

DRAFT

# STATEMENT OF ACCOUNTS

For the Year Ended  
31 March 2024

Clare James CPFA  
Director of Finance and Governance  
(Section 151 Officer)

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## NARRATIVE REPORT

### Message from the Director of Finance and Governance

The financial year 2023/24 has been another challenging one for the local government sector with the backlog of unaudited accounts, cost of living crisis and late financial settlement all factoring into the complex production of the 2023/24 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 2024.

The deadline for producing a draft set of accounts by 31 May is not easy to meet and although Wyre has consistently met its obligations to publish on time, the resourcing problems in the external audit market have meant that formal sign-off has fallen behind. As such, the deadline for signing off the audited accounts by 30 September 2024 is impossible to meet given the current backlog. As things stand, Wyre's 2020/21 accounts are the most recent to receive formal sign-off and no audit work has commenced on 2021/22 or 2022/23. Central Government continues to work towards a national 'backstop' solution to end the current problems in the sector.

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. 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 2024 to 12 July 2024.

There is no longer a requirement for the Audit and Standards Committee to review the draft accounts. Training materials for the review of the Statement of Accounts were issued to Audit and Standards Committee in June 2024. The training was recorded and distributed electronically for 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 2023/24 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 2024.

Clare James

**Director of Finance and Governance (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 mid-2022 based on the estimate provided by the Office for National Statistics was 114,809.

### 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 2024 was as follows:

Conservative Group Councillors = 30; Labour Group Councillors = 17; Wyre Independent = 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 our baseline funding, including Revenue Support Grant, rose with inflation to £3.537m. We also received Services Grant of £0.138m and Funding Guarantee Grant of £0.570m.

In 2024/25 our baseline funding, including Revenue Support Grant, rose with inflation to £3.666m. We also received Services Grant of £0.024m and Funding Guarantee Grant of £1.098m.

Over the fourteen years up to and including 2024/25 we have lost **£6.7m** in funding which is the equivalent of nearly **76%** of our grant back in 2010/11 (which was £8.9m).

### What can we expect in future?

2024/25 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 the General Election.

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

We've prepared for it over the years by reducing spending, being a member of the Lancashire Business Rates Pool since 2016/17, making sound treasury management decisions including going debt free in 2022/23 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 2022/23 that's an average of **£558,000 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:

### **Household support fund**

Since April 2023, we have awarded nearly £1 million to our most vulnerable residents, helping those who have been worst affected by the increases in household energy prices and cost of living pressures. A further £417,000 has been announced for the first six months of 2024/25.

### **Let's get Wyre Moving More**

Following a review of our wider leisure provision and a public consultation, we're introducing a brand-new physical activity and sport initiative specifically designed to get Wyre moving more! We want to improve the health and wellbeing of residents and provide more opportunities for people to lead healthy and active lifestyles. We're working together with leading local sport providers to put on a great range of opportunities across the borough and working hard to make it easier for people to access these. Wyre Moving More is due to launch after Easter so keep a look out on our website and social media channels to learn more.

### **Improving our leisure facilities**

We're delighted to have successfully secured £142,000 of revenue funding for pools at Fleetwood, Poulton and Garstang leisure centres from the Government's Swimming Pool Support Fund in November. This funding will help us to sustain these important and much-loved facilities which play such an important role in the health and wellbeing of our residents and in teaching people to swim. A further £141,000 has been announced for capital improvements at Fleetwood Leisure Centre.

### **Congratulations to In Bloom winners across Wyre!**

Catterall, Churchtown, Poulton, Garstang and Hambleton each won Gold in the Britain in Bloom North-West judging and Churchtown in Bloom were joint winners for the Best Village in Great Britain.

### **Project Neptune, Fleetwood's new Fish and Food Processing Park, nets first tenants**

The Neptune Food and Fish Processing Park has been purpose built to create a new home for some of the current fish processing businesses in the port, work is underway to prepare the units with energy efficient, high spec, ultramodern amenities, ready for the first tenants to move in. With a new fish auction hall, processing factory and plans for a new Training Academy, all helping to boost Fleetwood's economy, safeguard the existing fish processing industry jobs, create up to 100 new jobs and maintain the town's historic links with fishing and the sea.

### **£3.9 million secured in UK Shared Prosperity Fund (UKSPF) funding and £0.4m in Rural England Prosperity Fund (REPF) funding**

To secure this funding we worked in partnership with Wyre's Town Centre Partnership boards and key stakeholders to submit an investment plan proposal to government outlining potential projects that the funding would be used for to support strategic business recovery and growth in key economic centres in the borough. In November, our UKSPF team secured the very first English district visit from the Government UKSPF Director helping to showcase the progress and positive impact of our projects.

There are many projects currently progressing across the borough, which range in scope from local creative activities like events, festivals and arts programmes, through to larger scale projects that support businesses, existing town centre CCTV upgrade, the development of community facilities and improvements to our parks and public realm, as well as a multitude of other exciting projects in between for heritage, climate change, community and voluntary group development and more.

### **UKSPF funds CCTV upgrades across Wyre**

We're currently in the process of upgrading our town centre CCTV network which is due to complete this year. This includes the replacement of all existing cameras within the towns of Fleetwood, Poulton, Cleveleys and Garstang, resulting in better imagery, particularly in low light. There'll be extra speakers and additional cameras in known hotspot areas for crime and anti-social behaviour allowing better coverage of key areas of concern. The upgraded network will have increased resilience, with cameras feeding back to the council's CCTV control room via a fibre network and will allow both live and recorded footage to be shared instantly with the police.

### **Futureproofing Fleetwood Market - £3.9m Investment and Improvement works**

There's significant improvement and decarbonisation works at Fleetwood Market, with work ongoing during 2023/24. Vital improvements to energy efficiency, the reinstating of some key historic features in the market hall and the brand-new roof, windows and doors are all helping to sustain its future as a key attraction for the borough.

### **Caring for our beautiful borough**

We are extremely proud to have achieved Green Flag awards for five of our parks across the borough in 2023.

- Vicarage Park in Poulton-le-Fylde
- Hawthorne Park and Wyre Estuary Country Park in Thornton
- Memorial Park and The Mount in Fleetwood

All five parks are vital green spaces for the community in Wyre, bringing people together and providing opportunities to lead healthy lifestyles. The staff and volunteers do so much to ensure that they maintain the high standards of the Green Flag Awards and everyone involved should feel extremely proud of their achievement.

### **Growing towards our tree planting targets**

We've planted approximately 16,760 trees as of early 2024, bringing us 67% towards our target to plant 25,000 trees by 2025!

### **Electric vehicle charging points**

Wyre Council has now installed 23 fast charging points and 5 rapid charging points across our car parks in Wyre, to enable the successful uptake of electric vehicles for our residents and work toward our climate objectives.

## **Climate change action**

We have made significant progress on climate action, providing free business support to help businesses transition to net zero, planted thousands of trees, installed local electric vehicle charging points, worked on improving the energy efficiency of our buildings, agreed to swap to Hydro treated Vegetable Oil (HVO) fuel to power the council's vehicles and more. Along with our many climate change achievements over the past year, we're working on a new Climate Change strategy which outlines how we plan to tackle climate change by reducing our emissions and supporting our communities and businesses to do the same.

## **Wyre Beach Management Scheme success**

We're progressing our vital £40m coastal defence scheme with Phase Two work underway at Fleetwood, following the success of Phase One works in Cleveleys during 2023. This important project will help to significantly reduce the risk of coastal erosion and flooding to over 11,000 properties and critical infrastructure in Fleetwood and Cleveleys. Phase One works saw the construction of the works compound in Cleveleys, the construction of rock groynes and concrete ramps between Wyre's boundary with Blackpool and Rossall School and construction of rock armour toe protection at Rossall Beach. Similar works will take place at Fleetwood this year, from Rossall up to the boating lake. A site compound is being constructed next to Rossall Point car park and once complete, work will begin and continue until summer 2025.

## **Royles Brook Restoration Project in final phase**

The final phase of the Royles Brook Restoration Project is almost complete at King Georges Playing Fields. A new 300m surfaced path has been created and 25m of boardwalk will be created to ensure that green and blue spaces continue to be accessible to the public. The work is being undertaken by the Wyre Rivers Trust and Wyre Council's Coast and Countryside Service and their volunteers. We are working with the Wyre River's Trust on a number of important projects reducing the flood risk to Thornton, Scorton, Garstang, Churchtown, St Michaels and Great Ecclestone.

## **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 reduced to **0% in 2023/24**, which is significantly lower than some nearby local authorities and we are maintaining this level for 2024/25.

Citizens Advice receive funding from Wyre 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 Round 4 launched in April 2023 and we have distributed nearly **£1m** already to those on low incomes to support fuel poverty.



## How does the future look?

The council approved its new Council Plan for 2024-28 in November 2023 which included four key priorities:

<p><b>People and communities</b></p> <p>Residents live happier, healthier and safer lives</p>
<p><b>Growth and prosperity</b></p> <p>A thriving local economy and town centres</p>
<p><b>Place and climate</b></p> <p>A cleaner, greener and more sustainable place</p>
<p><b>Innovative and customer focused</b></p> <p>A well run, forward-thinking council that puts customers first</p>

Following approval of a Senior Leadership Team restructure in January, the foundations are being put in place to launch an ambitious programme of projects and initiatives designed to take the council to the next level of performance.

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 since 2022/23 has been a net asset of £27,457,000 in 2023/24. 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 and Standards 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 and Standards Committee are required to review the Risk Management Policy on an annual basis with the next review being completed 11 June 2024 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.

During 2023/24, the council was been overseen by the Chief Executive, Rebecca Huddleston, supported by three Directors who were responsible for the Resources, Environment and Communities Directorates. Following a Senior Leadership Restructure effective from 1 April 2024, the structure now includes four Directors of Environment, Communities, Finance and Governance and Transformation and Change.

Further information can be found in the Annual Governance Statement.

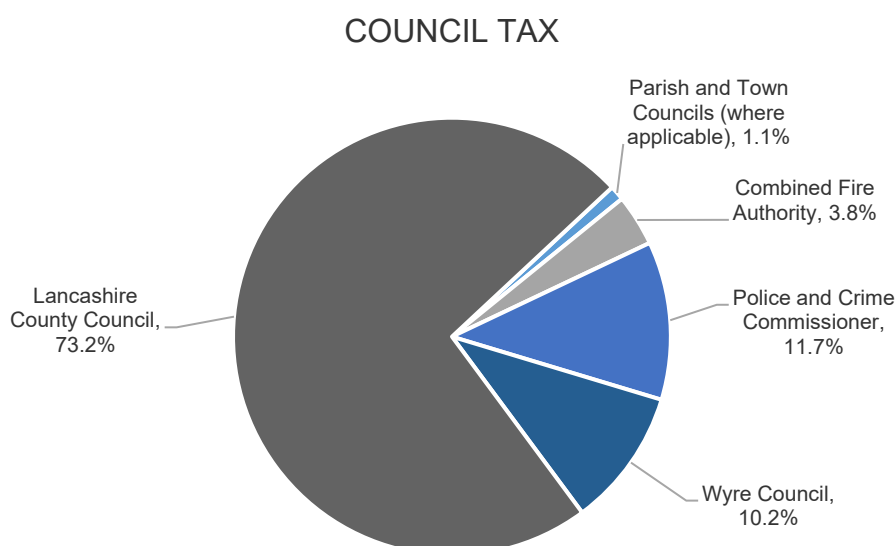
The council is one of the largest employers in the borough employing approximately 340.8 full time equivalents. The workforce generally reflects the diversity of the residents in the borough.

## Council Tax 2024/25

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 2024/25 assumes that districts will increase their council tax by the maximum amount (3%).

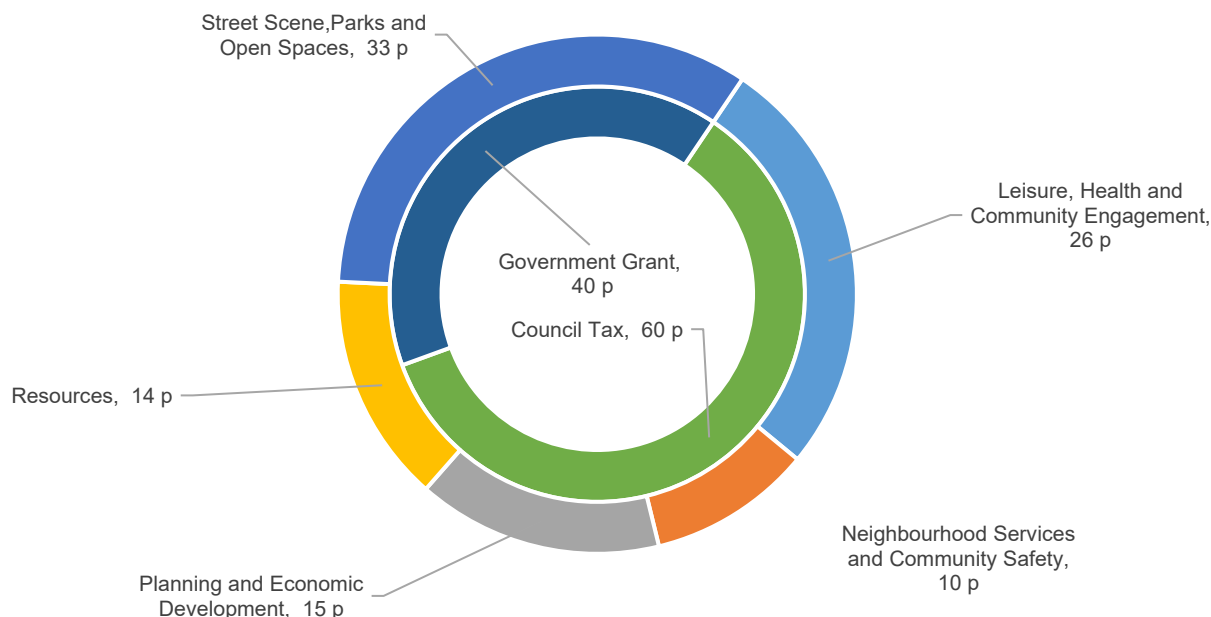
Members decided to follow the government's lead to maximise our spending power potential which allows the council to continue to provide Wyre's vital front-line services. This rise of £6.57 (2.99%) a year on a band D property, or just 13p a week, means that the overall cost for all Wyre's services will be **62p per day in 2024/25**.

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



Wyre Council is the billing authority and collects council tax on behalf of all these agencies. However, Wyre's portion represents 10% or £226.31 (on a band D property) of the total amount of your bill in 2024/25 in a parished area (10.2% in a non-parished area). This compares to the equivalent figure of £219.74 (on a band D property) in 2023/24.

For every £1.00 the council receives in income it spends it in the following council areas (based on 2023/24 outturn):



## Council Plan

The Council 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. The core vision and priorities in the Council Plan are shown below.

### Our vision

Wyre is a place where everyone can prosper. We want everyone in Wyre to have access to jobs and share the benefits of economic growth; live in thriving, safe, more environmentally sustainable and welcoming communities; and be healthier and independent for longer.

### Making our vision a reality

Our commitments in four key areas will support our vision. These commitments form our actions and our plans. Over the next four to eight years we will:

People and communities	Growth and prosperity	Place and climate	Innovative and customer focused
<ul style="list-style-type: none"> <li>Support people to help themselves and live independently in their own homes</li> <li>Provide support to those who need it, including our most vulnerable and financially disadvantaged residents and our ageing population</li> <li>Improve feelings of safety and work with partners to tackle crime and anti-social behaviour</li> <li>Improve our leisure facilities ensuring they meet the needs of our residents and visitors</li> <li>Provide opportunities for people to lead healthy and active lifestyles</li> <li>Improve the quality of life for individuals by tackling loneliness and isolation</li> </ul>	<ul style="list-style-type: none"> <li>Develop Wyre's town centres to be thriving and welcoming places to live, work and visit</li> <li>Support and champion Wyre's growing tourism economy by promoting our coast to countryside offer, tourism businesses, attractions and events</li> <li>Grow the local economy through delivering the best support for small businesses and start-ups</li> <li>Encourage local people to develop new skills to access better paid work</li> <li>Secure external funding and investment to make improvements to places across the borough</li> <li>Promote and support low carbon businesses and jobs</li> </ul>	<ul style="list-style-type: none"> <li>Build pride in our borough by ensuring our town centres and neighbourhoods are clean, attractive and well looked after</li> <li>Ensure our towns and villages are supported by integrated infrastructure</li> <li>Explore innovative approaches to reduce carbon emissions from council operations and support our communities and businesses to do the same</li> <li>Work with partners to reduce the risk of flooding to homes and businesses across Wyre</li> <li>Provide high quality parks and open spaces for everyone to enjoy</li> </ul>	<ul style="list-style-type: none"> <li>Deliver high quality, value for money services that meet the needs of our customers</li> <li>Use technology to improve how we work and the services we provide</li> <li>Use our land and buildings wisely, managing them to appropriate standards, reducing their environmental impact and maximising income to reinvest in improving services</li> <li>Use data, business intelligence and research to inform us in making better evidence-based decisions and improve our services</li> <li>Build trust in the council by engaging with our customers and delivering on our promises</li> </ul>

## Financial Performance in 2023/24

### 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 40%) and the balance is funded by the council tax payer (approximately 60%). 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	22,575,680	18,680,966	-3,894,714
Other Income and Expenditure	-5,379,850	-4,429,828	950,022
(Use of)/additions to balances	-42,650	2,241,580	2,284,230
<b>TOTAL</b>	<b>17,153,180</b>	<b>16,492,718</b>	<b>-660,462</b>
<i>FUNDING</i>			
New Homes Bonus	-981,860	-981,858	2
Funding Guarantee Grant	-457,270	-457,266	4
Revenue Support Grant	-600	-600	-
Services Grant	-137,880	-137,885	-5
Non Domestic Rates – Retained Share	-2,069,600	-2,068,556	1,044
Non Domestic Rates – Section 31 Grant	-4,255,730	-4,261,745	-6,015
Non Domestic Rates – Surplus Levy Account	-	-28,592	-28,592
Collection Fund - NDR (Surplus)/Deficit	1,534,020	1,531,996	-2,024
Council Tax (Wyre Borough)	-8,459,020	-8,459,020	-
Collection Fund - Council Tax (Surplus)/Deficit	-466,830	-466,830	-
Council Tax (Parishes)	-911,850	-911,850	-
Council Tax – Section 31 Grants	-	-88,247	-88,247
Enterprise Zone	-946,560	-162,265	784,295
<b>TOTAL</b>	<b>-17,153,180</b>	<b>-16,492,718</b>	<b>660,462</b>

The main contributors to the outturn variance reported against the movement of general balances, totalling £2,284,230, are outlined below:

Description	£	£
<i>Increased Spending/Reduced Income</i>		
Top-Ups/Reduced Draw-Down to/from Earmarked Reserves	2,001,650	
Utilities - Electricity and Water Charges	24,754	
Asset Maintenance	76,651	
External Audit Costs	25,468	
Provision of Bins, Boxes and Sacks	53,607	
Market Stall Income	71,621	
Planning Application Income	51,677	
<b>Increased Spending/Reduced Income TOTAL</b>		<b>2,305,428</b>

Description	£	£
<i>Reduced Spending/Increased Income</i>		
2023/24 Slippage to Future Years (excluding Reserve Funded)	-2,217,580	
Salaries and Agency Costs (incl Training)	-224,723	
Pension costs held in contingency	-460,500	
Car Allowances	-10,896	
Benefits and Rent Allowances	-166,319	
Community Payback Scheme	-20,664	
Postage	-17,140	
Vehicle Fuel	-10,755	
Impairment Allowances for Outstanding Debt	-29,720	
Car Parking fees	-17,029	
Waste Collection - Green Waste and Container Admin Fees	-61,908	
Care and Repair/Handyperson - Minor Adaptations	-36,594	
Tools and Equipment	-18,397	
Materials and Consumables	-32,765	
ICT costs	-21,074	
Admin Grant – HSF4	-91,140	
Contain Outbreak Management Fund	-406,750	
HMO Licence Fees	-9,955	
Interest Received	-349,928	
Investment Property Income	-84,158	
Other Minor Variances (in aggregate)	-301,663	
<b>Reduced Spending/Increased Income TOTAL</b>		<b>-4,589,658</b>
<b>GRAND TOTAL</b>		<b>-2,284,230</b>

Some of the spending that was planned to take place during 2023/24 has slipped into 2024/25 (details are available on a forthcoming Audit and Standards 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 2023/24 includes:

Description	Amount £
<i>Revenue Slippage</i>	
Asset Maintenance	213,480
Biodiversity Net Gains	50,500
Care and Repair	87,600
Children’s Trust	24,640
Civil Contingencies	28,500
Climate Change Strategy	33,070
Community Safety - Staffing and Signage	72,920
Legal Fees/Court Fee Refunds	132,140
Leisure Centre Operations	50,000
Local Plan - Consultants Fees	220,150
Marine Lake dredging	33,640
Private Contractors (sea defences)	165,560
Project Support	48,670

Service Development Board (Waste Collection)	62,530
Staffing/Agency/Training Costs	393,600
Street Cleansing Initiatives	57,040
Town Centre Strategies	54,580
VAT	225,330
Waste Collection - Promotions	32,580
Other Slippage	297,700
Less Reserve Funded Items	-66,650
<b>TOTAL</b>	<b>2,217,580</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	14,516,890	14,516,890
Withdrawals(-)/Additions in year	-42,650	2,241,580
<b>Closing balance</b>	<b>14,474,240</b>	<b>16,758,470</b>

## Capital

The council spent a total of £17,712,243 (2022/23 £13,356,549) on capital investment in the year compared with a Revised Budget of £18,121,582. A summary of the main items of expenditure is shown below:

Main items of expenditure	2022/23 £	2023/24 £
Project Neptune Commercial Units	4,165,933	-
Sea and flood defences	3,559,771	12,076,225
Disabled Facilities Grants	2,182,050	2,965,043
Fleetwood Market	2,457,423	1,533,823
UK Shared Prosperity Fund	-	450,127
Fleetwood Heritage Action Zone grants	387,739	226,075
Other asset management	212,284	205,137
Fitness Equipment	-	94,193
Rural England Prosperity Fund	-	94,047
Vehicle Replacement	170,985	-
Parks and open spaces	132,844	35,949
ICT	87,520	31,624
<b>TOTAL</b>	<b>13,356,549</b>	<b>17,712,243</b>

The main reasons for the variation of £409,340 when compared to the Updated Revised Budget are listed below (details will be available as part of a forthcoming Audit and Standards Committee agenda pack on [www.wyre.gov.uk](http://www.wyre.gov.uk)):

Description	£	£
Capital slippage into future years	(1,908,648)	
<b>TOTAL</b>		<b>(1,908,648)</b>
<i>Reduced capital spending</i>		
- Rossall Sea Wall Improvements	(208,432)	
- Fleetwood Heritage Action Zone	(51,663)	
- Restoration of the Mount	(39,934)	
- Project Neptune	(28,839)	
- Roofing works at Redmarsh Industrial Estate	(20,193)	
- Other	(58,490)	
<b>TOTAL</b>		<b>(407,551)</b>
<i>Advanced capital spending</i>		
- Wyre Beach Management Scheme	1,725,217	
- UK Shared Prosperity Fund	181,321	
- Other	321	
<b>TOTAL</b>		<b>1,906,859</b>
<b>GRAND TOTAL</b>		<b>(409,340)</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 2023/24 capital expenditure was funded as follows:

Resources	Amount £
Grants and contributions	
Environment Agency - Coastal Defence Works, Beach Management and Cell Eleven	12,058,244
Better Care funding towards Disabled Facilities Grants (DFG)	2,899,490
UK Shared Prosperity Fund	450,127
Heritage Action Zone	226,075
Rural England Prosperity Fund	94,047
Changing Places	84,480
Regenda (DFG)	65,553
Other contributions	49,123
Capital Receipts	1,659,288
Revenue	125,816
<b>TOTAL</b>	<b>17,712,243</b>

The council maintains a fund of capital receipts from the disposal of non-current assets to fund capital expenditure. At 31 March 2024 the funds available were:



Description	Revised £	Actual £
Opening balance	(4,328,624)	(4,328,624)
Received in year	-	(11,800)
Applied in year	1,929,051	1,659,288
<b>Closing balance</b>	<b>(2,399,573)</b>	<b>(2,681,136)</b>

## Resources Available for Capital Investment

The table below summarises the approved resources available for the 2023/24 Capital Programme and the indicative programme to 2028/29. 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 2024/25 budget process.

Resource	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	Outturn £	Estimates £	Estimates £	Estimates £	Estimates £	Estimates £	Estimates £
<i>No revenue implications</i>							
Capital Receipts	1,659,288	-	-	-	-	-	-
Grants and contributions	15,927,137	19,649,527	20,051,968	9,213,754	2,079,964	2,079,964	2,079,964
<b>SUB TOTAL</b>	<b>17,586,425</b>	<b>19,649,527</b>	<b>20,051,968</b>	<b>9,213,754</b>	<b>2,079,964</b>	<b>2,079,964</b>	<b>2,079,964</b>
<i>With revenue implications</i>							
Other revenue contributions	125,816	302,500	215,000	404,500	306,700	306,700	306,700
<b>SUB TOTAL</b>	<b>125,816</b>	<b>302,500</b>	<b>215,000</b>	<b>404,500</b>	<b>306,700</b>	<b>306,700</b>	<b>306,700</b>
<b>TOTAL</b>	<b>17,712,241</b>	<b>19,952,027</b>	<b>20,266,968</b>	<b>9,618,254</b>	<b>2,386,664</b>	<b>2,386,664</b>	<b>2,386,664</b>

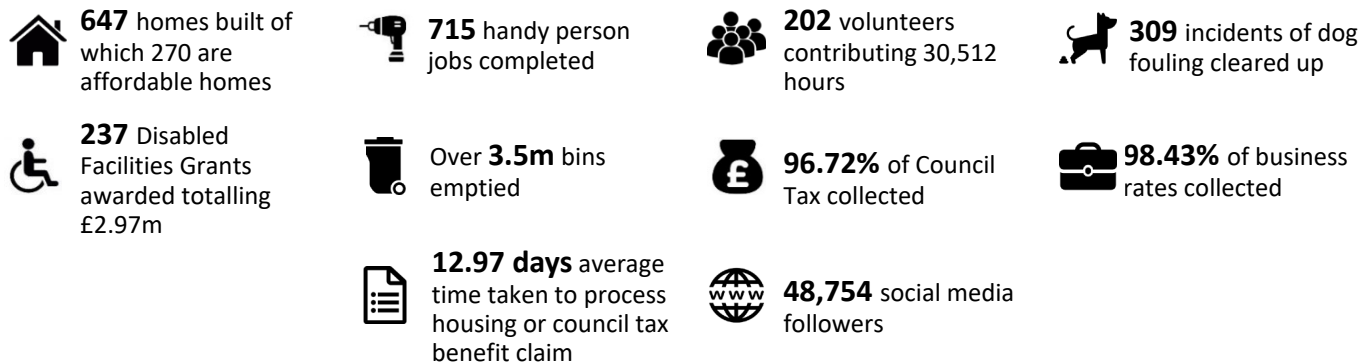
## Levels of Borrowing

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 2023/24:



## 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 2024 (2023/24). 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 2023/24. 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 2024 and of its income and expenditure for the year then ended.

C JAMES  
CORPORATE DIRECTOR RESOURCES (CHIEF FINANCIAL OFFICER)  
(Authorised for issue) xx May 2024

## **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 2024 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 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 19 April 2024, 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 and Standards Committee for approval. Once approved by the Audit and Standards Committee, the statement is then signed by the Leader and Chief Executive and will ultimately form part of the 2023/24 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 2023/24.

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

#### Behaving with integrity

- Induction training is in place for both staff and newly Elected Members.
- Robust and established Codes of Conduct (the Code) define expected standards of personal behaviour for officers of the council. Staff are issued with the Code in advance of their start date, which they bring with them a signed copy on their first day. It is also included in their induction pack and is also included on Learning Pool's induction module.
- The council has a Member Code of Conduct in place that helps to achieve high standards of conduct for Elected Members. Training was provided in May 2023 and refresher training was also completed on the 30 May 2024.
- The council has recently refreshed its corporate values and behaviours 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.
- 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 and Standards Committee.
- Arrangements are in place for whistleblowing, to which all officers, Elected Members and all those contracting with the council have access. The Policy is reviewed and approved annually by the Audit and Standards Committee.
- 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 two Independent Members in relation to councillor complaints.

#### Demonstrating strong commitment to ethical values

- The Assistant Director of Governance and Legal 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.
- Protocols are in place for partnership working. These are documented in the council's Financial Regulations and Financial Procedure Rules and are reviewed and approved annually by the Audit and Standards Committee.
- A competency framework, listing required values and behaviours 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 Assistant Director of Governance and Legal 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 and their Deputy.
- Up to date job descriptions and person specifications are maintained for the Chief Executive, Section 151 Officer and the Monitoring Officer.
- The council uses an on-line training platform 'Learning Pool' for the completion of Data Protection / GDPR training for staff.
- Elected Members received Data Protection / GDPR training by an external provider in July 2023.
- Freedom of Information (FOI) and Environmental Information Regulation (EIR) training was provided to Service Managers in February 2022. However, further training will be repeated following the completion of the fundamental service review currently taking place of these processes.
- Staff involved in the processing of Subject Access Request have received training in the administration of these.
- 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 allows '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 council 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.
- 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 Director of 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. Following considerable delays by the External Auditors and a national issue affecting infrastructure asset valuations, the 2020/21 accounts have been signed off (April 2024). The council are still waiting to hear what the arrangements will be for the 2021/22 and 2022/23 accounts pending the national ‘backstop’ arrangements.
- 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 that identified several gaps. A fundamental review will be completed in Summer 2024.
- 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.
- The Council website complies with the Accessibility Regulations 2019.
- Full Council receives Executive Report updates from all Cabinet members.

### Engaging comprehensively with institutional stakeholders

- The council meets 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. Internal Audit and Legal Services attend meetings, when required, 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 (nearly £1m) has been distributed to low income households, charities and food banks during 2023/24.

### Engaging with individual citizens and service users effectively

- The council’s vision, strategic plans, commitments and measures are developed through robust mechanisms, and in consultation with the Corporate Management Team, Assistant Directors and the Cabinet 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, commitments, actions and plans over a four-year period (2023 – 2028) which is used for corporate and service planning.
- The council 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.

#### 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 draft Climate Change Strategy is in place which has been developed to help 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 council plan states a number of commitments 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 council plan is subject to an equality impact assessment on an annual basis.
- Managers have received Equality and Diversity Training in the last two years.
- The on-going development and delivery of the local plan is 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 is working with Historic England to implement a heritage scheme to create new ways to champion and revive Fleetwood’s historic high streets.
- During 23/24, the council has worked 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’s Constitution considers social value when procuring goods and services.
- 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 of the Wyred Up business network.
- £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.

### Planning interventions

- The council plan is refreshed annually and is subject to review by the Overview and Scrutiny Committee prior to approval by Full Council.
- Council plan projects and measures are managed by officers and monitored by Cabinet and the Overview and Scrutiny Committee.
- The council 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 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 helping to maintain 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, improving the town centres and CCTV across the borough.

### 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 schemes.
- 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 2023/24 of £347,500 which is expected to underspend.
- Effective mechanisms exist to monitor service delivery through the overview and scrutiny arrangements and quarterly performance reports highlight where corrective action is necessary.
- An action in the council’s plan is to continue the programme of works to maximise the use of the council’s assets.
- The council continues to subscribe to the APSE advisory service, with a view to benchmarking its frontline services.
- Benchmarking is undertaken periodically via relevant Lancashire professional groups e.g. Legal Services, Audit and Risk and revenues.

- 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 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 fundamental review was completed in November 2023.
- 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 Director of Finance and Governance (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.
- Following a recent exercise carried out by HR, in liaison with Assistant Directors, career structures are in place where possible for officers and Elected Members to facilitate succession planning.
- The council has a successful apprenticeship scheme, There are currently five apprentices all working towards their qualifications whilst gaining experience rotating across the council.
- In 2023, a number of officers completed an 'Aspiring Leaders' course 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's three statutory officers (Chief Executive, S.151 and Monitoring Officer) 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.



- 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. Following the completion of Strength and Development Questionnaires, 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.
- In November 2023, the Chief Executive and the Leader of the Council signed the North-West Charter for Elected Member Development Declaration, recommitting the council to the principles of the Charter in its bid to be awarded the Level 1 Review award for exemplary training and development of its Elected Members.
- 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

- A recent external peer review reported ‘substantial assurance’ can be placed on the council’s overall risk management processes.
- 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 is refreshed annually and approved by the Audit and Standards 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 will be addressed once the new Data Protection and Information Governance post is in place in July 2024. Internal Audit and the Information Governance Group will continue to monitor the registers 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 March 2024 with the Overview and Scrutiny Committee and CMT to agree the Committee's work programme for 2024/25.

#### 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 July 2023 the Internal Audit Service received a 'full compliance' overall opinion following an external assessment carried out by Blackpool and Hyndburn Councils.
- 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 and Standards Committee undertakes an annual review of its own effectiveness against the checklist in the CIPFA guidance 'effective audit committees'.
- 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 Assistant Director of Governance and Legal 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 and Standards 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

- Staff use an on-line training platform 'Learning Pool' to carry out mandatory Data Protection / GDPR training.
- Elected Members received Data Protection / GDPR 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 Assistant Director of Governance and Legal.
- The Audit and Standards 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. (JC)
- Financial Regulations and Financial Procedures Rules are reviewed annually and any changes are presented to the Audit and Standards Committee for approval.
- The External Auditors (Deloitte) are intending to issue value for money commentaries for the three outstanding years 2020/21 to 2022/23 by autumn 2024. No issues have been identified to date.

### **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 the identification of a number of gaps. A fundamental review has been scheduled to be completed in Summer 2024.

#### 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 Assistant Director of Governance and Legal. 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 and Standards Committee with any areas of non-compliance documented in an action plan and in the Internal Audit Quality and Assurance Improvement Programme.
- The Audit and Standards Committee work programme provides the opportunity for the Chief Internal Auditor to have a private and confidential discussion with the Audit and Standard 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 As reported in the Chief Internal Auditors Annual Opinion for 2023/24, the council's risk management and assurance framework continues to be well supported and operating effectively across the organisation. This is supported further by the completion of an external peer review, which reported that 'substantial assurance' can be placed on the council's overall risk management processes. It also identified that a number of areas of good practice are in place. For example, a risk management strategy has been adopted and approved by the Audit and Standards Committee, risk management procedures were in place to record and monitor strategic, operational and ICT risks and key project and partnerships risks are also identified and monitored through the Audit Team sitting on and providing assurance to working groups e.g. the Beach Management Scheme.
- 7.2 The council's risk management processes continue to be fully automated by the use of the council's risk management system (GRACE). This allows Internal Audit to preserve their independence as much as possible when giving their opinion on its effectiveness, however peer reviews will continue to be carried out every three years to validate that assurance.
- 7.3 This year, the annual strategic risk workshop was carried out on the 23 January 2024. The workshop was attended by the council's Corporate Management Team (CMT), Audit and Risk Manager and the Audit and Standards Committee Chairman. During the workshop, the council's significant business risks were identified and assessed and appropriate control measures were put in place to mitigate any risks that would prevent the council from meeting its overall objectives and delivering the Council Plan. The results of this workshop can be found as an appendix to the Annual Internal Audit Report for 2023/24 which is reported to the Audit and Standards Committee. The associated action plan is monitored on a quarterly basis through Corporate Management Team. Whilst the Audit and Standards Committee do not have access to the GRACE risk management system, in addition to the annual report, the 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.

7.4 Following the strategic risk workshops, operational risk workshops were then held in February and March 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 annual review being carried out on the 21 February 2024. The next quarterly review is scheduled for 29 May 2024. It should be noted that from the 1 April 2024, ICT has transferred over to the Director of Transformation and Change.

## 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:

- a) facilitates the effective exercise of its functions and the achievement of its aims and objectives,
- b) ensures that the financial and operational management of the council is effective; and
- c) 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 Director of Finance and Governance (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 2023/24 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, 2021/22 or 2022/23. However, to date no issues have been raised with the Section 151 Officer or the Audit and Standards Committee, in relation any of the years and the outstanding commentaries are expected later this 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 2021/22 and 2022/23 still remain in 'draft' owing to the accounts for both these years having yet to be audited 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 Audit arrangements. The government had been intending to formalise so-called 'backstop' arrangements to force the sign-off of these accounts as part of a national solution. However, the recently called General Election means that this too is delayed and we await further updates.
- 10.3 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 and Standards Committee prior to sign off and again in November each year. The minor issues that were reported last year (2022/23) have been monitored throughout the year and were last reported to the Audit and Standards Committee in November 2023. These issues have either been implemented or have been carried forward to the 2023/24 action plan.

## 11.0 RECOVERY FROM THE COST OF LIVING CRISIS AND THE DEVELOPMENT OF A NEW COUNCIL PLAN

- 11.1 Over the last couple of years, 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. Most recently, the announced extension of the Household Support Fund into the first six months of 2024/25 demonstrates that this issue is still with us and continues to require a co-ordinated response from all branches of the public sector.
- 11.2 During 2023/24, the council has been actively refocusing its approach to the new economic reality and this has been linked to the appointment of a new Chief Executive, Rebecca Huddleston (from 1 April 2023) who has led the development of a new Council Plan, which has introduced a new corporate priority titled 'innovative and customer focused'. The new Council Plan is also tied to a Senior Leadership Team restructure which came into effect from 1 April 2024. The changes aim to build capacity at a strategic level to allow the council to focus on key areas including responding to the challenges posed by the current MTFP budget gap (estimated to be £4m at the end of March 2029).
- 11.3 This work had already commenced prior to the restructure and the longstanding concerns around the sustainability of the council's two theatres is high on the priority list.

The theatres have appeared in the AGS as an area of concern in the past and it is positive to report that Thornton Little Theatre is now leased to a third party with strong commitments to maintaining community use with the expectation of it generating a small surplus for the council. The future of Marine Hall is similarly being reviewed with the help of theatre consultants with the aim of safeguarding its future and reducing the ongoing subsidy, which has unfortunately risen since the pandemic.

- 11.4 Lots of other work continues on the Local Plan, digital transformation, economic development and climate change, to name a few areas, with an LGA Corporate Peer challenge scheduled for June 2024 which will help to capitalise on the ‘green shoots’ of change at the council and guide us towards further improvements in the years ahead.

## 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 2023/24 is the third 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 element. However, it was recognised 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 covers a five year period (current year plus four years). This was deemed prudent by the Section 151 Officer despite the lack of a multi-year settlement and is intended as a bridge to when more clarity is delivered about the Review of Needs and Resources 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. Without multi-year settlements though, any forecasting will prove difficult to produce with any accuracy and this remains the position for all local authorities. The council will continue to develop core documents such as the Council Plan, Climate Change Strategy and the Economic Development and Visitor Economy Strategy to help shape and inform these longer-term forecasts. A General Election scheduled for 4 July 2024 may ultimately yield greater clarity and any official changes will be reflected in the MTFP accordingly.

### 13.0 OVERALL OPINION ON THE EFFECTIVENESS OF THE COUNCIL'S GOVERNANCE ARRANGEMENTS

13.1 As reported in the Annual Internal Audit report for 2023/24 it is again pleasing to report that governance processes and the overall framework across the organisation 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 2024 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 2024 is satisfactory.***

**R HUDDLESTON**

**CHIEF EXECUTIVE**



## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2022/23				2023/24		
Gross Expenditure	Gross Income	Net Expenditure	Note	Gross Expenditure	Gross Income	Net Expenditure
£	£	£		£	£	£
6,274,728	(1,736,907)	4,537,821	Leisure, Health and Community Engagement	7,087,965	(2,217,769)	4,870,196
26,721,522	(25,007,302)	1,714,220	Neighborhood Services and Community Safety	27,557,036	(25,749,484)	1,807,552
5,152,298	(2,835,450)	2,316,848	Planning Policy and Economic Development	5,549,676	(2,676,226)	2,873,450
6,988,192	(2,886,173)	4,102,019	Resources	5,660,220	(2,973,139)	2,687,081
7,889,864	(1,993,269)	5,896,595	Street Scene, Parks and Open Spaces	8,096,428	(1,653,742)	6,442,686
<b>53,026,604</b>	<b>(34,459,101)</b>	<b>18,567,503</b>	<b>Cost of Services</b>	<b>53,951,325</b>	<b>(35,270,360)</b>	<b>18,680,965</b>
913,171	(2,055,601)	(1,142,430)	Other Operating Income and Expenditure	965,850	(11,800)	954,050
3,837,443	(1,149,015)	2,688,428	Financing and Investment Income and Expenditure	772,566	(3,400,974)	(2,628,408)
	(21,738,280)	(21,738,280)	Taxation and Non-Specific Grant Income	-	(30,891,236)	(30,891,236)
		<b>(1,624,779)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>			<b>(13,884,629)</b>
		(934,772)	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets			(965,067)
		(41,810,000)	Remeasurements of the Net Defined Benefit Liability/ (Asset)			(6,207,000)
		<b>(42,744,772)</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>(7,172,067)</b>
		<b>(44,369,551)</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>(21,056,696)</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 2022</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 2022/2023</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>
<b>Movement in Reserves during 2023/24</b>							
Total Comprehensive Income and Expenditure	13,884,629	-	-	-	13,884,629	7,172,067	21,056,696
Adjustments between accounting basis and funding basis under Regulations (Note 8)	(10,753,896)	-	(1,647,488)	-	(12,401,384)	12,401,384	-
<b>Increase / (Decrease) Movement in 2023/24</b>	<b>3,130,733</b>	<b>-</b>	<b>(1,647,488)</b>	<b>-</b>	<b>1,483,245</b>	<b>19,573,451</b>	<b>21,056,696</b>
Transfer to or from Earmarked Reserves	(889,154)	889,154	-	-	-	-	-
<b>Balance at 31 March 2024 carried forward (Note 23 and 24)</b>	<b>16,758,469</b>	<b>19,766,448</b>	<b>2,681,136</b>	<b>58,485</b>	<b>39,264,538</b>	<b>174,813,890</b>	<b>214,078,428</b>

## BALANCE SHEET

As at 31 March 2024

31 March 2023 £	Description	Note	31 March 2024 £
134,069,126	Property, Plant and Equipment	13	144,256,668
330,950	Heritage Assets	14,	330,950
14,515,640	Investment Property	15	15,018,050
102,452	Intangible Assets	16	25,986
19	Long Term Investments	17	-
18,447,905	Asset related to Defined Benefit Pension Scheme	37	27,457,100
<b>167,466,092</b>	<b>Long Term Assets</b>		<b>187,088,754</b>
11,000,000	Short Term Investments	17	19,000,000
168,680	Inventories		124,087
7,526,505	Short Term Debtors	18	8,246,674
35,023,340	Cash and Cash Equivalents	19	19,297,115
-	Assets classified as held for sale	20	-
<b>53,718,525</b>	<b>Current Assets</b>		<b>46,667,876</b>
(6,984,226)	Short Term Creditors	21	(6,502,185)
(2,496,897)	Provisions	22	(1,689,803)
(2,162,731)	Revenue Grants Received in Advance	32	(1,663,865)
<b>(11,643,854)</b>	<b>Current Liabilities</b>		<b>(9,855,853)</b>
(15,064)	Deferred Liabilities		(12,778)
(16,503,967)	Capital Grants and Contributions	32	(9,809,571)
<b>(16,519,031)</b>	<b>Long Term Liabilities</b>		<b>(9,822,349)</b>
<b>193,021,732</b>	<b>Net Assets</b>		<b>214,078,428</b>
(37,781,293)	Usable Reserves	23	(39,264,538)
(155,240,439)	Unusable Reserves	24	(174,813,890)
<b>(193,021,732)</b>	<b>Total Reserves</b>		<b>(214,078,428)</b>

## CASH FLOW STATEMENT

For the year ended 31 March 2024

2022/23 £		Note	2023/24 £
(1,624,779)	Net (Surplus) or Deficit on the Provision of Services		(13,884,629)
523,085	Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-cash Movements	25	(772,880)
13,742,578	Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing activities	25	15,938,937
<b>12,640,884</b>	<b>Net Cash Flows from Operating Activities</b>		<b>1,281,427</b>
683,260	Investing Activities	26	13,966,211
(4,496,199)	Financing Activities	27	478,586
<b>8,827,949</b>	<b>Net (Increase) or Decrease in Cash and Cash Equivalents</b>		<b>15,726,225</b>
(43,851,289)	Cash and Cash Equivalents at the beginning of the reporting period		(35,023,340)
<b>(35,023,340)</b>	<b>Cash and Cash Equivalents at the end of the reporting period</b>	19	<b>(19,297,115)</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.

2023/24

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	3,948,092	904,002	17,112	990	922,104	4,870,196
Neighborhood Services and Community Safety	820,635	971,421	14,600	896	986,917	1,807,552
Planning Policy and Economic Development	2,670,090	185,527	16,731	1102	203,360	2,873,450
Resources	1,980,597	382,397	304,028	20,059	706,484	2,687,081
Street Scene, Parks and Open Spaces	5,746,026	667,790	26,795	2,075	696,660	6,442,686
<b>Net Cost of Services</b>	<b>15,165,440</b>	<b>3,111,137</b>	<b>379,266</b>	<b>25,122</b>	<b>3,515,525</b>	<b>18,680,965</b>
Other income and expenditure	911,850	(11,800)	54,000	-	42,200	954,050
Financing and investment income and expenditure	(2,799,907)	1,221,499	(1,050,000)	-	171,499	(2,628,408)
Taxation and non-specific grant income and expenditure	(16,408,116)	(12,417,323)	-	(2,065,797)	(14,483,120)	(30,891,236)
<b>Difference between General Fund surplus or deficit and CIES Surplus or Deficit on the Provision of Services (Note 8)</b>	<b>(3,130,733)</b>	<b>(8,096,487)</b>	<b>(616,734)</b>	<b>(2,040,675)</b>	<b>(10,753,896)</b>	<b>(13,884,629)</b>
Transfers to/from earmarked reserves	889,154	-	-	(889,154)	(889,154)	-
<b>(Surplus)/Deficit</b>	<b>(2,241,579)</b>	<b>(8,096,487)</b>	<b>(616,734)</b>	<b>(2,929,829)</b>	<b>(11,643,050)</b>	<b>(13,884,629)</b>
Opening General Fund Balance at 31 March 2023	<b>(14,516,890)</b>					
Less (Surplus)/Deficit on General Fund Balance in Year	<b>(2,241,579)</b>					
<b>Closing General Fund balance at 31 March 2024</b>	<b>(16,758,469)</b>					

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)	(5,379,470)	-	(2,082,014)	(7,461,484)	(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>(3,754,768)</b>	<b>2,285,101</b>	<b>(2,080,512)</b>	<b>(3,550,179)</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>(3,754,768)</b>	<b>2,285,101</b>	<b>1,032,557</b>	<b>(437,110)</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>					

### 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 2023/24 financial year and its position for at the year-end of 31 March 2024. 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 2023/24, 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.

Where debtor balances for the above are identified as impaired because of the likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

## vii. Employee benefits

### **Benefits payable during employment**

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as salaries, paid annual leave and paid sick leave 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 4.9% p.a. at the end of the period (4.8% 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 asset/(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.

### 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.

#### **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 revalued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the financing and investment income and expenditure line in the comprehensive income and expenditure statement. The same treatment is applied to gains and losses on disposal.

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 up to 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. 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.

Provisions are charged as an expense to the appropriate service line in the comprehensive income and expenditure statement when the council has an obligation. They 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 2023/24 Wyre's REFCUS expenditure (£3,509,815) related to disabled facilities grants, heritage action zone grants, the our future coast project 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**

The Council is required to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code. The requirement applies to accounting standards that come into effect for financial years commencing on or before 1 January of the financial year in question (i.e. on or before 1 January 2024 for 2023/24).

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 and are therefore required to be disclosed:

## IFRS 16 Leases

CIPFA/LASAAC has deferred the implementation of IFRS 16 Leases in the public sector until the 2024/25 financial year, with an effective date of 1 April 2024. This will require lessees to recognise assets subject to leases as right-of-use assets on their balance sheet, along with corresponding lease liabilities (there are exceptions for low-value and short-term leases).

The Council is aware that an impact assessment is recommended, despite the Standard not yet being adopted. The impact to the Council's net asset position in the Balance Sheet is expected to be nil as an increase in lease assets will be offset by an increase in the payment liability.

The following standards have also been issued/amended but are not yet adopted these are not considered to have a material impact on the council's accounts.

- **IAS1 (amendments in January 2022 and October 2022)** – Provides clarifications for classification of liabilities as current or non-current in relation to settlement deferral, lending conditions and settlement by issuing equity instruments. The second amendment relates to information disclosures in instances where there is a right to defer settlement of a liability for at least 12 months which is subject to compliance with covenants.
- **Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022.** The amendments to IFRS 16 add additional measurement requirements for sale and leaseback transactions.
- **IAS 12 (amendment issued in May 2023)** – This relates to international tax reform.
- **IAS7 and IFRS 7 (amendments issued in May 2023)** – Requires additional disclosures in relation to supplier finance arrangements.

## 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 Net Asset / (Liability)	Estimation of the net asset / (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 2024, 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

### 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 2021/22 and 2022/23 accounts have not yet been signed off.



The external audit work has not commenced on either of these sets of accounts and balances have been updated since the original draft accounts were published largely to reflect infrastructure asset and pension fund changes. Final sign-off of all the outstanding accounts is expected later in year.

## NOTE 7 EXPENDITURE AND INCOME ANALYSED BY NATURE

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

Expenditure/Income	2022/23	2023/24
<i>Expenditure</i>		
Employee benefits expenses	13,605,419	13,364,112
Other services expenses	36,371,775	37,728,435
Support service recharges	17,834,597	17,053,048
Depreciation, amortisation, impairment	3,098,412	3,111,136
Interest payments	593,083	130
Net Investment asset expenditure	3,244,360	772,435
Expenses relating to disposal of assets	29,575	-
Precepts and levies	864,171	911,850
<b>Total expenditure</b>	<b>75,641,392</b>	<b>72,941,146</b>
<i>Income</i>		
Fees, charges and other service income	(25,641,898)	(24,573,650)
Interest and investment income	(1,149,015)	(3,400,974)
Income from Council tax and non-domestic rates	(10,698,601)	(12,602,322)
Grants and contributions	(37,691,480)	(46,237,029)
Gain on the disposal of assets	(2,085,176)	(11,800)
<b>Total income</b>	<b>(77,266,170)</b>	<b>(86,825,775)</b>
<b>(Surplus) or deficit on the Provision of Services</b>	<b>(1,624,778)</b>	<b>(13,884,629)</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.

2023/24	Usable 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.	3,016,686	-	-	(3,016,686)
Revaluation losses on Property, Plant and Equipment.	17,983	-	-	(17,983)
Movements in the market value of Investment Properties.	1,442,874	-	-	(1,442,874)
Amortisation of Intangible Assets.	76,466	-	-	(76,466)
Capital grants and contributions applied.	(15,927,136)	-	-	15,927,136
Revenue expenditure funded from capital under statute.	3,509,815	-	-	(3,509,815)
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.	.	.	.	.
<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).	(125,816)	-	-	125,816
<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.	(11,800)	11,800	-	-
Use of Capital Receipts Reserve to finance new capital expenditure.	-	(1,659,288)	-	1,659,288
<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).	702,000	-	-	(702,000)
Employer's pension's contributions and direct payments to pensioner's payable in the year.	(1,318,733)	-	-	1,318,733
<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.	(2,065,797)	-	-	2,065,797
<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.	25,121	-	-	(25,121)
<b>Total Adjustments</b>	<b>(10,753,896)</b>	<b>(1,647,488)</b>	<b>-</b>	<b>12,401,384</b>

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>90,676</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 2023/24.

General Fund	Balance at 31 March 2022 £	Transfers in 2022/23 £	Transfers out 2022/23 £	Balance at 31 March 2023 £	Transfers in 2023/24 £	Transfers out 2023/24 £	Balance at 31 March 2024 £
<i>Non ring-fenced reserves</i>							
Building Control	57,024	27,224	-	84,248	49,543	-	133,791
Capital Investment	1,577,262	394,905	(41,858)	1,930,309	-	-	1,930,309
Elections	82,434	54,932	(62,371)	74,995	151,507	(124,862)	101,640
Homelessness	407,769	235,971	(134,092)	509,648	-	(99,843)	409,805
Insurance	137,449	338,876	(48,021)	428,304	40,000	(42,817)	425,487
IT Strategy	1,442,262	511,266	(315,995)	1,637,533	204,209	(229,660)	1,612,082
Leisure Management	724,398	218,314	(204,693)	738,019	146,952	(167,445)	717,526
Council Tax Equalisation	2,843,745	-	(568,749)	2,274,996	-	(568,750)	1,706,246
Non-Domestic Rates Equalisation	9,112,614	3,938,556	(5,041,028)	8,010,142	4,167,365	(3,357,388)	8,820,119
Property Investment Fund	2,877,168	50,000	(2,817,054)	110,114	-	(88,064)	22,050
Value for Money	777,815	411,405	(228,575)	960,645	10,818	(239,600)	731,863
Vehicle Replacement/Street Cleansing Maintenance	1,087,788	579,179	(170,984)	1,495,983	576,190	(1,500)	2,070,673
<b>Sub total</b>	<b>21,127,728</b>	<b>6,760,628</b>	<b>(9,633,420)</b>	<b>18,254,936</b>	<b>5,346,584</b>	<b>(4,919,929)</b>	<b>18,681,591</b>
<i>Ring-fenced reserves</i>							
Enterprise Zone Growth	862,635	17,481	(257,758)	622,358	554,602	(92,103)	1,084,857
<b>Sub total</b>	<b>862,635</b>	<b>17,481</b>	<b>(257,758)</b>	<b>622,358</b>	<b>554,602</b>	<b>(92,103)</b>	<b>1,084,857</b>
<b>Grand total</b>	<b>21,990,363</b>	<b>6,778,109</b>	<b>(9,891,178)</b>	<b>18,877,294</b>	<b>5,901,186</b>	<b>(5,012,032)</b>	<b>19,766,448</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.
- **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.
- **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

2022/23 £		2023/24 £
864,171	Parish Council Precepts	911,850
49,000	Pension administration costs	54,000
(2,055,601)	(Gains)/losses on disposal of non-current assets and administrative costs linked to disposal of assets (excl. investment assets)	(11,800)
<b>(1,142,430)</b>	<b>TOTAL</b>	<b>954,050</b>

## NOTE 11 FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2022/23 £		2023/24 £
37,083	Interest payable and similar charges	130
556,000	Net interest on defined benefits liability / (asset)	(1,050,000)
(1,149,015)	Interest receivable and similar income	(2,350,974)
3,244,360	Income and Expenditure in relation to investment properties and changes to their fair value (See Note 15)	772,436
<b>2,688,428</b>	<b>TOTAL</b>	<b>(2,628,408)</b>

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

2022/23 £		2023/24 £
(9,267,428)	Council Tax (income) and expenditure	(9,562,283)
(1,431,173)	Non-domestic rates (income) and expenditure	(3,040,039)
(5,660,209)	Non-ring-fenced government grants and related expenditure (See Note 32)	(5,871,591)
(5,379,470)	Capital grants and contributions (See Note 32)	(12,417,323)
<b>(21,738,280)</b>	<b>TOTAL</b>	<b>(30,891,236)</b>

## NOTE 13 PROPERTY, PLANT AND EQUIPMENT

### Movements in 2023/24

	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 01/04/23</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>
Additions	95,244	370,421	17,983	28,509	11,744,988	-	12,257,145
Revaluation increase/decreases to the revaluation reserve	73,884	-	-	-	-	-	73,884
Revaluation increase/(decrease) to the Surplus or Deficit on the Provision of Services	-	-	(17,983)	-	-	-	(17,983)
Derecognition - Disposals	-	(27,748)	-	-	-	-	(27,748)
Reclassifications	-	-	-	-	-	-	-
Reclassified to Held for Sale	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>50,228,946</b>	<b>10,165,358</b>	<b>86,864,356</b>	<b>5,767,369</b>	<b>17,426,641</b>	<b>-</b>	<b>170,452,670</b>
<b>Depreciation</b>							
<b>B/fwd at 01/04/23</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>
Charge in year	(1,404,801)	(794,426)	(817,459)	-	-	-	(3,016,686)
Revaluations	891,183	-	-	-	-	-	891,183
Derecognition – Disposals	-	27,748	-	-	-	-	27,748
Reclassification	-	-	-	-	-	-	-
<b>C/fwd at 31/03/24</b>	<b>(4,996,068)</b>	<b>(6,576,800)</b>	<b>(14,623,134)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(26,196,002)</b>
<b>Net Book Value at 31/03/24</b>	<b>45,232,878</b>	<b>3,588,558</b>	<b>72,241,222</b>	<b>5,767,369</b>	<b>17,426,641</b>	<b>-</b>	<b>144,256,668</b>



## 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>

## Commitments on the Capital Programme

As at 31 March 2024 the council has entered into a number of contracts for the construction of and enhancement to Property, Plant and Equipment in future years. These signed contracts total £31m (£6.2m as at 31 March 2023). The on-going commitments are in relation to Wyre Beach Management Sea Defences Phase 1 and the acquisition of vehicles.

## 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 external professionally qualified RICS valuer, and valuations are dated as at 1 April 2023. 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:	-	10,165,358	86,864,356	5,767,369	17,426,641	-	120,223,724
Valued at fair value as at 31 March:							
2024	5,409,469	-	-	-	-	-	5,409,469
2023	4,040,800	-	-	-	-	-	4,040,800
2022	11,806,404	-	-	-	-	-	11,806,404
2021	12,538,279	-	-	-	-	-	12,538,279
2020	16,433,994	-	-	-	-	-	16,433,994
<b>Total cost or valuation</b>	<b>50,228,946</b>	<b>10,165,358</b>	<b>86,864,356</b>	<b>5,767,369</b>	<b>17,426,641</b>	<b>-</b>	<b>170,452,670</b>

## NOTE 14 HERITAGE ASSETS

### Movements in 2023/24

Cost or valuation	Civic Regalia £	Statues £	TOTAL £
Balance brought forward at 1 April 2023	94,575	236,375	330,950
Additions in year	-	-	-
<b>Net book value carried forward 31 March 2024</b>	<b>94,575</b>	<b>236,375</b>	<b>330,950</b>

### 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>

### 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.

2022/23 £		2023/24 £
(536,441)	Rental Income from Investment property	(670,438)
3,780,501	(Gain) or loss on disposal of investment assets and gain or loss on revaluation	1,442,874
	• Direct operating expenses arising from Investment property	
<b>3,244,060</b>	<b>Net (gain)/loss</b>	<b>772,436</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.

2022/23 £		2023/24 £
11,617,455	Balance brought forward	14,515,640
	<i>Additions:</i>	
4,165,933	Purchases	-
-	Construction	-
2,519,753	Subsequent expenditure	1,945,284
-	Disposals	-
(3,780,501)	Net gain/(losses) from fair value adjustments	(1,442,874)
	<i>Transfers:</i>	
(7,000)	To/from property, plant and equipment	-
-	To/from held for sale	-
-	Other changes	-
<b>14,515,640</b>	<b>Balance carried forward</b>	<b>15,018,050</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 2023/24 (£76,466 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:

2022/23 £		2023/24 £
<i>Balance at start of the year comprising:</i>		
2,780,075	Gross carrying amount	2,780,075
(2,601,157)	Accumulated amortisation	(2,677,623)
<b>178,918</b>	<b>Net carrying amount at start of the year</b>	<b>102,452</b>
-	Additions	-
(76,466)	Amortisation for the period	(76,466)
<b>102,452</b>	<b>Net carrying amount at end of period</b>	<b>25,986</b>
<i>Comprising:</i>		
2,780,075	Gross carrying amount	2,780,075
(2,677,623)	Accumulated amortisation	(2,754,089)
<b>102,452</b>		<b>25,986</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 2023 £	31 March 2024 £	31 March 2023 £	31 March 2024 £
<b>Investments</b>				
<b>At amortised cost</b>				
Cash and Cash Equivalents	-	-	35,000,557	19,008,199
Short term Investments	-	-	11,000,000	19,000,000
<b>Total Investments</b>	-	-	<b>46,000,557</b>	<b>38,008,199</b>
<b>Short Term Debtors</b>				
<b>At amortised cost</b>				
Financial assets carried at contract amounts	-	-	3,119,336	2,026,284
<b>Total Short Term Debtors</b>	-	-	<b>3,119,336</b>	<b>2,026,284</b>
<b>Short Term Creditors</b>				
Financial liabilities carried at contract amounts	-	-	(2,515,197)	(2,052,651)
<b>Total Short Term Creditors</b>	-	-	<b>(2,515,197)</b>	<b>(2,052,651)</b>

### Income, expense, gains and losses

	2022/23		2023/24	
	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	1,152,225	-	2,350,974	-
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	(37,083)	-	-	-
<b>Total net gains/losses</b>	<b>1,115,142</b>	-	<b>2,350,974</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:

- 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 2023		31 March 2024	
	Carrying amount £	Fair Value £	Carrying amount £	Fair Value £
Creditors	(2,515,197)	(2,515,197)	(2,052,651)	(2,052,651)
<b>Total Financial Liabilities</b>	<b>(2,515,197)</b>	<b>(2,515,197)</b>	<b>(2,052,651)</b>	<b>(2,052,651)</b>

There are a number of creditors which are not classified as financial instruments and are therefore excluded from the above table. These total £4,449,534 and largely relate to statutory amounts due to central government and other public sector bodies. When added to the creditor figure disclosed above of £2,052,651 this amounts to the figure disclosed in the Balance Sheet at 31<sup>st</sup> March 2024 of £6,502,185.

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 2023		31 March 2024	
	Carrying amount £	Fair Value £	Carrying amount £	Fair Value £
Investments (Cash and Cash Equivalents) and short term deposits	46,000,557	46,000,557	38,008,199	38,008,199
Long Term Debtors	-	-	-	-
Debtors	3,119,336	3,119,336	2,026,284	2,026,284
<b>Total Financial Assets</b>	<b>49,119,893</b>	<b>49,119,893</b>	<b>40,034,483</b>	<b>40,034,483</b>

The fair value of the assets is the same as the carrying amount for both 2023/24 and 2022/23. The materiality of the less than one year fair value adjustments means there is very little impact on the overall figure.

There are a number of debtors which are not classified as financial instruments and are therefore excluded from the above table. These total £6,220,390 and largely relate to statutory amounts due from central government and other public sector bodies. When added to the debtor figure disclosed above of £2,026,284 this amounts to the figure disclosed in the Balance Sheet at 31<sup>st</sup> March 2024 of £8,246,674.

## NOTE 18 SHORT TERM DEBTORS

2022/23 £	Analysis	2023/24 £
<b>Amounts falling due in one year:</b>		
2,807,060	Central Government Bodies	2,199,863
2,007,302	Other Local Authorities	2,556,717
51,536	NHS Bodies	92,690
0	Public Corporations	0
2,660,607	Other Entities and Individuals	3,397,404
<b>7,526,505</b>	<b>Total</b>	<b>8,246,674</b>

## NOTE 19 CASH AND CASH EQUIVALENTS

2022/23 £	Analysis	2023/24 £
2,030	Cash held by the Authority	1,840
20,753	Bank current accounts	287,076
35,000,557	Short term deposits	19,008,199
<b>35,023,340</b>	<b>Total</b>	<b>19,297,115</b>

## NOTE 20 ASSETS HELD FOR SALE

2022/23 £	Analysis	2023/24 £
<b>3,640,000</b>	<b>Balance at start of year</b>	-
	Assets newly classified as Held for Sale:	
-	- Investment properties	-
(3,640,000)	Assets Sold	-
-	<b>Balance at end of year</b>	-

## NOTE 21 SHORT TERM CREDITORS

2022/23 £	Analysis	2023/24 £
(3,066,555)	Central Government Bodies	(2,871,116)
(749,675)	Other Local Authorities	(1,170,219)
(100,000)	NHS Bodies	(40,000)
-	Public Corporations	-
(3,067,996)	Other Entities and Individuals	(2,420,850)
<b>(6,984,226)</b>	<b>Total</b>	<b>(6,502,185)</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 reduced to reflect the latest information in relation to known and potential appeals.

2022/23 Business Rates Appeals £	Analysis	2023/24 Business Rates Appeals £	2023/24 Other £	2023/24 Total Provisions £
<b>(2,363,535)</b>	<b>Balance at 1 April</b>	<b>(2,496,897)</b>	-	<b>(2,496,897)</b>
(133,362)	Additional Provisions made	-	(65,843)	(65,843)
-	Amounts used / released	872,937	-	872,937
<b>(2,496,897)</b>	<b>Balance at 31 March</b>	<b>(1,623,960)</b>	<b>(65,843)</b>	<b>(1,689,803)</b>

## NOTE 23 USABLE RESERVES

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

2022/23 £	Analysis	2023/24 £
14,516,890	General Fund	16,758,469
18,877,294	Earmarked Reserves	19,766,448
4,328,624	Capital Receipts Reserve	2,681,136
58,485	Capital Grants Unapplied Reserve	58,485
<b>37,781,293</b>	<b>Total</b>	<b>39,264,538</b>

## NOTE 24 UNUSABLE RESERVES

2022/23 £	Analysis	2023/24 £
27,583,603	Revaluation Reserve	27,864,821
110,393,812	Capital Adjustment Account	120,821,636
18,447,900	Pensions Reserve	25,271,633
(1,060,131)	Collection Fund Adjustment Account	1,005,666
(124,745)	Accumulated Absences Account	(149,866)
<b>155,240,439</b>	<b>Total</b>	<b>174,813,890</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.



2022/23		2023/24	
£		£	
<b>27,301,921</b>	<b>Balance at 1 April</b>		<b>27,583,603</b>
971,397	Upward revaluation of assets	965,067	
(36,625)	Downward revaluation of assets and impairment losses not charged to the Surplus or (Deficit) on the Provision of Services	-	
934,772	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or (Deficit) on the Provision of Services		965,067
(653,090)	Difference between fair value depreciation and historic cost depreciation	(683,849)	
-	Accumulated gains on assets sold or scrapped	-	
(653,090)	Amounts written off to the Capital Adjustment Account		(683,849)
<b>27,583,603</b>	<b>Balance at 31 March</b>		<b>27,864,821</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.

2022/23 £		£	2023/24 £
<b>109,445,459</b>	<b>Balance at 1 April</b>		<b>110,393,812</b>
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
(3,011,878)	- Charges for depreciation and impairment of non-current assets	(3,016,686)	
(10,067)	- Revaluation losses on Property, Plant and Equipment	(17,983)	
(76,466)	- Amortisation of intangible assets	(76,466)	
(2,620,559)	- Revenue expenditure funded from capital under statute	(3,509,815)	
(3,657,374)	- 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	-	
(9,376,344)		(6,620,950)	
653,090	Adjusting amounts written out of the Revaluation Reserve	683,849	
(8,723,254)	Net written out amount of the cost of non-current assets consumed in the year		(5,937,101)
	Capital financing applied in the year:		
2,283,047	- Use of the Capital Receipts Reserve to finance new capital expenditure	1,659,288	
8,000,028	- Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	15,927,136	
-	- 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	
3,073,474	- Capital expenditure charged against the General Fund	125,816	
13,452,108			17,807,800
(3,780,501)	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		(1,442,874)
-	Movement in the Donated Assets Account credited to the Comprehensive Income and Expenditure Statement		-
<b>110,393,812</b>	<b>Balance at 31 March</b>		<b>120,821,636</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.

2022/23 £		£	2023/24 £
<b>(21,077,000)</b>	<b>Balance at 1 April</b>		<b>18,447,900</b>
41,810,000	Remeasurement of the net defined benefit liability / (asset)		6,207,000
(3,632,000)	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		(702,000)
1,346,900	Employer's pensions contributions and direct payments to pensioners payable in the year		1,318,733
<b>18,447,900</b>	<b>Balance at 31 March</b>		<b>25,271,633</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.

2022/23 £		£	2023/24 £
(3,142,145)	<b>Balance at 1 April</b>		(1,060,131)
25,464	Council Tax	(275,416)	
1,974,397	Non-Domestic Rates	1,948,876	
82,153	Enterprise Zone Growth	392,337	
<b>2,082,014</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>2,065,797</b>
445,689	Council Tax	170,273	
(1,507,181)	Non-Domestic Rates	441,695	
1,361	Enterprise Zone Growth	393,698	
<b>(1,060,131)</b>	<b>Balance at 31 March</b>		<b>1,005,666</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.

2022/23 £		£	2023/24 £
<b>(123,243)</b>	<b>Balance at 1 April</b>		<b>(124,745)</b>
123,243	Settlement or cancellation of accrual made at the end of the preceding year		124,745
(124,745)	Amounts accrued at the end of the current year		(149,866)
<b>(1,502)</b>	<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>		<b>(25,121)</b>
<b>(124,745)</b>	<b>Balance at 31 March</b>		<b>(149,866)</b>

## NOTE 25 CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

2022/23 £		2023/24 £
(1,078,151)	Interest received	(2,350,974)
37,083	Interest paid	130
-	Dividends received	-
<b>(1,041,068)</b>	<b>Total</b>	<b>(2,350,844)</b>

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

2022/23 £		2023/24 £
3,011,878	Depreciation	3,016,686
10,067	Impairment and downward valuations	17,983
76,466	Amortisation	76,466
(6,615,305)	Increase / (decrease) in creditors	(1,045,536)
(5,958,312)	Increase / (decrease) in revenue grant receipt in advance	(498,866)
(1,966,219)	(Increase) / decrease in debtors	1,330,234
(74,897)	(Increase) / decrease in inventories	44,593
3,422,000	Movement in pension liability (Retirement benefits)	(2,802,000)
3,657,374	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	-
3,913,863	Other non-cash items charged to the net surplus or deficit on the provision of services	633,320
<b>(523,085)</b>	<b>Total</b>	<b>772,880</b>

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

2022/23 £		2023/24 £
-	Proceeds from short term (not considered to be cash equivalents) and long term investments	-
(5,742,550)	Proceeds from the sale of property plant and equipment, investment property and intangible assets	(11,800)
(8,000,028)	Capital Grants credited to surplus or deficit on the provision of services	(15,927,137)
<b>(13,742,578)</b>	<b>Total</b>	<b>(15,938,937)</b>

## NOTE 26 CASH FLOW STATEMENT – INVESTING ACTIVITIES

2022/23 £		2023/24 £
(9,617,300)	Purchase of property, plant and equipment, investment property and intangible assets	(15,210,752)
(23,000,000)	Purchase of short term and long term investments	(40,000,000)
-	Other payments for investing activities	(192,171)
5,742,550	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	11,800
20,000,000	Proceeds from short term and long term investments	32,000,000
6,191,490	Other receipts from investing activities	9,424,912
<b>(683,260)</b>	<b>Total</b>	<b>(13,966,211)</b>

## NOTE 27 CASH FLOW STATEMENT – FINANCING ACTIVITIES

2022/23 £		2023/24 £
(1,547,375)	Repayments and Receipts from short and long term borrowing	-
6,043,574	Billing Authorities - Council Tax and NNDR adjustments	(478,586)
<b>4,496,199</b>	<b>Total</b>	<b>(478,586)</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 2023/24 was £113,756 (2022/23 £102,692); 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 2023/24 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 2022/23 or Received in 2023/24 £	Grant Amount Distributed to Third Parties / Repaid in Year £	Balance To Be Repaid £
Alternative Fuel Payment Scheme	179,800	(179,800)	-
Council Tax Energy Rebate	227,100	(227,100)	-
Energy Bill Support Scheme (Alternative Funding)	621,840	(621,840)	-
Small Business Grant Funds	30,000	-	30,000
<b>TOTAL</b>	<b>1,058,740</b>	<b>(1,028,740)</b>	<b>30,000</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:

2022/23 £		2023/24 £
329,498	Allowances	348,507
1,229	Travel and subsistence	1,029
-	Dependent's carers allowance	-
<b>330,727</b>	<b>Total</b>	<b>349,536</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 2022/23	Number of employees 2023/24
£50,000 - £54,999	1	3
£55,000 - £59,999	6	6
£60,000 - £64,999	-	1
£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	1
£115,000 - £119,999	-	-
£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	2023/24	110,824	-	-	14,961	125,785
	2022/23	112,610	168	-	20,608	133,386
Corporate Director Communities	2023/24	79,710	50	-	10,761	90,521
	2022/23	77,015	139	-	14,094	91,248
Corporate Director Environment	2023/24	79,710	55	-	10,761	90,526
	2022/23	77,015	-	-	14,094	91,109
Corporate Director Resources (s.151 Officer)	2023/24	79,710	41	-	10,761	90,512
	2022/23	77,015	4	-	14,094	91,113

### NOTE 31 EXTERNAL AUDIT COSTS

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

2022/23 £	Audit Fee	2023/24 £
55,842	Fees payable with regard to audit services carried out by the appointed external auditor	142,583
-	Fees payable to the external auditor for the certification of grant claims and returns	-
(16,424)	Redmond Review Local Audit Fees Grant	(19,865)
<b>39,418</b>	<b>Total</b>	<b>122,718</b>

2022/23 £	Other Inspection Fees	2023/24 £
(1,948)	Rebate from Public Sector Audit Appointments Limited (PSAA)	-
2,535	Fees payable to the Cabinet Office in respect of the National Fraud Initiative	-
10,979	Fees payable to the external auditor for the certification of grant claims and returns	37,655
<b>11,566</b>	<b>Total</b>	<b>37,655</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:

	2022/23 £	2023/24 £
<b>Credited to Tax and Non-Specific Grant Income</b>		
New Homes Bonus	(1,256,528)	(981,858)
Local Services Support Grant	(155,964)	(88,247)
Funding Guarantee Grant	-	(457,266)
Non Domestic Rates Section 31 Grant	(3,983,557)	(4,261,745)
Council Tax Section 31 Grant	-	-
Revenue Support Grant	(542)	(600)
Services Grant	(235,026)	(137,885)
Non Domestic Rates Levy Surplus Grant	(28,592)	(28,592)
Capital Grants and Contributions		
- Environment Agency	(3,549,703)	(11,744,988)
- Salix De-Carbonisation	(999,468)	-
- Heritage Action Zone	(524,525)	(70,900)
- UK Shared Prosperity Fund	(180,403)	(450,127)
- Changing Places Fund	(43,520)	(84,480)
- Rural England Prosperity Fund	-	(17,705)
- Other Contributions	(41,411)	(38,445)
- S106 Contributions	(40,439)	(10,678)
<b>Sub total</b>	<b>(11,039,678)</b>	<b>(18,373,516)</b>
<b>Credited to Services</b>		
Housing Benefits and Council Tax	(20,057,464)	(20,052,651)
Covid-19 Pandemic and Cost of Living Funding	(1,719,564)	(1,583,662)
Disabled Facilities Grants	(2,182,050)	(2,899,490)
Other Local Authorities	(1,042,581)	(1,030,022)
Department for Levelling Up, Housing and Communities	(831,985)	(1,201,485)
Heritage Action Zone	(408,760)	(175,263)
Environment Agency		(384,162)
Rural England Prosperity Fund	-	(76,342)
S106 Contributions	(51,144)	(2,285)
Other Misc Contributions	(358,253)	(458,151)
<b>Sub total</b>	<b>(26,651,801)</b>	<b>(27,863,513)</b>
<b>Total</b>	<b>(37,691,479)</b>	<b>(46,237,029)</b>

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 £1,663,865 (see note 28) and Capital Grants and Contributions is £9,809,571; of this balance, grants from the Environment Agency total £5,935,990.



## 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 2023/24 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 2023/24 is shown in Note 29. During 2023/24, 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.

During 2023/24 the Council received £5,740 from The Baxter Group Ltd in which one member had an interest. The relevant member did not take part in any discussion or decision relating to the receipt.

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.

	£	£
<b>Opening Capital Financing Requirement</b>	<b>11,070,223</b>	<b>10,974,664</b>
<b>Capital Investment</b>		
Property, Plant and Equipment*	4,050,304	12,257,145
Investment Property*	6,685,686	1,945,284
Intangible Assets*	-	-
Heritage Assets	-	-
Other	-	-
Revenue Expenditure Funded from Capital under Statute	2,620,559	3,509,815
<b>Sources of Finance</b>		
Capital Receipts	(2,283,047)	(1,659,288)
Government grants and other contributions	(8,000,029)	(15,927,137)
Other contributions	-	-
<b>Sums set aside from Revenue</b>		
Direct revenue contributions	(3,073,474)	(125,816)
Minimum Revenue Provision	(95,559)	(95,559)
<b>Closing Capital Financing Requirement</b>	<b>10,974,664</b>	<b>10,879,108</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:

	2022/23 £	2023/24 £
Not later than one year	463,552	768,896
Later than one year and not later than five years	1,421,941	1,892,649
Later than five years	4,579,674	7,003,540
	<b>6,465,167</b>	<b>9,665,085</b>

The authority has no finance leases.

### NOTE 36 TERMINATION BENEFITS

The Authority terminated the contracts of 2 employees in 2023/24 (five employees in 2022/23), incurring liabilities of £65,862 (£95,341 in 2022/23), 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	
	2022/23 £	2023/24 £	2022/23 £	2023/24 £	2022/23 £	2023/24 £	2022/23 £	2023/24 £
£0 - £20,000	1	-	1	1	2	1	11,416	2,050
£20,001 - £40,000	-	-	3	-	3	-	83,925	-
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	1	-	1	-	63,812
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
Over £150,000	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>2</b>	<b>5</b>	<b>2</b>	<b>95,341</b>	<b>65,862</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 2023/24 the employer's contribution rate was 13.5% including a secondary rate of minus 6.5% reflecting a past service surplus. This rate was determined following the 2022 triennial actuarial review of the Pension Fund, which impacts in the 2023/24, 2024/25 and 2025/26 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:

2022/23 £	Local Government Pension Scheme		2023/24 £
	Comprehensive Income and Expenditure Statement		
	<b>Cost of Services:</b>		
	<b>Service cost comprising:</b>		
3,027,000	-	Current Service Cost	1,666,000
-	-	Past Service Costs	-
-	-	(Gain)/Loss from Curtailments	32,000
	<b>Other Operating Expenditure</b>		
49,000	-	Administration Expenses	54,000
	<b>Financing and Investment Income and Expenditure</b>		
556,000	-	Net Interest Expense/(Gain)	(1,050,000)
<b>3,632,000</b>		<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>	<b>702,000</b>

2022/23 £	Local Government Pension Scheme		2023/24 £
	<b>Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>		
	<b>Remeasurement of the net defined benefit liability comprising:</b>		
(432,000)	-	Return on plan assets (excluding amount included in the net interest expense)	(4,224,000)
-	-	Actuarial gains and losses arising on changes in demographic assumptions	(1,382,000)
(50,837,000)	-	Actuarial gains and losses arising on changes in financial assumptions	(1,431,000)
9,459,000	-	Other	830,000
<b>(41,810,000)</b>		<b>Total Remeasurements charged to Other Comprehensive Income and Expenditure</b>	<b>(6,207,000)</b>
<b>(38,178,000)</b>		<b>Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>	
	<b>Movement in Reserves Statement</b>		
(3,632,000)		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	(702,000)
	<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>		
1,346,900	-	Employers' contributions payable to scheme*	1,318,733

\*A prepayment was made to the pension fund in 2023/24 – employer contributions in 2023/24 actually totalled £3,504,000; 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:

	2022/23 £	2023/24 £
Fair value of plan assets	119,373,000	128,864,000
Present value of the defined benefit obligation	(100,925,000)	(101,407,000)
<b>Net Asset /(liability) arising from defined benefit obligation</b>	<b>18,448,000</b>	<b>27,457,000</b>

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

### Reconciliation of fair value of the scheme assets

	2022/23 £	2023/24 £
Opening fair value of scheme assets	119,029,000	119,373,000
Interest income	3,286,000	5,797,000
Remeasurements gain and (loss):		
- The return on plan assets, excluding the amount included in the net interest expense	432,000	4,224,000
Other Operating Expenditure – Administration	(49,000)	(54,000)
Contributions from Employer	210,000	3,504,000
Contributions from Employees	529,000	583,000
Benefits Paid	(4,064,000)	(4,563,000)
<b>Closing fair value of scheme assets</b>	<b>119,373,000</b>	<b>128,864,000</b>

### Reconciliation of present value of the scheme liabilities

	2022/23 £	2023/24 £
Opening balance at 1 April	(138,969,000)	(100,925,000)
Current Service Cost	(3,027,000)	(1,666,000)
Interest Cost	(3,842,000)	(4,747,000)
Contribution by Scheme Participants	(529,000)	(583,000)
Remeasurements gain and (loss):		
- Actuarial gains/(losses) arising from changes in demographic assumptions	-	1,382,000
- Actuarial gains/(losses) arising from changes in financial assumptions	50,837,000	1,431,000
- Other	(9,459,000)	(830,000)
Past Service Cost	-	-
Curtailments	-	(32,000)
Benefits Paid	4,064,000	4,563,000
Settlements	-	-
<b>Closing balance at 31 March</b>	<b>(100,925,000)</b>	<b>(101,407,000)</b>

The liabilities show the underlying commitments that the Authority has in the long-run to pay retirement benefits. There is an overall net asset of £27,457,000 on the pension scheme which has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet. Statutory arrangements are in place for the scheme actuary to keep under review employer pension contributions to ensure that the fund remains healthy and any shortfall on the Scheme is made good by increased contributions over the remaining working life of employees, as assessed by the Scheme Actuary.

Local Government Pension Scheme assets comprised:

	2022/23 £	2023/24 £
<b>Cash:</b>		
- Cash and cash equivalents	949,000	2,383,000
- Net Current Assets	-	-
<b>Sub-total cash</b>	<b>949,000</b>	<b>2,383,000</b>
<b>Equity instruments:</b>		
- Financial institutions	139,000	142,000
<b>Sub-total equity</b>	<b>139,000</b>	<b>142,000</b>
<b>Bonds:</b>		
- UK Corporate	-	-
- Overseas Corporate	246,000	102,000
<b>Sub-total bonds</b>	<b>246,000</b>	<b>102,000</b>
<b>Property:</b>		
- Offices	22,000	23,000
- Industrial / Warehouse	861,000	671,000
- Shops	240,000	432,000
- Multi let Commercial Building	674,000	530,000
<b>Sub-total property</b>	<b>1,797,000</b>	<b>1,656,000</b>
	2022/23 £	2023/24 £
<b>Alternatives:</b>		
- UK private equity	2,066,000	2,087,000
- Overseas private equity	7,938,000	7,618,000
- Infrastructure	18,570,000	19,488,000
- Credit Funds	17,322,000	19,057,000
- Pooled Fixed Income	1,720,000	4,977,000
- Indirect Property Funds	10,508,000	10,248,000
- UK Pooled Equity Funds	1,264,000	390,000
- Overseas Pooled Equity Funds	56,854,000	60,716,000
<b>Sub-total other investment funds</b>	<b>116,242,000</b>	<b>124,581,000</b>
<b>Total Assets</b>	<b>119,373,000</b>	<b>128,864,000</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 2022.

The significant assumptions used by the actuary have been:

	2022/23	2023/24
<b>Mortality assumptions</b>		
Longevity at 65 for current pensioners		
- Men	21.5 years	21.1 Years
- Women	23.8 years	23.5 Years
Longevity at 65 for future pensioners		
- Men	22.8 years	22.4 Years
- Women	25.6 years	25.3 Years
Rate of CPI inflation/CARE Benefits revaluation		
	2.7%	2.7%
Rate of increase in salaries		
	4.2%	4.2%
Rate of increase in pensions in payment/deferment		
	2.8%	2.8%
Rate for discounting scheme liabilities		
	4.8%	4.9%

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

	2022/23 £	2023/24 £
1 year increase in members life expectancy	2,126,000	3,445,000
0.1% increase in Discount Rate	(7,153,000)	(5,686,000)
0.1% increase in the Salary Increase Rate	479,000	1,504,000
0.1% increase in the Inflation Rate	3,842,000	4,518,000
1% increase in investment returns	-	(1,303,000)
1% decrease in investment returns	-	1,303,000



## 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 recovery period for employers in surplus (including the Council) 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 2025.

The Actuary does not expect to receive any normal contributions into the fund during 2024/25, as set out above the Council has pre-paid £3,278,200 in employer contributions to the scheme in May 2023 for the period 2023/24 to 2025/26. It is however, envisaged that £195,000 will be paid in recharges in relation to legacy unfunded benefits.

The weighted average duration of the defined benefit obligation for scheme members in 2023/24 is 16 years (14 years in 2022/23).

## NOTE 38 CONTINGENT LIABILITIES

### Contingent Liabilities

Business Rates Appeals and Reliefs - The Council has made a provision for NNDR Appeals based on its best estimate of the actual liability as at the year-end in known appeals and an estimate of future appeals against the current 2023 list. These estimates are based on historical data in relation to the level and success of appeals, it is possible that the actual costs may exceed provision based on historical data analysis.

## 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.

	31/03/2024 £000 a	Historical experience of default % b	Adjustment for market conditions at 31/03/24 % c	Estimated maximum exposure to default £000 a x c
Deposits with banks and financial institutions (market value):				
High rated counterparties	38,008	0%	0%	0
Trade debtors (o/s Sundry Debtors at 31/03/24)	1,310	0.5%	4%	52

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 £1,310,160 (£2,412,221 at 31<sup>st</sup> March 2023) outstanding for trade debtors, £874,625 (£2,255,090 as at 31<sup>st</sup> March 2023) is overdue. The overdue amount can be analysed by age as follows:

	2022/23 £000	2023/24 £000
Less than 90 days	1,558	194
90 days to 150 days	211	151
More than 150 days	486	530
<b>Total</b>	<b>2,255</b>	<b>875</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	2023/24 £000
Less than one year (short term creditors)	6,984	6,502
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>6,984</b>	<b>6,502</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 during 2022/23 and 2023/24 operated with allocations on the basis of the 50% business rates retention scheme.

Business rates income allocations in 2022/23 and 2023/24 are shown in the table below:

2022/23	Lancashire Business Rates Pool	2023/24
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.

Information for the table below will follow when issued by Ribble Valley Borough Council.

Lancashire Business Rates	Authority	Tariffs and Top-Ups in Respect of 2023/24	Retained Levy on Growth 2023/24	10% Retained Levy Payable to/Received by Lancashire County Council	Net Retained Levy 2023/24
Pool Members 2022/23	Type	£	£	£	£
Burnley Borough Council	Tariff				
Chorley Borough Council	Tariff				
Fylde Borough Council	Tariff				
Hyndburn Borough Council	Tariff				
Pendle Borough Council	Tariff				
Ribble Valley Borough Council	Tariff				
Rosendale Borough Council	Tariff				
South Ribble Borough Council	Tariff				
West Lancashire Borough Council	Tariff				
Wyre Borough Council	Tariff				
Lancashire County Council	Top-Up				
Central Government	-				
<b>Total</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).

2022/23							2023/24		
Business Rates £	Council Tax £	Total £		Note	Business Rates £	Council Tax £	Total £		
<b>INCOME</b>									
-	(81,381,466)	(81,381,466)	Council Tax Receivable	1	-	(85,689,459)	(85,689,459)		
(21,367,527)	-	(21,367,527)	Business Rates Receivable	2	(22,866,299)	-	(22,866,299)		
-	12,591	12,591	Council Tax Discounts Funded from Billing Authority General Fund		-	(82,839)	(82,839)		
(80,721)	-	(80,721)	Transitional Protection Payments due for the year from Central Government		(2,434,177)	-	(2,434,177)		
(5,779,156)	-	(5,779,156)	Contributions to previous year's deficit	3	(3,835,047)	-	(3,835,047)		
<b>(27,227,404)</b>	<b>(81,368,875)</b>	<b>(108,596,279)</b>	<b>TOTAL INCOME</b>		<b>(29,135,523)</b>	<b>(85,772,298)</b>	<b>(114,907,821)</b>		
<b>EXPENDITURE</b>									
Precepts, Demands and Share									
10,830,103	-	10,830,103	-	Central Government	12,784,360	-	12,784,360		
1,949,419	57,549,774	59,499,193	-	Lancashire County Council	2,301,185	60,619,406	62,920,591		
-	8,986,155	8,986,155	-	Police and Crime Commissioner for Lancashire	-	9,679,719	9,679,719		
216,602	2,936,605	3,153,207	-	Lancashire Combined Fire Authority	255,687	3,167,033	3,422,720		
8,664,082	9,025,249	17,689,331	-	Wyre Borough Council	10,227,488	9,370,873	19,598,361		
<b>21,660,206</b>	<b>78,497,783</b>	<b>100,157,989</b>			<b>25,568,720</b>	<b>82,837,031</b>	<b>108,405,751</b>		
Charges to Collection Fund									
-	-	-	-	Less Write offs of uncollectable amounts	11,977	-	11,977		
137,721	767,723	905,444	-	Less: Increase / (Decrease) in Bad Debt Provisions	156,105	1,245,192	1,401,297		
-	-	-	-	Less Settlement of Appeals against appeals provision	(2,015,387)	-	(2,015,387)		
333,407	-	333,407	-	Less: Increase / (Decrease) in Provisions for Appeals	(166,954)	-	(166,954)		
147,655	-	147,655	-	Costs of Collection Allowance	149,213	-	149,213		
17,481	-	17,481	-	Enterprise Zone disregard amount	554,602	-	554,602		
<b>636,264</b>	<b>767,723</b>	<b>1,403,987</b>			<b>(1,310,444)</b>	<b>1,245,192</b>	<b>(65,252)</b>		
Contributions									
-	1,863,527	1,863,527	-	To previous year's surplus	3	4,060,262	4,060,262		
<b>22,296,470</b>	<b>81,129,033</b>	<b>103,425,503</b>	<b>TOTAL EXPENDITURE</b>		<b>24,258,276</b>	<b>88,142,485</b>	<b>112,400,761</b>		
<b>(4,930,934)</b>	<b>(239,842)</b>	<b>(5,170,776)</b>	<b>(Surplus) / Deficit arising during the year</b>		<b>(4,877,247)</b>	<b>2,370,187</b>	<b>(2,507,060)</b>		
8,703,950	(3,633,572)	5,070,378	(Surplus) / Deficit B/fwd as at 1 April		3,773,016	(3,873,414)	(100,398)		
<b>3,773,016</b>	<b>(3,873,414)</b>	<b>(100,398)</b>	<b>(Surplus) / Deficit C/fwd as at 31 March</b>	<b>4</b>	<b>(1,104,231)</b>	<b>(1,503,227)</b>	<b>(2,607,458)</b>		

## NOTES TO THE COLLECTION FUND

### NOTE 1 COUNCIL TAX

The Council Tax base for 2023/24 was calculated at 38,495.6 and a Band D Council Tax set at £2,128.17. The tax base was calculated as follows:

Band	Total number of chargeable dwellings	**Relevant amount x number of dwellings
Additional band	34	18.89
A	11,624	6,679.33
B	12,170	8,434.46
C	12,957	10,466.80
D	7,678	7,116.00
E	5,782	6,687.27
F	2,664	3,651.80
G	1,084	1,726.70
H	62	113.50
	<b>54,055</b>	<b>44,894.75</b>
Less Council Tax Reduction		(5,208.56)
		39,686.19
Collection Rate 97% = Relevant Amount x 0.97		<b>38,495.60</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 2024 was 78,093,053 (31 March 2023 69,421,423). The Government set a National Non-domestic multiplier (rate in the pound) of 51.2 pence for 2023/24 and a Small Business non-domestic multiplier of 49.9 pence (2022/23 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 £	2022/23 Council Tax £	Total £		Business Rates £	2023/24 Council Tax £	Total £
<b>Attributable to Central Government and other Local Authorities as follows:</b>						
(2,889,578)		(2,889,578)	Central Government	(1,917,524)	-	(1,917,524)
(520,124)	1,366,493	846,369	Lancashire County Council	(345,154)	2,976,736	2,631,582
	212,501	212,501	Police and Crime Commissioner for Lancashire	-	464,805	464,805
(57,792)	67,818	10,026	Lancashire Combined Fire Authority	(38,350)	151,895	113,545
(2,311,662)	216,715	(2,094,947)	Wyre Borough Council	(1,534,019)	466,826	(1,067,193)
<b>(5,779,156)</b>	<b>1,863,527</b>	<b>(3,915,629)</b>	<b>Total</b>	<b>(3,835,047)</b>	<b>4,060,262</b>	<b>225,215</b>

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

Business Rates £	2022/23 Council Tax £	Total £		Business Rates £	2023/24 Council Tax £	Total £
<b>Attributable to Central Government and other Local Authorities as follows:</b>						
1,886,512	-	1,886,512	Central Government	(552,112)	-	(552,112)
339,571	(2,840,002)	(2,500,431)	Lancashire County Council	(99,381)	(1,099,726)	(1,199,107)
-	(442,971)	(442,971)	Police and Crime Commissioner for Lancashire	-	(175,649)	(175,649)
37,729	(144,751)	(107,022)	Lancashire Combined Fire Authority	(11,043)	(57,578)	(68,621)
1,509,204	(445,690)	1,063,514	Wyre Borough Council	(441,695)	(170,274)	(611,969)
<b>3,773,016</b>	<b>(3,873,414)</b>	<b>(100,398)</b>	<b>(Surplus) / Deficit as at 31 March</b>	<b>(1,104,231)</b>	<b>(1,503,227)</b>	<b>(2,607,458)</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.

### **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 period, e.g. Creditors or cash overdrawn.

### **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.

### **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 the actual assets held by the scheme.

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

### **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.

## 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
- Property acquired or constructed for sale

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

## 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.

## 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 the timing of the transfer is uncertain.

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

## 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.

**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.

**Revenue support grant (RSG)**

Government grant to support local authority services.

**Scheme liabilities**

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

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

Prepared and published by CIPFA, the service reporting code of practice (SeRCOP) establishes proper practices with regard to consistent financial reporting for services and in England and Wales.

**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.

**Slippage**

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

**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.

**Unusable reserves**

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

**Usable reserves**

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

**Useful life**

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

**Work in progress**

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

**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)