALC) meetings.

- Clear channels of communication are in place with all sections of the community and other stakeholders including monitoring arrangements to ensure that they operate effectively, e.g. flood forums and the Waste Management Partnership Board.
- Household Support Funding has been distributed to local groups, charities and food banks during 2022/23.

#### Engaging with individual citizens and service users effectively

- The council's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and are clearly articulated and disseminated.
- Arrangements are in place to enable the council to engage with all sections of the community effectively. These arrangements recognise that different sections of the community have different priorities and there are explicit processes for dealing with these competing demands.
- The council has a digital hub located at the Fleetwood Market in partnership with Citizens Advice to provide additional support to residents to help them develop their digital skills.
- Community engagement takes place across Wyre through engagement roadshows, attending regular events and local partnership meetings. Local third sector organisations are supported through regular communications, workshops and updates to enable them to make a difference to communities in Wyre.
- The council undertakes regular consultations, including the annual budget consultation, and all are available through the online consultation portal.

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

#### Defining outcomes

- The Council has made a clear statement of its vision, ambitions, key programmes and projects in its business plan (2019 – 2023) which is used for service and corporate planning.
- The business plan includes a set of measures defining outcomes which are reported quarterly to the Overview and Scrutiny Committee.
- There are effective arrangements to deal with failure in service delivery.
- There is a corporate complaints procedure. Annual reports from the Local Government Ombudsman are available on the website. Our record for dealing with complaints and the low number received is strong.
- The medium term financial plan (MTFP) / revenue estimates and capital programme are soundly based and are designed to deliver the council's strategic priorities.
- The council's approach to value for money is reflected in the annual efficiency statement reported to Cabinet, with targets and achievements monitored throughout the year.
- Strategic, operational and ICT (including cyber security) risk registers are maintained on a dedicated risk management system (GRACE). Risk workshops are held throughout the year to review current risks and controls and identify any new risks. Risk registers are reviewed quarterly, in line with the Risk Management Policy and Procedure.

### Sustainable economic, social and environmental benefit

- The council embraces community engagement and involvement and encourages neighbourhood engagement. It works collectively with ward councillors, parish and town councillors, community groups and other partner organisations to identify local issues and priorities.
- Following the declaration of a climate emergency in July 2019 the Council continues to work through a comprehensive action plan of key issues effecting both council services and the wider community. A Climate Change Strategy is also being developed to better steer the strategic focus of the council.
- The council has been accredited as a Bronze Level Carbon Literate Organisation and was the first authority in Lancashire to achieve this status.
- Our business plan states a number of ambitions which will improve the health and wellbeing of our communities.
- The Council is working with partners within the Lancashire and South Cumbria Integrated Care Partnership to improve access to health and care services and to help individuals make choices that will improve their own health and well-being and address the root causes of ill health. This work includes linking in with the Lancashire and South Cumbria Integrated Care Board and with a broad range of partners (including other local authority partners, the NHS and Voluntary Community Faith Sector organisations) within the North Lancashire Place Based Partnership.
- The business plan is subject to an equality impact assessment on an annual basis.
- Equality and Diversity Training took place for key staff in 2022.
- The development and delivery of the local plan has been subject to extensive consultation.
- Individual projects are equality impact assessed promoting access to services.
- Our 'together we make a difference network' works with the community to identify priority projects, makes links with partners, develops relationships with key stakeholders and helps facilitate the delivery of community priorities.
- The council has been awarded a number of green flag awards for our clean parks and open spaces.
- The Council's Constitution considers social value when procuring goods and services.
- The council is working with Historic England to implement a heritage scheme to create new ways to champion and revive Fleetwood's historic high streets.
- The council continues to work closely with Associated British Ports and other partners to bring new commercial floor space at Fleetwood Docks to help safeguard the fish and food processing industry for Fleetwood (Project Neptune).
- The council operates a weekly online community lottery to provide good causes and community groups with a simple way to raise funds.
- The council continues to work and support local business following the pandemic through the development and implementation of the Wyre Local Growth Plan.
- £300,000 was allocated during 2021/22 towards a new town centre strategy fund, which was formed to support our town centres following the pandemic. This has largely been used to help our four main town centres develop regeneration frameworks with any remaining funding carried forward.

## **Core Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes.**

### Determining interventions

- There are mechanisms in place for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.
- Those making decisions are provided with information that is fit for purpose and relevant.
- Limits of lawful activity are recognised by the ultra vires doctrine and managers strive to utilise their powers to the full benefit of the community.
- Proper, professional advice on matters that have legal or financial implications is available and when sought, recorded in advance of decision making.
- A Digital Transformation Board is in place to oversee key ICT infrastructure projects and a Digital Transformation Strategy 2022/23 to 2026/27 has been approved by Corporate Management Team and noted by Full Council in October 2022.

### Planning interventions

- The Council's business plan is refreshed annually and is subject to review by the Overview and Scrutiny Committee prior to approval by Full Council.
- Business plan actions are managed by officers and monitored by Cabinet and the Overview and Scrutiny Committee.
- The business plan is developed taking into account geographic information, including locality plans, neighbourhood profiles and public health reports.
- Service quality is regularly reviewed via the council's formal complaints system, the Waste Management Partnership Board and the Wyre Leisure Management Partnership Board.
- The business plan includes a set of measures which are reported quarterly to the Overview and Scrutiny Committee.
- The MTFP, revenue estimates and capital programme are published annually and are key documents for forecasting our budget requirements and planning ahead.
- An efficiency programme compliments the MTFP ensuring sustainability going forward.
- We explore opportunities to work with our partners and collaborate on funding applications, for example the Wyre Beach Management Scheme, decarbonisation schemes and improving the council's CCTV across town centres.

### Optimising achievement of intended outcomes

- The MTFP is agreed annually in October, updated regularly and published with the revenue estimates in February.
- The MTFP, revenue estimates and capital programme are soundly configured to meet the requirements of the business plan.
- The MTFP sets out the framework for corporately managing the council's resources in the years ahead.
- Where external funding requires the reporting of outcomes and expenditure, the council complies with their reporting arrangements to ensure no loss of funding. This includes the UK Shared Prosperity Fund, Rural England Prosperity Fund and others.
- Performance outcomes are regularly reported to the Corporate Management Team, Cabinet and the Overview and Scrutiny Committee.

## **Core Principle E – Developing the entity’s capacity, including the capability of its leadership and the individuals within it.**

### Developing the Entity’s capacity

- The council continues to support the YMCA and allocated a subsidy at the start of 2022/23 to the YMCA of £347,500. This is a higher level than pre-Covid. The outturn position indicates that it was exceeded and the council will send an additional £6,900.
- Effective mechanisms exist to monitor service delivery through the overview and scrutiny arrangements and quarterly performance reports highlight where corrective action is necessary.
- A key activity in the council’s business plan is to continue the programme of works to maximise the use of our assets.
- The council subscribes to the APSE advisory service, with a view to benchmarking its front line services.
- Benchmarking is undertaken periodically via relevant Lancashire professional groups e.g. revenues and audit.
- The council’s performance appraisal system allows for documentation of the development of the individual through their personal development plan.
- Internal Audit received a ‘full compliance’ overall opinion when assessed against the Public Sector Internal Audit Standards (PSIAS) in 2018. The next assessment has been delayed and is now taking place in July 2023. Internal self-assessments continue to take place annually.
- The council regularly benchmarks Elected Members allowances as part of the review undertaken by the Independent Remuneration Panel. The last review was completed in November 2022.
- The council attends the Lancashire Waste Partnership and contributes to shaping the Lancashire Waste Strategy; the strategy is currently under review, with the objective of delivering effective and efficient waste services for Lancashire while considering the requirements of national strategy, policy and emerging legislation. This will be achieved through consultation with advisory groups such as the Local Authority Recycling Advisory Committee (LARAC), Waste and Resource Action Programme (WRAP) and the Association of Public Service Excellence (APSE) and adhering to guidance from DEFRA (Department for Environment, Food & Rural Affairs).
- A partnership arrangement is in place with a leading external environmental enforcement provider (District Enforcement Limited) to tackle environmental crimes such as dog fouling and littering to ensure Wyre remains a clean and green borough.

### Developing the capacity of the entity’s leadership and other individuals

- The Chief Executive is responsible and accountable to the council for all aspects of operational management and is expected to attend regular performance appraisal meetings with the Leader of the Council.
- The Corporate Director Resources (Section 151 officer) is responsible to the council for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts and for maintaining an effective system of internal financial control.
- There is an established pay and grading structure for employees referred to as the job evaluation system and a process for appeals.
- There is a clearly defined management structure and a scheme of delegation to officers, which is underpinned by the Members’ Code of Conduct and a protocol for officer / Elected Member relations.

- There are published job descriptions and established protocols, which ensure that the Leader and Chief Executive establish their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained.
- Financial Regulations and Financial Procedure Rules are reviewed annually by the Audit (and Standards) Committee.
- Career structures are in place where possible for Elected Members and officers to facilitate succession planning.
- Funding was made available to fund six new apprenticeship posts. All posts have now been filled and the apprentices are working towards their qualifications whilst gaining experience rotating across the council.
- 23 officers completed an 'Aspiring Leaders' course during 2022/23 that was run by North West Employers.
- Effective management arrangements are in place both at the top of and throughout the organisation to support the health and wellbeing of officers.
- The council has in place a 'listening service' that is believed to be well received and utilised.
- The council has a new Chief Executive who has extensive local government experience. Training in areas such as elections, has and will be arranged going forward as and when required.
- The Council's three statutory officers (Chief Executive, S.151 and Monitoring Officer) now meet on a monthly basis.
- The council ensures that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the council.
- Training programmes are tailored to meet individual needs and there are opportunities for Elected Members and officers to update their knowledge on a regular basis.
- The council assesses the skills required by Elected Members and officers and makes a commitment to develop these to enable roles to be carried out effectively.
- Skills are developed on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed.
- Arrangements are in place via the volunteering initiative to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Authority. Staff can take up to 2 days paid voluntary leave each year.
- A competency framework exists to ensure that all staff have the appropriate skills enabling them to deliver high quality services.



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

### Managing risk

- Risk management is embedded into the culture of the council, with Elected Members and managers at all levels recognising that risk management is part of their job.
- The Risk Management Policy and Procedure is refreshed annually and approved by the Audit Committee.
- Strategic, Operational and ICT (including cyber security) risk registers are managed through a dedicated risk management system (GRACE). Workshops are held regularly to review current risks and identify any new risks.
- A number of services have Information Asset Registers in place which are reviewed by Internal Audit as part of each audit review ensuring compliance with legislation and demonstrating best practice in information governance. Gaps are slowly being addressed and Internal Audit and the Information Governance Group will continue to monitor these until a full suite has been achieved.
- Officers responsible for answering Freedom of Information, Environmental Information Requests and Subject Access Requests have attended mandatory training from an external provider.

### Managing performance

- Performance is regularly reported to the Corporate Management Team, Cabinet and the Overview and Scrutiny Committee.
- The council has an Overview and Scrutiny Committee which allows for constructive challenge and enhances the council's performance overall.
- There are effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.
- There is a calendar of dates for submitting, publishing and distributing timely reports to the council's committees.
- A workshop was held in February 2023 with the Overview and Scrutiny Committee and CMT to agree the Committee's work programme for 2023/24.

### Robust internal control

- An effective Internal Audit function is adequately resourced and maintained.
- Internal audit reviews are conducted under the Auditing Practices Board guidelines and in line with Public Sector Internal Audit Standards (PSIAS).
- In accordance with the Accounts and Audit Regulations 2015, an annual assessment of the council's systems of Internal Audit is carried out using the PSIAS and the checklist provided in the Local Government Application Note published by CIPFA. The standards also require an external assessment be carried out every five years. In April 2018 the Internal Audit Service received a 'full compliance' overall opinion following an external assessment carried out by Allerdale Borough Council and Preston City Council. The next review has been slightly delayed and is now scheduled for July 2023.
- A quality assurance improvement programme (QAIP) is in place to ensure the continual improvement of the internal audit service.
- An Audit (and Standards) Committee is in place, which is independent of the Executive and the Overview and Scrutiny function.
- The Audit Committee undertakes an annual review of its own effectiveness against the checklist in the CIPFA guidance 'effective audit committees' and is satisfied that it



meets the required standard with only two minor actions identified following the last review in June 2022.

- Both the Audit and Risk Manager (Chief Internal Auditor) and the Audit, Risk and Performance Lead have extensive experience in internal audit. The current Chief Internal Auditor is a Certified Internal Auditor.
- The Head of Governance and Business Support holds both the Chartered Auditor and a Qualification in Internal Audit Leadership.
- The implementation of internal audit report recommendations is monitored by the GRACE risk management system, the Internal Audit Team and the Audit Committee.
- Counter-fraud policies are in place and reviewed annually. The effectiveness of these policies is reviewed on a regular basis.
- The council has an effective whistleblowing policy which is reviewed annually by the Audit (and Standards) Committee.

#### Managing data

- All staff completed Data Protection training in 2018. However, this is to be refreshed using the on-line training material within Learning Pool. Newly Elected Members are to receive training by an external provider in July 2023.
- The council has appointed a Data Protection Officer (and a Deputy) who is responsible for ensuring the council's compliance with any data protection legislation.
- The Audit (and Standards) Committee have delegated responsibility for ensuring the council is compliant to data protection legislation and receives six monthly updates from the Head of Governance and Business Support.
- The Audit Committee have delegated responsibility for Cyber Security. The Committee receives updates as part of the audit and risk management update in June and November.
- Information Asset Registers are in place for the majority of services to demonstrate the council knows what data it processes, where it is stored and how it is shared (data flows) internally and externally.
- Information is stored securely and confidential waste disposal arrangements are in place.
- Key performance data is regularly reviewed for accuracy by internal audit.

#### Strong public financial management

- Those making decisions are provided with information that is fit for purpose, relevant, timely and gives clear explanations of technical and financial issues and their implications.
- Up to date registers of gifts and hospitality are held for both Elected Members and officers, demonstrating openness and transparency.
- Registers of interests are maintained for both officers and Elected Members.
- There is an established pay and grading structure in place for employees.
- Financial Regulations and Financial Procedures Rules are reviewed annually and any changes are presented to the Audit (and Standards) Committee for approval.
- It is expected that the External Auditors will issue satisfactory value for money commentaries for the 2020/21 and 2021/22 financial years.

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

### Implementing good practice in transparency

- Wyre Voice, an information magazine produced by the council is delivered to every house in the borough.
- An easy to read ‘narrative report’ accompanies the Statement of Accounts.
- The Local Government Ombudsman annual report is presented to Full Council and also published on the council’s website.
- Compliance to the Local Government Transparency Code 2015 continues to be monitored following a review in 2021/22 that identified a number of gaps.

### Implementing good practices in reporting

- Bi-Annual presentations are delivered for Elected Members concerning the council’s finances as part of the production of the revenue estimates, the capital programme and the update of the MTFP.
- A set of questions and answers supports the financial position at the year-end illustrating key issues for members of the Audit (and Standards) Committee and the relevant stakeholders.
- The annual efficiency statement is published alongside the revenue estimates as part of the report to Cabinet in February.
- The Annual Governance Statement is regularly reviewed by the Section 151 Officer and the Head of Governance and Business Support. The action plan is monitored by Corporate Management Team and reported to Audit (and Standards) Committee in June and November each year.
- Executive update reports are prepared and delivered by portfolio holders to Full Council.

### Assurance and effective accountability

- An effective internal audit function is resourced and maintained enabling the Audit and Risk Manager (Chief Internal Auditor) to deliver an annual internal audit opinion.
- The Chief Internal Auditor has reported in her Annual Audit Report that reasonable assurances can be given on the overall adequacy and effectiveness of the council’s governance, risk management, and control processes (i.e. the system of internal control). This means that ‘generally’ there is a sound system of internal control, governance and risk management and that controls are in place and are generally being applied consistently. Whilst some issues, non-compliance or scope for improvement were identified recommendations have been made and if implemented will improve the control environment.
- In accordance with the Audit and Account Regulations 2015, an annual assessment of the effectiveness of the internal audit function is completed and presented to the Audit Committee with any areas of non-compliance documented in an action plan and in the Internal Audit Quality and Assurance Improvement Programme.
- The Audit Committee work programme provides the opportunity for the Chief Internal Auditor to have a private and confidential discussion with the Audit Committee members.
- The council participates in RIPA inspections as and when required with the last inspection being carried out in January 2022. Only minor observations were made.
- Key partnerships are periodically reviewed through the internal audit plan with delivery via third parties being included in the assurance reviews undertaken annually.

- The Financial Regulations and Financial Procedure Rules include partnership guidance which can assist officers in managing the key risks of any partnership arrangements.
- Clear terms of reference exist for the key partnerships, clarifying arrangements for accountability, for example the Waste Management Partnership and the Community Safety Partnership.

## 7.0 RISK MANAGEMENT FRAMEWORK

- 7.1 Overall, the council's risk management and assurance framework appears to be well embedded and supported by CMT, the Audit (and Standards) Committee and across the organisation. Other than the regular review and approval of the Risk Management Policy and Procedure in November each year and the training of the new Audit (and Standards) Committee members in June 2023, the council has no further plans to make any changes to the risk management processes going forward as it considers them to be effective and working as intended.
- 7.2 Following the purchase of a risk management system (GRACE) in June 2021, the council's risk management process is now fully automated which has allowed Internal Audit to remove themselves, as much as possible, from the management and administration of risk. All the council's key risks (operational, strategic and ICT) are now populated within the system and action plans are added and updated on a regular basis to assist with the mitigation of the risks identified.
- 7.3 Each year the council's Corporate Management Team (CMT), Head of Governance and Business Support, Audit and Risk Manager and the Audit (and Standards) Committee Chairman attend a strategic risk workshop, to identify and prioritise risks and to produce an action plan. This year, the workshop took place on 12 January 2023. The results of this workshop can be found as an appendix to the Annual Internal Audit Report for 2022/23. At the workshop, significant business risks that may impact upon the council's priorities (the business plan) are identified and assessed, and appropriate control measures are in place. The associated action plan is presented to Audit (and Standards) Committee and progress is monitored on a quarterly basis through the CMT.
- 7.4 Following the strategic risk workshops, operational risk workshops were held in February to identify any new risks that could occur during the year preventing the achievement of individual service plans. Prompts are automatically issued continually throughout the year to encourage staff to review their risks and update their action plans. ICT risks continue to be monitored quarterly, with the last review being carried out on the 2 May 2023.
- 7.5 Whilst the Audit (and Standards) Committee do not have access to the GRACE risk management system, strategic risk reports are produced and presented to the Committee on a regular basis and all Councillors have access to regular reports on the council's strategic, operational and ICT risk that are placed on their portal.
- 7.6 Whilst the Chief Internal Auditor has provided 'reasonable assurance on the overall adequacy and effectiveness of the processes in place' within the annual audit opinion, it is still the intention to obtain an independent opinion later in the year, as part of a peer review process, with a neighbouring authority who also use the GRACE risk management system.

## **8.0 EVALUATION OF THE EFFECTIVENESS OF INTERNAL CONTROL**

8.1 In accordance with the Accounts and Audit Regulations 2015, the council must ensure that it has a sound system of internal control which:

- facilitates the effective exercise of its functions and the achievement of its aims and objectives,
- ensures that the financial and operational management of the council is effective; and
- includes effective arrangements for the management of risk.

8.2 The council is also responsible for conducting a review each financial year of the effectiveness of the system of internal control.

8.3 The Corporate Director Resources (Section 151 Officer) is responsible for the proper administration of the council's financial affairs. This includes responsibility for maintaining and reviewing Financial Regulations and Financial Procedure Rules, to ensure they remain fit for purpose, submitting any additions or changes necessary to the Audit (and Standards) Committee for approval and reporting, where appropriate, breaches of the Regulations to the Cabinet and/or the Council.

8.4 The Council's internal audit service, via a specific responsibility assigned to the Audit and Risk Manager (Chief Internal Auditor) is required to provide an independent and objective opinion to the council on its risk management, governance and internal control environment. The Chief Internal Auditor's Annual report for 2022/23 concluded that 'reasonable assurances can be given on the overall adequacy and effectiveness of the council's governance, risk management, and control processes (i.e. the system of internal control)'. This means that 'generally' there is a sound system of internal control, governance and risk management and that controls are in place and are generally being applied consistently. Whilst some issues, non-compliance or scope for improvement were identified recommendations have been made and if implemented will improve the control environment.

## **9.0 VALUE FOR MONEY COMMENTARY**

9.1 Owing to delays on the part of the external auditor, a value for money commentary has yet to be provided for 2020/21 or 2021/22. However, to date no issues have been raised with the Section 151 Officer, in relation to either year.

## **10.0 SIGNIFICANT GOVERNANCE ISSUES IDENTIFIED**

10.1 A significant governance issue arises when something has gone wrong which will affect the overall achievement of the council's objectives. An issue may arise unexpectedly or may result from a poorly managed risk or internal controls. The determining of something being 'significant' will always contain an element of judgement, however, it is likely to be significant if it has a material impact on the council's accounts, has required resources to be diverted to deal with the issue or formal action has had to be taken from the Chief Executive, Section 151 Officer or the Monitoring Officer.

- 10.2 It should be noted that at the time of writing, the AGS for 2020/21 and 2021/22 still remains as 'draft' owing to the accounts for both these years having yet to be finalised and signed-off. Whilst no fundamental issues have yet been brought to the attention of the S.151 Officer in relation to these accounts, it is considered a significant governance concern owing to the on-going resources required to get these accounts over the line, and the lack of capacity in the External Audits arrangements. Previous assurances by Deloitte to catch up and have the accounts signed off by 31 March 2023 have not been met.
- 10.3 In April 2022, a significant breach of procurement regulations was found to have taken place. The breach was fully investigated and reported to the Executive, the Chairman of Audit Committee and External Audit. The S.151 Officer and the Chief Internal Auditor are both satisfied that it was an isolated incident and a detailed action plan was agreed which included training for staff and a number of changes to the financial regulations. It is pleasing to note that all recommendations have now been implemented and no further action is required in relation to internal control. However, a piece of work is currently being completed by Internal Audit and the new Procurement Officer to fully document all procurement processes as mentioned in the annual audit opinion report.
- 10.4 A large piece of work was completed by Internal Audit in December 2022 in respect of the controls, processes and procedures at the Marine Hall following a number of reported weaknesses to the S.151 Officer. Following a number of workshops, an action plan was agreed and work has already started to ensure that priority 1 (immediate) actions are addressed. Regular follow-ups will be completed by Internal Audit.
- 10.5 When reviewing compliance to the CIPFA guidance during the AGS workshop, a number of minor issues have been identified which have been documented in an action plan and will be monitored by Corporate Management Team and reported to the Audit Committee prior to sign off again in November each year.
- 10.6 Other than the breach of procurement regulations referenced above, there were no other significant governance issues raised in the 2021/22 AGS that were required to be followed-up this year and the minor issues identified at that time have been monitored throughout the year and were last reported to the Audit Committee in November 2022. These issues have either been implemented or have been carried forward to the 2022/23 action plan detailed below.

## **11.0 COST OF LIVING CRISIS**

- 11.1 Following the Covid-19 pandemic and the transition into recovery, the cost of living crisis has presented a new challenge to the financial resilience of the council and its stakeholders. Numerous central government support schemes have been launched and the council has been pivotal in their delivery.
- 11.2 Energy costs in particular have caused pressures for the YMCA and extensive work has been completed by the Procurement Officer to mitigate their ongoing impact. Other inflationary pressures are being felt and reserves have been utilised to cushion the council from their impact.

11.3 The economic crisis the country found itself in during 2022/23 did yield an opportunity for the council to go 'debt free' at a discount, saving the council £1.9m in interest charges over the two loan periods and £70,864 on the principle repayment (£1,481,136).

## **12.0 FINANCIAL MANGEMENT CODE**

12.1 Strong financial management is an essential part of ensuring public sector finances are sustainable, and CIPFA launched a Financial Management Code to support this. A key goal of the code is to improve the financial resilience of organisations by embedding enhanced standards of financial management. The code incorporates existing requirements on local government, to give a comprehensive picture of financial management in the council. Councils were required to be compliant with the code from the 2021/2022 financial year and 2022/23 is the second year in which compliance has to be demonstrated.

12.2 The council's Section 151 Officer carried out a review of the Financial Management Standards in 2021 and was confident that the council could demonstrate compliance against each, however recognising that improvements could be made, in particular around long-term financial planning. Currently, a long-term capital programme is published as part of the Capital Strategy but the equivalent is not published for the revenue forecast. Whilst many councils have reduced their Medium Term Financial Plan (MTFP) period to one or two years owing to the uncertainty of government funding, Wyre's MTFP period has been increased to a five year plan (current year plus four years). This was deemed prudent by the S.151 Officer despite the lack of a multi-year settlement and is intended as a bridge to when more clarity is delivered about the Fair Funding Review and other delayed reforms. The MTFP acts as an 'early warning system' for the council's finances and is strengthened by maintaining a true medium-term approach.

12.3 Whilst longer term forecasting is fraught with uncertainty, there are approaches the council can take to undertaking more horizon scanning around the impact of factors such as increasing demand, aging population, climate change and hybrid working to name a few. An exercise will be undertaken to commence capturing these longer-term drivers of costs and income with the Senior Leadership Team in order to strengthen the long-term financial planning at the council and improve compliance with the new Code. Without multi-year settlements though, any forecasting will prove difficult to produce with any accuracy and this remains the position for all local authorities.


## **13.0 OVERALL OPINION ON THE EFFECTIVNESS OF THE COUNCIL'S GOVERNANCE ARRANGMENTS**

13.1 As reported in the Annual Internal Audit report for 2022/23 it is again pleasing to report that governance processes and the overall framework across the organsiation have been well supported and have continued to operate effectively.



**14.0 CERTIFICATION**

***As the Leader of the Council, I am aware of the governance issues within this Authority and of the measures that are needed to improve the control environment. Overall, my assessment of the control environment as at 31 March 2023 is satisfactory.***



**COUNCILLOR M VINCENT**

**LEADER OF THE COUNCIL**

***As the Chief Executive, I am aware of the governance issues within this Authority and of the measures that are needed to improve the control environment. Overall, my assessment of the control environment as at 31 March 2023 is satisfactory.***



**R HUDDLESTON**

**CHIEF EXECUTIVE**



## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2021/22				2022/23		
Gross Expenditure	Gross Income	Net Expenditure	Note	Gross Expenditure	Gross Income	Net Expenditure
£	£	£		£	£	£
5,263,567	(1,775,919)	3,487,648		6,274,728	(1,736,907)	4,537,821
27,011,587	(25,402,075)	1,609,512		26,721,522	(25,007,302)	1,714,220
8,023,662	(6,055,052)	1,968,610		5,152,298	(2,835,450)	2,316,848
5,531,649	(2,696,287)	2,835,362		6,988,192	(2,886,173)	4,102,019
7,202,688	(1,686,625)	5,516,063		7,889,864	(1,993,269)	5,896,595
<b>53,033,153</b>	<b>(37,615,958)</b>	<b>15,417,195</b>	<b>Cost of Services</b>	<b>53,026,604</b>	<b>(34,459,101)</b>	<b>18,567,503</b>
855,153	-	855,153	Other Operating Income and Expenditure	913,171	(2,055,601)	(1,142,430)
828,830	(4,067,387)	(3,238,557)	Financing and Investment Income and Expenditure	3,837,443	(1,149,015)	2,688,428
-	(16,739,502)	(16,739,502)	Taxation and Non-Specific Grant Income	-	(21,738,280)	(21,738,280)
		<b>(3,705,711)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>			<b>(1,624,779)</b>
		(6,389,886)	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets	24		(934,772)
		(19,791,000)	Remeasurements of the Net Defined Benefit Liability/ (Asset)	37		(41,810,000)
		<b>(26,180,886)</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>(42,744,772)</b>
		<b>(29,886,597)</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>(44,369,551)</b>

## MOVEMENT IN RESERVES STATEMENT

	General Fund Balance £	Earmarked Reserves £	Capital Receipts Reserve £	Capital Grants Unapplied Reserve £	Total Usable Reserves (Note 23) £	Unusable Reserves (Note 24) £	Total Authority Reserves £
<b>Balance at 31 March 2021</b>	<b>13,092,725</b>	<b>21,068,233</b>	<b>823,011</b>	<b>61,484</b>	<b>35,045,453</b>	<b>83,720,131</b>	<b>118,765,584</b>
<b>Movement in Reserves during 2021/2022</b>							
Total Comprehensive Income and Expenditure	3,705,711	-	-	-	3,705,711	26,180,886	29,886,597
Adjustments between accounting basis and funding basis under Regulations (Note 8)	(2,547,086)	-	46,110	(2,999)	(2,503,975)	2,503,975	-
<b>Increase / (Decrease) Movement in 2021/2022</b>	<b>1,158,625</b>	<b>-</b>	<b>46,110</b>	<b>(2,999)</b>	<b>1,201,736</b>	<b>28,684,861</b>	<b>29,886,597</b>
Transfer to or from Earmarked Reserves	(922,130)	922,130					
<b>Balance at 31 March 2022 carried forward (Note 23 and 24)</b>	<b>13,329,220</b>	<b>21,990,363</b>	<b>869,121</b>	<b>58,485</b>	<b>36,247,189</b>	<b>112,404,992</b>	<b>148,652,181</b>
<b>Movement in Reserves during 2022/23</b>							
Total Comprehensive Income and Expenditure	1,624,779	-	-	-	1,624,779	42,744,772	44,369,551
Adjustments between accounting basis and funding basis under Regulations (Note 8)	(3,550,178)	-	3,459,503	-	(90,675)	90,675	-
<b>Increase / (Decrease) Movement in 2022/23</b>	<b>(1,925,399)</b>	<b>-</b>	<b>3,459,503</b>	<b>-</b>	<b>1,534,104</b>	<b>42,835,447</b>	<b>44,369,551</b>
Transfer to or from Earmarked Reserves	3,113,069	(3,113,069)					
<b>Balance at 31 March 2023 carried forward (Note 23 and 24)</b>	<b>14,516,890</b>	<b>18,877,294</b>	<b>4,328,624</b>	<b>58,485</b>	<b>37,781,293</b>	<b>155,240,439</b>	<b>193,021,732</b>

## BALANCE SHEET

As at 31 March 2023

31 March 2022 £	Description	Note	31 March 2023 £
132,116,370	Property, Plant and Equipment	13	134,069,126
330,950	Heritage Assets	14	330,950
11,617,455	Investment Property	15	14,515,640
178,918	Intangible Assets	16	102,452
19	Long Term Investments	17	19
-	Asset related to Defined Benefit Pension Scheme	37	18,447,905
<b>144,243,712</b>	<b>Long Term Assets</b>		<b>167,466,092</b>
8,000,000	Short Term Investments	17	11,000,000
93,786	Inventories		168,680
10,497,019	Short Term Debtors	18	7,526,505
43,851,286	Cash and Cash Equivalents	19	35,023,340
3,640,000	Assets classified as held for sale	20	-
<b>66,082,091</b>	<b>Current Assets</b>		<b>53,718,525</b>
(11,374,000)	Short Term Creditors	21	(6,984,226)
(2,363,535)	Provisions	22	(2,496,897)
(8,121,043)	Revenue Grants Received in Advance	32	(2,162,731)
<b>(21,858,578)</b>	<b>Current Liabilities</b>		<b>(11,643,854)</b>
(1,552,000)	Long Term Borrowing	17	-
(10,439)	Deferred Liabilities		(15,064)
(19,940,100)	Liability related to Defined Benefit Pension Scheme	37	-
(18,312,505)	Capital Grants and Contributions	32	(16,503,967)
<b>(39,815,044)</b>	<b>Long Term Liabilities</b>		<b>(16,519,031)</b>
<b>148,652,181</b>	<b>Net Assets</b>		<b>193,021,732</b>
(36,247,189)	Usable Reserves	23	(37,781,293)
(112,404,992)	Unusable Reserves	24	(155,240,439)
<b>(148,652,181)</b>	<b>Total Reserves</b>		<b>(193,021,732)</b>

## CASH FLOW STATEMENT

For the year ended 31 March 2023

2021/22 £		Note	2022/23 £
(3,705,711)	Net (Surplus) or Deficit on the Provision of Services		(1,624,779)
1,261,661	Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-cash Movements	25	523,085
4,183,535	Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing activities	25	13,742,578
<b>1,739,485</b>	<b>Net Cash Flows from Operating Activities</b>		<b>12,640,884</b>
(12,663,622)	Investing Activities	26	683,261
(5,705,728)	Financing Activities	27	(4,496,199)
<b>(16,629,865)</b>	<b>Net (Increase) or Decrease in Cash and Cash Equivalents</b>		<b>8,827,946</b>
(27,221,421)	Cash and Cash Equivalents at the beginning of the reporting period		(43,851,286)
<b>(43,851,286)</b>	<b>Cash and Cash Equivalents at the end of the reporting period</b>	19	<b>(35,023,340)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (Government grants, rents, Council Tax, and Business Rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's Portfolios. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2022/23

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statements amounts	Net expenditure chargeable to the General Fund balances	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total Adjustments	Net expenditure in the comprehensive income and expenditure statement
	£	£	£	£	£	£
Leisure, Health and Community Engagement	3,584,424	888,342	64,994	61	953,397	4,537,821
Neighbourhood Services and Community Safety	707,159	961,820	45,185	56	1,007,061	1,714,220
Planning Policy and Economic Development	2,078,563	185,529	52,681	75	238,285	2,316,848
Resources	2,302,263	360,988	1,437,570	1,198	1,799,756	4,102,019
Street Scene, Parks and Open Spaces	5,115,081	701,731	79,671	112	781,514	5,896,595
<b>Net Cost of Services</b>	<b>13,787,490</b>	<b>3,098,410</b>	<b>1,680,101</b>	<b>1,502</b>	<b>4,780,013</b>	<b>18,567,503</b>
Other income and expenditure	893,746	(2,085,176)	49,000	-	(2,036,176)	(1,142,430)
Financing and investment income and expenditure	1,520,960	611,468	556,000	-	1,167,468	2,688,428
Taxation and non-specific grant income and expenditure	(14,276,797)	(5,379,469)	-	(2,082,014)	(7,461,483)	(21,738,280)
<b>Difference between General Fund surplus or deficit and CIES Surplus or Deficit on the Provision of Services (Note 8)</b>	<b>1,925,399</b>	<b>(3,754,767)</b>	<b>2,285,101</b>	<b>(2,080,512)</b>	<b>(3,550,178)</b>	<b>(1,624,779)</b>
Transfers to/from earmarked reserves	(3,113,069)	-	-	3,113,069	3,113,069	-
<b>(Surplus)/Deficit</b>	<b>(1,187,670)</b>	<b>(3,754,767)</b>	<b>2,285,101</b>	<b>1,032,557</b>	<b>(437,109)</b>	<b>(1,624,779)</b>
Opening General Fund Balance at 31 March 2022	<b>(13,329,220)</b>					
Less (Surplus)/Deficit on General Fund Balance in Year	<b>(1,187,670)</b>					
<b>Closing General Fund balance at 31 March 2023</b>	<b>(14,516,890)</b>					

2021/22

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statements amounts	Net expenditure chargeable to the General Fund balances*	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)*	Other Differences (Note 3)	Total Adjustments*	Net expenditure in the comprehensive income and expenditure statement
	£	£	£	£	£	£
Leisure, Health and Community Engagement	2,556,136	877,052	54,504	(44)	931,512	3,487,648
Neighbourhood Services and Community Safety	554,789	1,006,485	48,270	(32)	1,054,723	1,609,512
Planning Policy and Economic Development	1,778,645	152,095	37,919	(49)	189,965	1,968,610
Resources	1,201,427	366,469	1,268,505	(1,039)	1,633,935	2,835,362
Street Scene, Parks and Open Spaces	4,668,712	780,637	66,803	(89)	847,351	5,516,063
<b>Net Cost of Services</b>	<b>10,759,709</b>	<b>3,182,738</b>	<b>1,476,001</b>	<b>(1,253)</b>	<b>4,657,486</b>	<b>15,417,195</b>
Other income and expenditure	784,971	26,182	44,000	-	70,182	855,153
Financing and investment income and expenditure	(286,965)	(3,711,592)	760,000	-	(2,951,592)	(3,238,557)
Taxation and non-specific grant income and expenditure	(12,416,340)	(1,542,414)	-	(2,780,748)	(4,323,162)	(16,739,502)
<b>Difference between General Fund surplus or deficit and CIES Surplus or Deficit on the Provision of Services (Note 8)</b>	<b>(1,158,625)</b>	<b>(2,045,086)</b>	<b>2,280,001</b>	<b>(2,782,001)</b>	<b>(2,547,086)</b>	<b>(3,705,711)</b>
Transfers to/from earmarked reserves	922,130	-	-	(922,130)	(922,130)	-
<b>(Surplus)/Deficit</b>	<b>(236,495)</b>	<b>(2,045,086)</b>	<b>2,280,001</b>	<b>(3,704,131)</b>	<b>(3,469,216)</b>	<b>(3,705,711)</b>
Opening General Fund Balance at 31 March 2021	<b>(13,092,725)</b>					
Less (Surplus)/Deficit on General Fund Balance in Year	<b>(236,495)</b>					
<b>Closing General Fund balance at 31 March 2022</b>	<b>(13,329,220)</b>					

### 1) Adjustments for Capital Purposes

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

- Other Operating expenditure – adjusts for capital disposals with a transfer of income disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e. minimum revenue provision (MRP) and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivables in the year to those receivable without conditions or for which conditions were satisfied.
- Throughout the year the Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

## 2) Net change for the Pensions Adjustments

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

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

## 3) Other Differences

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

- For services this represents adjustments in relation to absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March.
- The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for Council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in the future Surpluses or Deficits on the Collection Fund.



## NOTE 2 ACCOUNTING POLICIES

### i. General principles

The Statement of Accounts summarises the council's transactions for the 2022/23 financial year and its position for at the year-end of 31 March 2023. The council is required to prepare an annual statement of accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, supported by International Financial Reporting Standards (IFRS).

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

### ii. Accruals of income and expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on 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.
- 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.

### iii. Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

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

Prior period adjustments may arise 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.

v. Charges to revenue for non-current assets

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

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

The council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement referred to as the minimum revenue provision (MRP) and equal to an amount calculated on a prudent basis determined by the council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the MRP contribution in the general fund balance, by way of an adjusting transaction with the capital adjustment account in the movement in reserves statement for the difference between the two.

vi. Council tax and non-domestic rates

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

## Accounting for council tax and NDR

The council tax and NDR income included in the comprehensive income and expenditure statement (CIES) is the council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the council's general fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the general fund is taken to the collection fund adjustment account and included as a reconciling item in the movement in reserves statement.

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

- vii. Employee benefits

### Benefits payable during employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as salaries, paid annual leave and paid sick leave 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 earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is made at the salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the surplus or deficit on the provision of services, but then reversed out through the movement in reserves statement to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

### Termination benefits

Termination benefits are amounts payable 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 and are charged on an accruals basis to the appropriate service or, where applicable, to a corporate service segment at the earlier of when the council can no longer withdraw the offer of those benefits or when the council recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the general fund balance to be charged with the amount payable by the council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the movement in reserves statement, appropriations are required to and from the pensions reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

### Post-employment benefits

Employees of the council are members of the Local Government Pension Scheme, administered by Lancashire County Council.

The scheme provided defined benefits to members, retirement lump sums and pensions, earned as employees worked for the council.

## The Local Government Pension Scheme

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

- The liabilities of the Lancashire County Council pension fund attributable to the council are included in the balance sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 2.8% p.a. at the end of the period (2.1% p.a. at the beginning of the period) based on the indicative rate of return on high quality corporate bonds.
- The assets of the Lancashire County Council pension fund attributable to the council are included in the balance sheet at their fair value:
  - Quoted securities – current bid price
  - Unquoted securities – professional estimate
  - Unitised securities – current bid price
  - Property – market value

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

- Service cost comprising:
  - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the comprehensive income and expenditure statement to the services for which the employees worked.
  - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the comprehensive income and expenditure statement as part of the Resources Portfolio.
  - Net interest on the net defined benefit liability (asset), i.e. net interest expense for the council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the comprehensive income and expenditure statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- Remeasurements comprising:
  - The return on plan assets - excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the pensions reserve as other comprehensive income and expenditure.
  - actuarial gains and losses - changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have

updated their assumptions – charged to the pensions reserve as other comprehensive income and expenditure.

- Contributions paid to the Lancashire County Council pension fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the general fund balance to be charged with the amount payable by the council to the pension fund or directly to pensioners in the year, not that 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.

**Discretionary benefits**

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

viii. Events after the reporting period

Events after the balance sheet reporting period are those events, both favourable and unfavourable, that occur between the balance sheet date and the date when the statement of accounts is authorised for issue. Two types of events can be identified:

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

Events taking place after the date of authorisation for issue are not reflected in the statement of accounts.

ix. Financial instruments

**Financial liabilities**

Financial liabilities are recognised on the balance sheet when the council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and 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 and interest charged to the CIES is the amount payable for the year according to the loan agreement.

## **Financial assets**

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

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

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

### **Financial assets measured at amortised costs**

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 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 and interest credited to the CIES is the amount receivable for the year in the loan agreement.

The council has not made any loans to voluntary organisations at less than market value (soft loans).

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

### **Financial assets measured at fair value through profit or loss**

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

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

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

### **Fair value measurements of financial assets**

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

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

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

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

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

### **Expected credit loss model**

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

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

- x. Government grants and contributions

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

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



Amounts recognised as due to the council are not credited to the comprehensive income and expenditure statement (CIES) until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the balance sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or taxation and non-specific grant income (non-ring-fenced revenue grants and most capital grants) in the CIES.

Where capital grants are credited to the CIES, they are reversed out of the general fund balance in the movement in reserves statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the capital grants unapplied reserve. Where it has been applied, it is posted to the capital adjustment account. Amounts in the capital grants unapplied reserve are transferred to the capital adjustment account once they have been applied to fund capital expenditure.

xi. Heritage assets

A tangible heritage asset has historical, artistic, scientific, technological, geophysical or environmental qualities and is held and maintained principally for its contribution to knowledge and culture. An intangible heritage asset has cultural, environmental or historical significance and would include recordings of significant historical events.

Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the council's accounting policies on property, plant and equipment. The carrying amounts of heritage assets are reviewed where there is evidence of impairment e.g. where an item has suffered physical deterioration or breakage. Any impairment is recognised and measured in accordance with the council's general policies on impairment.

The council's collection of tangible heritage assets includes the following:

**Eros statue**

The bronze statue of Eros in Fleetwood is an exact replica of the London original and was donated permanently to the council, provided it remained in Fleetwood.

This item is reported in the balance sheet at the valuation used for insurance purposes which is based on market values. The item is deemed to have an indeterminate life and a high residual value; hence the council does not consider it appropriate to charge depreciation.

**Statue of Sir Peter Hesketh-Fleetwood**

The statue is bronze and was created by sculptor Alan Ward from Lancaster. It is situated at Euston Gardens outside the North Euston Hotel. The item is deemed to have an indeterminate life hence the council does not consider it appropriate to charge depreciation.

## Civic regalia

The collection consists of assorted items kept by the council as part of its civic role. The items are carried on the balance sheet at the valuation used for insurance purposes, which is based on market values. The items are deemed to have indeterminate lives and a high residual value; hence the council does not consider it appropriate to charge depreciation.

### xii. Intangible assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the council. Expenditure is capitalised where it can be measured reliably as attributable to that asset and does not include research expenditure.

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

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the general fund balance. The gains and losses are therefore reversed out of the general fund balance in the movement in reserves statement and posted to the capital adjustment account and (for any sale proceeds greater than £10,000) the capital receipts reserve.

### xiii. Inventories

Inventories are included in the balance sheet at the lower of the cost and net realisable value.

### xiv. Investment property

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

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Investment properties are not depreciated but are subject to an annual desktop review with full revaluation every three

years according to market conditions at each year-end. Owing to Covid-19 the three year full valuation was delayed with a desktop exercise being undertaken in 2020/21; a full revaluation was carried out in 2021/22. Gains and losses on revaluation are posted to the financing and investment income and expenditure line in

the comprehensive income and expenditure statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the financing and investment income line and result in a gain for the general fund balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the general fund balance. The gains and losses are therefore reversed out of the general fund balance in the movement in reserves statement and posted to the capital adjustment account and (for any sale proceeds greater than £10,000) the capital receipts reserve.

xv. Leases

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

**The council as lessee**

The council does not have any finance leases or operating leases.

**The council as a lessor**

The council does not have any finance leases.

**Operating leases**

Where the council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the balance sheet. Rental income is credited to the other operating expenditure line in the comprehensive income and expenditure statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease).

xvi. Overheads and support services

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

xvii. Property, plant and equipment

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

**Recognition**

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the council and the cost of the item can be measured reliably.

Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

## Measurement

Assets are initially measured at cost, comprising:

- The purchase price.
- Any cost attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the taxation and non-specific grant income and expenditure line of the comprehensive income and expenditure statement (CIES), unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the donated assets account. Where gains are credited to the CIES, they are reversed out of the general fund balance to the capital adjustment account in the movement in reserves statement.

Assets are carried in the balance sheet using the following measurement bases:

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

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

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

Assets included in the balance sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the revaluation reserve to recognise unrealised gains. (Exceptionally, gains might be credited to the surplus or deficit on the provision of services where they arise from the reversal of a loss previously charged to a service.)

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

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

The revaluation reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the capital adjustment account.

## Impairment

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

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

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

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

## Depreciation

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain community assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Buildings / car parks – straight-line allocation over the useful life of the property as estimated by the valuer, which can be up to 80 years.
- Vehicles, plant, furniture and equipment – straight-line allocation over the life of the asset as advised by a suitably qualified officer, which can be up to 15 years.
- Infrastructure – straight-line allocation upto 100 years.

Where an item of property, plant and equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the revaluation reserve to the capital adjustment account.

## Disposals and non-current assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued before reclassification and then carried at the lower of this amount and fair value less costs to sell.

Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other operating expenditure line in the CIES. Gains in fair value are recognised only up to the amount of any previously recognised losses in the surplus or deficit on the provision of services. Depreciation is not charged on assets held for sale.

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

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the balance sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the revaluation reserve are transferred to the capital adjustment account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to the disposal of housing assets, which the council no longer holds, (75% for dwellings, 50% for land and other assets, net of statutory deductions and allowances) is payable to the Government. The balance of receipts remains within the capital receipts reserve, and can then only be used for new capital investment or set aside to reduce the council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the reserve from the general fund balance in the movement in reserves statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the capital adjustment account from the general fund balance in the movement in reserves statement.

Up to 4% of disposal of non-housing land receipts can be used to fund the costs of disposal. Disposal costs are recognised as other operating expenditure in the CIES in the year they are incurred. If the disposal happens in the same year, a release from the capital receipt is recognised to off-set the disposal costs. If the disposal happens in a future year, a transfer of the expenditure to the capital adjustment account (via the movement in reserves statement) is made and then, when the receipt is subsequently obtained, the capital adjustment account is compensated with a credit for the appropriate portion.

xviii. Provisions, contingent liabilities and contingent assets

**Provisions**

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

Provisions are charged as an expense to the appropriate service line in the comprehensive income and expenditure statement when the council has an obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

### **Contingent Liabilities**

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

Contingent liabilities are not recognised in the balance sheet but disclosed in a note to the accounts.

### **Contingent Assets**

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

Contingent assets are not recognised in the balance sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

## **xix. Reserves**

The council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the general fund balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the surplus or deficit on the provision of services in the comprehensive income and expenditure statement. The reserve is then transferred back into the general fund balance so that there is no net charge against council tax for the expenditure.

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



xx. Revenue expenditure funded from capital under statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the comprehensive income and expenditure statement in the year. Where the council has determined to meet

the cost of this expenditure from existing capital resources or by borrowing, a transfer in the movement in reserves statement from the general fund balance to the capital adjustment account then reverses out the amounts charged so that there is no impact on the level of council tax.

In 2022/23 Wyre's REFCUS expenditure (£2,620,558) related to disabled facilities grants, heritage action zone grants, and projects linking in with town/parish councils and community groups .

xxi. VAT

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

xxii. Fair value measurement of non-financial assets

The council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

Level 3 – unobservable inputs for the asset or liability.

### NOTE 3 ACCOUNTING STANDARDS THAT HAVE BEEN PUBLISHED, BUT HAVE NOT YET BEEN ADOPTED

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

Annual Improvements to IFRS Standards 2018–2020. The annual IFRS improvement programme notes 4 changed standards:

- IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS
- IAS 37 (Onerous contracts) – clarifies the intention of the standard
- IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material
- IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances
- Property, Plant and Equipment: Proceeds before Intended Use

The amendments above and their impact on the information provided in the financial statements are still being evaluated but are unlikely to have a significant impact.

### NOTE 4 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 2 the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future event. The critical judgements made in the Statement of Accounts are:

#### Funding

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

#### Investment Properties

Investment properties have been assessed using the identifiable criteria under the international accounting standards as being held for rental income or for capital appreciation. Properties have been assessed using criteria, which is subject to interpretation to determine if there is an operational reason for holding the property such as regeneration.

## NOTE 5 ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

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

Item	Uncertainties	Effect if actual results differ from assumptions
Depreciation of Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	<p>If the useful life of assets is reduced, depreciation increase and the carrying amount of the assets falls.</p> <p>It is estimated that the annual depreciation charge for buildings would increase for every year that useful lives has to be reduced.</p>
Fair Value Estimations	<p>When the fair values of Investment Properties, Surplus Assets and Assets Held for Sale cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using the following valuation techniques:</p> <p>Level 2: inputs that are observable for the asset or liability either directly or indirectly, such as quoted prices for identical or similar assets or liabilities in markets that are not active.</p> <p>Level 3: inputs that are unobservable, and are based on best information available in the circumstances such as the Authority's own data and indexations.</p>	<p>The significant observable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels and discount rates – adjusted for regional factors,</p> <p>Changes in assumptions used could affect the fair value of assets and liabilities. Significant changes in any of the unobservable inputs would result in lower or higher fair value measurement for these assets.</p>
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.	The effect on the net pension liability of changes in individual assumptions can be measured. See note 37 for details of sensitivity analysis.
Provision for credit losses	As at 31 March 2023, the Council had an outstanding balance of short term debtors. A review of the major areas of debt has led to an updated provision against credit losses. It is not certain that this provision would be sufficient as the Council cannot assess with certainty which debts will be collected or not.	An understatement of credit losses would lead to a future adjustment and impairment to be reflected. The provisions held are based on policies adapted to the nature of the debt and service area, past experience and success rates experienced in collection. If collection rates were to deteriorate then the Council would need to review its policies on the calculation of its provision for credit losses.

## NOTE 6 EVENTS AFTER THE REPORTING PERIOD

### Fire at Beach Chalets, Fleetwood

The council owns beach chalets in Fleetwood, which are let out to tenants. Over the weekend of the 6 and 7 May 2023, a fire took hold at the site burning down a small number of chalets; the incident is part of an ongoing investigation by the police. Responsibility for insuring the beach chalets lay with the tenants, however this is not thought to be sufficient to cover the rebuild costs. A further assessment is being undertaken with our insurers.

### Auditor Sign-off of Statement of Accounts

The statement of accounts are subject to formal sign-off by external auditors; the council's external auditors are Deloitte LLP. Owing to delays caused initially by a lack of resources on the part of external auditors and late pension valuation figures from the pension fund in relation to the 2020/21 accounts and latterly by changes to the accounting treatment of infrastructure assets and the aforementioned resourcing pressures, both the 2020/21 and 21/22 accounts have not yet been signed off. Work has been undertaken by the external auditors on both sets of accounts and balances carried forward are not expected to be materially different to those published in the draft accounts. Final sign off of all the outstanding accounts is expected in 2023.

## NOTE 7 EXPENDITURE AND INCOME ANALYSED BY NATURE

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

Expenditure/Income	2021/22	2022/23
<i>Expenditure</i>		
Employee benefits expenses	12,454,650	13,605,419
Other services expenses	37,440,766	36,371,775
Support service recharges	15,732,183	17,834,597
Depreciation, amortisation, impairment	3,182,737	3,098,412
Interest payments	828,830	593,083
Net Investment asset expenditure	-	3,244,360
Expenses relating to disposal of assets	65,900	29,575
Precepts and levies	783,971	864,171
<b>Total expenditure</b>	<b>70,489,037</b>	<b>75,641,392</b>
<i>Income</i>		
Fees, charges and other service income	(25,164,843)	(25,641,898)
Interest and investment income	(4,067,387)	(1,149,015)
Income from Council tax and non-domestic rates	(9,224,009)	(10,698,601)
Grants and contributions	(35,698,791)	(37,691,480)

Gain on the disposal of assets	(39,718)	(2,085,176)
<b>Total income</b>	<b>(74,194,748)</b>	<b>(77,266,170)</b>
<b>(Surplus) or deficit on the Provision of Services</b>	<b>(3,705,711)</b>	<b>(1,624,778)</b>

## NOTE 8 ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the Total Comprehensive Income and Expenditure recognised by the Authority in the year in accordance with proper accounting practice, to arrive at the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure. The reserves against which adjustments are made include:

### General Fund Balance

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

### Capital Receipts Reserve

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

### Capital Grants Unapplied Reserve

The Capital Grants Unapplied Reserve holds the grants and contributions received towards capital projects for which the Authority has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

2022/23	Unusable Reserves			
	General Fund Balance £	Capital Receipts Reserve £	Capital Grants Unapplied Reserve £	Movement in Unusable Reserves £
<b><u>Adjustments primarily involving the Capital Adjustment Account:</u></b>				
<b>1. Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
Charges for depreciation and impairment of non-current assets.	3,011,878			(3,011,878)
Revaluation losses on Property, Plant and Equipment.	10,067			(10,067)
Movements in the market value of Investment Properties.	3,780,501			(3,780,501)
Amortisation of Intangible Assets.	76,466			(76,466)
Capital grants and contributions applied.	(8,000,028)			8,000,028
Revenue expenditure funded from capital under statute.	2,620,559			(2,620,559)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.	3,657,374			(3,657,374)
<b>2. Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
Statutory provision for the financing of capital investment.	(95,559)			95,559
Capital expenditure charged against the General Fund (Direct Revenue Contributions).	(3,073,474)			3,073,474
<b><u>Adjustment primarily involving the Capital Grants Unapplied Reserve:</u></b>				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement.	-		-	
Application of grants and capital financing transferred to the Capital Adjustment Account.			-	-
<b><u>Adjustment primarily involving the Capital Receipts Reserve:</u></b>				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.	(5,742,550)	5,742,550		
Use of Capital Receipts Reserve to finance new capital expenditure.		(2,283,047)		2,283,047
<b><u>Adjustments primarily involving the Pension Reserve:</u></b>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 37).	3,632,000			(3,632,000)
Employer's pension's contributions and direct payments to pensioner's payable in the year.	(1,346,900)			1,346,900
<b><u>Adjustments primarily involving the Collection Fund Adjustment Account:</u></b>				
Amount by which Council tax income and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from Council tax income calculated for the year in accordance with statutory requirements.	(2,082,014)			2,082,014
<b><u>Adjustments primarily involving the Accumulated Absences Account:</u></b>				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	1,502			(1,502)
<b>Total Adjustments</b>	<b>(3,550,178)</b>	<b>3,459,503</b>	<b>-</b>	<b>90,675</b>

2021/22	Unusable Reserves			
	General Fund Balance £	Capital Receipts Reserve £	Capital Grants Unapplied Reserve £	Movement in Unusable Reserves £
<b><u>Adjustments primarily involving the Capital Adjustment Account:</u></b>				
<b>1. Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
Charges for depreciation and impairment of non-current assets.	3,042,417			(3,042,417)
Revaluation losses on Property, Plant and Equipment.	69,995			(69,995)
Movements in the market value of Investment Properties.	(3,485,748)			3,485,748
Amortisation of Intangible Assets.	70,326			(70,326)
Capital grants and contributions applied.	(4,137,425)			4,137,425
Revenue expenditure funded from capital under statute.	2,595,012			(2,595,012)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.	72,292			(72,292)
<b>2. Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
Statutory provision for the financing of capital investment.	(95,559)			95,559
Capital expenditure charged against the General Fund (Direct Revenue Contributions).	(130,285)			130,285
<b><u>Adjustment primarily involving the Capital Grants Unapplied Reserve:</u></b>				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement.	-		-	
Application of grants and capital financing transferred to the Capital Adjustment Account.			(2,999)	2,999
<b><u>Adjustment primarily involving the Capital Receipts Reserve:</u></b>				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.	(46,110)	46,110		
Use of Capital Receipts Reserve to finance new capital expenditure.			-	-
<b><u>Adjustments primarily involving the Pension Reserve:</u></b>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 37).	3,703,000			(3,703,000)
Employer's pension's contributions and direct payments to pensioner's payable in the year.	(1,423,000)			1,423,000
<b><u>Adjustments primarily involving the Collection Fund Adjustment Account:</u></b>				
Amount by which Council tax income and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from Council tax income calculated for the year in accordance with statutory requirements.	(2,780,748)			2,780,748
<b><u>Adjustments primarily involving the Accumulated Absences Account:</u></b>				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	(1,253)			1,253
<b>Total Adjustments</b>	<b>(2,547,086)</b>	<b>46,110</b>	<b>(2,999)</b>	<b>2,503,975</b>



## NOTE 9 MOVEMENTS IN EARMARKED RESERVES

This note sets out the amounts set aside from the General Fund balances in Earmarked Reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2022/23.

General Fund	Balance at 31 March 2021 £	Transfers in 2021/22 £	Transfers out 2021/22 £	Balance at 31 March 2022 £	Transfers in 2022/23 £	Transfers out 2022/23 £	Balance at 31 March 2023 £
<i>Non ring-fenced reserves</i>							
Building Control	54,515	2,509	-	57,024	27,224	-	84,248
Capital Investment	1,628,256	22,800	(73,794)	1,577,262	394,905	(41,858)	1,930,309
Elections	41,217	41,217	-	82,434	54,932	(62,371)	74,995
Homelessness	459,622	55,395	(107,248)	407,769	235,971	(134,092)	509,648
Insurance	98,237	40,000	(788)	137,449	338,876	(48,021)	428,304
IT Strategy	950,715	647,727	(156,180)	1,442,262	511,266	(315,995)	1,637,533
Land Charges	12,562	-	(12,562)	-	-	-	-
Leisure Management	467,016	257,382	-	724,398	218,314	(204,693)	738,019
Council Tax Equalisation	2,274,996	1,137,498	(568,749)	2,843,745	-	(568,749)	2,274,996
Non-Domestic Rates Equalisation	9,885,548	4,410,973	(5,183,907)	9,112,614	3,938,556	(5,041,028)	8,010,142
Performance Reward Initiative	22,514	-	(22,514)	-	-	-	-
Property Investment Fund	2,906,900	-	(29,732)	2,877,168	50,000	(2,817,054)	110,114
Value for Money	863,672	59,064	(144,921)	777,815	411,405	(228,575)	960,645
Vehicle Replacement/Street Cleansing Maintenance	555,339	586,266	(53,817)	1,087,788	579,179	(170,984)	1,495,983
<b>Sub total</b>	<b>20,221,109</b>	<b>7,260,831</b>	<b>(6,354,212)</b>	<b>21,127,728</b>	<b>6,760,628</b>	<b>(9,633,420)</b>	<b>18,254,936</b>
<i>Ring-fenced reserves</i>							
Enterprise Zone Growth	847,124	72,808	(57,297)	862,635	17,481	(257,758)	622,358
<b>Sub total</b>	<b>847,124</b>	<b>72,808</b>	<b>(57,297)</b>	<b>862,635</b>	<b>17,481</b>	<b>(257,758)</b>	<b>622,358</b>
<b>Grand total</b>	<b>21,068,233</b>	<b>7,333,639</b>	<b>(6,411,509)</b>	<b>21,990,363</b>	<b>6,778,109</b>	<b>(9,891,178)</b>	<b>18,877,294</b>

Earmarked Reserves are held for the following purposes:

- **Building Control** – a fundamental principle of the Building Regulations Scheme, introduced 1 April 1999 and subsequently amended by the 2010 Regulations, is that there is a three to five year rolling accounting period over which costs should equate with charge income. This reserve assists with achieving that aim in future periods or fund expenditure promoting increased efficiency and reduced costs.
- **Capital Investment** – established in 2009/10 to fund capital investment, thereby avoiding the need to borrow in the future.

- **Elections** – established in 2008/09 to fund Borough Elections, which occur every four years.
- **Homelessness** – established in 2020/21 to hold a number of Homelessness related external funding streams and one off grants. Used to fund initiatives to support homelessness prevention, mitigate the problem of rough sleeping and contribute to the general provision of Housing Options services.
- **Insurance** – established in 2016/17 to fund the increased level of excesses following a review of the Council's insurance arrangements and related risk management costs.
- **IT Strategy** – to meet costs of the rolling replacement of IT equipment, infrastructure and other known future costs.
- **Land Charges** – Councils are required to assess the cost of providing a service, the projected take-up of that service and thus the charge should be made over a period of between 1 and 3 years.
- **Leisure Management** – established to fund the Council's 50% share of costs above the agreed operational subsidy level or fund service improvements.
- **Council Tax Equalisation** – originally established in 2011/12 using funding encouraging local authorities to facilitate housing growth but now funded from underspends, to compensate for the impact of accepting the Council Tax Freeze grant.
- **Non-Domestic Rates Equalisation** – established in 2013/14 to protect against the volatility in funding associated with the new Business Rate Retention Scheme.
- **Performance Reward Initiatives** – established in 2009/10 using performance reward grant which was previously administered by the Local Strategic Partnership until its dissolution at the end of March 2013. The monies have subsequently been used to promote the Shaping Your Neighbourhood initiative, which was agreed by the Council in April 2012. The remaining balance has been transferred to the Value for Money Reserve in 2021/22, closing this reserve at 31 March 2022.
- **Property Investment Fund** – established in 2018/19 initially as a two-year pilot to explore investing in commercial property without the need to externally borrow. A Property Investment Board is responsible for making decisions on how the fund is utilised. The fund has been used to support Project Neptune – the purchase of a new Fish and Food Park at Fleetwood Docks in 2022.
- **Value for Money** – originally established in 2005/06 for future value for money initiatives and now incorporates supplementary grants awarded for the administration of Council tax, localised Council tax support, NNDR and housing benefit.
- **Vehicle Replacement/Street Cleansing Maintenance** – originally established in 2005/06 to fund the future replacement of the mobile advice centre, but now reflects the current and anticipated requirements for the vehicle fleet Council wide and the maintenance of Street Cleansing vehicles.
- **Enterprise Zone (EZ) Growth** – established in 2018/19 to hold business rates growth from the EZ in the council's role as accountable body for the site. This income is ring-fenced for investment in the EZ, primarily for infrastructure improvements.

## NOTE 10 OTHER OPERATING EXPENDITURE

2021/22 £		2022/23 £
783,971	Parish Council Precepts	864,171
45,000	Pension administration costs	49,000
26,182	(Gains)/losses on disposal of non-current assets and administrative costs linked to disposal of assets (excl. investment assets)	(2,055,601)
<b>855,153</b>	<b>TOTAL</b>	<b>(1,142,430)</b>

## NOTE 11 FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2021/22 £		2022/23 £
68,830	Interest payable and similar charges	37,083
760,000	Net interest on defined benefits liability / (asset)	556,000
(68,001)	Interest receivable and similar income	(1,149,015)
(3,999,386)	Income & Expenditure in relation to investment properties & changes to their fair value (Note 15)	3,244,360
<b>(3,238,557)</b>	<b>TOTAL</b>	<b>2,688,428</b>

## NOTE 12 TAXATION AND NON-SPECIFIC GRANT INCOME AND EXPENDITURE

2021/22 £		2022/23 £
(8,862,114)	Council Tax (income) and expenditure	(9,267,428)
(361,895)	Non-domestic rates (income) and expenditure	(1,431,173)
(5,973,080)	Non-ring-fenced government grants (See Note 32)	(5,660,209)
(1,542,413)	Capital grants and contributions (See Note 32)	(5,379,470)
<b>(16,739,502)</b>	<b>TOTAL</b>	<b>(21,738,280)</b>

## NOTE 13 PROPERTY, PLANT AND EQUIPMENT

### Movements in 2022/23

	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£	£	£	£	£	£	£
<b>Cost or valuation</b>							
<b>B/fwd at 01/04/22</b>	<b>49,389,703</b>	<b>9,676,639</b>	<b>86,864,356</b>	<b>5,656,785</b>	<b>2,131,952</b>	<b>-</b>	<b>153,719,435</b>
Additions	130,896	277,562	10,067	82,076	3,549,703	-	4,050,304
Revaluation increase/decreases to the revaluation reserve	532,218	-	-	-	-	-	532,218
Revaluation increase/(decrease) to the Surplus or Deficit on the Provision of Services	-	-	(10,067)	-	-	-	(10,067)
Derecognition - Disposals	-	(131,516)	-	-	-	-	(131,516)
Reclassifications	7,000	-	-	-	-	-	7,000
Reclassified to Held for Sale	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>50,059,817</b>	<b>9,822,685</b>	<b>86,864,356</b>	<b>5,738,861</b>	<b>5,681,655</b>	<b>-</b>	<b>158,167,374</b>
<b>Depreciation</b>							
<b>B/fwd at 01/04/22</b>	<b>(3,554,333)</b>	<b>(5,060,516)</b>	<b>(12,988,216)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,603,065)</b>
Charge in year	(1,330,671)	(863,748)	(817,459)	-	-	-	(3,011,878)
Revaluations	402,554	-	-	-	-	-	402,554
Derecognition – Disposals	-	114,142	-	-	-	-	114,142
Reclassification	-	-	-	-	-	-	-
<b>C/fwd at 31/03/23</b>	<b>(4,482,450)</b>	<b>(5,810,122)</b>	<b>(13,805,675)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,098,247)</b>
<b>Net Book Value at 31/03/23</b>	<b>45,577,367</b>	<b>4,012,563</b>	<b>73,058,681</b>	<b>5,738,861</b>	<b>5,681,655</b>	<b>-</b>	<b>134,069,126</b>

## Movements in 2021/22

	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£	£	£	£	£	£	£
<b>Cost or valuation</b>							
<b>B/fwd at 01/04/21</b>	<b>45,190,349</b>	<b>9,715,218</b>	<b>86,864,356</b>	<b>5,631,830</b>	<b>672,555</b>	<b>-</b>	<b>148,074,308</b>
Additions	-	87,773	25,059	24,955	1,459,397	-	1,597,184
Revaluation increase/decreases to the revaluation reserve	4,922,691	-	-	-	-	-	4,922,691
Revaluation increase/(decrease) to the Surplus or Deficit on the Provision of Services	(44,936)	-	(25,059)	-	-	-	(69,995)
Derecognition - Disposals	(1)	(126,352)	-	-	-	-	(126,353)
Reclassifications	(678,400)	-	-	-	-	-	(678,400)
Reclassified to Held for Sale	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>49,389,703</b>	<b>9,676,639</b>	<b>86,864,356</b>	<b>5,656,785</b>	<b>2,131,952</b>	<b>-</b>	<b>153,719,435</b>
<b>Depreciation</b>							
<b>B/fwd at 01/04/21</b>	<b>(3,735,142)</b>	<b>(4,241,906)</b>	<b>(12,170,757)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,147,805)</b>
Charge in year	(1,286,386)	(938,572)	(817,459)	-	-	-	(3,042,417)
Revaluations	1,467,195	-	-	-	-	-	1,467,195
Derecognition – Disposals	-	119,962	-	-	-	-	119,962
Reclassification	-	-	-	-	-	-	-
<b>C/fwd at 31/03/22</b>	<b>(3,554,333)</b>	<b>(5,060,516)</b>	<b>(12,988,216)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,603,065)</b>
<b>Net Book Value at 31/03/22</b>	<b>45,835,370</b>	<b>4,616,123</b>	<b>73,876,140</b>	<b>5,656,785</b>	<b>2,131,952</b>	<b>-</b>	<b>132,116,370</b>

## Commitments on the Capital Programme

As at 31 March 2023 the council has entered into a number of contracts for the construction of enhancement to Property, Plant and Equipment in future years. These signed contracts total £6.2m (£0.178m as at 31 March 2022). The on-going commitments are in relation to Wyre Beach Management Sea Defences Phase 1 and the works at the Fleetwood Market site.

## Revaluations

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment is revalued at least every five years. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS). Valuations were undertaken by an internal professionally qualified RICS valuer, and valuations are dated as at 1 April 2022. Valuations of vehicles, plant, furniture and equipment are based on current prices where there is an active second-hand market or latest list prices adjusted for the condition of the asset.

The following statement shows the progress of the Authority's rolling programme for the revaluation of Property, Plant and Equipment.

Valued	Other land and buildings £	Vehicle, plant, furniture and equipment £	Infrastructure assets £	Community assets £	Assets Under Construction £	Surplus assets £	Total £
Carried at Historic cost:	-	9,822,685	86,864,356	5,738,861	5,681,655	-	108,107,557
Valued at fair value as at 31 March:							
2023	4,040,800	-	-	-	-	-	4,040,800
2022	11,806,445	-	-	-	-	-	11,806,445
2021	12,538,280	-	-	-	-	-	12,538,280
2020	16,433,951	-	-	-	-	-	16,433,951
2019	5,240,341	-	-	-	-	-	5,240,341
<b>Total cost or valuation</b>	<b>50,059,817</b>	<b>9,822,685</b>	<b>86,864,356</b>	<b>5,738,861</b>	<b>5,681,655</b>	<b>-</b>	<b>158,167,374</b>

## NOTE 14 HERITAGE ASSETS

### Movements in 2022/23

Cost or valuation	Civic Regalia £	Statues £	TOTAL £
Balance brought forward at 1 April 2022	94,575	236,375	330,950
Additions in year	-	-	-
<b>Net book value carried forward 31 March 2023</b>	<b>94,575</b>	<b>236,375</b>	<b>330,950</b>

### Movements in 2021/22

Cost or valuation	Civic Regalia £	Statues £	TOTAL £
Balance brought forward at 1 April 2021	94,575	236,375	330,950

Additions in year	-	-	-
<b>Net book value carried forward 31 March 2022</b>	<b>94,575</b>	<b>236,375</b>	<b>330,950</b>

## Depreciation

In accordance with FRS30 and the CIPFA Code of Practice heritage assets are not subject to depreciation. The Authority's collection of Civic Regalia and the Statues are both reported in the Balance Sheet at the valuation used for insurance purposes which is based on market values and updated periodically.

Information prior to 1 April 2010 is not available for Heritage Assets. The Code of Practice states that this information need not be given for any period before April 2010 where it is not practicable to do so.

## NOTE 15 INVESTMENT PROPERTY

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

2021/22 £		2022/23 £
513,638	Rental Income from Investment property	536,441
3,485,748	Gain or (loss) on disposal of investment assets and gain or loss on revaluation	(3,780,501)
	• Direct operating expenses arising from Investment property	
<b>3,999,386</b>	<b>Net gain/(loss)</b>	<b>(3,244,060)</b>

There are no restrictions on the Authority's ability to realise the value inherent in its investment property or on the Authority's right to the remittance of income and the proceeds of disposal. The Authority has no contractual obligations to purchase, construct or develop investment property or repair, maintain or enhance it.

The following table summarises the movement in the fair value of investment properties over the year.

2021/22 £		2022/23 £
11,049,955	Balance brought forward	11,617,455
	<i>Additions:</i>	
-	Purchases	4,165,933
-	Construction	-
43,352	Subsequent expenditure	2,519,753
-	Disposals	-
3,485,748	Net gain/(losses) from fair value adjustments	(3,780,501)
	<i>Transfers:</i>	
678,400	To/from property, plant and equipment	(7,000)
(3,640,000)	To/from held for sale	-



-	Other changes	-
<b>11,617,455</b>	<b>Balance carried forward</b>	<b>14,515,640</b>

## Fair Value Hierarchy

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

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date.
  - Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
  - Level 3 – unobservable inputs for the asset or liability.
- All the Council’s investment properties have been value assessed as Level 2 on the fair value hierarchy for valuation purposes.

## Valuation Techniques Used to Determine Level 2 Fair Values for Investment Property

The fair value of investment property has been measured using a market approach, which takes into account quoted prices for similar assets in active markets, existing lease terms and rentals, research into market evidence including market rentals and yields, the covenant strength for existing tenants, and data and market knowledge gained in managing the Council’s Investment Asset portfolio. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised as level 2 on the fair value hierarchy.

## NOTE 16 INTANGIBLE ASSETS

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include purchased software licenses.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use and the useful life assigned to software by the Authority is 5 years.

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £76,466 charged to revenue in 2022/23 was charged to the relevant service headings in the Comprehensive Income and Expenditure Statement.

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

2021/22 £		2022/23 £
<i>Balance at start of the year comprising:</i>		
2,744,914	Gross carrying amount	2,780,075
(2,530,832)	Accumulated amortisation	(2,601,157)
<b>214,082</b>	<b>Net carrying amount at start of the year</b>	<b>178,918</b>
35,161	Additions	-
(70,325)	Amortisation for the period	(76,466)
<b>178,918</b>	<b>Net carrying amount at end of period</b>	<b>102,452</b>
<i>Comprising:</i>		
2,780,075	Gross carrying amount	2,780,075
(2,601,157)	Accumulated amortisation	(2,677,623)
<b>178,918</b>		<b>102,452</b>

## NOTE 17 FINANCIAL INSTRUMENTS

### Categories of Financial Instruments

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

	Non-current		Current	
	31 March 2022 £	31 March 2023 £	31 March 2022 £	31 March 2023 £
<b>Investments</b>				
<b>At amortised cost</b>				
Cash and Cash Equivalents	-		43,783,907	35,000,557
Short term Investments	19	19	8,000,000	11,000,000
<b>Total Investments</b>	<b>19</b>	<b>19</b>	<b>51,783,907</b>	<b>46,000,557</b>
<b>Short Term Debtors</b>				
<b>At amortised cost</b>				
Financial assets carried at contract amounts	-	-	1,166,113	3,119,336
<b>Total Short Term Debtors</b>	<b>-</b>	<b>-</b>	<b>1,166,113</b>	<b>3,119,336</b>
<b>Borrowings</b>				
Financial liabilities at amortised cost	(1,552,000)	-	-	-
<b>Total Borrowings</b>	<b>(1,552,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Short Term Creditors</b>				
Financial liabilities carried at contract amounts	-	-	(1,696,885)	(2,515,197)
<b>Total Short Term Creditors</b>	<b>-</b>	<b>-</b>	<b>(1,696,885)</b>	<b>(2,515,197)</b>

## Income, expense, gains and losses

	2021/22		2022/23	
	Surplus or deficit on the provision of services	Other comprehensive income and expenditure	Surplus or deficit on the provision of services	Other comprehensive income and expenditure
	£	£	£	£
<b>Net gains/losses on:</b>				
Financial assets measured at fair value through profit or loss	-		-	
Financial assets measured at amortised cost	68,001		1,152,225	
Investments in equity instruments designated at fair value through other comprehensive income			-	-
Financial assets measured at fair value through other comprehensive income			-	-
Financial liabilities measured at fair value through profit or loss	-		-	
Financial liabilities measured at amortised cost	(68,830)		(37,083)	
<b>Total net gains/losses</b>	<b>(829)</b>	<b>-</b>	<b>1,115,142</b>	<b>-</b>

## Fair Values of Assets and Liabilities

Financial liabilities and financial assets represented by loans and receivables and long term debtors and creditors are carried in the Balance Sheet at amortised cost. 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 (Level 2), using the following assumptions:

- the Authority has the choice of adopting either the new borrowing rate or the premature repayment rate as the discount factor for Public Works Loan Board (PWLB) borrowing. Whilst PWLB have indicated that they will be using the premature repayment rates, the authority has chosen to use the new borrowing rate as the Code's Guidance Notes for Practitioners confirms that it is acceptable for either or both valuations to be used.
- no early repayment or impairment is recognised.
- where an instrument will mature in the next 12 months, the carrying amount is assumed to approximate to fair value.
- the fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

	31 March 2022		31 March 2023	
	Carrying amount £	Fair Value £	Carrying amount £	Fair Value £
Market Debt	-	-	-	-
PWLB Debt (short and long term)	1,552,000	2,126,819	-	-

<b>Total Borrowings</b>	<b>1,552,000</b>	<b>2,126,819</b>	<b>-</b>	<b>-</b>
Creditors	1,696,885	1,696,885	2,515,197	2,515,197
<b>Total Financial Liabilities</b>	<b>3,248,885</b>	<b>3,823,704</b>	<b>2,515,197</b>	<b>2,515,197</b>

The fair value of the liabilities is the same as the carrying amount in 2022/23. The materiality of the less than one year fair value adjustments means there is very little impact on the overall figure.

	31 March 2022		31 March 2023	
	Carrying amount £	Fair Value £	Carrying amount £	Fair Value £
Investments (Cash and Cash Equivalents) and short term deposits	51,783,907	51,783,907	46,000,557	46,000,557
Long Term Debtors	-	-	-	-
Debtors	1,166,113	1,166,113	3,119,336	3,119,336
<b>Total Financial Assets</b>	<b>52,950,020</b>	<b>52,950,020</b>	<b>49,119,893</b>	<b>49,119,893</b>

The fair value of the assets is the same as the carrying amount in 2022/23. The materiality of the less than one year fair value adjustments means there is very little impact on the overall figure.

## NOTE 18 SHORT TERM DEBTORS

2021/22 £	Analysis	2022/23 £
<b>Amounts falling due in one year:</b>		
2,626,443	Central Government Bodies	2,807,060
659,181	Other Local Authorities	2,007,302
46,120	NHS Bodies	51,536
6	Public Corporations	0
7,165,269	Other Entities and Individuals	2,660,607
<b>10,497,019</b>	<b>Total</b>	<b>7,526,505</b>

## NOTE 19 CASH AND CASH EQUIVALENTS

2021/22 £	Analysis	2022/23 £
2,300	Cash held by the Authority	2,030
65,079	Bank current accounts	20,753
-	Bank overdrafts	-
43,783,907	Short term deposits	35,000,557
<b>43,851,286</b>	<b>Total</b>	<b>35,023,340</b>

## NOTE 20 ASSETS HELD FOR SALE

2021/22 £	Analysis	2022/23 £
-	<b>Balance at start of year</b>	<b>3,640,000</b>
Assets newly classified as Held for Sale:		

3,640,000	-	Investment properties	-
		Assets Sold	(3,640,000)
<b>3,640,000</b>		<b>Balance at end of year</b>	<b>-</b>

## NOTE 21 SHORT TERM CREDITORS

2021/22 £	Analysis	2022/23 £
(8,017,738)	Central Government Bodies	(3,066,555)
(770,393)	Other Local Authorities	(749,675)
(164,639)	NHS Bodies	(100,000)
-	Public Corporations	-
(2,421,230)	Other Entities and Individuals	(3,067,996)
<b>(11,374,000)</b>	<b>Total</b>	<b>(6,984,226)</b>

## NOTE 22 PROVISIONS

Changes to the Business rates system came into force with effect from 1 April 2013 under the Localism Act. The Authority, County Council and Combined Fire Authority now retain 50% of rates collected, and also assume responsibility for 50% of any losses due to appeals.

The process for lodging and processing appeals is beyond the control of the Authority and reductions can be backdated. The Business Rates provision is to cover the backdating of appeals lodged, but not yet heard.

From April 2017 a new Check, Challenge, Appeal process was launched by the Valuation Office Agency (VOA); we are aware of a number of appeals that have been lodged under the new system. The provision has been increased to reflect potential backdated appeals not yet lodged.

2021/22 £	Analysis	2022/23 £
<b>(2,001,818)</b>	<b>Balance at 1 April</b>	<b>(2,363,535)</b>
(361,717)	Additional Provisions made	(133,362)
-	Amounts used / released	-
<b>(2,363,535)</b>	<b>Balance at 31 March</b>	<b>(2,496,897)</b>

## NOTE 23 USABLE RESERVES

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement.

2021/22 £	Analysis	2022/23 £
13,329,220	General Fund	14,516,890
21,990,363	Earmarked Reserves	18,877,294
869,121	Capital Receipts Reserve	4,328,624
58,485	Capital Grants Unapplied Reserve	58,485

<b>36,247,189</b>	<b>Total</b>	<b>37,781,293</b>
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## NOTE 24 UNUSABLE RESERVES

2021/22 £	Analysis	2022/23 £
27,301,921	Revaluation Reserve	27,583,603
109,445,459	Capital Adjustment Account	110,393,812
(21,077,000)	Pensions Reserve	18,447,900
(3,142,145)	Collection Fund Adjustment Account	(1,060,131)
(123,243)	Accumulated Absences Account	(124,745)
<b>112,404,992</b>	<b>Total</b>	<b>155,240,439</b>

### Revaluation Reserve

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

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

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

2021/22 £		£	2022/23 £
<b>21,556,905</b>	<b>Balance at 1 April</b>		<b>27,301,921</b>
6,389,886	Upward revaluation of assets	971,397	
-	Downward revaluation of assets and impairment losses not charged to the Surplus or (Deficit) on the Provision of Services	(36,625)	
6,389,886	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or (Deficit) on the Provision of Services		934,772
(644,870)	Difference between fair value depreciation and historic cost depreciation	(653,090)	
-	Accumulated gains on assets sold or scrapped	-	
(644,870)	Amounts written off to the Capital Adjustment Account		(653,090)
<b>27,301,921</b>	<b>Balance at 31 March</b>		<b>27,583,603</b>

### Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or

additions to those assets under statutory provisions. The Account is debited with costs such as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and subsequent costs.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority.

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

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

2021/22 £		£	2022/23 £
106,798,615	<b>Balance at 1 April</b>		<b>109,445,459</b>
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
(3,042,417)	- Charges for depreciation and impairment of non-current assets	(3,011,878)	
(69,995)	- Revaluation losses on Property, Plant and Equipment	(10,067)	
(70,326)	- Amortisation of intangible assets	(76,466)	
(2,595,012)	- Revenue expenditure funded from capital under statute	(2,620,559)	
(72,292)	- Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(3,657,374)	
(5,850,042)			(9,376,344)
644,870	Adjusting amounts written out of the Revaluation Reserve		653,090
(5,205,172)	Net written out amount of the cost of non-current assets consumed in the year		(8,723,254)
	Capital financing applied in the year:		
-	- Use of the Capital Receipts Reserve to finance new capital expenditure	2,283,047	
4,137,425	- Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	8,000,028	
2,999	- Application of grants to capital financing from the Capital Grants Unapplied Reserve	-	
95,559	- Statutory provision for the financing of capital investment charged against the General Fund	95,559	
130,285	- Capital expenditure charged against the General Fund	3,073,474	
4,366,268			13,452,108
3,485,748	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		(3,780,501)
-	Movement in the Donated Assets Account credited to the Comprehensive Income and Expenditure Statement		-
<b>109,445,459</b>	<b>Balance at 31 March</b>		<b>110,393,812</b>

## Pensions Reserve

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



contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2021/22 £		2022/23 £
<b>(38,588,000)</b>	<b>Balance at 1 April</b>	<b>(21,077,000)</b>
19,791,000	Remeasurement of the net defined benefit liability / (asset)	41,810,000
(3,703,000)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(3,632,000)
1,423,000	Employer's pensions contributions and direct payments to pensioners payable in the year	1,346,900
<b>(21,077,000)</b>	<b>Balance at 31 March</b>	<b>18,447,900</b>

### Collection Fund Adjustment Account

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

2021/22 £		£	2022/23 £
(5,922,893)	<b>Balance at 1 April</b>		(3,142,145)
473,346	Council Tax	25,464	
2,380,210	Non-Domestic Rates	1,974,397	
(72,808)	Enterprise Zone Growth	82,153	
<b>2,780,748</b>	<b>Amount by which Council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from Council tax and non-domestic rates income calculated for the year in accordance with statutory requirements</b>		<b>2,082,014</b>
420,225	Council Tax		445,689
(3,481,578)	Non-Domestic Rates		(1,507,181)
(80,792)	Enterprise Zone Growth		1,361
<b>(3,142,145)</b>	<b>Balance at 31 March</b>		<b>(1,060,131)</b>

### Accumulated Absences Account

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

2021/22 £		£	2022/23 £
<b>(124,496)</b>	<b>Balance at 1 April</b>		<b>(123,243)</b>
124,496	Settlement or cancellation of accrual made at the end of the preceding year	123,243	
(123,243)	Amounts accrued at the end of the current year	(124,745)	

<b>1,253</b>	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	<b>(1,502)</b>
<b>(123,243)</b>	<b>Balance at 31 March</b>	<b>(124,745)</b>

## NOTE 25 CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

2021/22 £		2022/23 £
(68,001)	Interest received	(1,078,151)
68,830	Interest paid	37,083
-	Dividends received	-
<b>829</b>	<b>Total</b>	<b>(1,041,068)</b>

The surplus/deficit on the provision of services has been adjusted for the following non-cash movements:

2021/22 £		2022/23 £
3,042,417	Depreciation	3,011,878
69,995	Impairment and downward valuations	10,067
70,326	Amortisation	76,466
(4,676,104)	Increase / (decrease) in creditors	(6,615,305)
4,622,960	Increase / (decrease) in revenue grant receipt in advance	(5,958,312)
(4,658,466)	(Increase) / decrease in debtors	(1,966,219)
(31,149)	(Increase) / decrease in inventories	(74,897)
3,416,000	Movement in pension liability (Retirement benefits)	3,422,000
6,392	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	3,657,374
(3,124,032)	Other non-cash items charged to the net surplus or deficit on the provision of services	3,913,863
<b>(1,261,661)</b>	<b>Total</b>	<b>(523,085)</b>

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

2021/22 £		2022/23 £
-	Proceeds from short term (not considered to be cash equivalents) and long term investments	-
(46,110)	Proceeds from the sale of property plant and equipment, investment property and intangible assets	(5,742,550)
(4,137,425)	Capital Grants credited to surplus or deficit on the provision of services	(8,000,028)
<b>(4,183,535)</b>	<b>Total</b>	<b>(13,742,578)</b>

## NOTE 26 CASH FLOW STATEMENT – INVESTING ACTIVITIES

2021/22	2022/23
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£		£
(2,261,994)	Purchase of property, plant and equipment, investment property and intangible assets	(9,617,300)
(22,000,000)	Purchase of short term and long term investments	(23,000,000)
-	Other payments for investing activities	-
46,110	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	5,742,550
20,000,000	Proceeds from short term and long term investments	20,000,000
16,879,506	Other receipts from investing activities	6,191,490
<b>12,663,622</b>	<b>Total</b>	<b>(683,260)</b>

## NOTE 27 CASH FLOW STATEMENT – FINANCING ACTIVITIES

2021/22		2022/23
£		£
(844)	Repayments and Receipts from short and long term borrowing	(1,547,375)
5,706,572	Billing Authorities - Council Tax and NNDR adjustments	6,043,574
<b>5,705,728</b>	<b>Total</b>	<b>4,496,199</b>

## NOTE 28 AGENCY SERVICES

### Lancashire County Council – Highway Related Functions

The Highways Partnership agency arrangement was terminated at the end of June 2006, with Lancashire County Council assuming direct responsibility for the delivery of highway related functions from 1 July 2006. There remains a residual agreement in place which covers the maintenance of highway verges and roundabouts, weed control, leaf sweeping, tree maintenance and the management of Public Rights of Way. Total reimbursement in 2022/23 was £102,692 (2021/22 £97,895); these sums are not included in the Comprehensive Income and Expenditure Statement.

### Central Government Bodies – COVID-19 and Cost of Living Related Functions

As part of the COVID-19 pandemic response, the Government announced a range of grant schemes to support businesses and households, which were administered by local billing authorities. The council deemed that it was acting as an agent in instances where it was acting as a distribution point for grant monies to other bodies and had no control over the amount of grant allocated to a recipient. In these instances, the grant transactions are not included in the Comprehensive Income and Expenditure Statement.

During 2022/23 the council administered the following COVID-19 and Cost of Living related grants as an agent of government bodies:

Grant Scheme	Grant Amount Carried Forward from 2021/22 or Received in 2022/23	Grant Amount Distributed to Third Parties / Repaid in Year	Balance To Be Repaid	Balance Held to Distribute in Future Years
	£	£	£	£
Alternative Fuel Payment Scheme	180,000	200	-	179,800
Council Tax Energy Rebate	6,592,050	6,397,600	194,450	-
Energy Bill Support Scheme (Alternative Funding)	754,240	132,400	-	621,840
Omicron Hospitality and Leisure Grant	442,703	442,703	-	-
Small Business Grant Funds	10,000	-	10,000	-

Test and Trace Support Payment Scheme	7,000	7,000	-	-
<b>TOTAL</b>	<b>7,985,993</b>	<b>6,979,903</b>	<b>204,450</b>	<b>801,640</b>

Balances to be repaid are reflected in the Balance Sheet as part of Short Term Creditors; balances to be distributed in future years are reflected in the Balance Sheet as part of Revenue Grants Received in Advance.

### NOTE 29 MEMBERS' ALLOWANCES

The Authority's Members' Allowance Scheme is based on recommendations from an Independent Remuneration Panel. The Authority paid the following amounts to Members of the Council during the year:

2021/22 £		2022/23 £
325,122	Allowances	329,498
863	Travel and subsistence	1,229
-	Dependent's carers allowance	-
<b>325,985</b>	<b>Total</b>	<b>330,727</b>

### NOTE 30 OFFICERS' REMUNERATION

Statutory provisions exclude senior employees whose remuneration is disclosed within the accounts from being included in the table below. However, the authority has decided to include them in the banding note in the interest of transparency.

The number of employees whose remuneration including redundancy payments but excluding employer's pension contributions, was £50,000 or more in bands of £5,000 were:

Remuneration Bands	Number of employees 2021/22	Number of employees 2022/23
£50,000 - £54,999	5	1
£55,000 - £59,999	3	6
£60,000 - £64,999	-	-
£65,000 - £69,999	-	-
£70,000 - £74,999	-	-
£75,000 - £79,999	3	3
£80,000 - £84,999	-	-
£85,000 - £89,999	-	-
£90,000 - £94,999	-	-
£95,000 - £99,999	-	-
£100,000 - £104,999	-	-
£105,000 - £109,999	-	-
£110,000 - £114,999	-	1
£115,000 - £119,999	1	-
£120,000 - £124,999	-	-

Senior employees whose salary is £50,000 or more per year but less than £150,000, are required to be listed individually by way of job title. Persons whose salary is £150,000 or more per year must be identified by name. The Authority has no employees with a salary greater than £150,000.

Senior Officers' emoluments-Salary is between £50,000 and £150,000 per year						
Post holder information (Post title)	Year	Salary (Including fees and Allowances) £	Expenses Allowances £	Compensation for loss of office (Redundancy payments) £	Pension contributions (Incl. strain / augmented costs) £	Total Remuneration £
Chief Executive	2022/23	112,610	168	-	20,608	133,386
	2021/22	117,322	234	-	20,255	137,811
Corporate Director Communities	2022/23	77,015	139	-	14,094	91,248
	2021/22	75,090	-	-	13,741	88,831
Corporate Director Environment	2022/23	77,015	-	-	14,094	91,109
	2021/22	75,090	41	-	13,741	88,872
Corporate Director Resources (s.151 Officer)	2022/23	77,015	4	-	14,094	91,113
	2021/22	75,090	-	-	13,741	88,831

### NOTE 31 EXTERNAL AUDIT COSTS

The Authority incurred the following fees relating to external audit and inspection:

2021/22 £	Audit Fee	2022/23 £
56,786	Fees payable with regard to audit services carried out by the appointed external auditor	55,842
-	Fees payable to the external auditor for the certification of grant claims and returns	-
(19,316)	Redmond Review Local Audit Fees Grant	(16,424)
<b>37,470</b>	<b>Total</b>	<b>39,418</b>

2021/22 £	Other Inspection Fees	2022/23 £
(7,390)	Rebate from Public Sector Audit Appointments Limited (PSAA)	(1,948)
286	Fees payable to the Cabinet Office in respect of the National Fraud Initiative	2,535
5,556	Fees payable to the external auditor for the certification of grant claims and returns	10,979
<b>(1,548)</b>	<b>Total</b>	<b>11,566</b>

## NOTE 32 GRANT INCOME AND OTHER CONTRIBUTIONS

The Authority credited the following grants to the Taxation and Non-Specific Grant Income line in the Comprehensive Income and Expenditure Statement:

	2021/22 £	2022/23 £
<b>Credited to Tax and Non-Specific Grant Income</b>		
New Homes Bonus	(1,072,948)	(1,256,528)
Local Services Support Grant	(145,232)	(155,964)
Non Domestic Rates Section 31 Grant	(4,569,661)	(3,983,557)
Council Tax Section 31 Grant	(185,239)	-
Revenue Support Grant	-	(542)
Services Grant	-	(235,026)
Non Domestic Rates Levy Surplus Grant	-	(28,592)
<b>Capital Grants and Contributions</b>		
- Environment Agency	(1,417,241)	(3,549,703)
- Salix De-Carbonisation	-	(999,468)
- Heritage Action Zone	-	(524,525)
- UK Shared Prosperity Fund	-	(180,403)
- Changing Places Fund	-	(43,520)
- Historic England	(42,156)	-
- CCF5	(34,053)	-
- Other Contributions	(25,059)	(41,411)
- National Lottery Heritage	(21,956)	-
- S106 Contributions	(1,948)	(40,439)
<b>Sub total</b>	<b>(7,515,493)</b>	<b>(11,039,678)</b>
<b>Credited to Services</b>		
Housing Benefits and Council Tax	(21,198,041)	(20,057,464)
Covid-19 Pandemic and Cost of Living Funding	(4,912,574)	(1,719,564)
Disabled Facilities Grants	(2,201,318)	(2,182,050)
Other Local Authorities	(513,849)	(1,042,581)
Department for Levelling Up, Housing and Communities	(443,094)	(831,985)
Heritage Action Zone	(297,014)	(408,760)
S106 Contributions	-	(51,144)
Other Misc Contributions	(818,726)	(358,253)
<b>Sub total</b>	<b>(30,384,616)</b>	<b>(26,651,801)</b>

<b>Total</b>	<b>(37,900,109)</b>	<b>(37,691,479)</b>
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The Authority has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that may require monies to be returned to the awarding body. The amounts recognised in the Balance Sheet as Revenue Grants Received in Advance is £2,162,731 (see note 28) and Capital Grants and Contributions is £16,503,967; of this balance, grants from the Environment Agency total £12,245,028.

### NOTE 33 RELATED PARTIES

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

Related parties include:

- Central Government
- Members
- Officers
- Other Public Bodies
- Entities Controlled or Significantly Influenced by the Authority

#### Central Government

Central government has significant influence over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. Council tax bills, housing benefits). Grants received from Government departments are set out in Note 12 with Note 32 providing a further analysis.

#### Members

The Council maintains a register of all members’ disclosable pecuniary interests. Within 28 days of election, Councillors are legally required to inform the Council’s Monitoring Officer of any pecuniary interests they have. If a Councillor is present at a meeting of the authority, or any committee, subcommittee, joint committee or joint subcommittee of the authority, and has a disclosable pecuniary interest then, if that interest is not registered they must disclose that interest to the meeting and notify the Council’s Monitoring Officer to have that interest added to the register of interests.

The register of members’ interests is open to public inspection as required by Section 29 of the Localism Act 2011. Copies of the Registration of Interest Forms completed by members are also available to view on the Council’s website. Where a member has a disclosable pecuniary interest they are precluded from taking part in meetings or decisions related to their previously disclosed interest, unless an appropriate dispensation has been granted.



In respect of 2022/23 financial year a number of Council members had a controlling interest in a company, partnership, trust or equity. The controlling interest was by way of ownership, or as a director, trustee, governor or partner of an organisation. The existence of the procedures described above ensures that the Council is able to both identify where a member has an interest, and take action to ensure that there is no participation in any decisions relevant to their interest. All major decisions are available for public scrutiny and challenge as part of the Council's constitutional arrangements.

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2022/23 is shown in Note 29. During 2022/23, some Councillors of Wyre Borough acted in a number of other capacities for related parties, namely being either employed by other local organisations or serving on the management boards of companies, schools and voluntary bodies.

There are no transactions to disclose in 2022/23.

### Officers

There are no material transactions to disclose in respect of officers.

### Other Public bodies

The following transactions involving related parties to the Council are disclosed elsewhere within the accounts:

Payments to the Local Government Pension Scheme – see Note 37.

Precepts in relation to Lancashire County Council, the Police and Crime Commissioner for Lancashire and Lancashire Combined Fire Authority – see the Collection Fund Account and Notes to the Collection Fund.

### Entities Controlled or Significantly Influenced by the Authority

The Authority does not have any control or significant influence on any other entity.

### NOTE 34 CAPITAL EXPENDITURE AND FINANCING

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

	2021/22 £	2022/23 £
<b>Opening Capital Financing Requirement</b>	<b>11,165,782</b>	<b>11,070,223</b>
<b>Capital Investment</b>		
Property, Plant and Equipment*	1,597,184	4,050,304
Investment Property*	43,352	6,685,686
Intangible Assets*	35,161	-
Heritage Assets	-	-
Other	-	-
Revenue Expenditure Funded from Capital under Statute	2,595,012	2,620,559
<b>Sources of Finance</b>		

Capital Receipts	-	(2,283,047)
Government grants and other contributions	(4,140,424)	(8,000,028)
Other contributions	-	-
<b>Sums set aside from Revenue</b>		
Direct revenue contributions	(130,285)	(3,073,474)
Minimum Revenue Provision	(95,559)	(95,559)
<b>Closing Capital Financing Requirement</b>	<b>11,070,223</b>	<b>10,974,664</b>
<b>Explanation of movement in the year</b>		
Increase in underlying need to borrow (unsupported by government financial assistance)	-	-
Minimum Revenue Provision set aside to repay debt	(95,559)	(95,559)
<b>(Decrease) / increase in Capital financing Requirement</b>	<b>(95,559)</b>	<b>(95,559)</b>

\* These figures match to the Additions lines in the notes detailing movements on the non-current asset balances.

### NOTE 35 LEASES

#### Authority as lessee

The Authority as a lessee has no Operating or Finance leases and no un-discharged obligations for future years.

#### Authority as lessor

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

- For the provision of community services, such as sports facilities, tourism services and community centres; and
- For economic development purposes to provide suitable affordable accommodation for local businesses.

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

	2021/22 £	2022/23 £
Not later than one year	407,417	463,552
Later than one year and not later than five years	1,099,075	1,421,941
Later than five years	4,542,025	4,579,674
	<b>6,048,517</b>	<b>6,465,167</b>

The authority has no finance leases.

### NOTE 36 TERMINATION BENEFITS

The Authority terminated the contracts of five employees in 2022/23 (three employees in 2021/22), incurring liabilities of £95,341 (£40,999 in 2021/22), who primarily left the Authority following a review of service delivery arrangements.

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

Exit package cost band (including special payments)	Number of compulsory redundancies (a)		Number of other departures agreed (b)		Total number of exit packages by cost band (a) + (b)		Total cost of exit packages in each band	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
	£	£	£	£	£	£	£	£
£0 - £20,000	1	1	1	1	2	2	12,071	11,416
£20,001 - £40,000	-	-	1	3	1	3	28,928	83,925
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
Over £150,000	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>5</b>	<b>40,999</b>	<b>95,341</b>

### NOTE 37 DEFINED BENEFIT PENSION SCHEME

The Authority participates in one post-employment scheme, the Local Government Pension Scheme, administered by Lancashire County Council. This is a funded scheme, meaning that the Authority and employees pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. In 2022/23 the employer's contribution rate was 18.3% with no deficit recovery contribution necessary. This rate was determined following the 2019 triennial actuarial review of the Pension Fund, which impacts in the 2020/21, 2021/22 and 2022/23 financial years.

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

The Lancashire County Council pension scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the pensions committee of Lancashire County Council. Policy is determined in accordance with the Pension Fund Regulations. The investment managers of the fund are appointed by the committee.

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

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

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

2021/22		2022/23
£	Local Government Pension Scheme	£
	Comprehensive Income and Expenditure Statement	

<b>Cost of Services:</b>			
<b>Service cost comprising:</b>			
2,899,000	-	Current Service Cost	3,027,000
-	-	Past Service Costs	-
-	-	(Gain)/Loss from Settlements	-
<b>Other Operating Expenditure</b>			
44,000	-	Administration Expenses	49,000
<b>Financing and Investment Income and Expenditure</b>			
760,000	-	Net Interest Expense	556,000
3,703,000		<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>	<b>3,632,000</b>

2021/22 £	Local Government Pension Scheme		2022/23 £
<b>Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>			
<b>Remeasurement of the net defined benefit liability comprising:</b>			
(14,096,000)	-	Return on plan assets (excluding amount included in the net interest expense)	(432,000)
(6,170,000)	-	Actuarial gains and losses arising on changes in demographic assumptions	-
(1,887,000)	-	Actuarial gains and losses arising on changes in financial assumptions	(50,837,000)
2,362,000	-	Other	9,459,000
<b>(19,791,000)</b>		<b>Total Remeasurements charged to Other Comprehensive Income and Expenditure</b>	<b>(41,810,000)</b>
<b>(16,088,000)</b>		<b>Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>	<b>(38,178,000)</b>
<b>Movement in Reserves Statement</b>			
(3,703,000)		Reversal of net changes made to the surplus or deficit on the provision of services for the post-employment benefits in accordance with the Code	(3,632,000)
<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>			
1,423,000	-	Employers' contributions payable to scheme*	1,346,900

\*A prepayment was made to the pension fund in 2020/21 – employer contributions in 2020/21 actually totalled £3,683,000; the prepayment covered 3 years of estimated employer contributions. The figures charged against the General Fund Balance above reflect a release from the prepayment, in addition to actual employer contributions made in year.

### Pension Assets and Liabilities Recognised in the Balance Sheet

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

	2021/22 £	2022/23 £
Fair value of plan assets	119,028,900	119,373,000
Present value of the defined benefit obligation	(138,969,000)	(100,925,000)
<b>Net Asset / (liability) arising from defined benefit obligation</b>	<b>(19,940,100)</b>	<b>18,448,000</b>

### Reconciliation of the Movement in the Fair Value of Scheme (Plan) Assets

Reconciliation of fair value of the scheme assets

	2021/22 £	2022/23 £
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Opening fair value of scheme assets	106,036,000	119,029,000
Interest income	2,193,000	3,286,000
Remeasurements gain and (loss):		
- The return on plan assets, excluding the amount included in the net interest expense	14,096,000	432,000
Other Operating Expenditure - Administration	(44,000)	(49,000)
Contributions from Employer	286,900	210,000
Contributions from Employees	486,000	529,000
Benefits Paid	(4,025,000)	(4,064,000)
<b>Closing fair value of scheme assets</b>	<b>119,028,900</b>	<b>119,373,000</b>

### Reconciliation of present value of the scheme liabilities

	2021/22 £	2022/23 £
Opening balance at 1 April	(142,351,000)	(138,969,000)
Current Service Cost	(2,899,000)	(3,027,000)
Interest Cost	(2,953,000)	(3,842,000)
Contribution by Scheme Participants	(486,000)	(529,000)
Remeasurements gain and (loss):		
- Actuarial gains/(losses) arising from changes in demographic assumptions	6,170,000	-
- Actuarial gains/(losses) arising from changes in financial assumptions	1,887,000	50,837,000
- Other	(2,362,000)	(9,459,000)
Past Service Cost	-	-
Curtailments	-	-
Benefits Paid	4,025,000	4,064,000
8Settlements	-	-
<b>Closing balance at 31 March</b>	<b>(138,969,000)</b>	<b>(100,925,000)</b>

The liabilities show the underlying commitments that the Authority has in the long-run to pay retirement benefits. In a change to previous years, there is an overall net asset of £18,448,000 on the pension scheme which has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet. Where a liability exists, statutory arrangements for funding the deficit mean that the financial position of the Authority would remain healthy as any deficit on the Scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the Scheme Actuary.

### Local Government Pension Scheme assets comprised:

	2021/22 £	2022/23 £
Cash:		
- Cash and cash equivalents	3,301,000	949,000
- Net Current Assets	(305,000)	-
Sub-total cash	<b>2,996,000</b>	<b>949,000</b>
Equity instruments:		
- Financial institutions	142,000	139,000
Sub-total equity	<b>142,000</b>	<b>139,000</b>

Bonds:		
- UK Corporate	489,000	-
- Overseas Corporate	439,000	246,000
<b>Sub-total bonds</b>	<b>928,000</b>	<b>246,000</b>
Property:		
- Offices	55,000	22,000
- Industrial / Warehouse	888,000	861,000
- Shops	105,000	240,000
- Multi let Commercial Building	853,000	674,000
<b>Sub-total property</b>	<b>1,901,000</b>	<b>1,797,000</b>

	2021/22 £	2022/23 £
Alternatives:		
- UK private equity	2,633,000	2,066,000
- Overseas private equity	7,176,000	7,938,000
- Infrastructure	13,560,000	18,570,000
- Credit Funds	15,929,000	17,322,000
- Pooled Fixed Income	5,175,000	1,720,000
- Indirect Property Funds	10,379,000	10,508,000
- UK Pooled Equity Funds	1,121,000	1,264,000
- Overseas Pooled Equity Funds	57,088,900	56,854,000
<b>Sub-total other investment funds</b>	<b>113,061,900</b>	<b>116,242,000</b>
<b>Total Assets</b>	<b>119,028,900</b>	<b>119,373,000</b>

### Basis for Estimating Assets and Liabilities

Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Mercers Limited, an independent firm of actuaries, estimates for the fund being based on the latest full valuation of the scheme as at 31 March 2019.

The significant assumptions used by the actuary have been:

	2021/22	2022/23
<b>Mortality assumptions</b>		
Longevity at 65 for current pensioners		
- Men	21.4 years	21.5 years
- Women	23.7 years	23.8 years
Longevity at 65 for future pensioners		
- Men	22.6 years	22.8 years
- Women	25.5 years	25.6 years
Rate of CPI inflation/CARE Benefits revaluation	3.3%	2.7%
Rate of increase in salaries	4.8%	4.2%
Rate of increase in pensions in payment/deferment	3.4%	2.8%

Rate for discounting scheme liabilities	2.8%	4.8%
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The estimation of the defined benefit obligations is sensitive to the actuarial assumptions as set out above.

The sensitivity analysis below have been determined based on reasonably possible changes to the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases for men and women. In practice this is unlikely to occur, and changes in some of the assumptions may be interrelated.

The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit cost method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

#### Sensitivity Analysis - Impact on the Defined Benefit liabilities obligation in the Scheme

	2021/22 £	2022/23 £
1 year increase in members life expectancy	4,334,000	2,126,000
0.1% increase in Discount Rate	(10,763,000)	(7,153,000)
0.1% increase in the Salary Increase Rate	660,000	479,000
0.1% increase in the Inflation Rate	5,815,000	3,842,000
1% increase in investment returns	-	-
1% decrease in investment returns	-	-

#### Impact on the Authority’s Cash Flows

The objectives of the scheme are to keep employers’ contributions at as constant a rate as possible. The County Council has agreed a strategy with the scheme’s actuary to achieve a funding level of 100%. The maximum deficit recovery period for the Fund has been set as 16 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed 31 March 2023.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the act, the Local Government Pension Scheme in England and Wales and other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The Actuary anticipates that the Authority will pre-pay £3,278,200 in employer contributions to the scheme in May 2023 for the period 2023/24 to 2025/26.

The weighted average duration of the defined benefit obligation for scheme members in 2022/23 is 14 years (15 years in 2021/22).



## NOTE 38 CONTINGENT ASSETS AND LIABILITIES

### Contingent Assets

Civic Centre water leak – owing to a water leak at the Civic Centre, the council has become liable for considerable water bills. The cause of the leak has been found and repair works have been carried out. A claim has been registered with the water company in relation to the bills and this has been passed onto United Utilities for feedback. The increased costs have been reflected as revenue expenditure during 2022/23, however, should the claim be successful, a credit would be due.

### Contingent Liabilities

Fleetwood Market rental income – construction work is currently being carried out at the Fleetwood Market site. This has resulted in some closures of the site, which have been necessary to erect scaffolding for works to be carried out as part of the capital project. Negotiations are being held with market stall holders in relation to rental reductions, however, at present these negotiations are on-going.

## NOTE 39 NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Authority’s activities expose it to a variety of financial risks:

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

The Authority’s overall risk management procedures focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the resources available to fund services. The Treasury Management Practices are agreed annually by the Cabinet in March and the Treasury Management and Annual Investment Strategy is approved annually by Council in April.

### Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority’s customers. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria and limits approved by Council.

The following analysis summarises the Authority’s potential maximum exposure to credit risk, based on experience of default assessed by the ratings agencies and the Authority’s experience of its customer collection levels over the last three financial years, adjusted to reflect current market conditions.

31/03/2023 £000	Historical experience of default %	Adjustment for market conditions at 31/03/23 %	Estimated maximum exposure to default £000
--------------------	--	---	--

	a	b	c	a x c
Deposits with banks and financial institutions (market value):				
High rated counterparties	46,001	0.00%	0.00%	0
Trade debtors (o/s Sundry Debtors at 31/03/23)	2,412	0.50%	4.00%	96

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

The Authority does not generally allow credit for its trade debtors. Of the £2,412,221 outstanding for trade debtors, £2,255,090 is overdue. The overdue amount can be analysed by age as follows:

	2022/23 £000
Less than 90 days	1,558
90 days to 150 days	211
More than 150 days	486
<b>Total</b>	<b>2,255</b>

### Liquidity Risk

The Authority has ready access to borrowings from the Money Markets to cover any day to day cash flow need, and the PWLB provides access to longer term funds. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The Authority manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through cash flow management procedures required by the Code.

The Authority sets limits on the proportion of its fixed rate borrowing during specified periods.

The maturity analysis of financial liabilities is as follows:

	2022/23 £000
Less than one year (short term creditors and short term borrowing)	14,774
Between one and two years	-
Between two and five years	-
Between five and ten years	-
More than ten years (long term borrowing)	-
<b>Total</b>	<b>14,774</b>

### Market Risk

**Interest rate risk** - The Authority is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the authority. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise.
- borrowings at fixed rates – the fair value of the liabilities borrowings will fall.
- investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise.
- investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

The Authority has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Authority’s prudential indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a prudential indicator is set which provides maximum and minimum limits for fixed and variable interest rate exposure.

The in-house treasury team will monitor the market and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns.

**Price risk** - The Authority is not responsible for administering the pension fund and therefore does not invest in instruments with this type of risk.

**Foreign exchange risk** - The Authority has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

#### **NOTE 40 LANCASHIRE BUSINESS RATES POOL**

Since 2016/17 this Council has been a member of the Lancashire Business Rates Pool. In a Business Rate Pool, tariffs, top-ups, levies and safety nets are combined. This can result in a significantly lower levy rate or even a zero levy rate meaning that more or all of the business rate growth can be retained within the pool area instead of being payable to the Government.

The Lancashire Business Rates Pool, which included most but not all of the local authorities in Lancashire, was designated by the Secretary of State for Housing, Communities and Local Government and originally operated with allocations on the basis of the 50% business rates retention scheme.

In 2019/20 we successfully submitted a bid along with 15 other authorities in Lancashire to become a 75% Business Rates Pilot Pool. This meant that 75% of collected rates were retained in Lancashire rather than 50%.

In respect of 2020/21, the Government confirmed that 75% Business Rate Pilots would cease at the end of March 2020. As a result, applications for a 50% Lancashire Pool were submitted for 2020/21 and then for 2021/22, consisting of 10 district council's and the county council. Applications in both years were successful. The pool has operated on the same basis as in 2016/17, 2017/18 and 2018/19 during 2020/21, 2021/22 and 2022/23.

Business rates income allocations in 2021/22 and 2022/23 are shown in the table below:

2021/22	Lancashire Business Rates Pool	2022/23
40%	District Authorities	40%
9%	Lancashire County Council	9%
1%	Lancashire Combined Fire Authority	1%
<b>50%</b>	<b>Lancashire Business Rates Pool Total</b>	<b>50%</b>
50%	Central Government	50%
<b>100%</b>	<b>Total</b>	<b>100%</b>

As part of the pool arrangements, one authority must be designated as lead authority, which in the case of the Lancashire Business Rates Pool is Ribble Valley Borough Council. As part of this arrangement a fee of £20,000 is payable, charged equally to all members of the pool by Ribble Valley Borough Council in their role as lead.

The retained levy in the Lancashire Business Rates Pool has been distributed as follows:

- Lancashire County Council is paid 10% of the overall retained levy;
- Each district within the pool retains 90% of their retained levy.

Lancashire Business Rates	Authority	Tariffs and Top-Ups in Respect of 2022/23	Retained Levy on Growth 2022/23	10% Retained Levy Payable to/Received by Lancashire County Council	Net Retained Levy 2022/23
Pool Members 2022/23	Type	£	£	£	£
Burnley Borough Council	Tariff	6,043,499	(1,230,976)	123,098	(1,107,878)
Chorley Borough Council	Tariff	6,503,220	(1,101,286)	110,129	(991,157)
Fylde Borough Council	Tariff	8,101,273	(612,380)	61,238	(551,142)
Hyndburn Borough Council	Tariff	3,969,106	(1,538,593)	153,859	(1,384,734)
Pendle Borough Council	Tariff	3,388,618	(772,596)	77,260	(695,336)
Ribble Valley Borough Council	Tariff	4,311,424	(917,609)	91,761	(825,848)
Rossendale Borough Council	Tariff	2,713,519	(724,988)	72,499	(652,489)
South Ribble Borough Council	Tariff	10,327,203	(1,750,582)	175,058	(1,575,524)

		Together we make a difference...			
West Lancashire Borough Council	Tariff	8,698,358	(754,599)	75,460	(679,139)
Wyre Borough Council	Tariff	6,837,509	(735,928)	73,593	(662,335)
Lancashire County Council	Top-Up	(158,098,681)	-	(1,013,955)	(1,013,955)
Central Government	-	97,204,952	-	-	0
<b>Total</b>		-	<b>(10,139,537)</b>	-	<b>(10,139,537)</b>

The Net Retained Levy for this Council is shown within Business Rates Retention income on the Comprehensive Income and Expenditure Statement, along with the council's own share of growth achieved in the year.

## COLLECTION FUND ACCOUNT

### Foreword

The Collection Fund is a statement that reflects the statutory requirement contained in section 89 of the Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992) for billing authorities to establish and maintain a separate fund for the collection and distribution of amounts due in respect of Council tax and national non-domestic rates (NNDR).

2021/22			2022/23			
Business Rates £	Council Tax £	Total £	Note	Business Rates £	Council Tax £	Total £
<b>INCOME</b>						
	(76,557,669)	(76,557,669)			(81,381,466)	(81,381,466)
	-	-			-	-
(20,408,971)		(20,408,971)	2	(21,367,527)		(21,367,527)
	(129,330)	(129,330)			12,591	12,591
	-	-		(80,721)		(80,721)
(12,852,197)	(182,188)	(13,034,385)	3	(5,779,156)		(5,779,156)
<b>(33,261,168)</b>	<b>(76,869,187)</b>	<b>(110,130,355)</b>		<b>(27,227,404)</b>	<b>(81,368,875)</b>	<b>(108,596,279)</b>
<b>EXPENDITURE</b>						
Precepts, Demands and Share						
12,702,236		12,702,236	-	10,830,103		10,830,103
2,286,403	53,850,867	56,137,270	-	1,949,419	57,549,774	59,499,193
	8,374,270	8,374,270	-		8,986,155	8,986,155
254,045	2,672,593	2,926,638	-	216,602	2,936,605	3,153,207
10,161,789	8,540,295	18,702,084	-	8,664,082	9,025,249	17,689,331
<b>25,404,473</b>	<b>73,438,025</b>	<b>98,842,498</b>		<b>21,660,206</b>	<b>78,497,783</b>	<b>100,157,989</b>
Charges to Collection Fund						
		-	-			-
(479,352)	(656,439)	(1,135,791)	-	137,721	767,723	905,444
904,291		904,291	-	333,407		333,407
147,818		147,818	-	147,655		147,655
1,440,986		1,440,986	-		-	-
-	-	-	-		-	-
-		-	-	17,481		17,481
<b>2,013,743</b>	<b>(656,439)</b>	<b>1,357,304</b>		<b>636,264</b>	<b>767,723</b>	<b>1,403,987</b>
Contributions						
-	-	-	-	-	1,863,527	1,863,527
-		-	-		-	-
<b>27,418,216</b>	<b>72,781,586</b>	<b>100,199,802</b>		<b>22,296,470</b>	<b>81,129,033</b>	<b>103,425,503</b>
<b>(5,842,952)</b>	<b>(4,087,601)</b>	<b>(9,930,553)</b>		<b>(4,930,934)</b>	<b>(239,842)</b>	<b>(5,170,776)</b>
			<b>(Surplus) / Deficit arising during the year</b>			

14,546,902	454,029	15,000,931	(Surplus) / Deficit B/fwd as at 1 April		8,703,950	(3,633,572)	5,070,378
<b>8,703,950</b>	<b>(3,633,572)</b>	<b>5,070,378</b>	<b>(Surplus) / Deficit C/fwd as at 31 March</b>	<b>4</b>	<b>3,773,016</b>	<b>(3,873,414)</b>	<b>(100,398)</b>

## NOTES TO THE COLLECTION FUND

### NOTE 1 COUNCIL TAX

The Council Tax base for 2022/23 was calculated at 36,981 and a Band D Council Tax set at £2,042.75. The tax base was calculated as follows:

Band	Total number of chargeable dwellings	**Relevant amount x number of dwellings
Additional band	35	17.92
A	11,629	6,687.00
B	12,077	8,385.07
C	12,755	10,311.24
D	7,615	7,058.50
E	5,561	6,430.91
F	2,620	3,595.83
G	1,067	1,707.12
H	61	110.00
	<b>53,420</b>	<b>44,303.59</b>
Less Council Tax Reduction		(5,123.73)
		39,179.86
Collection Rate 97% = Relevant Amount x 0.97		<b>38,004.46</b>

\*\* Total number of chargeable dwellings adjusted where discounts apply and converted to an equivalent number of Band D dwellings.

### NOTE 2 INCOME FROM BUSINESS RATE PAYERS

The total non-domestic rateable value at 31 March 2023 was £69,421,423 (31 March 2022 £69,530,431). The Government set a National Non-domestic multiplier (rate in the pound) of 51.2 pence for 2022/23 and a Small Business non-domestic multiplier of 49.9 pence (2021/22 51.2 pence and 49.9 pence). This rateable value figure is different from the figure in the accounts due to various relief awards.

### NOTE 3 DISTRIBUTION OF COLLECTION FUND PRIOR YEAR BALANCE

Business Rates £	2021/22 Council Tax £	Total £		Business Rates £	2022/23 Council Tax £	Total £
<b>Attributable to Central Government and other Local Authorities as follows:</b>						
(6,358,867)		(6,358,867)	Central Government	(2,889,578)		(2,889,578)
(1,179,556)	(133,721)	(1,313,277)	Lancashire County Council	(520,124)	1,366,493	846,369
	(20,192)	(20,192)	Police and Crime Commissioner for Lancashire		212,501	212,501
(129,867)	(6,767)	(136,634)	Lancashire Combined Fire Authority	(57,792)	67,818	10,026
(5,183,907)	(21,508)	(5,205,415)	Wyre Borough Council	(2,311,662)	216,715	(2,094,947)
<b>(12,852,197)</b>	<b>(182,188)</b>	<b>(13,034,385)</b>	<b>Total</b>	<b>(5,779,156)</b>	<b>1,863,527</b>	<b>(3,915,629)</b>



#### NOTE 4 CLOSING (SURPLUS)/DEFICIT BALANCE ON THE COLLECTION FUND

Business Rates £	2021/22 Council Tax £	Total £		Business Rates £	2022/23 Council Tax £	Total £
<b>Attributable to Central Government and other Local Authorities as follows:</b>						
4,351,978		4,351,978	Central Government	1,886,512		1,886,512
783,355	(2,664,181)	(1,880,826)	Lancashire County Council	339,571	(2,840,002)	(2,500,431)
	(415,130)	(415,130)	Police and Crime Commissioner for Lancashire		(442,971)	(442,971)
87,039	(134,036)	(46,997)	Lancashire Combined Fire Authority	37,729	(144,751)	(107,022)
3,481,578	(420,225)	3,061,353	Wyre Borough Council	1,509,204	(445,690)	1,063,514
<b>8,703,950</b>	<b>(3,633,572)</b>	<b>5,070,378</b>	<b>(Surplus) / Deficit as at 31 March</b>	<b>3,773,016</b>	<b>(3,873,414)</b>	<b>(100,398)</b>

## GLOSSARY OF ACCOUNTING TERMS

### Accounting policies

The rules and practices adopted by the authority that determine how the transactions and events are reflected in the accounts.

### Accruals

Spending and income included in the accounts for the year in which relevant services or goods have been supplied.

### Accumulated absences

Absences earned but not taken by the end of a given period i.e. Holiday pay entitlement.

### Agency services

Services provided by the authority, as an agent on behalf of the responsible body, where the authority is acting as an intermediary.

### Amortisation

A measure of the costs of economic benefits consumed for intangible assets during the year.

### Assets

An item which is measurable in monetary terms.

### Auditor's opinion

The opinion required by statute from the authority's external auditors, indicating whether the accounting statements give a true and fair view of the financial position of the authority.

### Balance sheet

A statement of the recorded assets, liabilities and reserves at the end of an accounting period.

### Budget

A statement of the authority's spending plans for a financial year.

### Capital adjustment account

The capital adjustment account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets under statutory provisions.

### Capital expenditure

Expenditure on the acquisition and/or improvement of assets,

which adds to, and not merely maintains, its value.

### Capital receipts

Income from asset disposals with a value in excess of £10,000.

### Cash and cash equivalents

Cash on hand and demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash which are not subject to significant risk of changes in value.

### CIPFA (Chartered Institute of Public Finance and Accounting)

CIPFA is the professional institute for accountants working in the public services. CIPFA publishes the code, which defines proper accounting practice for local authorities.

### Collection fund

An account, which shows the transactions of the authority in relation to non-domestic rates and Council tax, and the distribution of these to preceptors and the general fund. The collection fund is

consolidated with the other accounts of the authority.

period, e.g. Creditors or cash overdrawn.

**Comprehensive income and expenditure statement (CIES)**

This statement details income and expenditure relating to the Council as a whole, and the source of funding for all the Councils expenditure.

**Consistency**

The concept that the accounting treatment of like items is the same within an accounting period and from one period to the next.

**Contingency**

A sum set-aside in addition to approved budgets to meet unforeseen items of expenditure, e.g. Excess inflation, pay awards.

**Contingent liabilities or assets**

These are amounts potentially due to or from individuals or organisations which may arise in the future but which at this time cannot be determined accurately, and for which provision has not been made in the Council's accounts.

**Council tax**

This is a property based local tax. Each domestic property is valued and placed in one of eight bands (a) to (h); the tax paid is fixed in relation to the band d tax. Dwellings shown in 'additional band' refer to those dwellings in band (a) which it is estimated will qualify for a disabled persons reduction of an amount equal to 1/9 of the band d Council tax.

**Creditors**

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

**Current assets**

Assets held by the authority which will be consumed or cease to have value within the next financial year e.g. Stock and debtors.

**Current liabilities**

Amounts which will become payable or could be called in within the next accounting

**Curtailement cost**

For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces, for a number of employees, the accrual of defined benefits for some or all of their future service.

**Debtors**

These are sums of money due to the Council that have not been received at the date of the balance sheet.

**Deferred liabilities**

Future income for the Council that is not due in the following financial year such as money received from developers for maintenance of grounds and open spaces transferred to the Council.

the actual assets held by the scheme.

entity. This includes the borrowing and lending of money and the making of investments and also extends to include debtors and creditors.

### **Defined benefit scheme**

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The Lancashire county pension fund is a funded scheme meaning that the authority and employees pay contributions into the fund calculated at a level intended to balance the pension liabilities with investment assets.

### **Depreciation**

A measure of the costs of economic benefits consumed for tangible assets during the year.

### **Expected rate of return on pensions assets**

For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on

### **Expenditure**

The costs incurred relating to the accounting period irrespective of whether or not the amounts due have been paid or not. The difference between expenditure and payments is calculated by reference to the levels of accruals.

### **Expenditure and Funding Analysis**

Shows how annual expenditure is used and funded from resources by local authorities in comparison with those resources consumed or earned in accordance with generally accepted accounting practices.

### **Fair value**

The fair value of an asset is the price at which it could be exchanged between knowledgeable, willing parties in an arm's length transaction.

### **Financial instruments**

Defined as contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another

### **General fund**

The main revenue fund of the authority. Day-to-day spending on services is met from the fund.

### **Going concern**

The concept that the authority will remain in operational existence for the foreseeable future with no consequential amendments being required to valuations of assets or a need for provisions for closure costs or redundancies.

### **Gross expenditure**

The cost of service provision before allowing for any income.

### **Heritage asset**

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

### **International financial reporting standard (IFRS)**

Defined accounting standards that must be applied by reporting entities to all financial statements in order to provide a true and fair view of the entity's financial position.

- Property acquired or constructed for sale

misstated, could be expected to lead to a distortion by a reader of those statements.

### Impairment

Assets are reviewed at the end of each financial year for evidence of material reductions in value.

### Income

Amounts due to the authority that have been or are due to be received. The difference between income and receipts is calculated by reference to the levels of accruals.

### Intangible assets

Expenditure on assets that do not have a physical substance but are identifiable such as software licenses.

### Inventories

Items of raw materials and stores the authority has procured to use on a continuing basis and which it has not yet used. These comprise the following categories:

- Consumable stores
- Maintenance materials
- Client services work in progress

### Leases

*Finance lease:* a finance lease is a lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

*Operating lease:* leases that do not meet the definition of a finance lease.

### Liabilities

Money the authority will have to pay to people or organisations in the future.

### Long term assets

Non-current assets that yield benefits to the authority and the services it provides for a period of more than one year.

### Long term borrowing

The total amount borrowed from external lenders for capital purposes which has not been repaid at the balance sheet date.

### Materiality

The concept that the financial statements should include all amounts which, if omitted, or

### Minimum Revenue Provision (MRP)

MRP is the minimum amount which must be charged to an authority's revenue account each year and set aside as a provision for debt, as required by the local government and housing act 1989, i.e. an annual contribution from revenue towards the reduction in the overall borrowing requirement.

### Net assets

Assets less liabilities which are matched by the reserves held by the authority.

### Net expenditure

Gross expenditure less gross income.

### Non-domestic rates

A national non-domestic rate multiplier (rate in the pound) for commercial premises is set annually by the government and is applied to the rateable value collected by local authorities.

### Non-ringfenced grant

Grants received with no stipulations imposed as to their use, ensuring full local control over how funding can be used.

the timing of the transfer is uncertain.

- Members
- Officers
- Other public bodies
- Entities controlled or significantly influenced by the authority

### **Outturn**

Final account position of the authority as at 31 March each year in terms of income and expenditure.

### **Precept**

The amount the county Council, the police and crime commissioner for Lancashire, the combined fire authority and the parish Councils (the precepting authorities) ask the authority to collect every year.

### **Projected unit method – pension fund valuation**

An assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of earnings for current employees.

### **Provisions**

Provisions are required for any obligation that require a settlement by a transfer of economic benefits but where

### **Prudence**

Accounts should be prepared in accordance with the prudence concept. Income should only be anticipated to the extent that it will be received, as cash or other assets, with reasonable certainty and full and proper allowance should be made for all known and foreseeable losses and liabilities.

### **Public works loan board (PWLB)**

A central government agency, which lends money to local authorities at lower, rates than those generally available from the private sector. Local authorities are able to borrow a proportion of their requirements to finance capital expenditure from this source.

### **Related party**

A person or entity that is has the potential to control or influence the authority or to be controlled or influenced by the authority. Related parties include:

- Central government

### **Remuneration**

Amounts paid to or receivable by a person including sums by way of expenses or allowances and the value of any other benefits received by an employee otherwise than in cash.

### **Reserves**

Amounts created for future policy purposes or to cover contingencies.

### **Retirement benefits**

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits as these are not given in exchange for services tendered by employees.

### **Revenue expenditure**

Expenditure of a day to day nature incurred in the course of providing services, earning

revenue, maintaining assets and on the acquisition of goods for resale.

code of practice (SeRCOP) establishes proper practices with regard to consistent financial reporting for services and in England and Wales.

**Usable reserves**

Reserves that the authority may use to provide services subject to maintaining a prudent level and any statutory limitations.

**Revenue expenditure funded from capital under statute (REFCUS)**

Expenditure incurred during the year that may be capitalised under statutory provision but that does not result in the creation of a non-current asset that has been charged as expenditure to the CI&ES.

**Short term borrowing**

Loans where repayment can be demanded or made within one year, excluding deposits which can be recalled without penalty on notice of no more than 24 hours.

**Useful life**

The period over which the authority will derive benefits from the use of a fixed asset.

**Revenue support grant (RSG)**

Government grant to support local authority services.

**Slippage**

Expenditure of a capital or revenue nature that is not spent within the accounting period and is carried forward to future years.

**Work in progress**

The cost of work done on an uncompleted project at a specified date, which should be accrued where appropriate.

**Scheme liabilities**

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

**Termination benefits**

Amounts payable as a result of either (i) an employer's decision to terminate an employee's employment before the normal retirement date or (ii) an employee's decision to accept voluntary redundancy in exchange for those benefits.

**Service reporting code of practice (SeRCOP)**

Prepared and published by CIPFA, the service reporting

**Unusable reserves**

Reserves that the authority is not able to use to provide services as they reflect unrealised gains and losses.



**NOTE:** Values throughout these accounts are presented rounded to whole numbers. Totals in supporting tables and notes may not appear to cast, cross-cast, or exactly match to the core statements or other tables due to rounding differences.

## LINKS TO OTHER FINANCIAL INFORMATION

The Statement of Accounts is a key financial document published by the council. The council's website contains the Statement of Accounts for previous financial years and other financial information:

[https://www.wyre.gov.uk/info/200339/council\\_budgets\\_and\\_spending](https://www.wyre.gov.uk/info/200339/council_budgets_and_spending)