

# Wyre Council Statement of Accounts

For the Year Ended 31 March 2025

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Director of Finance and Governance

(Section 151 Officer)

## Contents

<a href="#">Narrative Report</a>	<a href="#">4</a>
<a href="#">Explanatory Foreword to the Statement of Accounts</a>	<a href="#">22</a>
<a href="#">Statement of Responsibilities</a>	<a href="#">24</a>
<a href="#">Independent Auditor’s Report to the Members of Wyre Council</a>	<a href="#">26</a>
<a href="#">Annual Governance Statement</a>	<a href="#">29</a>
<a href="#">Comprehensive Income and Expenditure Statement</a>	<a href="#">50</a>
<a href="#">Movement In Reserves Statement</a>	<a href="#">51</a>
<a href="#">Balance Sheet</a>	<a href="#">52</a>
<a href="#">Cash Flow Statement</a>	<a href="#">53</a>
<a href="#">Notes to the Financial Statements</a>	<a href="#">54</a>
<a href="#">Note 1 Expenditure and Funding Analysis</a>	<a href="#">54</a>
<a href="#">Note 2 Accounting Policies</a>	<a href="#">57</a>
<a href="#">Note 3 Accounting Standards That Have Been Published, But Have Not Yet Been Adopted</a>	<a href="#">73</a>
<a href="#">Note 4 Critical Judgements in Applying Accounting Policies</a>	<a href="#">73</a>
<a href="#">Note 5 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty</a>	<a href="#">75</a>
<a href="#">Note 6 Events After the Reporting Period</a>	<a href="#">76</a>
<a href="#">Note 7 Expenditure and Income Analysed by Nature</a>	<a href="#">76</a>
<a href="#">Note 8 Adjustments Between Accounting Basis and Funding Basis Under Regulations</a>	<a href="#">76</a>
<a href="#">Note 9 Movements in Earmarked Reserves</a>	<a href="#">80</a>
<a href="#">Note 10 Other Operating Expenditure</a>	<a href="#">82</a>
<a href="#">Note 11 Financing and Investment Income and Expenditure</a>	<a href="#">82</a>
<a href="#">Note 12 Taxation and Non-Specific Grant Income and Expenditure</a>	<a href="#">82</a>
<a href="#">Note 13 Property, Plant and Equipment</a>	<a href="#">83</a>
<a href="#">Note 14 Heritage Assets</a>	<a href="#">86</a>
<a href="#">Note 15 Investment Property</a>	<a href="#">86</a>
<a href="#">Note 16 Intangible Assets</a>	<a href="#">87</a>
<a href="#">Note 17 Financial Instruments</a>	<a href="#">88</a>
<a href="#">Note 18 Short Term Debtors</a>	<a href="#">90</a>
<a href="#">Note 19 Cash and Cash Equivalents</a>	<a href="#">90</a>
<a href="#">Note 20 Short Term Creditors</a>	<a href="#">90</a>
<a href="#">Note 21 Provisions</a>	<a href="#">90</a>
<a href="#">Note 22 Usable Reserves</a>	<a href="#">91</a>
<a href="#">Note 23 Unusable Reserves</a>	<a href="#">91</a>
<a href="#">Note 24 Cash Flow Statement – Operating Activities</a>	<a href="#">95</a>

<a href="#">Note 25 Cash Flow Statement – Investing Activities</a> .....	96
<a href="#">Note 26 Cash Flow Statement – Financing Activities</a> .....	96
<a href="#">Note 27 Agency Services</a> .....	96
<a href="#">Note 28 Members’ Allowances</a> .....	97
<a href="#">Note 29 Officers’ Remuneration</a> .....	97
<a href="#">Note 30 External Audit Costs</a> .....	98
<a href="#">Note 31 Grant Income and Other Contributions</a> .....	99
<a href="#">Note 32 Related Parties</a> .....	100
<a href="#">Note 33 Capital Expenditure and Financing</a> .....	101
<a href="#">Note 34 Leases</a> .....	102
<a href="#">Note 35 Termination Benefits</a> .....	103
<a href="#">Note 36 Defined Benefit Pension Scheme</a> .....	103
<a href="#">Note 37 Contingent Liabilities</a> .....	108
<a href="#">Note 38 Nature and Extent of Risks Arising from Financial Instruments</a> .....	109
<a href="#">Note 39 Lancashire Business Rates Pool</a> .....	111
<a href="#">Collection Fund Account</a> .....	114
<a href="#">Notes to the Collection Fund</a> .....	116
<a href="#">Note 1 Council Tax</a> .....	116
<a href="#">Note 2 Income from Business Rate Payers</a> .....	116
<a href="#">Note 3 Distribution of Collection Fund Prior Year Balance</a> .....	117
<a href="#">Note 4 Closing (Surplus)/Deficit Balance on the Collection Fund</a> .....	117
<a href="#">Glossary of Accounting Terms</a> .....	118
<a href="#">Links to Other Financial Information</a> .....	124

## Narrative Report

### Message from the Director of Finance and Governance (S.151 Officer)

The financial year 2024/25 has seen the backlog of unaudited accounts in the local government sector slowly being resolved under the new government's backstop arrangements. This has meant disclaimed opinions for 2023/24 audits across many councils, including Wyre, but does herald the commencement of a return to normality over the next several years. It has also been a year of change with the election of a new Labour Government in July 2024 although the ongoing cost of living crisis and another late one-year financial settlement have remained as factors in the complex production of the 2024/25 Statement of Accounts. The Financial Services team has played a key role in supporting services as well as the delivery of grants and large capital schemes 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 (KPMG) by 30 June 2025.

The deadline for producing a draft set of accounts by 30 June represents an extension to the previous 31 May deadline but it is still a challenging target. However, Wyre has consistently met its obligations to publish on time, despite resourcing difficulties. Under the backstop arrangements we are required to seek formal sign-off of the 2024/25 accounts by 28 February 2026 although we and our External Audit partners are aiming for the end of November 2025.

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 July. As a result, the council's accounts could not be formally approved until after the tenth working day in July. 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 July 2025 to 14 July 2025.

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 2025. The training was recorded and distributed electronically for Committee members to view at their convenience.

Working to our final account's 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 2024/25 Financial Services continued to lead and support transformational council initiatives including major capital projects, bids for external funding and the development of new projects linked to the Council Plan.

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 2025.

**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 based on the 2023 mid-year estimate provided by the Office for National Statistics is 116,994.

### 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 2027. 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 as at 31 March 2025 was as follows:

Political Group	Number of councillors
Conservative Group Councillors	27
Labour Group Councillors	16
Reform UK	3
Wyre Independent Group Councillors	2
Independent Councillors	1
Vacant	1

As shown above, the Conservative Party has the greatest 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 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

Funding	2021/22	2022/23	2023/24	2024/25	2025/26
Baseline funding incl Revenue Support grant	3,409,000	3,410,000	3,537,000	3,666,000	3,700,000
Lower Tier Authority grant	145,000	156,000	-	-	-
Services grant	-	235,000	138,000	24,000	-
Funding Guarantee grant	-	-	570,000	1,098,000	-
Recovery grant	-	-	-	-	374,000

Over the fifteen years up to and including 2025/26 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?

2025/26 is another one-year settlement deal so beyond this our funding position is uncertain. The current government is intending to conduct the delayed Review of Needs and Resources and Business Rates Retention Reform (including a business rates reset) in time for the 2026/27 settlement.

### 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.

Key decisions on pension prepayments, business rate pooling and debt rescheduling have meant that there has been less pressure on services to make cuts and efficiencies generated through digitalisation and other initiatives have been able to be ploughed back into service delivery.

Business rates pooling has generated additional income for Wyre of £5.1m since its inception in 2016/17 and is forecast to generate a further £1.6m between 2024/25 and 2025/26. Since 2020/21, by prepaying our pension contributions, our deficit repayment is now in surplus saving around £700,000 annually (£4.2m saved between 2020/21 and 2025/26). Finally, by taking the opportunity during the Truss era to repay our debt to the Public Works Loans Board (PWL) in October 2022, we are saving £1.9m in future interest payments in addition to making a saving on the repayment of the principal.

Other efficiency achievements for the four years ending 31 March 2024 are £1.3m, an average of £320,000 each year. Efficiency savings assist the delivery of the council's corporate priorities supporting the continued improvement of services for our residents but these are not always readily achievable when dealing with increased demand. However, the Council Plan, includes a strand of 'Customer Focused and Innovative' work that aims to provide cashable efficiencies to support bridging the budget gap. A Transformation Strategy has been developed and an action plan was approved by Full Council in April 2025. This will help to shift the focus away from using reserves to balance the budget and move towards a more formal efficiency programme to help reduce the gap.

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:

### 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 on to ensure that our vision is realised. The core vision and priorities in the Council Plan are shown below.

Alongside the Council Plan we have our Performance Management Framework which compliments the strands of work in our four key areas and aligns with the overall policy framework of the council, including service planning.

### 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 indoor and outdoor 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 while celebrating our heritage</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>

## PEOPLE AND COMMUNITIES

### Household Support Fund

Since April 2024, we have awarded over £765,000 to our most vulnerable residents, helping those who have been worst affected by the increases in household energy prices and cost of living pressures. We also bid for an additional £10,000 in Autumn, which we shared equally across eight local foodbanks.

Staff who run the Meadows Food Pantry at Christ Church, Thornton said:

*“Thank you so much for the additional funding which will really help with our foodbank and helping in our community.”*

The Government has confirmed there will be another round of the Household Support Fund from April 2025 until March 2026. Please visit our website [www.wyre.gov.uk/householdsupport](http://www.wyre.gov.uk/householdsupport) where you can make an application if you are struggling to buy food or to pay for household bills, once the next round goes live.

### Affordable homes in Wyre

We've launched the new Affordable Housing Delivery Programme, pledging £1.4m of developer contributions from housing sites across Wyre to deliver affordable housing in the borough.

This exciting initiative breathes new life into empty, disused, or dilapidated properties, ultimately transforming them into safe and energy efficient homes for those in need.

### CCTV upgrade to make Wyre a safer place to work, live and visit

We were delighted to open our newly expanded control room in autumn, along with the installation of the new digital IP CCTV system. The new state of the art £338,000 CCTV control room is helping to create a safer environment for shoppers, business owners and residents, assisting in reducing the fear of crime and anti-social behaviour, helping to prevent crime as well as aiding in the prosecution of offenders.

This expansion has increased the monitoring capacity of the unit and significantly improved the work environment for the unit's volunteers newly expanded CCTV control room to monitor 52 cameras across Wyre and Fylde.

This vital upgrade has been made possible by £215,825 funding from the UK Shared Prosperity Fund (UKSPF) along with contributions from the Police and Crime Commissioner and Wyre Council.

### Wyre Moving More launch!

Start where you are. Use what you have. Do what you can.

An informative new website has been launched to help tackle physical inactivity in the borough and inspire Wyre residents to move more.

The new website is a key part of the Wyre Moving More strategy, which aims to strengthen the connections between sport, physical activity and health and wellbeing in Wyre. It is packed full of information about all the ways people can move more in Wyre and why increased physical activity is so important for health and wellbeing.

The Wyre Moving More mission is to inspire more of our community to be more active, more often, creating a culture where physical activity is an enjoyable and integral part of daily life for

everyone. Our goal is to help residents lead healthier, happier lives for longer by embracing the many benefits of movement.

Visit the new Wyre Moving More website at [www.wyremovingmore.co.uk](http://www.wyremovingmore.co.uk) and follow Wyre Moving More on Facebook at [www.facebook.com/WyreMovingMore](https://www.facebook.com/WyreMovingMore) on Instagram at [www.instagram.com/wyremovingmore/](https://www.instagram.com/wyremovingmore/) and on LinkedIn at [www.linkedin.com/company/wyre-moving-more/](https://www.linkedin.com/company/wyre-moving-more/)

### **Active Wyre Awards**

The Active Wyre Awards aim to celebrate local community groups and individuals promoting active lifestyles as much as sporting achievements. It is an opportunity to celebrate and recognise those who have tirelessly worked to support and uplift their local communities, encourage active and healthy living and creating an environment where individuals can live healthier and happier lives, all supporting the ambitious Wyre Moving More strategy.

Over 100 nominations were submitted for the awards in 2024 and as well as the 10 winners, judges decided to highlight seven others as highly commended owing to the high calibre of nominees.

### **Active Wellness Suite opens at YMCA Thornton**

We've recently expanded our leisure offering in the borough for residents, providing a dedicated suite of innovative, accessible equipment, to ensure that everyone in Wyre, no matter what their age or ability, can enjoy the endless benefits that being active brings.

The Active Wellness Suite features power-assisted equipment that offers a full-body workout with minimal impact on joints and muscles and is ideal for people with long-term health conditions, those rehabilitating from injury and others seeking a more accessible fitness option.

This brand-new suite has been funded by UKSPF from Wyre Council and is a welcome new addition to the terrific facility at YMCA Thornton, supporting the Wyre Moving More strategy and encouraging active and healthy ageing in Wyre.

For more information and to enquire, visit [ymcayactive.org](http://ymcayactive.org) or contact YMCA Thornton on [01253 824108](tel:01253824108).

## **GROWTH AND PROSPERITY**

### **Economic Development and Visitor Economy Strategy**

This strategy sets out a comprehensive framework to help us achieve our vision for the future economic development of Wyre. It presents a simple, high-level view of how the council and partner networks will drive economic success and visitor growth across the borough through a series of initiatives, actions and commitments.

The strategy is crucial to delivering one of the four priorities in its new Council Plan, which is to ensure a 'thriving local economy and town centres.' It will set out what we, alongside our strong partnership relationships, aims to achieve over ten to 15 years to help drive forward economic development and visitor growth.

### **Wyre Business Awards 2024**

The spectacular 2024 event hosted by Steve Royle and held at Marine Hall in Fleetwood was attended by around 230 people from across Wyre and the Fylde coast, plus partner organisations, event sponsors and award judges. The iconic venue was transformed into a

'Wizard of Oz' theme with some fantastic photo opportunities that guests took full advantage of, with a storybook entrance, amazing, themed props and even a flying monkey to pose with!

### **Green light on plans to rejuvenate Fleetwood Waterfront**

In December, our vision for the future of Fleetwood's waterfront moved closer to reality when councillors approved our bold and ambitious regeneration plans.

Further plans are being developed that will enable us to be in the best position to bid for any Government-funded programmes which become available, as well as be in a prime position to market the Fleetwood seafront site at key events to attract inward investment.

The potential projects comprise of:

- Redeveloping Marine Hall to create a more flexible, mixed-use space which will see a restaurant, offices and event spaces alongside the popular Marine Hall theatre.
- Refurbishing Fleetwood Leisure Centre – investing around £16m to upgrade the existing sports and pool facilities and adding a climbing wall. The complex once finished will be repositioned as a health and wellness centre
- A reconfigured promenade to better connect the waterfront facilities with the town centre.
- Enhancing and developing the beach huts to provide standalone 'glamping' pods to tap into the staycation market.

**UKSPF – more info at <https://www.wyre.gov.uk/UKSPF>**

### **Wyre-wide projects -**

#### **Positive futures in Wyre**

Positive Futures in Wyre is a programme dedicated to supporting people not in work, and not actively seeking work.

The service will provide support to help residents move closer toward the job market, through apprenticeships, volunteering, training and development, and employability support tailored to their individual needs. Confidence, counselling, physical activity and wellbeing support will be offered as part of the programme. The project will serve to build resilience, and civic engagement.

The wrap around service is available to economically inactive residents aged 16-64 years, providing more targeted work with the under 25's, and people who may be economically inactive for other reasons, such as disability and long-standing health conditions.

The hub service will be based at the former Fleetwood Hospital site but will work in hot spot areas across Wyre.

#### **Shaping brighter futures**

Positive Footprints aims to change the way that primary school children in Wyre see themselves, their future and the world of work. The project aims to inspire 1,600 children, provide 480 hours of learning, and create £284,160 in social value.

## PLACE AND CLIMATE

### **Royal Visit to Rossall Point and Marine Hall!**

We were delighted to welcome Princess Anne on her visit to Wyre last year. Princess Anne visited Rossall Point Tower, the home of the Fleetwood branch of the National Coastwatch Institution, of which she is patron, to find out about the lifesaving work of its volunteers for its 30th anniversary. The Princess Royal, as she is known, then moved on to the Marine Hall to meet civic dignitaries and more volunteers.

### **Tree-mendous collaborative tree planting efforts in Wyre this year...**

To celebrate the launch of our Climate Change strategy we've held three free tree giveaway events, offering everyone in Wyre the chance to take home a native tree sapling to plant, nurture and grow. Almost 700 people registered for their very own tree. We hope to offer more free giveaway events in 2025 so please follow our social media channels to learn about any future events.

In addition to the giveaways, an exciting new way of creating woodland in collaboration with the local community took place in December. 800 native trees (oak, hornbeam, goat willow, elder, wild cherry and gorse) were planted at the Memorial Park in Fleetwood creating a brand new Microwood with help from pupils from Chaucer Primary School along with some little ones from the Enchanted Forest nursery in Fleetwood.

The Microwood planting was in collaboration with the Lancashire County Council Treescapes Team, The Friends of Memorial Park and Wyre Council officers. More Microwood planting is planned for the Roundway site in Fleetwood in 2025.

We've planted approximately 19,342 trees, bringing us 77% towards our target to plant 25,000 trees by 2025!

### **Cottam Hall Masterplan –**

Developments are ongoing as part of the Cottam Hall Playing Fields Masterplan.

This exciting new initiative presents a vision for Cottam Hall Playing Fields in the future as a vibrant, multifunctional space that responds to ideas put forward by the community from two rounds of consultation last year.

Key Features of the Masterplan:

- **Improved Sports Facilities:** Upgraded grass football pitches, and an artificial grass pitch to accommodate a wider range of sports and activities.
- **New Play Areas:** Two play areas inspired by nature and designed for adventure for children of all ages and abilities.
- **Sports Pavilion:** An upgrade of the existing sports pavilion with changing rooms, a kitchen, toilets, and a meeting space for community events.
- **Green Spaces:** Enhanced landscaping, additional tree planting, and the creation of wildlife-friendly areas to promote biodiversity.
- **Walking and Cycling Paths:** Improved and expanded pathways to encourage walking, running, and cycling within the park.

- Sustainable Design: Eco-friendly features such as solar lighting, rainwater harvesting, and sustainable materials throughout the site.

## INNOVATIVE AND CUSTOMER FOCUSED

### LGA Corporate Peer Challenge

Last year we invited the LGA Corporate Peer Challenge team to visit our borough, as part of our commitment to continuous development and improvement.

In summary, Wyre Council was praised for its robust financial stewardship and value for money services, which were generally highly regarded by local communities. Senior officers were well respected, both by colleagues and partners and the recent restructuring of our leadership team had clearly paid dividends. Working relationships between councillors and officers were also extremely positive. Overall, the Peer Review team felt that Wyre Council delivered high quality, value-for-money services and had a great story to tell.

### Over 7,000 residents using our new SMS service!

We have launched a new SMS text messaging service to communicate with residents in a more efficient and cost-effective way.

This service is completely free and your number will only be used to send you updates regarding Council Tax, Housing Benefit, Council Tax Support, Waste Management or business rates.

Visit [www.wyre.gov.uk/sms](http://www.wyre.gov.uk/sms) to learn more.

### 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 again for 2025/26.

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.

### How does the future look?

The foundations are in place to proceed with 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 must pay retirement benefits is reflected in the net liability on the pension fund of £1,914,000. The net pension liability has reduced in 2024/25. Statutory arrangements for funding any deficit mean that 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 quarterly 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 30 September 2025 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. During 2025/26 a new workforce strategy is being developed to help support recruitment and retention particularly against a backdrop of Local Government Reorganisation.

During 2024/25, the council has been overseen by the Chief Executive, Rebecca Huddleston, supported by four Directors who were responsible for the Finance and Governance, Transformation and Change, Environment and Communities Directorates.

Further information can be found in the Annual Governance Statement.

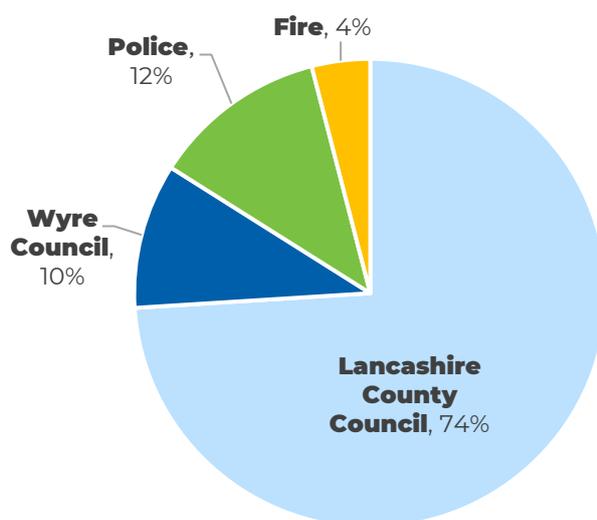
The council is one of the largest employers in the borough employing approximately 301 full time equivalents. The workforce generally reflects the diversity of the residents in the borough.

## Council Tax 2025/26

The Government confirmed their position in December 2024 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 2025/26 assumes that districts will increase their council tax by the maximum amount (3%).

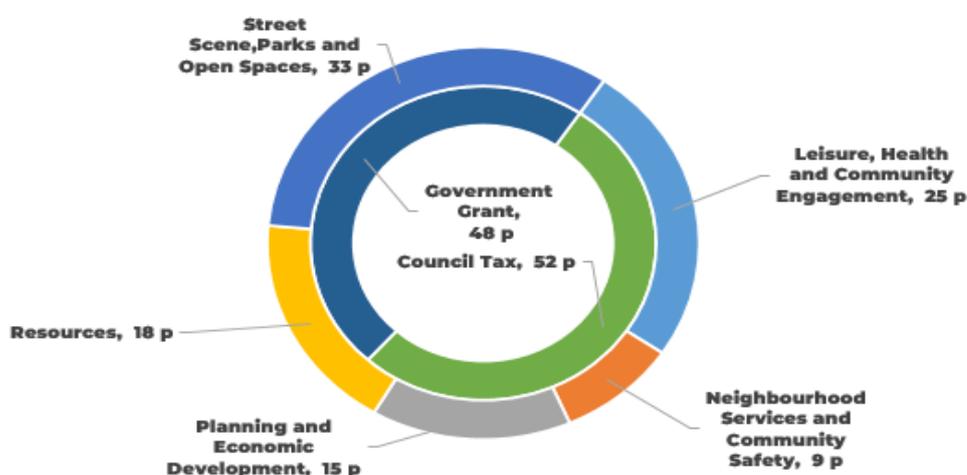
Members decided to follow the government's lead to maximise our spending power potential which allows the council to continue to provide Wyre's vital front-line services. This rise of £6.77 (2.99%) a year on a band D property, or just 13p a week, means that the overall cost for all Wyre's services will be **64p per day in 2025/26**.

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 9.9% or £233.08 (on a band D property) of the total amount of your bill in 2025/26 in a parished area (10% in a non-parished area). This compares to the equivalent figure of £226.31 (on a band D property) in 2024/25.

For every £1.00 the council receives in income it spends it in the following council areas (based on 2024/25 outturn):



## Financial Performance in 2024/25

### 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 48%) and the balance is funded by the council taxpayer (approximately 52%). The following table sets out the comparison between the Updated Budget and the outturn position, and how this expenditure has been funded:

Description	Updated Budget £	Outturn £	Variance £
Net Cost of Services	24,289,140	21,038,469	(3,250,671)
Other Income and Expenditure	11,467,607	12,257,126	789,519
(Use of)/additions to balances	(15,515,097)	(13,008,956)	2,506,141
<b>Total</b>	<b>20,241,650</b>	<b>20,286,639</b>	<b>44,989</b>

Funding	Updated Budget £	Outturn £	Variance £
New Homes Bonus	(657,090)	(657,090)	-
Revenue Support Grant	(640)	(640)	-
Services Grant	(23,800)	(21,820)	1,980
Funding Guarantee Grant	(1,098,330)	(1,100,311)	(1,981)
Non-Domestic Rates– Retained share	(2,072,200)	(2,073,648)	(1,448)
Non-Domestic Rates– Section 31 Grant	(4,519,730)	(4,548,886)	(29,156)
Non-Domestic Rates–Surplus Levy Account	-	(28,592)	(28,592)
Collection Fund- NDR (Surplus)/Deficit	(443,830)	(78,031)	365,799
Council Tax (Wyre Borough)	(9,860,830)	(9,860,830)	-
Collection Fund- Council Tax (Surplus)/Deficit	(189,130)	(206,493)	(17,363)
Council Tax (Parishes)	(1,003,400)	(1,003,400)	-
Enterprise Zone	(372,670)	(706,898)	(334,228)
<b>Total</b>	<b>(20,241,650)</b>	<b>(20,286,639)</b>	<b>(44,989)</b>

The main contributors to the outturn variance reported against the movement of general balances, totalling £2,506,141, are outlined below:

Description	£	£
<b>Increased Spending/Reduced Income</b>		
Utilities - Electricity and Gas	115,819	
Business Rates	11,820	
Provision of Bins, Boxes and Sacks	55,352	
Insurance Premiums	45,843	
Postage	70,218	
Bank Charges	21,395	
Public Relations	12,551	
Homelessness	51,681	
Functions and catering	29,206	
Projects	18,391	
Benefits and Rent Allowances	256,696	
Planning Application Income	128,222	

Cemeteries	26,746
<b>Increased Spending/Reduced Income Total</b>	<b>843,940</b>

Description	£	£
<b>Reduced Spending/Increased Income</b>		
Top-up to General Balances	(66,771)	
Salaries and Agency Costs (incl. Training)	(433,733)	
Pensions	(86,963)	
Utilities – Water related	(125,204)	
Special Works	(32,770)	
Car Allowances	(13,002)	
Vehicle Fuel	(49,253)	
Insurance Excess	(20,805)	
External Audit Fees	(69,924)	
Impairment Allowances	(33,214)	
Tools and Equipment	(30,562)	
Materials and Consumables	(39,845)	
Purchase of Publications	(20,594)	
Telephones	(45,869)	
Cash Collection Service	(14,835)	
Professional and Consultancy Fees	(38,031)	
Legal Fees	(46,414)	
Creative People and Places	(10,065)	
Event Expenses	(32,366)	
YMCA contract	(13,984)	
Private Contractors	(65,349)	
Household Support Fund Admin Grant	(53,540)	
Contingency	(94,960)	
Community Payback Scheme	(20,203)	
ICT costs	(103,056)	
Waste Collection Service	(21,100)	
Car Parking fees	(46,945)	
Waste Collection - Green Waste and Container Admin Fees	(102,905)	
Care and Repair/Handyperson - Minor Adaptations	(44,960)	
Legal Fee Income	(10,185)	
HMO Licence Fee Income	(21,171)	
Tenants service charge	(184,319)	
Admin Fees – Disabled Facilities Grants	(44,764)	
COVID-19 grants	(61,566)	
Other LA's	(62,681)	
Enforcement Agents	(14,656)	
Enforcement Notices	(13,990)	
Rechargeable works	(11,440)	
Government grants	(222,368)	
Interest Received	(515,130)	
Investment Property Income	(106,022)	
Other Minor Variances (in aggregate)	(304,566)	
<b>Reduced Spending/Increased Income Total</b>		<b>(3,350,080)</b>
<b>Grand Total</b>		<b>(2,506,140)</b>

Some of the spending that was planned to take place during 2024/25 has slipped into 2025/26 (details are available on the July 2025 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 revenue slippage for 2024/25 includes:

Description	Amount £
External Coaching	14,820
Biodiversity Net Gains	65,680
Care and Repair	87,600
Children's Trust	20,400
Civil Contingencies	33,500
Climate Change	51,180
Community Safety – various	77,550
Fleetwood Market Promotions	10,570
Land Drainage	19,400
Legal Fees/ Court Fee Refunds	124,140
Local Plan – Consultants Fees	250,580
Marine Lake Dredging/Special Works	35,480
Other Consultants Fees	25,270
Sea Defences - various	226,660
Service Development Board (Waste Collection)	51,430
Staffing/Agency/Training Costs (incl. contingency)	347,110
Street Cleansing Initiatives	58,560
Town Centre Strategies/Recovery Fund	40,660
Pension costs	166,380
Asset maintenance costs	236,780
Waste Collection – Promotions	38,970
Other Slippage	17,690
<b>Reduced Spending/Increased Income Total</b>	<b>2,000,410</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	16,758,470	16,758,470
Withdrawals (-)/Additions in year	(15,494,743)	(13,008,956)
<b>Closing balance</b>	<b>1,263,727</b>	<b>3,749,514</b>

## Capital

The council spent a total of £21,793,456 (2023/24 £17,712,243) on capital investment in the year compared with an Updated Budget of £22,957,564. A summary of the main items of expenditure is shown below:

Main items of expenditure	2023/24 £	2024/25 £
Sea and Flood Defences	12,076,225	15,692,590
Disabled Facilities Grants	2,965,043	2,370,307
Fleetwood Market	1,533,823	82,428
UK Shared Prosperity Fund	450,127	1,974,374
Fleetwood Heritage Action Zone grants	226,075	-
Other Asset Management	205,137	151,091
Fleetwood Leisure Centre	-	139,650
Affordable Housing Delivery Programme	-	183,122
Fitness Equipment	94,193	-
Rural England Prosperity Fund	94,047	305,997
Vehicle Replacement	-	831,131
Parks and open spaces	35,949	62,766
ICT	31,624	-
<b>Total</b>	<b>17,712,243</b>	<b>21,793,456</b>

The main reasons for the variation of £1,164,108 when compared to the Updated Budget are listed below (details will be available as part of the July Audit and Standards Committee agenda pack on [www.wyre.gov.uk](http://www.wyre.gov.uk)):

Description	£	£
Capital slippage into future years	(2,692,919)	
<b>Total</b>		<b>(2,692,919)</b>
<i>Reduced capital spending</i>		
CCTV Network	(95,882)	
Fleetwood Fitness Suite	(35,819)	
Other	(14,967)	
<b>Total</b>		<b>(146,668)</b>
<i>Reprofiled capital spending</i>		
UK Shared Prosperity Fund	1,500,152	
Other	175,327	
<b>Total</b>		<b>1,675,479</b>
<b>Grand Total</b>		<b>(1,164,108)</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 2024/25 capital expenditure was funded as follows:

Resources	Amount £
Grants and contributions	
Environment Agency - Coastal Defence Works, Beach Management and Cell Eleven	15,692,565
Better Care funding towards Disabled Facilities Grants (DFG)	2,295,810
UK Shared Prosperity Fund	1,974,374
Rural England Prosperity Fund	346,192
S106 contributions	197,770

Regenda (DFG)	74,496
Other contributions	147,599
Capital Receipts	158,947
Revenue	905,703
<b>TOTAL</b>	<b>21,793,456</b>

The council maintains a fund of capital receipts from the disposal of non-current assets to fund capital expenditure. As at 31 March 2025 the funds available were:

Description	Updated budget £	Actual £
Opening balance	(2,681,136)	(2,681,136)
Received in year	-	(36,020)
Applied in year	224,022	158,947
<b>Closing balance</b>	<b>(2,457,114)</b>	<b>(2,558,209)</b>

### Resources Available for Capital Investment

The table below summarises the approved resources available for the 2024/25 Capital Programme and the indicative programme to 2030/31. 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 2025/26 budget process.

Resource	2024/25 Outturn £	2025/26 Estimates £	2026/27 Estimates £	2027/28 Estimates £	2028/29 Estimates £	2029/30 Estimates £	2030/31 Estimates £
<i>No revenue implications</i>							
Capital Receipts	158,947	88,396	-	-	-	-	-
Grants and contributions	20,728,806	15,753,763	14,071,146	2,079,964	2,079,964	2,079,964	2,079,964
<b>Sub Total</b>	<b>20,887,753</b>	<b>15,843,159</b>	<b>14,071,146</b>	<b>2,079,964</b>	<b>2,079,964</b>	<b>2,079,964</b>	<b>2,079,964</b>
<i>With revenue implications</i>							
Other revenue contributions	905,703	768,129	579,427	360,954	2,844,881	91,850	281,500
<b>Sub Total</b>	<b>905,703</b>	<b>768,129</b>	<b>579,427</b>	<b>360,954</b>	<b>2,844,881</b>	<b>91,850</b>	<b>281,500</b>
<b>Total</b>	<b>21,793,456</b>	<b>16,610,288</b>	<b>14,650,573</b>	<b>2,440,918</b>	<b>4,924,845</b>	<b>2,171,814</b>	<b>2,361,464</b>

### Going Concern

The accounts are prepared on a going concern basis; that is, on the assumption that the functions of the council will continue in operational existence for 12 months from the date that the accounts are authorised for issue.

The council is in a strong financial position with revenue reserves of £40.3 million at 31 March 2025 made up of £36.5 million earmarked for a specific purpose and £3.8 million general fund reserves. The council also has the ability to borrow short-term for liquidity purposes if required.

Furthermore, the provisions in the CIPFA Code of Practice on Local Authority Accounting on going concern accounting requirements reflect the statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved

without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

The council thereby concludes that it is appropriate to prepare the financial statements on a going concern basis.

## Non-Financial Performance Indicators

The following statistics relate to 2024/25:



## 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).

## Change in accounting policy and transitional arrangements - leasing

In 2024/25 the council applied IFRS 16 Leases as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability) a right of use asset and a lease liability are to be brought onto the Balance Sheet at 1 April 2024. Leases for items of low value (the council's accounting policy is that any item valued less than £10,000 is deemed to be low value) and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right of use assets and lease liabilities have been calculated as if IFRS 16 had always been applied but recognised in 2024/25 and not by adjusting prior year figures. However, some practical expedients have been applied as required or permitted by the Code:

- Lease liabilities are measured at the present value of the remaining lease payments as at 1 April 2024, discounted by the authority's incremental borrowing rate at that date.
- Right of use assets are measured at the amount of lease liability, adjusted for any prepaid or accrued lease payments that were on the balance sheet as at 31 March 2024 – any initial direct costs have been excluded (if applicable).
- Except for leases with nil consideration the council has:
  - Applied IFRS 16 to contracts that were previously identified as leases applying IAS 17 Leases and IFRIC 4 Determining Whether an Arrangement Contains a Lease (if applicable).

- Not applied IFRS 16 to contracts that were not previously identified as containing a lease when applying IAS 17 and IFRIC 4.

The review of the application and implementation of the new accounting policy has resulted in there being no additions to the Balance Sheet owing to there being no material impact to the accounts.

## Explanatory Foreword to the Statement of Accounts

This Statement of Accounts covers the financial year ended 31 March 2025 (2024/25). It has been prepared in accordance with the Accounts and Audit Regulations 2015 (as amended) and the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25. 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 Director of Finance and Governance (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 2025 and of its income and expenditure for the year then ended.

A handwritten signature in black ink that reads 'Clare James'.

CLARE JAMES

Director of Finance and Governance (Chief Financial Officer)

(Authorised for issue) 24 February 2026

### **Certificate of Audit and Standards Committee approval**

I certify that the Audit and Standards Committee approved the Statement of Accounts for 2025/26 on 24 February 2026.

A handwritten signature in black ink, appearing to read "John Ibison".

Councillor John Ibison

Acting Chairman of Audit and Standards Committee

Date: 24 February 2026

### **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 AUTHORITY'S FINANCIAL STATEMENTS

#### Disclaimer of opinion

We were engaged to audit the financial statements of Wyre Council ("the Authority") for the year ended 31 March 2025 which comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement, Collection Fund Account and the related notes, including the Expenditure and Funding Analysis and the accounting policies in note 1 and 2 respectively.

We do not express an opinion on the financial statements<sup>27</sup>. Due to the significance of the matters described in the Basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

#### Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 (the "Amendment Regulations") require the Authority to publish its financial statements and our opinion thereon for the year ended 31 March 2025 by 27 February 2026 (the "Backstop Date").

We have been unable to obtain sufficient appropriate audit evidence over a number of areas of the financial statements as we have been unable to perform the procedures that we consider necessary to form our opinion on the financial statements ahead of the Backstop Date.

These areas were

- the carrying amounts of property, plant and equipment; income from non-domestic rates included within taxation and non-specific grant income; short-term debtors and short-term creditors; revenue grants received in advance; provisions; and the balance of, and movements in, usable and unusable reserves for the years ended 31 March 2024 and 31 March 2025.
- the disclosed comparative figures for income from council tax, and grants and contributions included within taxation and non-specific grant income; other services expenses, support service recharges, net investment asset expenditure, precepts and levies, and fees, charges and other service income, all included within net cost of services; investment property; and capital grants and contributions for the year ended 31 March 2024.
- the net assets as at 1 April 2023, and therefore whether there were any consequential effects on the disclosed comparative income and expenditure for the year ended 31 March 2024.

Any adjustments from the above matters would have a consequential effect on the Authority's net assets and the split between usable reserves, and unusable reserves as at 31 March 2025 and 31 March 2024, and on its income and expenditure and cash flows for the years then ended.

#### Fraud and breaches of laws and regulations – ability to detect

As stated in the Disclaimer of opinion section of our report, we do not express an opinion on the financial statements due to the reasons described in the Basis for disclaimer of opinion section of our report.

#### Other information

The Director of Finance and Governance (the "Section 151 Officer") is responsible for the other information, which comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. Any opinion on the financial statements would not cover the other information and we do not express an opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Due to the significance of the matters described in the *Basis for disclaimer of opinion* section of our report, and the possible consequential effect on the related disclosures in the other information, whilst in our opinion the other information included in the Statement of Accounts for the financial year is consistent with the financial statements, we are unable to determine whether there are material misstatements in the other information.

### **Section 151 Officer's and Audit and Standards Committee's responsibilities**

As explained more fully in the statement set out on page 24, the Section 151 Officer is responsible for the preparation of financial statements in accordance with CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the government of the intention to either cease the services provided by the Authority or dissolve the Authority without the transfer of its services to another public sector entity.

The Audit and Standards Committee of the Authority is responsible for overseeing the Authority's financial reporting process.

### **Auditor's responsibilities**

Our responsibility is to conduct an audit of the financial statements in accordance with International Standards on Auditing (UK), and to issue an auditor's report. However, due to the significance of the matters described in the *Basis for disclaimer of opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

We have fulfilled our ethical responsibilities under, and are independent of the Authority in accordance with, UK ethical requirements including the FRC Ethical Standard.

## **REPORT ON OTHER LEGAL AND REGULATORY MATTERS**

### **Report on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources**

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the "NAO Code of Audit Practice"), we are required to report to you if we identify any significant weaknesses in the arrangements that have been made by the Authority to secure economy, efficiency, and effectiveness in its use of resources.

We have nothing to report in this respect.

### **Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are required under section 20(1) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. We are also not required to satisfy ourselves that the Authority has achieved value for money during the year.

We planned our work and undertook our review in accordance with the NAO Code of Audit Practice and related statutory guidance, having regard to whether the Authority had proper arrangements in place to ensure financial sustainability, proper governance and to use information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

### **Statutory reporting matters**

We are required by Schedule 2 to the NAO Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 and Schedule 7 of the Local Audit and Accountability Act 2014; or
- we make written recommendations to the Authority under Section 24 and Schedule 7 of the Local Audit and Accountability Act 2014; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in this respect.

### **THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES**

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

### **DELAY IN CERTIFICATION OF COMPLETION OF THE AUDIT**

As at the date of this audit report, we are unable to confirm that we have completed our work in respect of the Authority's Whole of Government Accounts consolidation pack for the year ended 31 March 2025 because we have not received confirmation from the NAO that the NAO's audit of the Whole of Government Accounts is complete.

Until we have completed this work, we are unable to certify that we have completed the audit of Wyre Council for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the NAO Code of Audit Practice.

A handwritten signature in black ink, appearing to read "D Chamberlain".

**Debra Chamberlain**

**for and on behalf of KPMG LLP**  
*Chartered Accountants*

One St Peters Square  
Manchester  
M2 3AE

25 February 2026

# Annual Governance Statement

## Introduction to Corporate Governance

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, by underpinning that vision, with suitable controls and measures to manage risks.

## Scope of Responsibility

Local Authorities are accountable to the public and other stakeholders for ensuring that they have a sound system of governance in place. They are required to prepare and publish the Annual Governance Statement (AGS) in accordance with the Audit and Account Regulations 2015.

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.

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.

## The Purpose of the Governance Framework

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.

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.

The governance framework as detailed above has been in place at Wyre Council for the year ending 31 March 2025 and up to the date of approval of the annual accounts.

## Wyre Council's Local Code of Corporate Governance

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; 'Delivering Good Governance in Local Government' (2016). 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. The guidance is not prescriptive, and authorities are encouraged to use it in a way that best reflects their structure, type, functions and size.

In addition, in January 2025, CIPFA and SOLACE published a draft Addendum which aimed to replace Chapter 7 of the 2016 guidance, covering 'the annual review and reporting' of the AGS. Whilst the Addendum is to be adopted from the 2025/26 AGS onwards, consideration has been given to this document when compiling this year's statement.

Consideration has also been given to the recent publication of the Delivering Good Governance in Local Government: Framework (Addendum) and CIPFA's Advisory Note: Understanding the challenge to local authority governance (March 2022).

CIPFA and SOLACE recommend that authorities adopt a separate Local Code of Corporate Governance setting out their governance arrangements and how they put the seven principles into practice. However, it is not a requirement of the regulations, as long as the statement itself is presented in a way that identifies how the council meets the governance principles. Following a review of examples of local codes, the approach has been maintained to utilise the full, standard principles and localise them using a range of evidence and examples.

### **Process for the completion of the review of effectiveness and reporting of the Annual Governance Statement**

CIPFA/SOLACE guidance recommends that authorities should undertake annual reviews to take stock of their governance arrangements and ensure that robust evidence is in place and that evidence should be gathered throughout the year, not just at one point in time. The review should consider the financial year to which the AGS relates. As well as looking backwards should also look to the future to identify any forthcoming risks and challenges. The scope of the annual review for 2024/25 is documented below in paragraphs 5.2 to 5.4

A spreadsheet of the seven principles of good governance is held within a shared area on TEAMS, where evidence is added by key officers to demonstrate compliance. A similar spreadsheet has been in use since 2016, and over time it has been strengthened to evidence how effectively the council's arrangements meet the principles of governance in practice. The spreadsheet requires officers to highlight any gaps in current controls or any weaknesses with the current governance arrangements already in place. From this spreadsheet an action plan of improvements is populated.

In addition to the maintenance of this spreadsheet, on 9 May 2025, a governance workshop was held with key governance officers to 'stress test' the organisation's current arrangements and also consider any anticipated risks and challenges for the year ahead. Following this workshop, any improvements required to the council's governance arrangements are added to the above action plan.

In addition, other assurances, covering the three lines of defence, that make up the governance framework are also taken into consideration when carrying out the annual review, namely:

- The views of Internal Audit through regular progress reports, the Annual Internal Audit Opinion and the review of the effectiveness of Internal Audit;

- Assurances from the three statutory officers;
- The Audit and Standards Committee Chairman via their annual report;
- Any external validations, inspections or accreditation against control frameworks or standards;
- The views and reports of our External Auditors in their value for money commentary, and;
- The examination of risk reports, risk registers and an overview of the risk management process.

Following the above review of the council’s governance arrangements, a draft statement is produced alongside an action plan of improvements. Following sign-off by the Chief Executive and Leader of the Council, the draft statement is then presented to Audit and Standards Committee for approval. The statement will remain in draft until it forms part of the approval of the Statement of Accounts later in the year. 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.

### **Evidence to demonstrate compliance to the core principles of good governance**

Set out below is how the council has benchmarked its governance framework against the seven core principles set out in the CIPFA / SOLACE framework during 2024/25

#### **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.
- A Councillor Development Strategy is refreshed annually and approved by full Council along with a Councillor Skills Framework and training programme for the municipal year.
- Members’ Strengths and Development Questionnaires are carried out annually which assists with the content of the strategy and programme. In 2024/25 we achieved a response rate of over 75 per cent.
- 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 are expected to sign on their first day. It is also included in their induction pack and is also included on the Learning Pool’s induction module.
- The council has a Member Code of Conduct in place that helps to achieve high standards of conduct. Refresher training was completed in May 2024. The training has been uploaded on to the member portal. All new Members since this date have received 1-2-1 training from Democratic Services and the Monitoring Officer.
- The Charter for Elected Member Development has recently been refreshed.
- The council has embedded 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, members of the public and all those contracting with the council have access. The Policy is reviewed and approved annually by the Audit and Standards Committee.
- 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 were carried out during 2024 to test both staff and Elected Members' knowledge and understanding of the council's key policies and procedures and action plans for improvement have been developed.
- 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.
- The Council has agreed a set of values and behaviours to underpin our recruitment and retention practices, ensuring alignment with our organisational culture and strategic priorities. 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 and is subject to regular review.
- 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.
- A new 'Registering Conflicts of Interest' Policy has been approved to bolster the Gifts and Hospitality and Registering Interests Policy.
- 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.
- During 2024/25 the council used 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. This is scheduled to be repeated every 2 years.
- Staff guidance is in place for the processing of Subject Access Requests (SAR), Freedom of Information (FOI) and Environmental Information Regulation (EIR) requests.
- Staff within the Information Governance Team who are involved in the processing of Subject Access Requests have received training in the administration of these and have recently completed qualification training.
- 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. 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.
- The Contract Procedure Rules have been updated to take into account the recent changes in Procurement legislation.
- The Wyre Hub has been updated with guidance and template documents to assist buying officers when procuring goods, services and works in accordance with the Procurement Act 2023.
- Procurement drop-in sessions have been held to assist buying officers with the transition from Public Contract Regulations 2015 to the Procurement Act 2023.
- Training sessions have been held with key buying officers to ensure they understand the requirements of the Procurement Act 2023.

## **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. This is a high-level summary and the latest MTFP provided more detailed narrative about how the gap has been bridged using other initiatives e.g. Business Rates Pooling. Further development of this should follow now that the Transformation Strategy and Action Plan has been approved by full Council in April 2025.
- The Director of Finance and Governance (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 2021/22, 2022/23 and 2023/24 accounts were all signed off under the backstop arrangements in line with the relevant statutory deadlines. These are disclaimed under the same backstop arrangements, and the expectation is that the accounts will continue to carry a disclaimer for the next two years approximately.
- 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 by the new Information Governance Team following a review that identified several gaps.
- Wyre Voice, an information magazine produced by the council, is delivered to every household annually with a monthly E-newsletter being sent to those who have subscribed.
- A monthly newsletter 'core brief' is produced and cascaded to all staff.
- Annual reports are produced on the overview and scrutiny function activity.
- Key decisions are published in the Schedule of Executive Decisions. In the spirit of open government, we may also include other upcoming executive decisions that do not require 28 days' notice in the Schedule.
- 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 Fylde Coast YMCA to oversee the operation of the council's leisure centres and pools.

- A Wyre Moving More Board meets to oversee delivery of the Wyre Moving More strategy.
- The council has established a Beach Management Board that meet on a monthly basis to oversee the sea defences scheme. The Board is made up of the council’s Neighbourhood Services and Community Safety Portfolio Holder, key council officers, the Contractor and the Environment Agency. Internal Audit, Finance and Legal Services also attend meetings, when required, to provide advice and guidance on risk, control and governance issues.
- The council sits on the ‘Our Future Coast’ partnership board, which involves working with various partners to deliver changes to land management techniques along the Northwest Coast to help reduce flooding and support our Climate Change commitments.
- 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 quarterly 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 (approximately £765,000) has been distributed to low-income households, charities and food banks during 2024/25.

### **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.
- There is a digital hub located at the Fleetwood Market which is run by Citizens Advice to provide additional support to residents to help them develop their digital skills and support them to access benefits and free debt advice.
- 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.
- During 2024, residents and businesses were asked to influence a new ‘Economic Development and Visitor Economy Strategy’ for Wyre. The Strategy was approved by Council in April 2025.

- The Life in Wyre Survey was carried out in early 2025. 4,000 residents were randomly selected to have their say about where they live, council services and other important health, wellbeing and community topics.

## **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 (2024 – 2028) which is used for corporate and service planning.
- The council plan includes a set of measures defining outcomes which are reported quarterly to Board, Overview and Scrutiny Committee and the Cabinet.
- There is a new corporate complaints procedure in place. 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 has recently developed a new Asset Management Plan and Strategy (2025 – 2029) and is due for approval by Council in July 2025.
- The council’s approach to value for money (VFM) is reflected in the high-level annual efficiency statement reported to Cabinet, with targets and achievements monitored throughout the year. Other evidence of how the budget has been balanced in recent years can be found in the Budget report that goes to Cabinet in February. The external audit VFM commentaries have been positive (latest 2023/24) with no significant issues identified. Further work is to be done utilising the new Transformation Strategy and Programme ‘Inspire Wyre’.
- 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 Climate Change Strategy and Action Plan (2024 – 2025) was approved in 2024 which was developed to help steer the strategic focus of the council.
- Our council plan includes several commitments which will improve the health and wellbeing of our communities. Our work on Wyre Moving More was awarded a Partner Excellence Award at the I-network award ceremony.
- The council is working within the Lancashire and South Cumbria Integrated Care Partnership through new place-based partnerships. These partnerships are a collaboration

of planners and providers across health, local authority and wider community organisations who all take a collective responsibility for improving the health and wellbeing of residents within ‘a place’. The partnerships work together to make sure services are joined up to improve health and wellbeing outcomes for the population, prevent people from being unwell and reduce health inequalities across neighbourhoods.

- To assist in this work, Lancashire has been split into three ‘localities’; Central and West Lancashire, East Lancashire and North Lancashire. Wyre forms part of the North Lancashire locality together with Fylde and Lancaster. The council chairs and supports the Fylde and Wyre Health and Wellbeing Partnership which has identified three priority areas of work for collaborative action: children and young people’s emotional health and wellbeing; supporting older adults to stay well and lifestyle support and prevention activity.
- All projects within the Council Plan are completing an equality impact assessment within our new Project Management framework. Managers received Equality and Diversity Training in 2024.
- An Equality, Diversity and Inclusion (EDI) Steering group meets regularly and drives the improvement of the council’s commitment to EDI through the organisation and in our communities.
- 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 also works with community groups to identify funding opportunities and uses ‘grant finder’ to maximise access to funding.
- In 2024, the council has been awarded five green flag awards for our clean parks and open spaces.
- 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 through the development of the Wyred Up business network and publishes a regular Newsletter.
- We have established town centre partnership boards for each of our key towns – Fleetwood, Cleveleys, Poulton and Garstang. These boards are leading on the delivery of the regeneration frameworks and focusing on several key economic projects.

## **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 Transformation Board is in-place to oversee digital and non-digital projects, and capture risks and concerns. The transformation strategy 2024-2028 is in place and was approved by full Council. A digital Transformation Strategy is under review and has received initial approval from CMT.
- ‘Project on a Page’ dashboards are being developed for Council Plan projects that will be reported to the Corporate Management Team, Cabinet and Overview and Scrutiny Committee that will clearly show whether there are any issues with key projects.

### 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 and the Waste 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. During 2024/25, new quarterly revenue and capital monitoring reports were introduced and the development and expansion of the information published with the February budget report was initiated.
- An efficiency programme compliments the MTFP helping to maintain sustainability going forward. This links to other work undertaken to balance the budget including Business Rates Pooling and further information is published in the February Cabinet report on the budget.
- 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 and published with the budget report to Cabinet in February, with a mid-year update in November. During 2024/25, new quarterly revenue and capital monitoring reports were developed.
- The MTFP, revenue estimates and capital programme are soundly configured to meet the requirements of the Council 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 other schemes.

- Performance outcomes are regularly reported to the Corporate Management Team, Cabinet and the Overview and Scrutiny Committee.
- The benefits achieved for completed Transformation Projects are monitored and will be reported to the Transformation Board, Cabinet and Overview and Scrutiny Committee to demonstrate the impact. These are integral in our Project Management framework.

### **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 2024/25 of £347,500. This will be a challenging target, particularly given some unplanned closures.
- Effective mechanisms exist to monitor service delivery through the overview and scrutiny arrangements and quarterly performance reports highlight where corrective action is necessary.
- An Asset Management Strategy and Action Plan for 2025 – 2029 has been drafted and will be put forward for approval at full Council on 3 July 2025.
- A commitment in the refreshed Council Plan is to use our land and buildings wisely, managing them to appropriate standards, reducing their environmental impact and maximising income to reinvest in improving services.
- 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.
- In June 2024, the council took part in a Local Government Association (LGA) Corporate Peer Challenge. The peer review team returned in May 2025 to see how the council is progressing in implementing their nine recommendations and relevant reports can be found on the council’s website.
- The council’s performance appraisal system allows for documentation of the development of the individual through their personal development plan.
- The Training and Development budget was increased from £116,130 at the start of 2023/24 to £215,460 by the end of 2024/25 to support the increase in requested staff training and development (includes apprenticeship levy).
- Internal Audit received a ‘full compliance’ overall opinion when externally 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 review was completed in November 2024.
- 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), adhering to guidance from DEFRA

(Department for Environment, Food and Rural Affairs) and extensive engagement with Lancashire’s residents and key stakeholders. The primary focus is around meeting the statutory obligations of the Environment Act 2021 with the introduction of a weekly food waste collection to all households by April 2026 in compliance with Simpler Recycling requirements. Wyre is working with Lancashire Districts, both Unitary authorities and the County to look at the most effective and efficient methods, including amended collection frequencies to promote a reduction in household waste generation with an increase in recycling, options for joint procurement of containers and other equipment e.g., PPE and a Lancashire wide communications campaign to promote consistent messaging.

### **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 scheme’ and a process for appeals.
- Market supplements are allowed under the council’s Pay Policy. A specific Market Supplements Policy is being developed to provide more detailed guidance.
- 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, and regular training is delivered to officers.
- Career structures are in place where possible for officers and Elected Members to facilitate succession planning.
- The council has a successful apprenticeship scheme in place. There are currently five apprentices all working towards their qualifications whilst gaining experience rotating across the council. So far, three of the five apprenticeships have secured permanent employment with the council.
- In 2024, the Senior Leadership Team started a Leadership Programme run by Potential Unearthed to support the formation of the new team and strengthen existing skills as well as build new attributes.
- 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 monthly. The deputy Monitoring Officer, deputy S.151 Officer and the Chief Internal Auditor are invited quarterly.

- 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 two days' paid voluntary leave each year.
- The Council has adopted a set of values and behaviours to ensure that all staff are equipped to deliver high-quality services.

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

### **Managing risk**

- An external peer review in April 2024 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.
- An annual strategic risk report is provided to the Corporate Management Team and the Audit and Standards Committee in March and is made available to all members/officers on the HUB/Councillor Portal. The Report also forms part of the Internal Audit Annual report.
- Several services have 'Records of Processing Activities' in place which are reviewed by Internal Audit as part of each audit review ensuring compliance with legislation and demonstrating best practice in information governance. Gaps are in the process of being addressed. Internal Audit and the Information Governance Group will continue to monitor this 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 and internal guidance has been provided to ensure consistent practices are followed.

- ICT policies and user agreements are reviewed annually and updated as and when required. Changes are reviewed and approved by Governance and Corporate Management Team. Changes are communicated to staff and sign-off via a digital form is required to verify understanding of, and agreement with the policies.

### **Managing performance**

- Performance is regularly reported to the Corporate Management Team, Cabinet and the Overview and Scrutiny Committee.
- The council has a performance management framework that links the Council Plan, Service Plans, finance and risk planning, and individual appraisals and PDPs, ensuring everyone is clear in their roles to achieve corporate and service priorities.
- The council has improved the transparency of our performance in the Council Plan monitoring and our progress in Service Plans, and this will cascade more within team meetings and 1-2-1s.
- We have improved our performance reporting, with quarterly monitoring of Council Plan performance and budget management to both Cabinet and Overview and Scrutiny Committee. The performance cycle has allowed us better link strategic and operational decision making to meet our priorities.
- 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. We have now rolled out the modern.gov workflow report management system which creates a single version of a report to which all amendments are made, and approvals given. Each step is clearly documented meaning that democratic services can act as gatekeepers and question where certain approvals haven't been completed.
- A workshop was held in February 2025 with the Overview and Scrutiny Committee and Corporate Management Team to agree the Committee's work programme for 2025/26. There remains flexibility in the work programme and time set aside at each meeting to regularly revisit the relevance of topics as the local context changes.

### **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 Senior Auditor 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 Internal Audit Leadership qualification.
- 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**

- In 2024/25 staff used 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 two Deputies who are 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 which are included in the Audit and Risk Management updates.
- 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.
- Records of Processing Activities 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.
- User Change Procedures (additions, modifications and removals) are in-place to manage the changes to staffing. This includes capturing changes to staff access to data and systems, ensuring appropriate levels of data access.

### **Strong public financial management**

- Those making decisions are provided with information that is fit for purpose, relevant, timely and gives clear explanations of technical and financial issues and their implications.
- Up to date registers of gifts and hospitality are held for both Elected Members and officers, demonstrating openness and transparency.

- Registers of interests are maintained for both officers and Elected Members.
- There is an established pay and grading structure in place for employees.
- Financial Regulations and Financial Procedures Rules are reviewed annually, and any changes are presented to the Audit and Standards Committee for approval.
- The External Auditors (KPMG) have issued a value for money commentary for 2023/24 (and Deloitte similarly issued ones for the ‘missing years’ 2020/21 to 2022/23). No significant issues were identified.

## **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 household in the borough.
- An easy to read ‘narrative report’ accompanies the Statement of Accounts.
- The Local Government Ombudsman annual report is presented to Cabinet 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 is still to be completed.

### **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 high-level annual efficiency statement is published alongside the revenue estimates as part of the budget report to Cabinet in February. The report also includes detail on the other approaches to bridging the budget gap which have helped to support the council’s reserves including Business Rates Pooling.
- The Annual Governance Statement is regularly reviewed by the Section 151 Officer and the Assistant Director of Governance and Legal. Any action plans are 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.

### **Risk Management Framework**

As reported in the Chief Internal Auditor’s Annual Opinion for 2024/25, reasonable assurance has been provided that the council’s risk management process and procedures continue to work effectively and as intended. GRACE (the council risk management system) is still being used to fully automate the risk management process, allowing Internal Audit to provide a more independent and objective opinion on the effectiveness of the risk management processes across the council. All the council’s strategic and operational risks continue to be housed within GRACE and considerable improvement has been made over the last year in risk owners initiating their own action plans to mitigate the risks they have identified.

The Audit and Risk Team have focused this year on improving the reporting processes at a strategic level. This has included ensuring updates are provided by the risk owners prior to the Corporate Management Team quarterly review, allowing more time at this meeting to challenge content and any mitigating action plans. Whilst the Audit and Standards Committee do not have access to GRACE, strategic and operational risk updates / actions plans are produced and presented to the Committee twice a year. Reports are also made available via the Councillor Portal. To bolster the reporting of strategic risks, it has recently been agreed with the Corporate Management Team that regular updates will be provided to Management Board going forward.

This year the annual strategic workshop took place on 16 January 2025 and was attended by the council’s Corporate Management Team, Senior Auditor, Insurance, Risk and Business Continuity Officer and the Chair of the Audit and Standards Committee. The workshop concentrated on identifying any significant business risks that may impact upon the council’s priorities (the Council Plan) and the appropriate control measures required to mitigate the risks identified. The report and associated action plan was issued to the Audit and Standards

Committee on 16 March 2025 and progress will continue to be monitored on a quarterly basis through Corporate Management Team and going forward, it will go to Management Board for information as well.

Operational risk workshops were held this year following the strategic risk workshop in January, with each service unit identifying new risks that could occur during the year preventing the achievement of individual service plans. Again, it is pleasing to note that there has been a slight improvement with individual officers taking responsibility for review their own risks and updating their action plans continually throughout the year, although prompts were still issued to all risk owners to ensure the full suite of operational risks are as up to date as possible. Operational risks are reported to the Audit and Standards Committee on an 'exceptions' basis with the Committee being made aware of any risks not being adequately managed.

Overall, the council's risk management and assurance framework continues to be well supported by the council. No significant concerns have been identified during the review of its risk management framework. The Team will continue to embed risk management across the organisation through training and regular policy and procedural refreshers, with the last review being completed by the Audit and Standards Committee in September 2024.

### **Evaluation of the Effectiveness of Internal Control**

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

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

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

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.

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 2024/25 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.

## Value For Money Commentary

The most recent value for money commentary that has been provided covers the 2023/24 financial year and was presented to Audit and Standards Committee in February 2025 by KPMG. No significant issues have been raised with the Section 151 Officer or the Audit and Standards Committee.

## Financial Sustainability and Funding Reform

Looking ahead, as evidenced by the statement of accounts and the external peer review by the Local Government Association, the council continues to have strong financial foundations. As we approach the prospect of local government reorganisation (LGR) in Lancashire, this provides the council with an opportunity to invest in key assets and services in the borough to ensure a lasting legacy whilst avoiding compromising on the future sustainability of our important statutory services. Any additional investment decisions will be dependent on the outcome of the Spending Review in June and the resultant Local Government Finance Settlement.

LGR is being timetabled to happen at the same time as some fundamental financial reforms are scheduled to be introduced and some of these are currently being consulted upon. Business rates reform, a business rates reset and the cyclical business rates revaluation process are all meant to happen in 2025/26, introducing an area of high uncertainty for local authorities with significant change forecast in the 2026/27 Local Government Finance Settlement (LGFS). Added to this, New Homes Bonus is likely to cease after 2025/26 and the Extended Producer Responsibility payment subsumed into the Recovery Grant or Baseline Funding formula. The signs are pointing towards a reduced funding allocation for district councils in future years and some of the proposed changes cast doubt over the prospect of a reliable multi-year settlement, as per the government's current commitment.

Alongside other current initiatives such as Business Rates Pooling, the newly approved Transformation Strategy is intended to support ongoing efficiency generation and this will be important if funding is reduced from central government and we have new requirements placed upon us by LGR.

## Significant Governance Issues Identified

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.

Jameson Road Landfill – We continue to work alongside partners including the Environment Agency (EA), Lancashire County Council and the UK Health Security Agency to find a long-lasting resolution for our residents and businesses who have been significantly impacted by the odour issues from the Jameson Road Landfill site over the last 18 months. This includes gathering the evidence we need to support a potential case of statutory nuisance under our legislative powers and working with independent consultants and external legal advice to support us in ensuring we are doing everything we can do within the lease agreement to ensure

Transwaste are operating effectively and within the appropriate regulations. More information on Jameson Road can be found here: [Jameson Road Landfill site - Fleetwood – Wyre Council](#)

In July 2024, an investigation was launched into the historic use of a chemical called Perfluorooctanoic Acid (PFOA) by AGC Chemicals Europe Ltd in Thornton-Cleveleys between the 1950s and 2012. The investigation is being carried out by the Environment Agency and is supported by key partners, including Wyre Council, Defra, the UKHSA, FSA and LCC Public Health. Considerable officer resources have been diverted to deal with this investigation which has understandably placed a strain on the delivery of council services, in particular the Environmental Health and Communications Teams. Whilst it is acknowledged that this will remain an area of significant concern going forward into 2025/26, at the time of drafting this statement, the full extent of the impact on the council's governance framework in the future is unknown. The latest updates on the investigation can be found here: [Hillhouse Technology Enterprise Zone - Thornton-Cleveleys – Wyre Council](#).

Following the issue of the English Devolution White Paper in December 2024 which aims to move councils away from the current two-tier system of local government, the council has been working to ensure any specified deadlines are met. Lancashire councils have now passed their first milestone by submitting an [interim plan for reorganisation in Lancashire to government](#). The next significant milestone is 28 November 2025, when authorities in Lancashire will submit their final Local Government Re-organisation proposals to Government. Whilst during 2024/25 the resources directed to LGR were negligible for most of the workforce, this will increase as we move forward. Acknowledging that officer capacity may be an issue going forward, this will be monitored closely by the Corporate Management Team to ensure that key milestones continue to be met without detriment to the day-to-day running of the council and its services as economically, efficiently and effectively.

In relation to these three areas of significant concern, as reported in the Annual Audit opinion, whilst significant resources have already been utilised in managing what would appear to be medium to longer-term issues, the impact on the council's governance framework to date appears to be minimal. However, all three areas are being actively monitored by the Corporate Management Team, Management Board and through the council's robust strategic risk management processes.

When reviewing compliance to the 2016 CIPFA guidance (including the recent publication of the Delivering Good Governance in Local Government Framework Addendum) during the recent AGS workshop, a number of minor issues were identified which have been documented in an action plan and will now be monitored by the Corporate Management Team and reported to the Audit and Standards Committee prior to sign off and again in November each year. Any issues identified during the 2023/24 review that have yet to be resolved have been carried forward to the 2024/25 action plan.

### **Overall Opinion on the Effectiveness of the Council's Governance Arrangements for 2024/25**

On 9 May 2025 a corporate workshop was carried out to assist the council in carrying out its annual review of the effectiveness of its system of internal control, to identify if the council's governance arrangements were fit for purpose. This included reviewing and benchmarking its governance arrangements to the principles of good governance set out in the 'Delivering Good Governance in Local Government: Framework' and also to consider the draft Addendum to this guidance that will come into play for the AGS for 2025/26, although councils are being

encouraged to consider its content for the 2024/25 statement. This workshop also included a number of exercises to 'stress test' its governance arrangements against recent examples of local government failings. The results of this concluded that the council's governance arrangements are considered to be robust and fit for purpose, with only minor improvements to current procedures currently required. However, the workshop did highlight a number of new improvements that would be made during 2025/26 to further strengthen the council's governance arrangements. These included the introduction of a Financial Regulation and Financial Breach register and also a 'Wavier to Contract Procedure Rules' register – both of which will improve accountability, openness and transparency.

### **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 2025 is satisfactory.

A handwritten signature in black ink, appearing to read "Mike Vincent".

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 2025 is satisfactory.

A handwritten signature in black ink, appearing to read "R Huddleston".

R HUDDLESTON  
CHIEF EXECUTIVE

## Comprehensive Income and Expenditure Statement

2023/24				2024/25		
Gross Expenditure £	Gross Income £	Net Expenditure £	Note	Gross Expenditure £	Gross Income £	Net Expenditure £
7,087,965	(2,217,769)	4,870,196		7,568,860	(2,263,619)	5,305,241
27,557,036	(25,749,484)	1,807,552		28,006,783	(26,296,306)	1,710,477
5,549,676	(2,676,226)	2,873,450		6,894,537	(3,731,451)	3,163,086
5,660,220	(2,973,139)	2,687,081		6,233,079	(2,359,017)	3,874,062
8,096,428	(1,653,742)	6,442,686		8,666,945	(1,681,342)	6,985,603
<b>53,951,325</b>	<b>(35,270,360)</b>	<b>18,680,965</b>		<b>57,370,204</b>	<b>(36,331,735)</b>	<b>21,038,469</b>
965,850	(11,800)	954,050	10	1,062,401	(31,687)	1,030,714
772,566	(2,403,974)	(1,631,408)	11	1,555	(3,309,443)	(3,307,888)
-	(30,891,236)	(30,891,236)	12	149,680	(35,017,433)	(34,867,753)
		<b>(12,887,629)</b>				<b>(16,106,458)</b>
		(965,067)				(4,662,944)
		(502,467)	37			(507,000)
		<b>(1,467,534)</b>				<b>(5,169,944)</b>
		<b>(14,355,163)</b>				<b>(21,276,402)</b>

## Movement In Reserves Statement

	General Fund Balance £	Earmarked Reserves (Note 9) £	Capital Receipts Reserve £	Capital Grants Unapplied Reserve £	Total Usable Reserves (Note 22) £	Unusable Reserves (Note 23) £	Total Authority Reserves £
<b>Balance at 31 March 2023</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>134,470,439</b>	<b>172,251,732</b>
<b>Movement in Reserves during 2023/24</b>							
Total Comprehensive Income and Expenditure	12,887,629	-	-	-	12,887,629	1,467,534	14,355,163
Adjustments between accounting basis and funding basis under Regulations (Note 8)	(9,756,895)	-	(1,647,488)	-	(11,404,383)	11,404,383	-
<b>Increase / (Decrease) Movement in 2023/2024</b>	<b>3,130,734</b>	<b>-</b>	<b>(1,647,488)</b>	<b>-</b>	<b>1,483,246</b>	<b>12,871,917</b>	<b>14,355,163</b>
Transfer to or from Earmarked Reserves	(889,154)	889,154	-	-	-	-	-
<b>Balance at 31 March 2024 carried forward (Note 22 and 23)</b>	<b>16,758,470</b>	<b>19,766,448</b>	<b>2,681,136</b>	<b>58,485</b>	<b>39,264,539</b>	<b>147,342,356</b>	<b>186,606,895</b>
<b>Movement in Reserves during 2024/25</b>							
Total Comprehensive Income and Expenditure	16,106,458	-	-	-	16,106,458	5,169,944	21,276,402
Adjustments between accounting basis and funding basis under Regulations (Note 8)	(12,332,588)	-	(122,927)	(58,485)	(12,514,000)	12,514,000	-
<b>Increase / (Decrease) Movement in 2024/25</b>	<b>3,773,870</b>	<b>-</b>	<b>(122,927)</b>	<b>(58,485)</b>	<b>3,592,458</b>	<b>17,683,944</b>	<b>21,276,402</b>
Transfer to or from Earmarked Reserves	(16,782,823)	16,782,823	-	-	-	-	-
<b>Balance at 31 March 2025 carried forward (Note 22 and 23)</b>	<b>3,749,517</b>	<b>36,549,271</b>	<b>2,558,209</b>	<b>-</b>	<b>42,856,997</b>	<b>165,026,300</b>	<b>207,883,297</b>

## Balance Sheet

31 March 2024 £	Description	Note	31 March 2025 £
144,256,668	Property, Plant and Equipment	13	161,012,403
330,950	Heritage Assets	14	330,950
15,018,050	Investment Property	15	15,999,450
25,987	Intangible Assets	16	16,063
-	Long Term Investments	17	-
<b>159,631,655</b>	<b>Long Term Assets</b>		<b>177,358,866</b>
19,000,000	Short Term Investments	17	18,000,000
124,186	Inventories	-	93,729
8,246,674	Short Term Debtors	18	8,547,826
2,185,467	Pension Fund Asset	-	1,092,734
19,297,115	Cash and Cash Equivalents	19	20,556,600
-	Assets classified as held for sale	-	-
<b>48,853,442</b>	<b>Current Assets</b>		<b>48,290,889</b>
(6,502,185)	Short Term Creditors	20	(5,293,059)
(1,689,803)	Provisions	21	(926,804)
(1,663,865)	Revenue Grants Received in Advance	31	(2,412,028)
<b>(9,855,853)</b>	<b>Current Liabilities</b>		<b>(8,631,891)</b>
(12,778)	Deferred Liabilities	-	(11,879)
(2,200,000)	Liability related to Defined Benefit Pension Scheme	36	(1,914,000)
(9,809,571)	Capital Grants and Contributions	31	(7,208,685)
<b>(12,022,349)</b>	<b>Long Term Liabilities</b>		<b>(9,134,564)</b>
<b>186,606,895</b>	<b>Net Assets</b>		<b>207,883,297</b>
(39,264,539)	Usable Reserves	22	(42,856,997)
(147,342,356)	Unusable Reserves	23	(165,026,300)
<b>(186,606,895)</b>	<b>Total Reserves</b>		<b>(207,883,297)</b>

## Cash Flow Statement

2023/24 £		Note	2024/25 £
(12,887,629)	Net (Surplus) or Deficit on the Provision of Services		(16,106,458)
(1,769,878)	Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-cash Movements	24	(4,810,684)
15,938,936	Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing activities	24	20,764,826
<b>1,281,429</b>	<b>Net Cash Flows from Operating Activities</b>		<b>(152,316)</b>
13,966,211	Investing Activities	25	(2,587,597)
478,586	Financing Activities	26	1,480,428
<b>15,726,226</b>	<b>Net (Increase) or Decrease in Cash and Cash Equivalents</b>		<b>(1,259,485)</b>
(35,023,341)	Cash and Cash Equivalents at the beginning of the reporting period		(19,297,115)
<b>(19,297,115)</b>	<b>Cash and Cash Equivalents at the end of the reporting period</b>	<b>19</b>	<b>(20,556,600)</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.

2024/25

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 £	Net change for the Pensions Adjustments £	Other Differences £	Total Adjustments £	Net expenditure in the comprehensive income and expenditure statement £
Leisure, Health and Community Engagement	3,834,231	1,464,237	6,360	413	1,471,010	5,305,241
Neighbourhood Services and Community Safety	701,476	1,003,582	5,094	325	1,009,001	1,710,477
Planning Policy and Economic Development	2,966,026	188,879	7,771	410	197,060	3,163,086
Resources	3,388,623	339,688	136,575	9,176	485,439	3,874,062
Street Scene, Parks and Open Spaces	6,292,554	680,826	11,286	937	693,049	6,985,603
<b>Net Cost of Services</b>	<b>17,182,910</b>	<b>3,677,212</b>	<b>167,086</b>	<b>11,261</b>	<b>3,855,559</b>	<b>21,038,469</b>
Other income and expenditure	1,003,401	(31,687)	59,000	-	27,313	1,030,714
Financing and investment income and expenditure	(2,278,721)	(1,024,184)	(4,983)	-	(925,184)	(3,307,888)
Taxation and non-specific grant income and expenditure	(19,681,458)	(15,594,193)	-	407,898	(15,186,295)	(34,867,753)
<b>Difference between General Fund surplus or deficit and CIES Surplus or Deficit on the Provision of Services (Note 8)</b>	<b>(3,773,868)</b>	<b>(12,972,852)</b>	<b>221,103</b>	<b>419,159</b>	<b>(12,228,607)</b>	<b>(16,106,458)</b>
Transfers to/from earmarked reserves (Note 9)	16,782,823	-	-	(16,782,823)	(16,782,823)	-
<b>(Surplus)/Deficit</b>	<b>13,008,955</b>	<b>(12,972,852)</b>	<b>221,103</b>	<b>(16,363,664)</b>	<b>(29,011,430)</b>	<b>(16,106,458)</b>
<b>Opening General Fund Balance at 31 March 2024</b>	<b>(16,758,470)</b>					
Less (Surplus)/Deficit on General Fund Balance in Year	13,008,953					
<b>Closing General Fund balance at 31 March 2025</b>	<b>(3,749,517)</b>					

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 £	Net change for the Pensions Adjustments £	Other Differences £	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
Neighbourhood 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	1,102	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	(53,000)	-	1,168,499	(1,631,408)
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>380,266</b>	<b>(2,040,675)</b>	<b>(9,756,896)</b>	<b>(12,887,629)</b>
Transfers to/from earmarked reserves (Note 9)	889,154	-	-	(889,154)	(889,154)	-
<b>(Surplus)/Deficit</b>	<b>(2,241,579)</b>	<b>(8,096,487)</b>	<b>380,266</b>	<b>(2,929,829)</b>	<b>(10,646,050)</b>	<b>(12,887,629)</b>
<b>Opening General Fund Balance at 31 March 2023</b>	<b>(14,516,890)</b>					
Less (Surplus)/Deficit on General Fund Balance in Year	(2,241,580)					
<b>Closing General Fund balance at 31 March 2024</b>	<b>(16,758,470)</b>					

## 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 receivables 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.

## 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.

## 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

### General principles

The Statement of Accounts summarises the council's transactions for the 2024/25 financial year and its position for at the year-end of 31 March 2025. The council is required to prepare an annual statement of accounts by the Accounts and Audit Regulations 2015 (as amended), 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 2024/25, 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.

### **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.

### **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.

### **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.

### **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.

### **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.

## 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 5.8% p.a. at the end of the period (4.9% 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
- Unquoted 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.

## 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.

## 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.

### **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.

### **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.

### **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.

### **Inventories**

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

### **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.

## Leases

### The council as lessee

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

### Initial measurement

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

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

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

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

## Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The council considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

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

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

The liability is remeasured when:

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

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

### Low value and short lease exemption

As permitted by the Code, the council excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the council is reasonably certain to exercise and any termination options that the council is reasonably certain not to exercise).

## Lease expenditure

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

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

### **The council as lessor**

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

### **Finance leases**

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 (eg there is a premium paid at the commencement of the lease).

### **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.

### **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.

## **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.

## 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.

## 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 2024/25 Wyre's REFCUS expenditure (£5,134,613) related to disabled facilities grants, our future coast project, UKSPF projects, and projects linking in with town/parish councils and community groups.

## 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.

## 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:

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

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

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

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

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed 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 2025 for 2024/25).

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:

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

- IFRS 17 Insurance Contracts. This standard replaces IFRS 4 Insurance Contracts and specifies the approach to identifying, quantifying and reporting on insurance contracts.
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates.
- Changes to the measurement of non-investment assets including adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets.

### **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.

## **Leasing**

The council is required to implement accounting standard IFRS 16 Leasing from 1 April 2024. On review of the application of the standard to the council's leasing portfolio the council has judged that the implementation does not have a material impact on the council's financial statements.

## 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.	If the useful life of assets is reduced, depreciation increase and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase for every year that useful lives have to be reduced.
Fair Value Estimations	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: 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. 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.	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, 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.
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 2025, 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

The Statement of Accounts were authorised for issue by the Director of Finance and Governance on 24 February 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements have been adjusted in all material respects to reflect the impact of this information.

## Note 7 Expenditure and Income Analysed by Nature

Expenditure/Income	2023/24 (Re-stated) £	2024/25 £
<b>Expenditure</b>		
Employee benefits expenses	13,364,112	14,591,776
Other services expenses	37,614,679	38,844,990
Depreciation, amortisation, impairment	3,111,136	3,677,211
Interest payments	130	1,555
Net Investment asset expenditure	772,435	-
Precepts and levies	911,850	1,003,401
<b>Total expenditure</b>	<b>55,774,342</b>	<b>58,118,933</b>
<b>Income</b>		
Fees, charges and other service income	(7,406,846)	(7,785,440)
Interest and investment income	(2,403,974)	(2,271,409)
Income from Council tax and non-domestic rates	(12,602,322)	(12,944,812)
Grants and contributions	(46,237,029)	(50,154,010)
Gain on the disposal of assets	(11,800)	(31,687)
Net Investment asset income	-	(1,038,033)
<b>Total income</b>	<b>(68,661,971)</b>	<b>(74,225,391)</b>
<b>(Surplus) or deficit on the Provision of Services</b>	<b>(12,887,629)</b>	<b>(16,106,458)</b>

Previously the presentation of the Income and Expenditure by Nature note included the gross values of Support Service income and Expenditure, which was not a true reflection of income and expenditure actually incurred. Support Services income and expenditure have a net nil effect and no impact of the CIES net cost of services or balance sheet position. These figures have been removed for 2024/25 and 2023/24 has been re-stated for consistency.

## 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.

2024/25	Usable Reserves			Movement in Unusable Reserves £
	General Fund Balance £	Capital Receipts Reserve £	Capital Grants Unapplied Reserve £	
<b>Adjustments primarily involving the Capital Adjustment Account:</b>				
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
Charges for depreciation and impairment of non-current assets.	3,104,222	-	-	(3,104,222)
Revaluation losses on Property, Plant and Equipment.	563,066	-	-	(563,066)
Movements in the market value of Investment Properties.	(86,972)	-	-	86,972
Amortisation of Intangible Assets.	9,922	-	-	(9,922)
Capital grants and contributions applied.	(20,728,806)	-	-	20,728,806
Revenue expenditure funded from capital under statute.	5,134,613	-	-	(5,134,613)
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.	4,333	-	-	(4,333)
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
Statutory provision for the financing of capital investment.	(89,994)	-	-	89,994
Capital expenditure charged against the General Fund (Direct Revenue Contributions).	(847,218)	-	-	847,218
<b>Adjustment primarily involving the Capital Grants Unapplied Reserve:</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.	-	-	(58,485)	58,486
<b>Adjustment primarily involving the Capital Receipts Reserve:</b>				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.	(36,020)	36,020	-	-
Use of Capital Receipts Reserve to finance new capital expenditure.	-	(158,947)	-	158,947
<b>Adjustments primarily involving the Pension Reserve:</b>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 36).	1,872,017	-	-	(1,872,017)
Employer's pension's contributions and direct payments to pensioner's payable in the year.	(1,650,914)	-	-	1,650,914
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</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.	407,897	-	-	(407,897)
<b>Adjustments primarily involving the Accumulated Absences Account:</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.	11,266	-	-	(11,266)
<b>Total Adjustments</b>	<b>(12,332,588)</b>	<b>(122,927)</b>	<b>(58,485)</b>	<b>12,514,000</b>

2023/24	Usable Reserves			Movement in Unusable Reserves £
	General Fund Balance £	Capital Receipts Reserve £	Capital Grants Unapplied Reserve £	
<b>Adjustments primarily involving the Capital Adjustment Account:</b>				
<b>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>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>Adjustment primarily involving the Capital Grants Unapplied Reserve:</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>Adjustment primarily involving the Capital Receipts Reserve:</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>Adjustments primarily involving the Pension Reserve:</b>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 36).	1,699,000	-	-	(1,699,000)
Employer's pension's contributions and direct payments to pensioner's payable in the year.	(1,318,733)	-	-	1,318,733
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</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>Adjustments primarily involving the Accumulated Absences Account:</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>(9,756,896)</b>	<b>(1,647,488)</b>	<b>-</b>	<b>11,404,384</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 2024/25. Please note that a rebalancing of General Balances and Earmarked Reserves took place in 2024/25, moving a large proportion of General Balances into Earmarked Reserves, hence the significant increase which is offset by a corresponding decrease on General Balances (see Note 23).

General Fund	Balance at 31 March 2023 £	Transfers in 2023/24 £	Transfers out 2023/24 £	Balance at 31 March 2024 £	Transfers in 2024/25 £	Transfers out 2024/25 £	Balance at 31 March 2025 £
<b>Non ring-fenced reserves</b>							
Asset Management and Maintenance	1,930,309	-	-	1,930,309	1,069,691	(20,340)	2,979,660
Budget Equalisation	2,274,996	-	(568,750)	1,706,246	13,793,754	(568,750)	14,931,250
Building Control	84,248	49,543	-	133,791	-	-	133,791
Collection Fund Equalisation	8,010,142	4,167,365	(3,357,388)	8,820,119	4,900,456	(9,319,902)	4,400,673
Elections	74,995	151,507	(124,862)	101,640	106,436	(33,861)	174,215
Homelessness	509,648	-	(99,843)	409,805	-	(38,018)	371,787
ICT Strategy	1,637,533	204,209	(229,660)	1,612,082	33,425	(311,780)	1,333,727
Insurance	428,304	40,000	(42,817)	425,487	114,513	(28,132)	511,868
Leisure Management	738,019	146,952	(167,445)	717,526	1,357,167	(195,184)	1,879,509
Property Investment	110,114	-	(88,064)	22,050	1,977,950	-	2,000,000
Revenue Slippage	-	-	-	-	2,000,410	-	2,000,410
Transformation	960,645	10,818	(239,600)	731,863	268,137	(147,195)	852,805
Vehicle and Plant Replacement	1,495,983	576,190	(1,500)	2,070,673	2,002,017	(831,130)	3,241,560
<b>Sub total</b>	<b>18,254,936</b>	<b>5,346,584</b>	<b>(4,919,929)</b>	<b>18,681,591</b>	<b>27,623,956</b>	<b>(11,494,292)</b>	<b>34,811,255</b>
<b>Ring-fenced reserves</b>							
Enterprise Zone Growth	622,358	554,602	(92,103)	1,084,857	706,698	(79,838)	1,711,717
Building Control	-	-	-	-	26,299	-	26,299
<b>Sub total</b>	<b>622,358</b>	<b>554,602</b>	<b>(92,103)</b>	<b>1,084,857</b>	<b>732,997</b>	<b>(79,838)</b>	<b>1,738,016</b>
<b>Grand total</b>	<b>18,877,294</b>	<b>5,901,186</b>	<b>(5,012,032)</b>	<b>19,766,448</b>	<b>28,356,953</b>	<b>(11,574,130)</b>	<b>36,549,271</b>

Earmarked Reserves are held for the following purposes:

- Asset Management and Maintenance (renamed from Capital Investment) – established in 2009/10 and revised in 2024/25 to fund significant repairs, maintenance and investment in all of our assets, thereby avoiding the need to borrow in the future.
- Budget Equalisation (renamed from 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 and support the council from any shortfall in central government funding.
- 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.
- Collection Fund Equalisation (renamed from Non-Domestic Rates Equalisation) – established in 2013/14 to protect against the volatility in funding associated with the new Business Rate Retention Scheme and any deficits on the collection fund.
- Elections – established in 2008/09 to fund Borough Elections, which occur every four years.
- 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.
- 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.
- ICT Strategy – to meet costs of the rolling replacement of ICT equipment, infrastructure and other known future costs.
- 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.
- Leisure Management – established to fund the Council’s 50% share of costs above the agreed operational subsidy level, fund service improvements and support related council priorities.
- Property Investment – 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.
- Revenue Slippage – established in 2024/25 to hold revenue slippage from prior years and to record advance slippage requests received during the year.
- Transformation (renamed from Value for Money) – originally established in 2005/06 for transformational service improvements and now incorporates supplementary grants awarded for the administration of Council tax, localised Council tax support, NNDR and housing benefit.

- Vehicle and Plant Replacement (renamed from 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 and plant on a council-wide basis (including the MOT station).

#### Note 10 Other Operating Expenditure

2023/24		2024/25
£		£
911,850	Parish Council Precepts	1,003,401
54,000	Pension administration costs	59,000
(11,800)	(Gains)/losses on disposal of non-current assets and administrative costs linked to disposal of assets (excl. investment assets)	(31,687)
<b>954,050</b>	<b>Total</b>	<b>1,030,714</b>

#### Note 11 Financing and Investment Income and Expenditure

2023/24		2024/25
£		£
130	Interest payable and similar charges	1,555
(1,050,000)	Net interest on defined benefits liability / (asset)	(1,354,000)
997,000	Interest on asset ceiling	1,349,017
(2,350,974)	Interest receivable and similar income	(2,266,426)
772,436	Income and Expenditure in relation to investment properties and changes to their fair value (See Note 15)	(1,038,034)
<b>(1,631,408)</b>	<b>Total</b>	<b>(3,307,888)</b>

#### Note 12 Taxation and Non-Specific Grant Income and Expenditure

2023/24		2024/25
£		£
(9,562,283)	Council Tax (income) and expenditure	(10,067,323)
(3,040,039)	Non-domestic rates (income) and expenditure	(2,858,577)
(5,871,591)	Non-ring-fenced government grants and related expenditure (See Note 31)	(6,347,660)
(12,417,323)	Capital grants and contributions (See Note 31)	(15,594,193)
<b>(30,891,236)</b>	<b>Total</b>	<b>34,867,753</b>

## Note 13 Property, Plant and Equipment

### Movements in 2024/25

	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>							
At 1 April 2024	50,228,946	10,165,358	86,864,356	5,767,369	17,426,641	-	170,452,670
Additions	87,178	1,333,841	9,267	248,604	14,897,527	-	16,576,417
Revaluation increase/decreases to the revaluation reserve	(155,292)	-	-	-	-	-	(155,292)
Revaluation increase/(decrease) to the Surplus or Deficit on the Provision of Services	(553,799)	-	(9,267)	-	-	-	(563,066)
Derecognition - Disposals	-	(336,570)	-	-	-	-	(336,570)
Reclassifications	(812,000)	-	-	-	-	-	(812,000)
Reclassified to Held for Sale	-	-	-	-	-	-	-
<b>At 31 March 2025</b>	<b>48,795,033</b>	<b>11,162,629</b>	<b>86,864,356</b>	<b>6,015,973</b>	<b>32,324,168</b>	<b>-</b>	<b>185,162,159</b>
<b>Depreciation</b>							
At 1 April 2024	(4,996,068)	(6,576,800)	(14,623,134)	-	-	-	(26,196,002)
Charge in year	(1,410,787)	(875,978)	(817,461)	-	-	-	(3,104,226)
Revaluations	4,818,233	-	-	-	-	-	4,818,235
Derecognition – Disposals	-	332,237	-	-	-	-	332,237
Reclassification	-	-	-	-	-	-	-
<b>At 31 March 2025</b>	<b>(1,588,620)</b>	<b>(7,120,541)</b>	<b>(15,440,595)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,149,756)</b>
<b>Net book value</b>							
<b>At 31 March 2025</b>	<b>47,206,413</b>	<b>4,042,088</b>	<b>71,423,761</b>	<b>6,015,973</b>	<b>32,324,168</b>	<b>-</b>	<b>161,012,403</b>

## 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>							
At 1 April 2023	50,059,817	9,822,685	86,864,356	5,738,861	5,681,655	-	158,167,374
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>At 31 March 2024</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>							
At 1 April 2023	(4,482,450)	(5,810,122)	(13,805,675)	-	-	-	(24,098,247)
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>At 31 March 2024</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</b>							
<b>At 31 March 2024</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>

## Commitments on the Capital Programme

As at 31 March 2025 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 £16m (£31m as at 31 March 2024). The on-going commitments are mainly in relation to the Wyre Beach Management Sea Defences scheme and Our Future Coast project.

## 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 31 March 2025. 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:	-	11,162,629	86,864,356	6,015,973	32,324,166	-	136,367,124
	<b>Valued at fair value as at 31 March:</b>						
2025	15,496,003	-	-	-	-	-	15,496,003
2024	5,409,469	-	-	-	-	-	5,409,469
2023	4,033,800	-	-	-	-	-	4,033,800
2022	10,917,371	-	-	-	-	-	10,917,371
2021	12,938,391	-	-	-	-	-	12,938,391
<b>Total cost or valuation</b>	<b>48,795,033</b>	<b>11,162,629</b>	<b>86,864,356</b>	<b>6,015,973</b>	<b>32,324,166</b>	<b>-</b>	<b>185,162,157</b>

## Note 14 Heritage Assets

### Movements in 2024/25

Cost or valuation	Civic Regalia £	Statues £	Total £
At 1 April 2024	94,575	236,375	330,950
Additions in year	-	-	-
<b>Net book value at 31 March 2025</b>	<b>94,575</b>	<b>236,375</b>	<b>330,950</b>

### Movements in 2023/24

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

2023/24 £		2024/25 £
670,438	Rental Income from Investment property	951,062
(1,442,874)	Gain or (loss) on disposal of investment assets and gain or loss on revaluation	86,972
<b>(772,436)</b>	<b>Net gain/(loss)</b>	<b>1,038,034</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.

2023/24		2024/25
£		£
14,515,640	Balance brought forward	15,018,050
	<i>Additions:</i>	
	- Purchases	-
	- Construction	-
1,945,284	Subsequent expenditure	82,428
	- Disposals	-
(1,442,874)	Net gain/(losses) from fair value adjustments	86,972
	<i>Transfers:</i>	
	- To/from property, plant and equipment	812,000
	- To/from held for sale	-
	- Other changes	-
<b>15,018,050</b>	<b>Balance carried forward</b>	<b>15,999,450</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 licences.

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 £9,922 charged to revenue in 2024/25 (£76,466 in 2023/24) 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:

2023/24 £		2024/25 £
	<b>Balance at start of the year:</b>	
2,780,075	Gross carrying amount	2,780,075
(2,677,623)	Accumulated amortisation	(2,754,090)
<b>102,452</b>	<b>Net carrying amount at start of the year</b>	<b>25,985</b>
-	Additions	-
(76,466)	Amortisation for the period	(9,922)
<b>25,986</b>	<b>Net carrying amount at end of period</b>	<b>16,063</b>
	<i>Comprising:</i>	
2,780,075	Gross carrying amount	2,780,075
(2,754,089)	Accumulated amortisation	(2,764,012)
<b>25,986</b>		<b>16,063</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 2024 £	31 March 2025 £	31 March 2024 £	31 March 2025 £
<b>Investments at amortised cost</b>				
Cash and Cash Equivalents	-	-	19,008,199	20,519,649
Short term Investments	-	-	19,000,000	18,000,000
<b>Total Investments</b>	-	-	<b>38,008,199</b>	<b>38,519,649</b>
<b>Short Term Debtors at amortised cost</b>				
Financial assets carried at contract amounts	-	-	2,026,284	1,494,999
<b>Total Short-Term Debtors</b>	-	-	<b>2,026,284</b>	<b>1,494,999</b>
<b>Short Term Creditors</b>				
Financial liabilities carried at contract amounts	-	-	(2,052,651)	(2,066,045)
<b>Total Short-Term Creditors</b>	-	-	<b>(2,052,651)</b>	<b>(2,066,045)</b>

### Income, expense, gains and losses

	2023/24		2024/25	
	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 at fair value through profit or loss	-	-	-	-
Financial assets at amortised cost	2,350,974	-	2,266,426	-
Equity instruments at fair value through other comprehensive income	-	-	-	-
Other financial assets at fair value through other comprehensive income	-	-	-	-

Financial liabilities at fair value through profit or loss	-	-	-	-
Financial liabilities at amortised cost	-	-	-	-
<b>Total net gains/losses</b>	<b>2,350,974</b>	<b>-</b>	<b>2,266,426</b>	<b>-</b>

### Fair Values of Assets and Liabilities

Financial liabilities and financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments (Level 2), using the following assumptions:

- 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 2024		31 March 2025	
	Carrying amount £	Fair Value £	Carrying amount £	Fair Value £
Creditors	(2,052,651)	(2,052,651)	(2,066,045)	(2,066,045)
<b>Total Financial Liabilities</b>	<b>(2,052,651)</b>	<b>(2,052,651)</b>	<b>(2,066,045)</b>	<b>(2,066,045)</b>

There are a number of creditors which are not classified as financial instruments and are therefore excluded from the above table. These total (£3,227,014) and largely relate to statutory amounts due to central government and other public sector bodies. When added to the creditor figure disclosed above of (£2,066,045) this amounts to the figure disclosed in the Balance Sheet at 31 March 2025 of (£5,293,059).

The fair value of the liabilities is the same as the carrying amount in 2024/25. The materiality of the less than one year fair value adjustments means there is very little impact on the overall figure.

	31 March 2024		31 March 2025	
	Carrying amount £	Fair Value £	Carrying amount £	Fair Value £
Investments (Cash and Cash Equivalents) and short-term deposits	38,008,199	38,008,199	38,519,649	38,519,649
Long Term Debtors	-	-	-	-
Debtors	2,026,284	2,026,284	1,494,999	1,494,999
<b>Total Financial Assets</b>	<b>40,034,483</b>	<b>40,034,483</b>	<b>40,014,648</b>	<b>40,014,648</b>

The fair value of the assets is the same as the carrying amount for both 2024/25 and 2023/24. 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 £7,052,827 and largely relate to statutory amounts due from central government and other public sector bodies. When added to the debtor figure disclosed above of £1,494,999 this amounts to the figure disclosed in the Balance Sheet at 31 March 2025 of £8,547,826.

## Note 18 Short Term Debtors

2023/24 £	Analysis	2024/25 £
	<b>Amounts falling due in one year:</b>	
2,199,863	Central Government Bodies	2,491,912
2,556,717	Other Local Authorities	3,103,074
92,690	NHS Bodies	48,825
-	Public corporations	-
3,397,404	Other Entities and Individuals	2,904,015
<b>8,246,674</b>	<b>Total</b>	<b>8,547,826</b>

## Note 19 Cash and Cash Equivalents

2023/24 £	Analysis	2024/25 £
1,840	Cash held by the Authority	1,820
287,076	Bank current accounts	35,131
19,008,199	Short term deposits	20,519,649
<b>19,297,115</b>	<b>Total cash and cash equivalents</b>	<b>20,556,600</b>

## Note 20 Short Term Creditors

2023/24 £	Analysis	2024/25 £
(2,871,116)	Central Government Bodies	(1,734,480)
(1,170,219)	Other Local Authorities	(938,069)
(40,000)	NHS Bodies	-
-	Public corporations	-
(2,420,850)	Other Entities and Individuals	(2,620,510)
<b>(6,502,185)</b>	<b>Total</b>	<b>(5,293,059)</b>

## Note 21 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.

2023/24 Total Provisions £	Analysis	2024/25 Business Rates Appeals £	2024/25 Other Provisions £	2024/25 Total Provisions £
(2,496,897)	Balance at 1 April	(1,623,960)	(65,843)	(1,689,803)
(65,843)	Additional Provisions made	-	-	-
872,937	Amounts used / released	697,156	65,843	762,999
<b>(1,689,803)</b>	<b>Balance at 31 March</b>	<b>(926,804)</b>	<b>-</b>	<b>(926,804)</b>

## Note 22 Usable Reserves

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

2023/24 £	Analysis	2024/25 £
16,758,470	General Fund	3,749,518
19,766,448	Earmarked Reserves	36,549,271
2,681,136	Capital Receipts Reserve	2,558,208
58,485	Capital Grants Unapplied Reserve	-
<b>39,264,539</b>	<b>Total usable reserves</b>	<b>42,856,997</b>

## Note 23 Unusable Reserves

2023/24 £	Analysis	2024/25 £
27,864,821	Revaluation Reserve	31,818,218
120,821,636	Capital Adjustment Account	134,685,450
(2,199,900)	Pensions Reserve	(1,914,000)
1,005,666	Collection Fund Adjustment Account	597,769
(149,866)	Accumulated Absences Account	(161,132)
<b>147,342,356</b>	<b>Total unusable reserves</b>	<b>165,026,300</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.

2023/24 £		2024/25 £	2024/25 £
27,583,603	Balance at 1 April		27,864,821
965,067	Upward revaluation of assets	4,662,944	
-	Downward revaluation of assets and impairment losses not charged to the Surplus or (Deficit) on the Provision of Services	-	

965,067	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or (Deficit) on the Provision of Services		4,662,944
(683,849)	Difference between fair value depreciation and historic cost depreciation	(709,547)	
-	Accumulated gains on assets sold or scrapped	-	
(683,849)	Amounts written off to the Capital Adjustment Account		(709,547)
<b>27,864,821</b>	<b>Balance at 31 March</b>		<b>31,818,218</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.

2023/24 £		2024/25 £	2024/25 £
110,393,812	Balance at 1 April		120,821,636
	<b>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</b>		
(3,016,686)	Charges for depreciation and impairment of non-current assets	(3,104,222)	
(17,983)	Revaluation losses on Property, Plant and Equipment	(563,066)	
(76,466)	Amortisation of intangible assets	(9,922)	
(3,509,815)	Revenue expenditure funded from capital under statute	(5,134,613)	
-	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	(4,333)	
<b>(6,620,950)</b>			<b>(8,816,156)</b>
683,849	Adjusting amounts written out of the Revaluation Reserve		709,547
<b>(5,937,101)</b>	<b>Net written out amount of the cost of non-current assets consumed in the year</b>		<b>(8,106,609)</b>
	<b>Capital financing applied in the year:</b>		
1,659,288	Use of the Capital Receipts Reserve to finance new capital expenditure	158,947	
15,927,136	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	20,728,806	
-	Application of grants to capital financing from the Capital Grants Unapplied Reserve	58,486	
95,559	Statutory provision for the financing of capital investment charged against the General Fund	89,994	
125,816	Capital expenditure charged against the General Fund	847,218	
<b>17,807,800</b>			<b>21,883,451</b>
(1,442,874)	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		86,972
-	Movement in the Donated Assets Account credited to the Comprehensive Income and Expenditure Statement		-
<b>120,821,636</b>	<b>Balance at 31 March</b>		<b>134,685,450</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.

2023/24 £	Analysis	2024/25 £
(2,322,100)	Balance at 1 April	(2,199,900)
502,467	Remeasurement of the net defined benefit liability / (asset)	507,000
(1,699,000)	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	(1,872,017)
1,318,733	Employer's pensions contributions and direct payments to pensioners payable in the year	1,650,914
<b>(2,199,900)</b>	<b>Balance at 31 March</b>	<b>(1,914,000)</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 taxpayers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2023/24 £		2024/25 £
(1,060,131)	Balance at 1 April	1,005,666
(275,416)	Council Tax	17,366
1,948,876	Non-Domestic Rates	(365,797)
392,337	Enterprise Zone Growth	(59,466)
<b>2,065,797</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>(407,897)</b>
170,273	Council Tax	187,639
441,695	Non-Domestic Rates	75,898
393,698	Enterprise Zone Growth	334,232
<b>1,005,666</b>	<b>Balance at 31 March</b>	<b>597,769</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.

2023/24		2024/25	
£		£	
(124,745)	Balance at 1 April		(149,866)
124,745	Settlement or cancellation of accrual made at the end of the preceding year	149,866	
(149,866)	Amounts accrued at the end of the current year	(161,132)	
(25,121)	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		(11,266)
<b>(149,866)</b>	<b>Balance at 31 March</b>		<b>(161,132)</b>

## Note 24 Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

2023/24		2024/25	
£		£	
(2,350,974)	Interest received	(2,091,455)	
130	Interest paid		1,555
-	Dividends received		-
<b>(2,350,844)</b>	<b>Total</b>		<b>(2,089,900)</b>

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

2023/24		2024/25	
£		£	
3,016,686	Depreciation	3,104,222	
17,983	Impairment and downward valuations	563,066	
76,466	Amortisation	9,922	
(1,045,536)	Increase / (decrease) in creditors	1,640,510	
(498,866)	Increase / (decrease) in revenue grant receipt in advance	(748,163)	
1,330,234	(Increase) / decrease in debtors	(257,535)	
44,593	(Increase) / decrease in inventories	30,464	
(1,805,000)	Movement in pension liability (Retirement benefits)	1,313,836	
-	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	4,333	
633,320	Other non-cash items charged to the net surplus or deficit on the provision of services	(849,971)	
<b>1,769,880</b>	<b>Total</b>		<b>4,810,684</b>

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

2023/24 £		2024/25 £
-	Proceeds from short term (not considered to be cash equivalents) and long-term investments	-
(11,800)	Proceeds from the sale of property plant and equipment, investment property and intangible assets	(36,020)
(15,927,137)	Capital Grants credited to surplus or deficit on the provision of services	(20,728,806)
<b>(15,938,937)</b>	<b>Total</b>	<b>(20,764,826)</b>

## Note 25 Cash Flow Statement – Investing Activities

2023/24 £		2024/25 £
(15,210,752)	Purchase of property, plant and equipment, investment property and intangible assets	(16,576,343)
(40,000,000)	Purchase of short term and long-term investments	(23,000,000)
(192,171)	Other payments for investing activities	(140,000)
11,800	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	36,020
32,000,000	Proceeds from short term and long-term investments	24,000,000
9,424,912	Other receipts from investing activities	18,267,920
<b>(13,966,211)</b>	<b>Total</b>	<b>2,587,597</b>

## Note 26 Cash Flow Statement – Financing Activities

2023/24 £		2024/25 £
-	Other receipts from financing activities	3,543
(478,586)	Billing Authorities – Council Tax and NNDR adjustments	(1,483,971)
<b>(478,586)</b>	<b>Total</b>	<b>(1,480,428)</b>

## Note 27 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 2024/25 was £123,880 (2023/24 £113,756); these sums are not included in the Comprehensive Income and Expenditure Statement.

### Central Government Bodies – Cost of Living Related Functions

As part of the Cost-of-Living Crisis, 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 2024/25 the council administered the following Cost of Living related grants as an agent of government bodies:

Grant Scheme	Grant Amount Carried Forward from 2023/24 or received in 2024/25 £	Grant Amount Distributed to Third Parties / Repaid in Year £	Balance To Be Repaid £
Small Business Grant Funds	30,000	-	30,000
<b>TOTAL</b>	<b>30,000</b>	<b>-</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 28 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:

2023/24 £		2024/25 £
348,507	Allowances	358,014
1,029	Travel and subsistence	1,288
-	Dependent's carers allowance	-
<b>349,536</b>	<b>Total</b>	<b>359,302</b>

### Note 29 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 2023/24	Number of employees 2024/25
£50,000 - £54,999	3	7
£55,000 - £59,999	6	2
£60,000 - £64,999	1	4
£65,000 - £69,999	-	1
£70,000 - £74,999	-	-
£75,000 - £79,999	3	1
£80,000 - £84,999	-	3
£85,000 - £89,999	-	-
£90,000 - £94,999	-	-
£95,000 - £99,999	-	-
£100,000 - £104,999	-	-
£105,000 - £109,999	-	-
£110,000 - £114,999	1	-
£115,000 - £119,999	-	1

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.

Post holder information (Post title)	Year	Salary (Including fees and Allowances) £	Expense Allowances £	Pension contributions (Incl. strain / augmented costs) £	Total Remuneration £
Chief Executive	2024/25	116,530	-	15,667	132,197
	2023/24	110,824	-	14,961	125,785
Director of Communities	2024/25	84,050	-	11,274	95,324
	2023/24	79,710	50	10,761	90,521
Director of Environment	2024/25	84,050	-	11,347	95,397
	2023/24	79,710	55	10,761	90,526
Director of Finance and Governance	2024/25	84,050	-	11,347	95,397
	2023/24	79,710	41	10,761	90,512
Director of Transformation and Change (from 22/04/24)	2024/25	79,147	-	10,685	89,832
	2023/24	-	-	-	-

### Senior Officers' emoluments – salary is between £50,000 and £150,000 per year

#### Note 30 External Audit Costs

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

2023/24 £	Audit Fee	2024/25 £
	<i>Fees payable regarding audit services carried out by the appointed external auditor</i>	
-	- Deloitte (credit for prior year audits not fully completed)	(71,710)
	- KPMG	
142,583	Statutory Audit	157,161
-	Fee variation: ISA315r for 23/24	10,001
-	Other Fee variation for 23/24	20,878
(19,865)	Redmond Review Local Audit Fees Grant	(19,947)
<b>122,718</b>	<b>Total</b>	<b>96,383</b>

2023/24 £	Other Inspection Fees	2024/25 £
-	Fees payable to the Cabinet Office in respect of the National Fraud Initiative	2,685
37,655	Fees payable to the external auditor for the certification of grant claims and returns	23,163
<b>37,655</b>	<b>Total</b>	<b>25,848</b>

## Note 31 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:

	2023/24 £	2024/25 £
<b>Credited to taxation and non-specific grant income and expenditure</b>		
New Homes Bonus	(981,858)	(657,091)
Local Services Support Grant	(88,247)	-
Funding Guarantee Grant	(457,266)	(1,100,311)
Non-Domestic Rates Section 31 Grant	(4,261,745)	(4,520,294)
Council Tax Section 31 Grant	-	-
Revenue Support Grant	(600)	(640)
Services Grant	(137,885)	(21,820)
Non-Domestic Rates Levy Surplus Grant	(28,592)	(28,592)
<b>Capital Grants and Contributions</b>		
Environment Agency	(11,744,988)	(13,710,079)
Swimming Pool Support Fund	-	(138,350)
Heritage Action Zone	(70,900)	-
UK Shared Prosperity Fund	(450,127)	(1,252,374)
Changing Places Fund	(84,480)	-
Rural England Prosperity Fund	(17,705)	(236,890)
Other Contributions	(38,445)	(58,730)
S106 Contributions	(10,678)	(197,770)
<b>Total</b>	<b>(18,373,516)</b>	<b>(21,922,941)</b>
<b>Credited to Services</b>		
Housing Benefits and Council Tax	(20,052,651)	(19,289,941)
Covid-19 Pandemic and Cost of Living Funding	(1,583,662)	(869,648)
Disabled Facilities Grants	(2,899,490)	(2,370,307)
Other Local Authorities	(1,030,022)	(861,588)
Department for Levelling Up, Housing and Communities	(1,201,485)	(2,171,522)
Heritage Action Zone	(175,263)	-
Healthy Homes Project	-	(100,178)
Holiday Activities and Food Programme	-	(303,188)
Environment Agency	(384,162)	(2,031,667)
Rural England Prosperity Fund	(76,342)	-
S106 Contributions	(2,285)	(26,933)
Other Misc Contributions	(458,151)	(206,096)
<b>Total</b>	<b>(27,863,513)</b>	<b>(28,231,068)</b>
<b>Total Grant Income and Other Contributions</b>	<b>(46,237,029)</b>	<b>(50,154,009)</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 £2,412,027 and Capital Grants and Contributions is £7,208,682; of this balance, grants from the Environment Agency total £1,745,138.

## Note 32 Related Parties

The Council is required to disclose material transactions with related parties, bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council.

Disclosure of these transactions with related parties provides transparency which allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

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 Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Council tax bills, housing benefits). Grants received from Government departments are set out in note 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 2024/25 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 2024/25 is shown in note 29. During 2024/25, 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 2024/25 the Council received £12,300 from Baxter Homes Ltd in which one member had an interest. The relevant member did not take part in any discussion or decision relating to the receipt. In other cases, the amounts paid or received were immaterial and were correctly approved.

### Officers

There were 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 Council does not have any control or significant influence on any other entity.

### Note 33 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.

	2023/24 £	2024/25 £
Opening Capital Financing Requirement	10,974,664	10,879,108
<b>Capital Investment</b>		
Property, Plant and Equipment*	12,257,145	16,576,415
Investment Property*	1,945,284	82,428
Intangible Assets*	-	-
Heritage Assets	-	-
Other	-	-
Revenue Expenditure Funded from Capital under Statute	3,509,815	5,134,613
<b>Sources of Finance</b>		
Capital Receipts	(1,659,288)	(158,947)
Government grants and other contributions	(15,927,137)	(20,787,291)
Other contributions	-	-
<b>Sums set aside from Revenue</b>		
Direct revenue contributions	(125,816)	(847,218)

Minimum Revenue Provision	(95,559)	(89,994)
<b>Closing Capital Financing Requirement</b>	<b>10,879,108</b>	<b>10,789,114</b>
Explanation of movement in the year		
Increase in underlying need to borrow (unsupported by government financial assistance)	-	-
Minimum Revenue Provision set aside to repay debt	(95,559)	(89,994)
<b>(Decrease) / increase in Capital financing Requirement</b>	<b>(95,559)</b>	<b>(89,994)</b>

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

## Note 34 Leases

### Council as lessee

The Council is required to adopt new international accounting standard IFRS 16 effective from 1 April 2024 and it is a change in accounting policy. The main implication of the standard is the need to bring onto the balance sheet those leased assets where the council is acting as the lessee. Such assets are known as “right of use” assets. Finance leases were already required to be accounted for in this manner; however, the council has no finance leases as lessee.

The council has undertaken a review of its leased property portfolio and has judged that it has no material right of use assets that require adding to and disclosing in its accounts.

The council does though have a significant portfolio of operating leases where it is acting as the lessor. Income from these leases, including the maturity period, are disclosed below.

### Council as lessor

The council 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
- For economic development purposes to provide suitable affordable accommodation for local businesses.

The council has no finance leases as lessor.

### Transactions under leases

The council received the following income as a lessor during the year.

	2023/24 £	2024/25 £
<b>Operating leases</b>		
Income	(768,896)	(1,143,814)
<b>Total lease income</b>	<b>(768,896)</b>	<b>(1,143,814)</b>

### Maturity analysis of lease receivables

The lease receivables are due to be collected over the following time bands (measured at the undiscounted amounts of expected cash receipts).

	Operating leases	
	2023/24 (Restated*) £	2024/25 £
Less than one year	664,196	1,005,526
One to five years	1,787,128	2,505,682
More than five years	6,444,864	6,103,359
<b>Total undiscounted receivables</b>	<b>8,896,188</b>	<b>9,614,567</b>

\*2023/24 comparatives are re-stated due to an error in the previous year's tabulation.

### Note 35 Termination Benefits

The Authority terminated the contract of 1 employee in 2024/25 (two employees in 2023/24), incurring liabilities of £64,491 (£65,862 in 2023/24). In addition, there are residual costs of £39,586 in 2024/25 arising from the 2 exit packages agreed in 2023/24. Previous year comparatives have been re-stated to reflect the overall cost that fell over 2 years within the appropriate banding.

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.

\*2023/24 has been re-stated

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 £	
	2023/24*	2024/25	2023/24*	2024/25	2023/24*	2024/25	2023/24*	2024/25
£0 - £20,000	-	-	1	-	1	-	2,050	3,838
£20,001 - £40,000	-	-	-	-	-	-	-	-
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	1	1	1	1	63,812	64,491
£80,001 - £100,000	-	-	-	-	-	-	-	35,748
£100,001 - £150,000	-	-	-	-	-	-	-	-
Over £150,000	-	-	-	-	-	-	-	-
<b>Total</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>65,862</b>	<b>104,077</b>

### Note 36 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 2024/25 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:

2023/24 £	Local Government Pension Scheme	2024/25 £
	<b>Comprehensive Income and Expenditure Statement</b>	
	<b>Cost of Services:</b>	
	<b>Service cost comprising:</b>	
1,666,000	Current Service Cost	1,737,000
-	Past Service Costs	-
32,000	(Gain)/Loss from Curtailments	81,000
	<b>Other Operating Expenditure</b>	
54,000	Administration Expenses	59,000
	<b>Financing and Investment Income and Expenditure</b>	
(53,000)	Net Interest Expense/(Gain)	(5,000)
<b>1,699,000</b>	<b>Total post-employment benefits charged to the surplus or deficit on the provision of services</b>	<b>1,872,000</b>

2023/24 £	Local Government Pension Scheme	2024/25 £
	<b>Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>	
	<b>Remeasurement of the net defined benefit liability comprising:</b>	
(4,224,000)	Return on plan assets (excluding amount included in the net interest expense)	1,955,000
(1,382,000)	Actuarial gains and losses arising on changes in demographic assumptions	(310,000)
(1,431,000)	Actuarial gains and losses arising on changes in financial assumptions	(12,809,000)
5,704,533	Effect of asset ceiling	10,535,000
830,000	Other experience gain/(loss)	122,000
<b>(502,467)</b>	<b>Total Remeasurements charged to Other Comprehensive Income and Expenditure</b>	<b>(507,000)</b>
<b>1,196,533</b>	<b>Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>	<b>1,365,000</b>

<b>Movement in Reserves Statement</b>		
(1,699,000)	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	(1,872,000)
<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>		
1,318,733	Employers' contributions payable to scheme*	1,650,914

\*A prepayment was made to the pension fund in 2023/24 – employer contributions in 2023/24 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:

	2023/24 £	2024/25 £
Fair value of plan assets	128,864,000	128,434,000
Present value of the defined benefit funded obligation	(99,207,000)	(87,988,000)
<b>Surplus/(Deficit) before application of asset ceiling</b>	<b>29,657,000</b>	<b>40,446,000</b>
Impact of Asset Ceiling adjustment	27,472,000	39,353,000
Present value of the defined benefit unfunded obligation	(2,200,000)	(1,914,000)
<b>Reported net liability arising from defined benefit obligation</b>	<b>(2,200,000)</b>	<b>(1,914,000)</b>
<b>Reported net asset on account of prepayment</b>	<b>2,185,000</b>	<b>1,093,000</b>

Prior to the application of the asset ceiling, the valuation of the funded Local Government Pension Scheme had resulted in a net defined benefit asset of £40.446m (£128.434m less £87.988m). The minimum funding contributions are higher than the future service cost, and therefore no asset is recognisable except for the value of the pre-paid future service contributions of £1.093m. An asset ceiling has been applied for Wyre Council to cap the surplus at nil meaning that the surplus of £40.446m cannot be recognised and has been adjusted for by way of an Impact of Asset Ceiling adjustment.

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

#### Reconciliation of fair value of the scheme assets (after application of asset ceiling)

	2023/24 £	2024/25 £
Opening fair value of scheme assets	119,373,000	128,864,400
Interest income	5,797,000	6,201,000
Remeasurements gain and (loss):		
The return on plan assets, excluding the amount included in the net interest expense	4,224,000	(1,955,000)
Other Operating Expenditure – Administration	(54,000)	(59,000)
Contributions from Employer	3,504,000	312,000
Contributions from Employees	583,000	645,000
Benefits Paid	(4,563,000)	(5,574,000)
<b>Closing fair value of scheme assets</b>	<b>128,864,000</b>	<b>128,434,000</b>

## Reconciliation of present value of the scheme liabilities

	2023/24 (Restated*) £	2024/25 £
Opening balance at 1 April	(100,925,000)	(101,407,000)
Current Service Cost	(1,666,000)	(1,737,000)
Interest Cost	(4,747,000)	(4,847,000)
Contribution by Scheme Participants	(583,000)	(645,000)
<b>Remeasurements gain and (loss):</b>		
Actuarial gains/(losses) arising from changes in demographic assumptions	1,382,000	310,000
Actuarial gains/(losses) arising from changes in financial assumptions	1,431,000	12,809,000
Other	(830,000)	122,000
Past Service Cost	-	-
Curtailments	(32,000)	(81,000)
Benefits Paid	4,563,000	5,574,000
Settlements	-	-
<b>Closing balance at 31 March</b>	<b>(101,407,000)</b>	<b>(89,902,000)</b>

\*Under the requirements of IAS 19, the IFRIC 14 adjustments for surplus restriction or minimum funding should not be included within the reconciliations of gross assets or gross liabilities. In the prior year, the Council included the IFRIC 14 adjustment within the reconciliation of gross liabilities. Therefore, within the gross liabilities reconciliation, the Council reported a closing liability of £128,878,533, when the Council should have reported a closing liability of £101,407,000. Therefore the closing liability in the reconciliation of gross liabilities was overstated by £27,471,533. For the current year balances and comparatives, the Council has corrected the presentation of IFRIC 14 adjustments. The overall impact on the balance sheet and other primary statements from processing this update is nil.

The liabilities show the underlying commitments that the Authority has in the long-run to pay retirement benefits. There is an overall net liability of £1,914,000 on the pension scheme which has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet. Where a liability exists, statutory arrangements for funding the deficit mean that the financial position of the Authority would remain healthy as any deficit on the Scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the Scheme Actuary.

## Changes in asset ceiling to 31 March 2025

	2023/24 £	2024/25 £
Asset ceiling impact at beginning of period	20,770,000	27,472,000
Interest on surplus above asset ceiling	997,000	1,346,000
Change in asset ceiling (net of interest)	5,705,000	10,535,000
<b>Asset ceiling impact at end of period</b>	<b>27,472,000</b>	<b>39,353,000</b>

## Local Government Pension Scheme assets comprised:

	2023/24 £	2024/25 £
<b>Cash:</b>		
Cash and cash equivalents	2,383,000	1,636,000
Net Current Assets	-	270,000
<b>Sub-total cash</b>	<b>2,383,000</b>	<b>1,906,000</b>
<b>Equity instruments:</b>		
Financial institutions	142,000	128,000
<b>Sub-total equity</b>	<b>142,000</b>	<b>128,000</b>
<b>Bonds:</b>		
UK Corporate	-	-
Overseas Corporate	102,000	128,000
<b>Sub-total bonds</b>	<b>102,000</b>	<b>128,000</b>
<b>Property:</b>		
Offices	23,000	-
Industrial / Warehouse	671,000	771,000
Shops	432,000	257,000
Multi let Commercial Building	530,000	514,000
<b>Sub-total property</b>	<b>1,656,000</b>	<b>1,542,000</b>
<b>Alternatives:</b>		
UK private equity	2,087,000	-
Overseas private equity	7,618,000	7,893,000
Infrastructure	19,488,000	17,067,000
Credit Funds	19,057,000	20,633,000
Pooled Fixed Income	4,977,000	6,929,000
Indirect Property Funds	10,248,000	8,774,000
UK Pooled Equity Funds	390,000	2,000
Overseas Pooled Equity Funds	60,716,000	63,433,000
<b>Sub-total other investment funds</b>	<b>124,581,000</b>	<b>124,731,000</b>
<b>Total Assets</b>	<b>128,864,000</b>	<b>128,434,000</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:

	2023/24	2024/25
<b>Mortality assumptions</b>		
Longevity at 65 for current pensioners		
Men	21.1 Years	21.1 years
Women	23.5 Years	23.6 years
Longevity at 65 for future pensioners		
Men	22.4 Years	22.3 years
Women	25.3 Years	25.4 years
<b>Rate assumptions</b>		
Rate of CPI inflation/CARE Benefits revaluation	2.7%	2.6%
Rate of increase in salaries	4.2%	4.1%

Rate of increase in pensions in payment/deferment	2.8%	2.7%
Rate for discounting scheme liabilities	4.9%	5.8%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions as set out above.

The sensitivity analysis below has 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

	2023/24 £	2024/25 £
1 year increase in members life expectancy	3,445,000	1,910,000
0.5% increase in Discount Rate	(5,686,000)	(5,439,000)
0.25% increase in the Salary Increase Rate	1,504,000	447,000
0.25% increase in the Inflation Rate	4,518,000	2,849,000
1% increase in investment returns	(1,303,000)	(1,261,000)
1% decrease in investment returns	1,303,000	1,261,000

### 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 though envisaged that £224,000 will be paid in recharges in relation to legacy unfunded benefits.

The weighted average duration of the defined benefit obligation for scheme members in 2024/25 is 16 years (16 years in 2023/24).

### Note 37 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.

Potential Contribution to Claim from Lancashire Fire and Rescue Service (LFRS) – the council has received a Letter of Claim from the LFRS in relation to a mesothelioma claim it is currently

defending. It has advised the council that should the claim be successful it will be seeking a contribution from the council owing to alleged exposure to asbestos on council property between 2009 and 2012. Further investigations are taking place internally to understand the specifics of the claim. At this stage there is no reliable estimate of any damages that may or may not be payable.

### Note 38 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 February and the Treasury Management and Annual Investment Strategy is approved annually by Council in March.

#### 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.

	31/03/2025 £000 a	Historical experience of default % b	Adjustment for market conditions at 31/03/25 % c	Estimated maximum exposure to default £000 a x c
Deposits with banks and financial institutions (market value):				
High rated counterparties	38,520	0%	0%	-
Trade debtors (o/s Sundry Debtors at 31/03/25)	1,121	0.5%	4%	45

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 £1,121,437 (£1,310,160 at 31 March 2024) outstanding for trade debtors, £863,774 (£874,625 as at 31 March 2024) is overdue. The overdue amount can be analysed by age as follows:

	2023/24 £000	2024/25 £000
Less than 90 days	194	238

90 days to 150 days	151	42
More than 150 days	530	584
<b>Total</b>	<b>875</b>	<b>864</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:

	2023/24 £000	2024/25 £000
Less than one year (short term creditors)	6,502	5,293
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>6,502</b>	<b>5,293</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 39 Lancashire Business Rates Pool

Since 2016/17 this Council has been a member of the Lancashire Business Rates Pool.

In a Business Rates 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 local authorities in Lancashire was designated by the Secretary of State for Housing, Communities and Local Government and originally operated with allocations on the basis of the 50% business rates retention scheme.

In 2019/20 we successfully submitted a bid along with other authorities in Lancashire to become a 75% Business Rates Pilot Pool. This meant that 75% of collected rates were retained in Lancashire rather than 50%. This arrangement operated for one year only and then reverted to the 50% business rates retention scheme, and it has operated on this basis since.

Local authority membership of the pooling arrangement has varied over the years since 2016/17, but current membership has been the same since 2020/21.

The business rates income allocations in 2023/24 and 2024/25 are shown in the table below:

2023/24	Lancashire Business Rates Pool	2024/25
40%	District Authorities	40%
9%	Lancashire County Council	9%
1%	Lancashire Combined Fire Authority	1%
50%	Lancashire Business Rates Pool Total	50%
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 £1,818 is payable, per member of the pool to Ribble Valley Borough Council in their role as lead.

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

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

Lancashire Business Rates Pool Members 2024/25	Authority Type	Tariffs and Top-Ups in Respect of 2024/25 £	Retained Levy on Growth 2024/25 £	10% Retained Levy Payable to/Received by Lancashire County Council £	Net Retained Levy 2024/25 £
Burnley Borough Council	Tariff	6,905,313	(1,159,582)	115,958	(1,043,624)
Chorley Borough Council	Tariff	7,863,271	(1,665,064)	166,506	(1,497,558)
Fylde Borough Council	Tariff	8,851,094	(719,596)	71,960	(647,636)
Hyndburn Borough Council	Tariff	5,040,763	(1,543,377)	154,338	(1,389,039)
Pendle Borough Council	Tariff	4,283,870	(781,679)	78,168	(703,511)
Ribble Valley Borough Council	Tariff	5,272,407	(979,687)	97,969	(881,718)
Rossendale Borough Council	Tariff	3,459,084	(593,709)	59,371	(534,338)
South Ribble Borough Council	Tariff	12,783,337	(2,103,915)	210,392	(1,893,523)
West Lancashire Borough Council	Tariff	10,657,450	(1,226,617)	122,662	(1,103,955)
Wyre Borough Council	Tariff	8,334,219	(922,579)	92,258	(830,321)
Lancashire County Council	Top-Up	(169,453,264)	-	(1,169,582)	(1,169,582)
Central Government	-	96,002,456	-	-	-
<b>Total</b>			<b>(11,695,805)</b>		<b>(11,695,805)</b>

Lancashire Business Rates Pool Members 2023/24	Authority Type	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 £
Burnley Borough Council	Tariff	6,644,696	(1,181,762)	118,176	(1,063,586)
Chorley Borough Council	Tariff	7,526,179	(1,188,279)	118,828	(1,069,451)
Fylde Borough Council	Tariff	8,475,639	(552,646)	55,265	(497,381)
Hyndburn Borough Council	Tariff	4,852,009	(1,865,276)	186,528	(1,678,748)
Pendle Borough Council	Tariff	4,490,118	(701,771)	70,177	(631,594)
Ribble Valley Borough Council	Tariff	5,115,654	(1,128,955)	112,896	(1,016,059)
Rossendale Borough Council	Tariff	3,482,202	(553,863)	55,386	(498,477)
South Ribble Borough Council	Tariff	12,432,624	(1,732,651)	173,265	(1,559,386)
West Lancashire Borough Council	Tariff	10,139,515	(1,505,307)	150,531	(1,354,776)
Wyre Borough Council	Tariff	8,048,002	(1,109,293)	110,929	(998,364)
Lancashire County Council	Top-Up	(162,376,050)	-	(1,151,981)	(1,151,981)
Central Government	-	91,169,412	-	-	-
<b>Total</b>			<b>(11,519,803)</b>		<b>(11,519,803)</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).

### Income

2023/24			2024/25			
Business Rates £	Council Tax £	Total £		Business Rates £	Council Tax £	Total £
-	(85,689,459)	(85,689,459)	Council Tax Receivable	-	(90,993,202)	(90,993,202)
(22,866,299)	-	(22,866,299)	Business Rates Receivable	(24,862,236)	-	(24,862,236)
-	(82,839)	(82,839)	Council Tax Discounts Funded from Billing Authority General Fund	-	(8,521)	(8,521)
(2,434,177)	-	(2,434,177)	Transitional Protection Payments due for the year from Central Government	(897,944)	-	(897,944)
(3,835,047)	-	(3,835,047)	Contributions to previous year's deficit	-	-	-
<b>(29,135,523)</b>	<b>(85,772,298)</b>	<b>(114,907,821)</b>	<b>Total income</b>	<b>(25,760,180)</b>	<b>(91,001,723)</b>	<b>(116,761,903)</b>

## Expenditure

2023/24			2024/25				
Business Rates £	Council Tax £	Total £		Note	Business Rates £	Council Tax £	Total £
<b>Precepts, Demands and Share</b>							
12,784,360	-	12,784,360	Central Government		13,125,157	-	13,125,157
2,301,185	60,619,406	62,920,591	Lancashire County Council		2,362,528	64,707,258	67,069,786
-	9,679,719	9,679,719	Police and Crime Commissioner for Lancashire		-	10,309,076	10,309,076
255,687	3,167,033	3,422,720	Lancashire Combined Fire Authority		262,503	3,316,204	3,578,707
10,227,488	9,370,873	19,598,361	Wyre Borough Council		10,500,125	9,860,830	20,360,955
<b>25,568,720</b>	<b>82,837,031</b>	<b>108,405,751</b>			<b>26,250,313</b>	<b>88,193,368</b>	<b>114,443,681</b>
<b>Charges to Collection Fund</b>							
11,977	-	11,977	Less Write offs of uncollectable amounts		11,011	-	11,011
156,105	1,245,192	1,401,297	Less: Increase / (Decrease) in Bad Debt Provisions		189,787	961,592	1,151,379
(2,015,387)	-	(2,015,387)	Less Settlement of Appeals against appeals provision		(1,515,915)	-	(1,515,915)
(166,954)	-	(166,954)	Less: Increase / (Decrease) in Provisions for Appeals		(226,977)	-	(226,977)
149,213	-	149,213	Costs of Collection Allowance		149,985	-	149,985
554,602	-	554,602	Enterprise Zone disregard amount		706,898	-	706,898
<b>(1,310,444)</b>	<b>1,245,192</b>	<b>(65,252)</b>			<b>(685,211)</b>	<b>961,592</b>	<b>276,381</b>
<b>Contributions</b>							
-	4,060,262	4,060,262	To previous year's surplus	3	1,109,570	1,671,859	2,781,429
<b>24,258,276</b>	<b>88,142,485</b>	<b>112,400,761</b>	<b>Total Expenditure</b>		<b>26,674,672</b>	<b>90,826,819</b>	<b>117,501,491</b>
(4,877,247)	2,370,187	(2,507,060)	(Surplus) / Deficit arising during the year		914,492	(174,904)	739,588
3,773,016	(3,873,414)	(100,398)	(Surplus) / Deficit as at 1 April 2024		(1,104,231)	(1,503,227)	(2,607,458)
<b>(1,104,231)</b>	<b>(1,503,227)</b>	<b>(2,607,458)</b>	<b>(Surplus) / Deficit as at 31 March 2025</b>	<b>4</b>	<b>(189,739)</b>	<b>(1,678,131)</b>	<b>(1,867,870)</b>

## Notes to the Collection Fund

### Note 1 Council Tax

The Council Tax base for 2024/25 was calculated at 39,138.48 (38,495.6 2023/24) and a Band D Council Tax set at £2,227.73 (£2,128.17 2023/24). The tax base was calculated as follows:

Band	Total number of chargeable dwellings	**Relevant amount x number of dwellings
Additional band	34.75	19.31
A	10,177.00	6,785.01
B	10,909.00	8,485.02
C	12,000.00	10,666.80
D	7,222.25	7,222.25
E	5,511.25	6,735.85
F	2,534.25	3,660.47
G	1,057.75	1,762.95
H	58.25	116.5
	<b>49,504.50</b>	<b>45,454.16</b>
Less Council Tax Reduction		(5,105.20)
		<b>40,348.96</b>
<b>Collection Rate 97% = Relevant Amount x 0.97</b>		<b>39,138.48</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 2025 was 77,872,837 (31 March 2024 78,093,053). The Government set a National Non-domestic multiplier (rate in the pound) of 54.6 pence for 2024/25 and a Small Business non-domestic multiplier of 49.9 pence (2023/24 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 £	2023/24 Council Tax £	Total £		Business Rates £	2024/25 Council Tax £	Total £
			<b>Attributable to Central Government and other Local Authorities as follows:</b>			
(1,917,524)	-	(1,917,524)	Central Government	554,785	-	554,785
(345,154)	2,976,736	2,631,582	Lancashire County Council	99,861	1,223,451	1,323,312
-	464,805	464,805	Police and Crime Commissioner for Lancashire	-	195,361	195,361
(38,350)	151,895	113,545	Lancashire Combined Fire Authority	11,096	63,919	75,015
(1,534,019)	466,826	(1,067,193)	Wyre Borough Council	443,828	189,128	632,956
<b>(3,835,047)</b>	<b>4,060,262</b>	<b>225,215</b>	<b>Total</b>	<b>1,109,570</b>	<b>1,671,859</b>	<b>2,781,429</b>

### Note 4 Closing (Surplus)/Deficit Balance on the Collection Fund

Business Rates £	2023/24 Council Tax £	Total £		Business Rates £	2024/25 Council Tax £	Total £
			<b>Attributable to Central Government and other Local Authorities as follows:</b>			
(552,112)	-	(552,112)	Central Government	(94,866)	-	(94,866)
(99,381)	(1,099,726)	(1,199,107)	Lancashire County Council	(17,077)	(1,231,242)	(1,248,319)
-	(175,649)	(175,649)	Police and Crime Commissioner for Lancashire	-	(196,156)	(196,156)
(11,043)	(57,578)	(68,621)	Lancashire Combined Fire Authority	(1,898)	(63,097)	(64,995)
(441,695)	(170,274)	(611,969)	Wyre Borough Council	(75,898)	(187,636)	(263,534)
<b>(1,104,231)</b>	<b>(1,503,227)</b>	<b>(2,607,458)</b>	<b>(Surplus) / Deficit as at 31 March</b>	<b>(189,739)</b>	<b>(1,678,131)</b>	<b>(1,867,870)</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.

### Accrual

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

A present economic resource controlled by an entity as a result of past events.

### Asset Ceiling

An estimate of the present value of any economic benefits available in the form of refunds from the defined benefit plan or reductions in future contributions to the plan.

### 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 Accountancy)**

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 within 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 Council's 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.

### **Curtailment 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 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 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 standards (IFRS)**

Defined accounting standards that must be applied by reporting entities to all financial statements 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 licences.

## **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**

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time.

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 re-sale.

### **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 non-current 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)