Wyre Council Draft Statement of Accounts

For the Year Ended 31 March 2026

Clare James CPFA

Director of Finance and Governance

(Section 151 Officer)

www.wyre.gov.uk

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Narrative Report

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

The financial year 2025/26 has seen the backlog of unaudited accounts in the local government sector continue to reduce under the government's backstop arrangements. This has still meant disclaimed opinions for 2024/25 audits across many councils, including Wyre. However, work to build back assurance has begun with the aim of achieving clean audits prior to 2027/28. It has also been another year of change with Local Government Reorganisation firmly on the government's agenda, a new Fair Funding (multi-year) Settlement announced in December and the cessation of the Lancashire 50% Business Rates Pool after 31 March 2026. 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 2026.

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 2025/26 accounts by 31 January 2027 although we and our External Audit partners are aiming for the end of November 2026.

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 will be open to public inspection during the period from 1 July 2026 to 14 July 2026.

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 2026. 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 2025/26 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 comply 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 2026.

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 2024 mid-year estimate provided by the Office for National Statistics is 113,832.

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 of 31 March 2026 was as follows:

Political Group	Number of councillors
Conservative Group Councillors	27
Labour Group Councillors	15
Reform UK	4
Wyre Independent Group Councillors	2
Independent Councillors	1
Independent Socialist	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

Description	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Legacy Funding	7,921	-	-	-
Baseline Funding	-	3,120	3,192	3,256
Revenue Support Grant	293	4,713	4,157	3,570
Homelessness, Rough Sleeping and Domestic Abuse Grant	362	530	613	675
Recovery Grant	374	374	374	374
Total	**8,950**	**8,737**	**8,336**	**7,875**

How has the Fair Funding 2.0 reform affected Wyre's income?

In cash terms our forecast fair funding reduces over the multi-year settlement period (2026/27 to 2028/29) and the decline over the three years culminates in a cumulative £1.1m loss between 2025/26 and 2028/29.

What can we expect in future?

The first multi-year settlement since 2015/16 means that the forecast for the medium-term contains a higher degree of certainty than in recent years, which is a positive. However, the reduction in funding and Local Government Reorganisation introduce some different elements to consider when undertaking financial planning.

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 £2.5m between 2022/23 and 2024/25. However, owing to the changes to business rates in 2026/27, the Lancashire Business Rates 50% Pool comes to an end at 31 March 2026. Since 2020/21, by prepaying our pension contributions, our deficit repayment is now in surplus saving around £0.7m annually (£4.2m saved between 2020/21 and 2025/26). A further £0.3m minimum ongoing (rising year-on-year) is guaranteed in the next triennial review period to 31 March 2029. Finally, by taking the opportunity during the Truss era to repay our debt to the Public Works Loans Board (PWLB) 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 2025 are £0.7m, an average of £0.17m each year. Appendix 2 also shows the anticipated savings for 2025/26 and 2026/27. 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 64% of our residents are satisfied or very satisfied with where they live.

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.



The 2026/27 budget will deliver a wide range of investment set against Wyre's four Council Plan commitments:

People and Communities - Residents live happier, healthier and safer lives

- Delivery of the Cottam Hall Masterplan, creating a safer, more accessible and vibrant community space with new children's play facilities, improved drainage, an extended car park, enhanced footpaths and lighting, increased biodiversity and new park furniture.
- Improvements to the Wyre Estuary Country Park Visitor Centre, enhancing a well-used local asset.
- Continued support for residents through the Crisis Resilience Fund (formerly Household Support Fund), supporting foodbanks, a domestic abuse charity, warm hubs and low-income families.
- Ongoing delivery of the Positive Futures programme to support residents furthest from employment with confidence, training and skills development.
- Expansion of the Affordable Housing Delivery Programme, following the successful renovation and resale of the first property and renovation of a second home underway in Fleetwood.
- Over £1.1m in developer contributions allocated to transform empty and derelict properties into safe, energy-efficient homes.
- Continued rollout of Wyre Moving More to help residents lead healthier and more active lives.
- A joint £3.7m investment in significant leisure centre improvements under the council's new operator contract with Parkwood Leisure.
- Continued support for community centres to help them thrive as vital local hubs.

Growth and Prosperity - A thriving local economy and town centres

- A new round of Business Grants for small businesses.
- A Town Centre Grants Scheme focusing on the high street to enhance resilience and growth.
- Ongoing support for former UKSPF-funded projects that drive business development and skills, including Positive Futures.
- Continued public realm improvements in key town centres.
- Progression of Fleetwood's ambitious waterfront regeneration plans, strengthening future bids for external funding and encouraging inward investment.
- Confirmation of up to £2m per year for 10 years through Pride in Place funding, which could support improvements such as upgraded parks and play areas, health projects, tackling empty buildings, enhancing the high street and creating new community spaces.
- Preparations for the new leisure operator, helping ensure leisure facilities contribute to economic activity, footfall and employment.

Place and Climate - A cleaner, greener and more sustainable place

- Further investment at Cottam Hall to create a greener, more environmentally sustainable neighbourhood space.
- Delivery of major sea defence schemes that protect thousands of homes and key infrastructure.
- Enhancements to biodiversity, sustainability and public access across Wyre's green spaces.
- Continued improvements at Wyre Estuary Country Park, supporting nature, accessibility and visitor experience.

Innovative and Customer Focused - A well-run, forward-thinking council that puts customers first

- Procurement of a new leisure facilities operator from April 2026 to enhance service quality, efficiency and customer experience.
- Exploration of a new delivery model for Marine Hall to improve sustainability and maximise community and cultural use.
- Creation of an investment projects reserve to ensure sufficient funding is available to deliver evolving Council Plan priorities.
- Ongoing modernisation of services, ensuring the council remains responsive to resident needs, reflected in positive results from the 2025 Life in Wyre Survey.
- Continued transformation and forward-planning to strengthen resilience and ensure services remain efficient and customer-focused.

Protecting vulnerable residents

To increase the protection for our most vulnerable residents, the level of contribution to the localised council tax support scheme for those previously on full benefit reduced to 0% in 2023/24, which is significantly lower than some nearby local authorities and we are maintaining this level for 2026/27.

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.

Crisis Resilience Funding has been announced for 2026/27, and the scheme launched in May 2026.

How does the future look?

The council approved its new Council Plan for 2024-28 in November 2024 (refreshed in 2025) which included four key priorities:

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

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, 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 Authority's underlying commitment to provide retirement benefits is recognised as a net pension liability of £1.6m at 31 March 2026. The net pension liability has reduced in 2025/26. 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.

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 scheduled for 29 September 2026 and this and further updates can be found on the council's website 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 was developed and launched to help support recruitment and retention particularly against a backdrop of Local Government Reorganisation.

During 2026/27, 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.

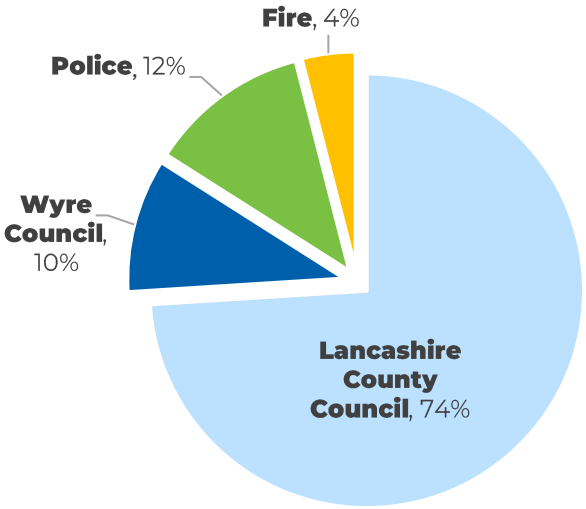
The council is one of the largest employers in the borough employing approximately 350 full time equivalents. The workforce generally reflects the diversity of the residents in the borough.

Council Tax 2026/27

The Government announced that they would 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 2026/27 assumes that districts will increase their council tax by whichever is the highest.

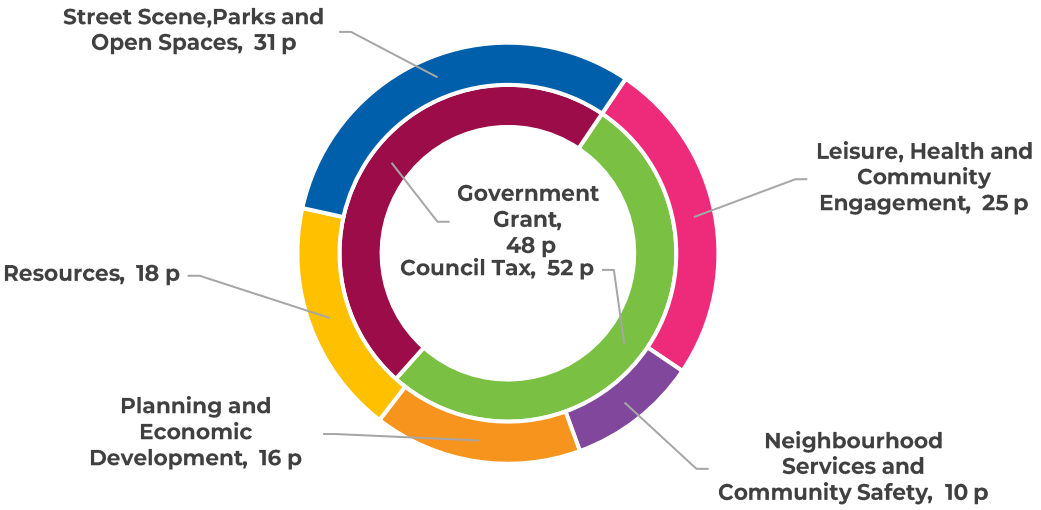
We have decided to follow the government's lead to maximise our spending power potential whilst keeping costs low for residents and continuing to provide Wyre's vital front-line services. This equates to a rise of £6.97 (2.99%) a year on a Band D property, or just 13p per week, and means that the overall cost for all Wyre's services will be **66p per day**.

Council tax is made up of several 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 less than 10**%** or **£240.05** (on a band D property) of the total amount of your bill in a non-parished area. This compares to the equivalent figure of £233.08 (on a band D property) in 2025/26.

For every £1.00 the council receives in income it spends it in the following council areas (based on 2025/26 outturn):



Financial Performance in 2025/26

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 £'000	Outturn £'000	Variance £'000
Net Cost of Services	24,056	23,312	(744)
Other Income and Expenditure	(168)	(2,156)	(1,988)
(Use of)/additions to Budget Equalisation Reserve	181	2,270	2,089
(Use of)/additions to balances	(1,750)	(1,700)	50
Total	**22,319**	**21,726**	**(593)**

Funding	Updated Budget £'000	Outturn £'000	Variance £'000
New Homes Bonus	(977)	(977)	-
Extended Producer Responsibility Grant	(1,364)	(1,364)	-
Revenue Support Grant	(1)	(1)	-
Recovery Grant	(374)	(374)	-
National Insurance Contributions Grant	(129)	(129)	-
Non-Domestic Rates – Retained share	(2,638)	(2,648)	(10)
Non-Domestic Rates – Section 31 Grant	(3,997)	(4,018)	(21)
Non-Domestic Rates – Surplus Levy Account	(28)	-	28
Collection Fund - NDR (Surplus)/Deficit	(544)	194	738
Council Tax (Wyre Borough)	(10,455)	(10,455)	-
Council Tax (Parishes)	(1,183)	(1,183)	-
Collection Fund - Council Tax (Surplus)/Deficit	(189)	(257)	(68)
Enterprise Zone Retained Non-Domestic Rates	(440)	(514)	(74)
Total	**(22,319)**	**(21,726)**	**593**

The main contributors to the outturn variance reported against the Budget Equalisation Reserve, totalling £1.981m, are outlined below:

Description	£'000	£'000
Increased Spending/Reduced Income (over £20K per itemised category)		
Admin Fees - Disabled Facilities Grants	29	
Bed and breakfast	44	
Benefits and Rent Allowances	413	
Fees and Charges	27	
Finance charges	45	
Grants (expenditure)	24	
Grants (income)	33	
Legal Fees	59	
Utilities (Water)	66	
Other Minor Variances (£20K or less per category in aggregate)	56	
Increased Spending/Reduced Income Total		**796**
Reduced Spending/Increased Income (over £20K per itemised category)		
Building Control	(40)	
Car Parking	(63)	
Community Payback Scheme	(21)	
Enforcement Notices - Landlords	(44)	
External Audit Fees	(30)	
Fuel	(49)	
Interest Received	(140)	
Investment Property Income:	(231)	
Materials and Consumables	(64)	
Pensions	(116)	
Private contractors	(49)	
Professional and Consultancy Fees	(54)	
Project costs	(49)	
Provision of Bins, Boxes and Sacks	(60)	
Salaries and Agency Costs (incl Training)	(259)	
Waste Collection Grant	(1,121)	
Other Minor Variances (£20K or less per category in aggregate)	(495)	
Reduced Spending/Increased Income Total		**(2,885)**
Grand Total		**(2,089)**

Some of the spending that was planned to take place during 2025/26 has slipped into 2026/27 (details are available on the July 2026 Audit and Standards Committee agenda pack on 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 2025/26 includes:

Description	Amount £'000
Asset Maintenance	50
Community Safety – various	70
Land Drainage	98
Service Development Board (Waste Collection)	10
Staffing/Agency/Training Costs (incl. contingency)	86
Waste Collection	117
Other Slippage	19
Reduced Spending/Increased Income Total	**450**

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 £'000	Actual position £'000
Opening balance	3,750	3,750
Withdrawals (-)/Additions in year	(1,750)	(1,700)
Closing balance	**2,000**	**2,050**

Capital

The council spent a total of £18.9m (2024/25 £21.8m) on capital investment in the year compared with an Updated Budget of £26.1m. A summary of the main items of expenditure is shown below:

Main items of expenditure	2024/25 £'000	2025/26 £'000
Affordable Housing Delivery Programme	183	113
Disabled Facilities Grants	2,370	2,696
Fleetwood Leisure Centre	140	-
Fleetwood Market	82	-
Food Waste Collection Vehicles and Equipment	150	1,269
Garstang Swimming Pool Acquisition	-	207
Garstang Young People's Place Improvements	-	124
Land acquisition (Copse Road Depot)	-	115
Marine Hall Improvements	-	37
Other Asset Management	151	70
Parks and open spaces	63	90
Rural England Prosperity Fund	306	120
Sea and Flood Defences	15,693	13,139
UK Shared Prosperity Fund	1,974	845
Vehicle Replacement (excl. Food Waste)	681	108
Total	**21,793**	**18,933**

The main reasons for the variation of £7.1m 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):

Description	£'000	£'000
Capital slippage into future years	(7,150)	
Total		**(7,150)**
Reduced capital spending		
Young People's Place, Garstang	(12)	
Other	(5)	
Total		**(17)**
Reprofiled capital spending		
Marine Hall	37	
Total		**37**
Grand Total		**(7,130)**

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 2025/26 capital expenditure was funded as follows:

Resources	Amount £'000
Grants and contributions	
Environment Agency – Sea and Flood Defences	13,139
Better Care funding towards Disabled Facilities Grants (DFG)	2,696
S31 Grant Food Waste	1,269
UK Shared Prosperity Fund	844
Rural England Prosperity Fund	122
S106 contributions	113
Other contributions	60
Capital Receipts	545
Revenue	145
Total	**18,933**

The council maintains a fund of capital receipts from the disposal of non-current assets to fund capital expenditure. As of 31 March 2026, the funds available were:

Description	Updated budget £'000	Actual £'000
Opening balance	(2,457)	(2,558)
Received in year	-	(173)
Applied in year	1,835	545
Closing balance	**(622)**	**(2,186)**
Committed in future years	-	1,624
Balance available to use	**(622)**	**(562)**

Resources Available for Capital Investment

The table below summarises the approved resources available for the 2025/26 Capital Programme and the indicative programme to 2031/32. 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 2026/27 budget process.

Resource	2025/26 Actual £'000	2026/27 Estimates £'000	2027/28 Estimates £'000	2028/29 Estimates £'000	2029/30 Estimates £'000	2030/31 Estimates £'000	2031/32 Estimates £'000
No revenue implications							
Capital Receipts	545	129	222	1	3	19	76
Grants and contributions	18,243	11,544	2,581	2,581	2,581	2,581	2,581
Sub Total	**18,788**	**11,673**	**2,803**	**2,582**	**2,584**	**2,600**	**2,657**
With revenue implications							
Other revenue contributions	145	5,917	4,329	28	94	286	826
Sub Total	**145**	**5,917**	**4,329**	**28**	**94**	**286**	**826**
Total	**18,933**	**17,590**	**7,132**	**2,610**	**2,678**	**2,886**	**3,483**

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 £44m on 31 March 2026 made up of £42m earmarked for a specific purpose and £2m general fund reserves. The council also can 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 2025/26:


614 homes built of which 299 are affordable homes


582 handy person jobs completed


224 volunteers contributing 36,379 hours


346 incidents of dog fouling cleared up


230 Disabled Facilities Grants awarded totalling £2.69m


Over **3.6m** bins emptied


96.30% of Council Tax collected


97.20% of business rates collected


12.05 days average time taken to process housing or council tax benefit claim


54,553 social media followers

Trade Union (Facility Time Publication Requirements) Regulations 2017

Under the requirements introduced in 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.

Change in accounting policy

In 2025/26 the CIPFA Code of Practice for Local Authority Accounting in the United Kingdom (the Code) introduced a change in accounting policy in respect of the valuation of property, plant and equipment (PPE).

The council currently re-values its property, plant and equipment portfolio on a rolling basis over 5 years. This practice will continue. However, in any single year, the PPE portfolio that has not been subject to revaluation is now required to have its value updated by applying indexation.

The impact of this change in accounting policy in 2025/26 is £617,000 increase to the value of PPE. Depreciation is estimated to increase by £45,000 in 2026/27.

Rounding Convention

Values throughout the main Statement of Accounts are presented rounded to the nearest thousand. Previously, in 2024/25 Statement of Accounts and before, the rounding was to the nearest pound. This change in rounding has been made to make the statement more readable and easier to compare differences.

At times, the totals in supporting tables and notes may not appear to cast, cross-cast, or exactly match to the core statements or to other tables due to small rounding differences.

Explanatory Foreword to the Statement of Accounts

This Statement of Accounts covers the financial year ended 31 March 2026 (2025/26). 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 2025/26. 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 2026 and of its income and expenditure for the year then ended.

CLARE JAMES

Director of Finance and Governance (Chief Financial Officer)

(Authorised for issue) 30 June 2026

Certificate of Audit and Standards Committee approval

I certify that the Audit and Standards Committee approved the draft (subject to audit) Statement of the Accounts for 2025/26 on 28 July 2026.

Councillor John Ibison

Chairman of Audit and Standards Committee

Date: 28 July 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

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

Tel: 01253 891000

Email: mailroom@wyre.gov.uk

Independent Auditor's Report to the Members of Wyre Council

Report on the Audit of the Financial Statements

The external audit report will form part of the final audited accounts document. This draft 2025/26 Statement of Accounts remains subject to audit.

Independent Auditor's Report to the Members of Wyre Council

Report on the Audit of the Financial Statements

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Report on the Audit of the Financial Statements

Annual Governance Statement

Introduction to Corporate Governance

Good governance is the framework through which the council ensures that its business is conducted appropriately, effectively and in the best interests of the communities it serves. It requires decisions and actions to be taken in a timely, inclusive, transparent, honest and accountable way. Good governance encompasses the systems and processes, as well as the culture and values, by which local government bodies are directed and controlled, and through which they are held to account, engage with stakeholders and, where appropriate, provide strategic leadership to their communities. It also provides the foundation for the council to deliver its corporate vision and commitments effectively, supported by robust controls and proportionate arrangements for managing risk.

Scope of Responsibility

Local authorities are accountable to the public and other stakeholders for ensuring that appropriate governance, risk management and internal control arrangements are in place. They are required to undertake an annual review of the effectiveness of those arrangements and to prepare and publish an Annual Governance Statement (AGS) in accordance with the Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (Amendment) Regulations 2024.

In fulfilling these responsibilities, Wyre Council must ensure that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded and properly accounted for, and that resources are used economically, efficiently and effectively. The council also has a duty under the Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness and to the statutory guidance on Best Value issued in 2024. In addition, the council must comply with its responsibilities under the Local Audit and Accountability Act 2014 and ensure that its procurement activity is undertaken in accordance with the Procurement Act 2023.

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 2026 and up to the date of approval of the annual accounts.

Wyre Council's Local Code of Corporate Governance

In 2016, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) 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 January 2025, CIPFA and SOLACE published a draft Addendum intended to replace Chapter 7 of the 2016 guidance, focusing on the annual review and reporting of the AGS. Applicable from the 2024/25 AGS onwards, this represents the first significant update since the original 2016 framework. While the seven core principles remain unchanged, expectations surrounding the AGS process have been strengthened. There is a greater emphasis on an evidence-based review, drawing on multiple sources of assurance, with clear links between internal audit, risk management, performance management and external audit. Authorities are expected to explicitly conclude whether their governance arrangements are fit for purpose and to identify any significant governance weaknesses, including their impact and the actions required to address them. The AGS should also include a forward-looking element, incorporating horizon scanning to reflect emerging risks and future pressures.

While the council has not formally adopted a separate Local Code of Corporate Governance, as recommended by CIPFA and SOLACE, guidance suggests that authorities should set out their governance arrangements and how the seven principles are applied in practice within such a code. However, this is not a regulatory requirement, provided the AGS itself clearly demonstrates how the council complies with the governance principles. Following a review of local authority practice, the council has therefore retained its existing approach of using the standard principles, supported by locally relevant evidence and examples to demonstrate compliance.

In the context of Local Government Reorganisation, the introduction of a formal Local Code has been identified as an area for consideration/improvement and will be included within the action plan that sits alongside this document.

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 to the future to identify any forthcoming risks and challenges. The scope of the annual review for 2025/26 is documented below in paragraphs 5.2 to 5.4.

Since 2016, the council has maintained a spreadsheet aligned to the seven principles of good governance, with key officers providing evidence of compliance, identifying any gaps or weaknesses, and informing an action plan for improvement. On 9 May 2025, this was

supplemented by a governance workshop with key officers to stress test the council's arrangements and consider risks and challenges for the year ahead.

This year, given the maturity of the spreadsheet-based approach, which has been developed and populated over a number of years, and following the governance workshop held last year to stress test the council's arrangements, it was agreed that a different approach would be adopted. Governance Assurance Questionnaires were therefore issued to key officers and senior personnel to obtain assurance on the effectiveness of the council's governance arrangements.

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;
– 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 an initial 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 AGS 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 2025/26

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

Behaving with integrity

– The provision of induction training for staff and newly elected Members has strengthened organisational capability and ensured that individuals are equipped to fulfil their roles and responsibilities effectively and in line with governance requirements.
– The annual refresh and Council approval of the Councillor Development Strategy, supported by a Councillor Skills Framework and training programme, has strengthened Member capability and ensured structured and consistent development throughout the municipal year.
– Annual Members' Strengths and Development Questionnaires have informed the Councillor Development Strategy and training programme, with a response rate of over 62% in 2025/26.

- The council achieved the North-West Elected Member Development Charter (Level 1) in February 2026. The assessment by North-West Employers recognised the council's strong councillor-led approach to development, embedded culture of learning, effective induction, mentoring and peer learning arrangements, and commitment to providing accessible recorded learning opportunities.
- The maintenance and consistent application of the Employee Code of Conduct (the Code) during the year has ensured that expected standards of behaviour are clearly communicated and understood by staff from the outset, supporting strong governance and ethical practice.
- The council has a Councillors' Code of Conduct in place that helps to achieve high standards of conduct. Refresher training was completed in November 2025. The training has been uploaded onto the member portal.
- The council's People Strategy (2025-2028) introduced in June 2025 is underpinned by the council's values and behaviours. These embedded corporate values and behaviours are integral to our recruitment, learning and development, appraisals and performance management.
- The public availability of Members' Registers of Interests and Gifts and Hospitality declarations has strengthened openness, accountability and compliance with ethical governance requirements.
- The maintenance of the Officers' Gifts and Hospitality Register in 2025/26, with annual scrutiny by the Audit and Standards Committee alongside the Internal Audit Annual Report, has ensured robust oversight and reinforced high standards of conduct.
- The provision of accessible whistleblowing arrangements, which includes a dedicated email address and telephone number, combined with annual review and approval of the Whistleblowing policy by the Audit and Standards Committee, has ensured robust mechanisms for raising concerns and reinforced a culture of openness and accountability.
- Effective, transparent, and accessible arrangements are in place for dealing with councillor complaints. The council operates a dedicated online reporting platform and all allegations are thoroughly investigated by the Monitoring Officer and/or their Deputy, including the involvement of two Independent Members. The Monitoring Officer reports quarterly to the Audit and Standards Committee on complaints received and their outcomes.
- The council's complaints arrangements have ensured an effective, transparent and accessible process, supported by an online reporting platform, ongoing monitoring of performance by senior management and independent investigation of allegations at the second stage.
- The Local Government and Social Care Ombudsman's Annual Review 2025/26 has provided external assurance on complaints handling, with no concerns identified, supporting confidence in the council's approach.

Demonstrating strong commitment to ethical values

- The Assistant Director of Governance and Legal champion's ethical compliance for both officers and Elected Members. Ethical Governance Surveys are carried out every two years (last completed 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.

- The inclusion of partnership working protocols within the council's Financial Regulations and Financial Procedure Rules has ensured clear and consistent governance arrangements, reinforced through annual review and approval by the Audit and Standards Committee.
- The council's People Strategy ensures that defined values and behaviours are consistently applied in recruitment and reinforced through a structured and regular performance appraisal process.
- The Council maintains and reviews internal policies and procedures, with key policies updated within the last 12 months to ensure robust and consistent management of unacceptable behaviours

Respecting the rule of law

- The authority observes the Chartered Institute of Public Finance and Accountancy (CIPFA) statement on the Role of the Chief Financial Officer and relevant sections are reflected in the job description and the organisation's reporting structure.
- Internal Audit complies with the Code of Practice for the Governance of Internal Audit in UK Local Government and the Global Internal Audit Standards, providing assurance through the Annual Audit Opinion and the AGS. Any areas for development are formally captured within a Quality Assurance and Improvement Plan and reported alongside the Annual Opinion to support continuous improvement.
- The maintenance and regular review of the Council's Constitution has ensured clear governance arrangements, with defined decision-making powers and terms of reference supporting transparency, accountability and effective decision-making.
- The experience and professional qualification of the Chief Internal Auditor has ensured effective and robust internal audit provision, strengthening assurance and supporting sound governance arrangements. In addition, the oversight by a professionally qualified and highly experienced Assistant Director, holding CIA, CMIIA and QIAL qualifications, has strengthened governance assurance through independent validation and sign-off of key audit work and also ensured conformance with Global Internal Audit Standards.
- The council now benefits from having a professionally qualified Data Protection Officer and Deputy following completion of Advanced Certificates in GDPR Practice, strengthening expertise, oversight and compliance with statutory data protection requirements.
- The maintenance and annual review of the council's Anti-fraud and anti-corruption policies, combined with the use of the Ethical Governance Surveys for both officers and Elected Members to assess knowledge and understanding, has strengthened the council's control environment by identifying areas for improvement and informing targeted action to support good governance.
- Following the roll out of a Conflict-of-Interest Policy in November 2024, a corporate conflict of interest declaration exercise has been completed, with all staff completing online declarations providing assurance to the Monitoring Officer over transparency and integrity.

- Job descriptions and person specifications for Statutory Officers have strengthened accountability and ensured clarity of roles, supporting effective discharge of statutory functions and good governance.
- The rollout of the Wyre Academy online training platform has improved workforce knowledge and understanding of data protection, ensuring consistent compliance through a structured three-year training programme for all staff.
- Data protection training delivered to Elected Members in July 2025 has strengthened awareness and compliance with GDPR requirements, supported by a structured programme of refresher training every two years.
- Internal staff guidance is in place for the processing of Subject Access Requests (SAR), Freedom of Information (FOI) and Environmental Information Regulation (EIR) requests.
- Training and qualification of Information Governance staff in 2025/26 has enhanced the capacity, consistency and statutory compliance of the council's Subject Access Request processes.
- Ongoing training for Members on regulatory committees has improved knowledge, capacity and consistency in decision-making, supporting robust governance and compliance with statutory and regulatory responsibilities.
- Decision-making is supported by timely professional legal and financial advice, which is systematically recorded in standardised report templates to ensure robust and informed outcomes.
- The recognition and application of the ultra vires doctrine has ensured that all council activity is undertaken within legal powers, supporting lawful, transparent and effective decision-making. The Local Government and Social Care Ombudsman's Annual Review 2025/26 did not identify any activity to evidence the council had acted outside its powers.
- The Council's Constitution allows 'Non-Executive Decisions' to be taken under 'Emergency Powers' in the event of an on-going emergency.
- The council has aligned its Contract Procedure Rules with the Procurement Act 2023 and ensured that the Senior Leadership Team is equipped through targeted training to implement the new requirements effectively. Audit and Standards Committee has received similar training.
- The development of the Wyre Hub as a central resource for procurement guidance, templates and training has ensured a consistent and compliant approach to procurement activity in line with the Procurement Act 2023.
- The Procurement Officer is recording the use of waivers, exemptions and any breaches and this is currently reviewed by the Monitoring Officer and Section 151 Officer.

Core Principle B – Ensuring openness and comprehensive stakeholder engagement.

Openness

- The annual review and publication of the Council Plan has provided a clear strategic framework, setting out priorities and performance measures and ensuring effective communication with officers, Members, partners and the community with performance reporting now on the council's website.

- The council's timely preparation and publication of a compliant Annual Statement of Accounts, supported by an accessible narrative report, has ensured robust financial reporting and enhanced transparency and accountability.
- Wyre Council's Efficiencies Statement is embedded within its Medium Term Financial Plan and Transformation Strategy and Programme, outlining its approach to delivering value for money. The strategy focuses on modernising services, generating income and reducing costs to protect frontline provisions and bridge budget gaps.
- 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. The 2024/25 accounts were approved at the February 2026 Audit and Standards Committee. They were disclaimed under the government's backstop arrangements, and the expectation is that the accounts will continue to carry a disclaimer for the next one to two years.
- The council's approach to monitoring compliance with the Local Government Transparency Code 2015 has identified gaps and initiated actions to address these, supporting continuous improvement in transparency and accountability.
- The regular publication of Wyre Voice and monthly e-newsletters to subscribers has strengthened resident communication and engagement.
- The delivery of a monthly 'Core Brief' newsletter to all employees has improved internal communication and ensured consistent information sharing, supported by positive feedback from staff in the recent survey (2026).
- The introduction of 'managers briefings' designed to keep managers informed of key council information and support them in their roles.
- Enhanced transparency and accountability have been achieved during 2025/26 through regular reporting on the Overview and Scrutiny Work Programme, supported by an annual report to Full Council.
- Residents and stakeholders have greater visibility of decision-making through comprehensive publication of key and forthcoming executive decisions in the Schedule of Executive Decisions.
- Improved accessibility and inclusion are achieved through a council website which is striving to achieve full compliance with Accessibility Regulations 2019.
- Enhanced transparency and accountability are supported by regular Executive Report updates from all Cabinet members to Full Council.
- Residents and stakeholders benefit from improved access and transparency through the online availability of audio recordings of council meetings which are available on the council's website and YouTube.

Engaging comprehensively with institutional stakeholders

- The Chief Executive's regular meetings with a range of strategic partners, including MPs and the Environment Agency, have strengthened partnership working, improved information sharing and supported coordinated responses to issues of strategic importance to the council and the borough.

- The council's approach to consultation on Local Government Reorganisation has supported openness and accountability by providing residents and stakeholders with the opportunity to understand proposals, contribute their views and inform the council's position on future local governance arrangements.
- The launch of the Heritage and Culture Strategy, informed by consultation, research and engagement with partners, sector representatives and the public, has helped ensure that its priorities reflect local need, stakeholder insight and the wider strategic context.
- In 2025/26, the council met regularly with Fylde Coast YMCA to oversee the operation of its leisure centres and pools, working together to deliver a smooth transition ahead of the transfer of operations to Parkwood (Creating Active Futures) on 1 April 2026.
- Improved health and wellbeing outcomes were enabled during 2025/26 through the Wyre Moving More Strategy, supported by partnership governance, a dedicated website, and recognition of local contributions through the 2025 awards.
- The continuation of the Beach Management Board has enhanced governance and delivery of the Beach Management Scheme through regular oversight, collaborative working with partners and access to specialist advice on risk, finance and legal matters.
- Improved coastal resilience and climate outcomes are achieved through partnership working in the Our Future Coast programme, with this collaborative approach recognised by the iNetwork Partner Excellence Award in March 2026.
- The introduction of a new Project Management Framework in 2025 strengthens the council's ability to effectively manage projects involving external partners and multiple stakeholders, ensuring that associated risks are identified, assessed and appropriately mitigated.
- Assurance over partnership governance and externally funded programmes was enhanced in 2025/26 through Internal Audit reviews of the Beach Management Scheme, YMCA, Our Future Coast programme and UKSPF, supporting effective oversight and stakeholder engagement.
- Guidance has been issued on consultation and public involvement mechanisms offering practical steps and advice.
- Engagement with parish and town councils is supported through regular attendance at Lancashire Association of Local Councils (LALC) meetings, with a framework in development to enhance and formalise partnership working.
- Strong and effective engagement with communities and stakeholders is maintained through established communication channels and assurance arrangements, including Town Partnership Boards, forums such as Wyre's Flood Forum and the Waste Management Partnership Board.
- The council's support for the establishment of Pride in Fleetwood has strengthened local partnership working and community capacity, helping the initiative become established and creating a platform for coordinated action to improve health, wellbeing and pride in place.
- Vulnerable residents and communities have been supported in 2025/26 through the distribution of Household Support Funding (£539,000) and the provision of discretionary housing payments (£138,000), helping to mitigate financial hardship and reduce the risk of housing insecurity.

Engaging with individual citizens and service users effectively

- Clear communication of the council's vision and priorities supports resident engagement, delivered through channels such as Wyre Voice, e-newsletters, the council's website and consultation activity where appropriate e.g. Local Government Reorganisation and Article 4 Direction for Houses of Multiple Occupancy.
- The Council has implemented key recommendations from the Communications Peer Review, including strengthening the communications team and investing in social media scheduling tools and video and photography equipment, leading to improved quality, reach and levels of engagement with residents and stakeholders.
- 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.
- Residents are supported to improve their digital skills and access essential services through the provision of a digital hub at Fleetwood Market, delivered in partnership with Citizens Advice, including support to access benefits and free debt advice.
- Engagement with young residents is supported through a range of targeted initiatives, including Wyre Teenage Markets, the Wyre Moving More programme, and interactive engagement through Our Future Coast. These provide opportunities for participation, skills development and feedback, ensuring young people are actively involved as service users and contributors to their community.
- Community engagement takes place across Wyre through a range of approaches, including targeted community drop-in sessions (such as those delivered for contaminated land matters), public exhibitions (for example, Draft Conservation Area Appraisal consultations) and local partnership meetings, ensuring residents have accessible opportunities to engage directly, ask questions and inform service delivery.
- Residents are engaged in financial decision-making through the council's annual budget consultation, which seeks views on council tax levels, spending priorities and service delivery, with feedback analysed and used to inform budget setting.
- The Economic Development and Visitor Economy Strategy, approved in April 2025, reflects input from residents and businesses, with early delivery supporting economic growth through initiatives including the Wyre Business Awards, investment in Fleetwood Market, Project Neptune and the development of new visitor events such as Wanderland.
- The 'Life in Wyre' Residents Survey was undertaken in early 2025, with the findings reported to Cabinet in September 2025, providing an evidence base to inform future council priorities and service delivery.

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

Defining outcomes

- The development of a clear four-year Council Plan (2024–2028) has provided a robust strategic framework, guiding corporate and service planning through defined priorities, commitments and actions.
- The incorporation of outcome-based performance measures within the Council Plan, alongside the development of a performance dashboard, has ensured a robust

performance management framework, with regular reporting to Board, Overview and Scrutiny Committee and the Cabinet providing effective oversight.

- Procurement processes have been enhanced to maximise social value, support local economic growth and incorporate environmental sustainability, while ensuring compliance with the requirements of the Procurement Act 2023.
- The development and implementation of a sound Medium Term Financial Plan, together with revenue estimates and a capital programme, has provided a robust financial framework to support the delivery of corporate priorities.
- The Council's planning and development framework supports sustainable growth, balancing economic development with environmental protection and community infrastructure.
- Strong partnership working with public, private and voluntary sector organisations has supported the delivery of shared economic, social and environmental outcomes for communities.
- The development of the Asset Management Plan and Strategy (2025 – 2029) in July 2025 has established a clear and strategic approach to the management of the council's assets, supporting effective planning and investment decisions. This is further strengthened by the establishment of an Asset Management Delivery Board to oversee implementation and track progress against the action plan.
- The council's approach to value for money has strengthened financial sustainability and accountability, supported by regular monitoring through the annual efficiency statement, balanced budgets and positive external audit commentary (2024/25), with further improvements being progressed through the 'Inspire Wyre' Transformation Strategy.
- During 2025/26, the council has maintained a structured and effective risk management framework, with strategic and operational risk registers managed through the GRACE system, supported by regular risk workshops and quarterly reviews, contributing to a generally sound system of governance, risk management and internal control. This has been further strengthened later in the year through an updated Risk Management Policy, enhanced reporting of strategic risks, including quarterly reporting to Management Board and in the future, Cabinet, and the introduction of a standing 'risk management' item at the Audit and Standards Committee to support ongoing scrutiny and challenge.

Sustainable economic, social and environmental benefit

- The council continues to embrace 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.
- The council has continued to deliver its Climate Change Strategy and Action Plan, supported by clear carbon reduction targets and a commitment to achieving net zero by 2050, with progress monitored through the Overview and Scrutiny Climate Change Sub-Committee. The council has achieved a number of successes to date which have contributed to reducing the council's Carbon Foot print for 2024/25 significantly. This was reported to the Sub-Committee in December 2025.
- Delivery of the Council Plan during 2025/26 has supported improvements across key priority areas, including community wellbeing, economic growth, environmental sustainability and partnership working, with clear performance measures and regular

monitoring ensuring transparency, accountability and alignment with local priorities. This includes outcomes such as the opening of the Active Wellness Suite at Thornton, delivery of UK Shared Prosperity Fund projects, transition to cleaner fuels within the council's fleet, and investment in borough facilities, including leisure and CCTV infrastructure.

- The council's participation in the Lancashire and South Cumbria Integrated Care Partnership has strengthened local place based working, delivering more joined up services and improved health outcomes, with a focus on prevention and reducing inequalities. As part of the North Lancashire locality, the council also leads the Fylde and Wyre Health and Wellbeing Partnership, driving collaborative action on key priorities including children and young people's emotional wellbeing, supporting older adults to stay well, and promoting healthy lifestyles.
- The integration of equality impact assessments into the council's Project Management framework has strengthened governance and decision-making, ensuring that the impact on all communities is appropriately considered in the delivery of Council Plan projects.
- The delivery of Equality and Diversity training to managers in 2024 has enhanced organisational awareness and capability, supporting inclusive leadership and improved service delivery. This is reinforced through the council's e-learning platform, which includes a mandatory Equality and Diversity course completed by staff on a three-year cycle.
- The establishment of an Equality, Diversity and Inclusion (EDI) Steering Group has strengthened the council's commitment to EDI, driving continuous improvement across the organisation and supporting more inclusive outcomes for communities.
- The council has maintained an up-to-date Local Plan (adopted 2023) and progressed its full review during 2025/26, including completion of an Issues and Options consultation, with feedback informing the ongoing development and refresh of the plan.
- Our 'together we make a difference network' works with the community to identify priority projects, make links with partners, develop relationships with key stakeholders and help 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.
- The council has maintained high standards in its parks and open spaces, achieving five Green Flag Awards in 2025, demonstrating continued excellence in environmental management and community spaces.
- The achievement of Seaside Awards for beaches in 2025 in Fleetwood, Cleveleys and Rossall, demonstrates the council's effective management of its coastal environment, contributing to improved environmental quality, visitor experience and community pride.
- The council's commercial units in Fleetwood have been operating for a number of years and this has safeguarded the fish and food processing sector, its associated jobs and strengthened the borough's economic resilience.
- The council's consideration of social value within its Constitution has strengthened decision-making in procurement, supporting the delivery of broader economic, social and environmental outcomes for the borough.
- The council has enhanced community capacity and resilience through its community lottery, generating funding for good causes, supported by the launch of a £10,000 Wyre

Community Lottery Fund in February 2026, which enables local groups to access grants of up to £1,500 to deliver projects that improve outcomes for residents.

- The council has strengthened support for local businesses through the development of the WYRED Up network, regular communications and the introduction of a new programme of practical business support workshops, including 'How to: Attract More Customers', improving access to advice, networking and growth opportunities.
- Delivery of the UK Shared Prosperity Fund (UKSPF) programme has generated significant positive outcomes across Wyre, including investment in town centres and community assets, support for local businesses, and initiatives to enhance skills and employability. This has strengthened economic resilience, supported regeneration in areas such as Fleetwood, and improved opportunities and quality of life for residents.
- Town centre partnership boards have strengthened place based collaboration across Fleetwood, Cleveleys, Poulton and Garstang, supporting the delivery of regeneration frameworks and driving forward key economic projects to revitalise local centres.

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

Determining interventions

- The council has effective governance arrangements in place to ensure that decision-making is transparent, evidence-based and properly recorded. Those responsible for making decisions are provided with information that is relevant, timely and fit for purpose, enabling informed and robust decision-making. Standardised templates support the consistent documentation of the criteria, rationale and key considerations informing decisions. These are underpinned by clear controls for review and approval, including appropriate sign-off from Legal, Finance and the Monitoring Officer. Additional safeguards apply where decisions involve personal data, with required approval from the Data Protection Officer to ensure compliance with data protection legislation.
- The council operates within a clear legal framework, with the Constitution setting out the scope of decision-making powers and responsibilities. Decision making is undertaken with proper regard to the limits of lawful activity, ensuring that powers are exercised appropriately and in the best interests of the community. Robust governance controls are in place, including formal sign-off by key statutory and professional officers, such as Legal, the Monitoring Officer and Section 151 Officer to ensure that decisions are lawful, financially sound and properly authorised.
- Effective arrangements are in place to oversee and deliver the council's Transformation Strategy. A Transformation Board provides strategic governance including the identification and management of risks and issues. This is further supported by the establishment of a Transformation Champions Network, which plays a key role in embedding and driving transformation activity across the organisation. The Network has enabled staff-led innovation and continuous improvement, including initiatives such as the Good Ideas Fund, the "We Are Wyre" showcase, and practical service improvements such as changes to recycling arrangements at the Civic Centre, demonstrating a strong culture of engagement and organisational ownership of change.
- The council has an approved Digital Transformation Strategy, supported by a Digital Transformation Board, providing a clear framework and governance for delivering sustainable digital change and a prioritised programme of work to improve services and achieve best value outcomes. During 2025/26, this has enabled the delivery of key

projects including infrastructure upgrades and improved meeting room technology, and the introduction of interactive customer reporting tools.

– During 2025/26, a Project Management Framework was implemented and embedded across the council, strengthening the use of standardised dashboards to monitor performance of the delivery of council projects. These dashboards provide clear, consistent information on progress, risks and outcomes, and are routinely reported and published through performance and transformation reporting to the Corporate Management Team, Cabinet and the Overview and Scrutiny Committee, enabling effective oversight and informed decision-making.

Planning interventions

– A robust and transparent planning framework is maintained, with the Council Plan refreshed annually and subject to effective scrutiny by the Overview and Scrutiny Committee prior to approval by Full Council, ensuring alignment with priorities and sound governance.

– Council Plan projects and performance measures are effectively managed by officers, with regular monitoring and oversight provided by Cabinet and the Overview and Scrutiny Committee to ensure delivery against agreed priorities.

– The Council Plan is developed through structured officer engagement, including consideration by the Senior Leadership Team, where priorities are informed by geographic, demographic and public health intelligence before being reported through Cabinet and Overview and Scrutiny governance processes.

– Service quality is reviewed through a structured performance management framework, including regular monitoring of key performance indicators aligned to the Council Plan and reporting to Cabinet and Overview and Scrutiny Committee. This is supported by analysis of customer feedback and complaints, internal audit activity and oversight through relevant partnership boards, for example the Waste Management Partnership Board, enabling continuous improvement and accountability.

– A strong and transparent financial planning framework is in place, with key financial strategies and policies published annually through Full Council and enhanced in-year monitoring arrangements providing improved oversight, enabling effective forecasting, informed decision-making and sustainable budget management.

– Effective partnership working is embedded, enabling the council to secure and deliver external funding and investment opportunities that support key local priorities, including coastal protection, decarbonisation, town centre regeneration and community safety.

Optimising achievement of intended outcomes

– A robust and integrated financial planning framework is in place, with the Medium Term Financial Plan, revenue estimates and capital programme aligned to the delivery of the Council Plan and setting a clear framework for the effective management of resources over the medium term. The framework is reviewed and approved annually, supported by a mid-year update and enhanced quarterly revenue and capital monitoring arrangements, ensuring ongoing oversight, financial sustainability and informed decision-making.

– Robust arrangements are in place to ensure compliance with external funding requirements, enabling the timely and accurate reporting of outcomes and expenditure, safeguarding funding streams and supporting the successful delivery of externally funded programmes. This includes the delivery of funded projects and grant schemes

such as the UK Shared Prosperity Fund (e.g. Wyred Up Business Support Programme), the Rural England Prosperity Fund (e.g. Market House Studios) and the Community Infrastructure Grant Programme (e.g. Poulton-le-Fylde Community Hall redevelopment).

– The council's project management framework supports the systematic monitoring and reporting of transformation project benefits, enabling effective oversight through the Transformation Board, Cabinet and Overview and Scrutiny Committee and ensuring delivery of measurable impact and continuous improvement.

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

Developing the Entity's capacity

– Effective arrangements are in place for the sustainable management of leisure services, with a transition to a new leisure centre provider from 1 April 2026 following a subsidised operating model with the YMCA in 2025/26. The new contractual arrangement includes a managed subsidy profile over the initial two years to support investment in facilities and service improvements, with the expectation of receiving an income from year three as the centres achieve profitability in subsequent years.

– An Asset Management Strategy and Action Plan for 2025–2029 was approved by Full Council in July 2025, providing a clear and strategic framework for the effective management, maintenance and optimisation of the council's asset portfolio

– A clear commitment is embedded within the refreshed Council Plan to use land and buildings effectively, which has been progressed during 2025/26 through the implementation of the Asset Management Strategy and ongoing actions to maintain assets to appropriate standards, reduce environmental impact and maximise income to support service delivery.

– The council utilises external benchmarking and sector-led improvement mechanisms, including services such as APSE, and participation in Lancashire professional groups (e.g. Legal Services, Audit and Risk and Revenues), to compare performance, inform service improvement and ensure value for money across key service areas.

– 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 assess how the council was progressing the implementation of their nine recommendations and relevant reports can be found on the council's website.

– The council has strengthened its governance and performance through engagement in external peer review, including the LGA Corporate Peer Challenge in 2024 and follow-up review in 2025, demonstrating a clear commitment to implementing the resulting actions and driving continuous organisational improvement.

– The council maintains a strong focus on workforce development, supported by its People Strategy and a Learning and Development Strategy, to ensure it has a workforce well placed to deliver the vision and priorities set out in the Council Plan and respond to current and future demands and challenges. This is underpinned by a structured performance appraisal system, which identifies individual learning and development needs through personal development plans. During 2025/26, this approach was further strengthened through increased investment in training and the appointment of a dedicated Organisation and Development Officer. New systems and initiatives have also been introduced, including an events booking and training calendar facility, improved access to corporate training budgets and the implementation of the Wyre Academy Learning Management

System, providing staff with accessible and coordinated opportunities for training, development and continuous professional improvement.

- Internal Audit received a 'full compliance' overall opinion when externally assessed against the Public Sector Internal Audit Standards (PSIAS) in 2023, demonstrating a strong and effective internal audit function. Internal self-assessments continue to take place annually, including transition assessments against the Global Internal Audit Standards, to ensure the service continues to operate effectively, maintains alignment with evolving best practice, and provides robust assurance to the council.
- The council regularly benchmarks Elected Members' allowances through reviews undertaken by the Independent Remuneration Panel, ensuring they remain appropriate and aligned with comparable authorities. The most recent review was completed in November 2025 and subsequently considered and approved by Full Council in January 2026, demonstrating ongoing oversight and transparency in governance arrangements.
- The council plays an active role in shaping and delivering effective and efficient waste services across Lancashire through strong partnership working. This activity has taken place within a changing policy landscape, following the expiry of the previous Lancashire Waste Strategy in 2021 and the introduction of the Environment Act 2021. Collaborative working with Lancashire authorities and sector bodies has supported progress towards compliance with new statutory requirements, including the implementation of weekly food waste collections by April 2026, and the development of coordinated communications to promote waste reduction and increased recycling across the borough.

Developing the capacity of the entity's leadership and other individuals

- Clear accountability for operational management is established, with the Chief Executive responsible to the council and subject to regular performance appraisal by the Leader, supporting effective leadership, oversight and organisational performance.
- Effective financial governance is maintained, with the Director of Finance and Governance (Section 151 Officer) providing appropriate advice on all financial matters, ensuring proper financial records and accounts are maintained, and overseeing an effective system of internal financial control.
- A robust and transparent pay and grading framework is in place, supported by an established job evaluation scheme and appeals process. During 2025/26, this was strengthened through the training and development of additional staff to undertake job evaluations, increasing capacity, reducing reliance on single points of failure and enabling a more timely and resilient process.
- Provision for market supplements within the council's internal Pay and Time Off in Lieu Policy supports the recruitment and retention of key roles, strengthening the council's ability to attract and retain talent in areas where recruitment had previously been challenging and contributing to improved service delivery and organisational resilience.
- Leadership capacity is being strengthened through the development of a coaching and mentoring programme, which will support ongoing development, knowledge sharing and organisational resilience.
- A clear and robust governance framework is in place, with a defined management structure and scheme of delegation set out within the Council's Constitution, supported by the Members' Code of Conduct and protocols governing officer and Member relationships, ensuring effective decision-making, accountability and appropriate standards of conduct.

- Financial Regulations and Financial Procedure Rules are subject to annual review by the Audit and Standards Committee, supported by ongoing training for officers to ensure compliance, consistency and effective financial management across the organisation.
- The council continues to operate a successful corporate apprenticeship scheme. In September 2025, three new apprentices joined the programme and are currently working towards their qualifications while gaining experience through rotations across the council. Two apprentices from the previous cohort have been retained and progressed into permanent roles, strengthening workforce capacity and ensuring the council benefits from their developed skills and experience.
- A strong leadership culture is being developed across the organisation, with targeted investment in leadership capability through programmes such as the Senior Leadership Team development programme delivered by Potential Unearthed in 2025. This has strengthened leadership skills, team cohesion and organisational effectiveness, alongside the delivery of a further programme for aspiring leaders, supporting the development of future talent and ensuring a sustainable leadership pipeline across the council in preparation for Local Government Reorganisation.
- Effective arrangements are in place to support the health and wellbeing of staff across the organisation, underpinned by a comprehensive wellbeing offer. This has been further strengthened during 2025/26 through the development and implementation of a dedicated wellbeing strategy and enhanced support mechanisms. These include a new occupational health arrangement with Blackpool Council, improving access to professional advice and support, alongside the Employee Assistance Programme. The council also promotes wellbeing through a structured health and wellbeing calendar aligned to national awareness campaigns. Additional support is provided through the Listening Service, which offers counselling, mentoring and coaching, and through the promotion of key initiatives to support physical wellbeing, including weight management programmes and subsidised gym membership. Together, these arrangements support a positive, resilient and healthy workforce.
- Effective corporate governance is supported through regular and structured engagement of the council's statutory officers, with additional assurance provided through periodic involvement of key senior officers. This approach reflects consideration of best practice guidance, including CIPFA, SOLACE and Lawyers in Local Government (LLG) principles as set out in the Golden Triangle: Governance Roles and Responsibilities, ensuring clear accountability, effective collaboration and robust decision-making. The council also ensures that statutory officers are provided with the necessary skills, capacity, resources and support to fulfil their roles effectively, with clear understanding of these responsibilities embedded across the organisation.
- The council is dedicated to developing the capability of Elected Members and officers by assessing the skills required for their roles and providing tailored development opportunities to support effective performance. Strengths and Development Questionnaires are used to inform targeted training programmes, alongside regular opportunities for Members and officers to refresh and enhance their knowledge.
- The council demonstrates a strong commitment to the development of its Elected Members, having signed the North-West Charter for Elected Member Development and successfully achieved the Level 1 Charter Award in early March 2026. This reflects effective arrangements for Member training and development, supporting well-informed decision-making and strengthened governance.

- Robust legal arrangements are in place, enabling the council to access external specialist expertise where required to support complex matters and ensure compliance with statutory obligations. During 2025/26, this included drawing on external legal advice to manage complex environmental and regulatory issues, strengthening risk management and supporting informed decision-making. However, attendance by Members at training events over the last year has been relatively low, and Democratic Services will be working to improve engagement and participation in 2026/27.
- 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 strengthened community engagement during 2025/26 by enabling staff to support local community activity through its volunteering initiative and up to two days' paid volunteering leave each year.

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

Managing risk

- A strong risk-aware culture is evident across the organisation, supporting effective oversight, transparency and informed decision-making. The council's robust risk management approach is embedded across the council, with external assurance in April 2024 confirming that substantial assurance can be placed on overall risk management processes. Strategic, operational and emerging risks, including those relating to Local Government Reorganisation, are effectively managed through a dedicated system (GRACE) and regularly reviewed through structured annual workshops. This has been further strengthened during 2025/26 through enhanced reporting to Management Board and the Audit and Standards Committee, alongside an annual Risk Management Policy in September 2025.
- Arrangements are in place to support effective information governance, including the development of Records of Processing Activities across a number of service areas, with oversight provided through Internal Audit and the Information Governance Group. However, this remains an area requiring further development, with gaps still being addressed. Work is ongoing to strengthen the council's understanding and documentation of its information assets and their location, particularly in preparation for Local Government Reorganisation, supporting improved compliance, data management and reduced organisational risk. The Data Protection Officer's judgement of security and business assets within the Internal Audit Annual Opinion, presented to the Audit and Standards Committee in May 2026, provides an overall assessment of activity during 2025/26 and informs ongoing improvement in this area.
- Effective arrangements are in place to manage information requests, supported by mandatory external training for officers responsible for Freedom of Information, Environmental Information Requests and Subject Access Requests, alongside refreshed clear internal guidance to ensure consistent and compliant practices. This has been further strengthened through the development of an internal health dashboard in 2025/26 to improve oversight, performance monitoring and the timely handling of information requests.
- ICT policies and user agreements are regularly reviewed and updated, with changes subject to appropriate governance and approval. These are effectively communicated to staff, with mandatory digital acknowledgement ensuring understanding and compliance,

strengthening information security and organisational control. This is further supported by oversight from the Head of ICT's annual report to the Audit and Standards Committee in May 2026, providing assurance on the council's cyber-security arrangements and documenting the work carried out during 2025/26 to safeguard the council's digital assets, recognising the continually evolving and increasingly complex cyber threat landscape.

Managing performance

- A significantly strengthened performance management framework is in place, with clear alignment between the Council Plan, Service Plans, financial planning, risk management and individual performance through appraisals and personal development plans. During 2025/26, this has been enhanced through investment in a dedicated Policy Team, the development of performance dashboards to simplify and improve reporting to the Corporate Management Team and Members, and the introduction of a structured performance cycle linking annual service planning and budget setting. Quarterly performance and financial monitoring is reported to Cabinet and the Overview and Scrutiny Committee, improving transparency and ensuring both strategic and operational decision-making are effectively aligned to deliver corporate priorities. Improved performance indicators, service planning guidance and templates have further strengthened consistency, accountability and delivery across the organisation.
- Robust mechanisms are in place to ensure that decisions are clearly documented, with comprehensive recording of the criteria, rationale and key considerations underpinning decision-making. This supports transparency, accountability and auditability across the council's governance processes.
- Timely and effective decision-making is supported through structured reporting processes, including a clear calendar for the submission, publication and distribution of committee reports. This has been strengthened through the implementation of the Modern.Gov workflow system, providing a single controlled version of reports with transparent tracking of amendments and approvals. This ensures robust governance, with Democratic Services acting as gatekeepers to confirm that all required approvals are in place, improving accountability, consistency and quality of reporting to Members.
- An effective and responsive Overview and Scrutiny function is in place, with a collaboratively developed work programme agreed with the Corporate Management Team and subject to regular review. This flexible approach ensures that scrutiny activity remains relevant and aligned to changing local priorities, supporting robust challenge and informed decision-making.

Robust internal control

- In accordance with the Accounts and Audit Regulations 2015, an effective and independent internal audit function is in place, operating in line with professional standards and transitioning to the Global Internal Audit Standards. This is supported by a Quality Assurance and Improvement Programme (QAIP), driving continuous improvement of the service, ensuring the delivery of robust assurance, and strengthening the council's governance, risk management and internal control framework.
- The internal audit function operates in line with recognised professional standards and maintains a strong quality assurance framework, including an annual internal assessment to ensure continued effectiveness and alignment with best practice. During 2025/26, arrangements have transitioned from the Public Sector Internal Audit Standards (PSIAS) to the Global Internal Audit Standards (GIAS), supporting ongoing improvement, compliance with evolving expectations and the delivery of robust assurance.

- An independent and effective Audit and Standards Committee is in place, separate from the Executive and Overview and Scrutiny functions, providing robust oversight and assurance. This has been further strengthened during 2025/26 through the appointment of two non-aligned Independent Members, enhancing the Committee's independence, expertise and capacity to support effective governance and accountability.
- The effectiveness of the Audit and Standards Committee is regularly reviewed in line with CIPFA guidance, with the self-assessment exercise undertaken in November 2025 confirming the Committee's ongoing effectiveness and supporting continuous improvement in its governance, oversight and assurance role.
- A highly qualified and experienced internal audit function is in place, with senior officers holding recognised professional qualifications, including Certified Internal Auditor, Chartered Auditor and Internal Audit Leadership accreditation. This ensures the council has the expertise and leadership capacity to deliver effective assurance, strong governance and continuous improvement in internal audit practice. This is further supported by additional capacity secured during 2025/26 using Lancashire County Council's Internal Audit Service, strengthening resilience, flexibility and the council's ability to deliver its audit plan.
- The implementation of internal audit recommendations is effectively monitored through a coordinated approach involving the GRACE risk management system, the Internal Audit Team and oversight by the Audit and Standards Committee, ensuring timely completion of actions, strengthened internal controls and continuous improvement across the organisation.
- Effective counter-fraud arrangements are in place, with policies (including the Whistleblowing Policy) subject to annual review by the Audit and Standards Committee and to ensure they remain fit for purpose supporting strong oversight, the prevention and detection of fraud, and the safeguarding of public funds.

Managing data

- In 2025/26, the council developed and implemented a corporate health dashboard, which is regularly monitored by the Senior Leadership Team to support effective oversight, performance management and informed decision-making.
- All staff complete the mandatory Data Protection module via the council's Wyre Academy e-learning portal, with refresher training undertaken every three years to ensure ongoing compliance and awareness of data protection responsibilities.
- All Elected Members successfully completed Data Protection / GDPR training delivered by an external provider in July 2025, strengthening their understanding of information governance responsibilities and compliance requirements.
- The council has appointed a suitably trained Data Protection Officer, supported by a deputy, ensuring robust leadership, expertise, and compliance with data protection legislation.
- The Audit and Standards Committee, in accordance with its Terms of Reference, provides oversight of the council's compliance with data protection legislation and Cyber Security, receiving six-monthly updates through Audit and Risk Management reports to ensure ongoing assurance and accountability.
- Arrangements for managing data are in place and continuing to improve, with the development of Records of Processing Activities and strengthened oversight supporting

enhanced compliance, effective data management and reduced risk, informed by the Data Protection Officer's contribution to the 2025/26 Internal Audit Annual Opinion.

- Arrangements are in place for the safe and confidential disposal of sensitive waste, supporting appropriate handling of information.
- During 2025/26, performance management arrangements have been strengthened, with key performance data subject to regular validation by Internal Audit and ongoing review by the Senior Leadership Team, Management Board and Overview and Scrutiny Committee, supporting improved accuracy, transparency and informed decision-making.
- User change procedures are in place across ICT, Finance and Human Resources, ensuring that staff access to systems and data is appropriately managed, updated and controlled in line with role requirements.

Strong public financial management

- Strong public financial management is supported by decision-makers receiving information that is timely, relevant and clearly explains financial and technical implications, with dedicated finance implications embedded within decision-making reports.
- Up-to-date registers of gifts and hospitality are maintained for Elected Members, supporting transparency, the effective management of pecuniary interests and strong public financial management arrangements.
- Registers for staff gifts and hospitality and second jobs are maintained and kept up to date, supporting transparency and the effective management of potential conflicts (including pecuniary interests).
- A robust and transparent pay and grading framework is in place, supported by an established job evaluation and appeals process, with additional capacity developed during 2025/26 to enhance sustainability, reduce single points of dependency and improve efficiency.
- Financial Regulations and Financial Procedure Rules are reviewed and updated annually, with approval by the Audit and Standards Committee, providing a clear framework that strengthens governance and supports improved public financial management across the organisation and to its residents.

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

Implementing good practice in transparency

- Wyre Voice is distributed to all households across the borough, ensuring accessible communication of council activities and priorities.
- A clear and accessible narrative report is produced alongside the Statement of Accounts, supporting transparency and public understanding of financial performance.
- The Local Government Ombudsman's annual report is reported to Cabinet and published on the council's website, promoting openness and accountability.
- The council's monitoring of compliance with the Local Government Transparency Code 2015 has identified areas for improvement and driven targeted actions, strengthening transparency and accountability through continuous development.

- Arrangements are in place to manage Freedom of Information and Environmental Information requests, supporting transparency and compliance with statutory requirements, with ongoing work to address demand and improve timeliness.

Implementing good practices in reporting

- Elected Members are regularly supported through bi-annual financial briefings, enhancing understanding of the council's financial position, budget setting process, and medium-term financial planning.
- Clear and accessible reporting is strengthened through the provision of year-end questions and answers, highlighting key financial issues for the Audit and Standards Committee and stakeholders.
- Transparent financial reporting is demonstrated through the publication of the annual efficiency statement alongside the budget report, clearly setting out savings, funding approaches and measures taken to support reserves.
- The Annual Governance Statement is subject to regular review and robust monitoring of actions by senior officers, with progress reported to the Audit and Standards Committee, ensuring accountability and continuous improvement.
- Regular executive update reports to Full Council provide clear and timely insight into portfolio activity, supporting transparent reporting and informed oversight by Members.

Assurance and effective accountability

- An effective and appropriately resourced Internal Audit function is in place, supported by the work of Lancashire County Council's Internal Audit Services, enabling the Chief Internal Auditor to deliver an independent annual opinion on the council's control environment.
- The Internal Auditor's Annual Report for 2025/26 provides reasonable assurance on the overall adequacy and effectiveness of governance, risk management and internal control arrangements, with identified improvements supporting the continued strengthening of the control environment.
- The effectiveness of the Internal Audit function is reviewed annually in line with the Accounts and Audit Regulations 2015, with findings reported to the Audit and Standards Committee and any areas for improvement addressed through a formal action plan and Quality Assurance and 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 maintains compliance with regulatory requirements through participation in RIPA inspections, with outcomes demonstrating a sound approach and only minor areas for improvement identified.
- Partnership activity and third-party service delivery are subject to periodic review through the Internal Audit plan, providing assurance over governance and risk management arrangements.
- Financial Regulations and Financial Procedure Rules provide clear guidance on partnership working, supporting officers to effectively manage associated financial and governance risks.

– Clear terms of reference are established for key partnerships, such as the Waste Management Partnership and the Community Safety Partnership, and more recently the Pride in Fleetwood Board, ensuring defined accountability and effective governance arrangements.

Risk Management Framework

As reported in the Chief Internal Auditor's Annual Opinion for 2025/26, the council's risk management and assurance framework continues to be well supported by the Corporate Management Team, Audit and Standards Committee and across the organisation. Responsible risk owners have all received risk management training, participate in workshops and quarterly reviews and continue to use the council's risk management system (GRACE) as intended.

The Risk Management Policy was revised and approved by the Audit and Standards Committee in September 2025 which sought to improve existing risk reporting processes through the introduction of more frequent risk reporting to the Audit and Standards Committee as well as reporting strategic risks regularly to Management Board and the Cabinet. This is in response to recommendations made in the Local Government Association's (LGA) Peer Review, and the External Auditor's annual report for 2024/25, which highlighted the need to strengthen corporate oversight and embed consistent risk management practices across the organisation.

As a result of the above, the Audit and Standards Committee now receive both strategic and operational risk register reports following each of the quarterly updates. These reports are emailed directly to committee members as well as being made available to all councillors via the councillor portal. Risk is also a standing item on each meeting of the Audit and Standards Committee to allow them the opportunity for appropriate challenge and scrutiny

The last strategic workshop took place on the 17 December 2025. This was attended by the Corporate Management Team, Insurance, Risk and Business Continuity Officer and the Audit and Standards Committee Chair. In accordance with the revised Risk Management Policy, the annual risk report and associated action plan was reported to Management Board on the 21 January 2026 with the intention of this being reported to Cabinet going forward. The annual risk report and associated action plan was also issued to the Audit and Standards Committee on the 24 February 2026 with progress being monitored on a quarterly basis through CMT.

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 2025/26 presented to the Audit and Standards Committee on the 19 May 2026 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 2024/25 financial year and was presented to Audit and Standards Committee in February 2026 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 (follow-up in May 2025), the council continues to have strong financial foundations. As we move further towards 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 made in the knowledge of the three-year Local Government Finance Settlement 2026/27 to 2028/29 and should be cognizant of any transfer of powers to a Shadow Authority at some point before Vesting Day (VD).

LGR in Lancashire is currently being timetabled to happen from 1 April 2028 (VD). Business rates reform, a business rates reset and the cyclical business rates revaluation process have been implemented in time for the multi-year settlement. This has also meant that Wyre is no longer a member of the Lancashire 50% Business Rates Retention Pool which has been disbanded as at 31 March 2026. The multi-year settlement announced in December 2025 resulted in a reduced funding allocation for Wyre, decreasing steadily over the three years at an overall reduction of £1.1m p.a. compared to 2025/26. Should LGR not proceed at the current proposed pace, it may necessitate a rebalancing of reserves, further efficiencies and a critical review of services.

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.

The council continues to manage the longstanding and complex issues concerning the Jameson Road Landfill site. On 30 April 2026, the council served an abatement notice on the operator, Transwaste Recycling and Aggregates Ltd, under its statutory nuisance powers. The operator has appealed against the notice, with the appeal hearing scheduled for March 2027. The council continues to gather and assess evidence, investigate residents' complaints and liaise with the Environment Agency, which is responsible for regulating waste activities at the site. In addition to the statutory nuisance proceedings, the council is continuing to actively manage the risks associated with its lease arrangements and wider interests in the site. Work is ongoing to review the current lease position, assess options for the future management of the site, and ensure that the council is appropriately protecting its legal, financial and reputational interests. The council is also considering longer-term arrangements and potential future outcomes for the site as part of its overall strategy for securing a sustainable resolution to the issues affecting local residents and the wider community.

Further information on Jameson Road can be found here: Jameson Road Landfill site - Fleetwood – Wyre Council.

In July 2024, a multi-agency investigation was launched into the historic use of Perfluorooctanoic Acid (PFOA) at the former ICI site, now operated by AGC Chemicals Europe Ltd, led by the Environment Agency with support from Wyre Council. Following detailed sampling and risk assessments, Full Council formally determined the Occupation Road and Sandringham Avenue allotments as contaminated land under Part 2A of the Environmental Protection Act 1990 on 22 October 2026. Both sites remain temporarily closed while the council progresses the statutory process to assess liability and secure appropriate remediation.

The wider investigation remains complex and ongoing, placing continued pressure on council resources. The scope, timescale and potential financial implications of further action remain uncertain, requiring continued oversight of legal and financial risks, officer capacity and decision-making.

Further information and updates are available here: Contaminated land – Wyre Council.

Following publication of the English Devolution White Paper in December 2024 which set out proposals to move away from the two-tier system of local government, the council has continued to work collaboratively with partners across Lancashire to progress Local Government Reorganisation (LGR). Full proposals were submitted to government in November 2025. The Government's July 2026 decision to establish four unitary councils has since been withdrawn, with all proposals remaining under consideration and the review is expected to conclude in early 2027. The revised national timetable provides for the new unitary council elections in May 2028 and Vesting Day on 1 April 2029, subject to the outcome of the review and the necessary legislation. While the review is ongoing, the council will continue working with Lancashire partners on preparatory activity that is not dependent on a particular council structure or implementation timetable, maintaining readiness while avoiding unnecessary expenditure or work that may need to be repeated. Continued uncertainty presents challenges for workforce planning, financial management and service delivery. The Corporate Management Team continues to monitor resource demands and risks to ensure that preparations remain proportionate, statutory responsibilities are fulfilled and day-to-day services and value for money are maintained.

The council's waste collection and recycling contract with Veolia is due to expire on 31 March 2028. Uncertainty over the outcome and revised timetable for LGR continues to complicate planning for the future delivery of this strategic service. Options considered include re-tendering, bringing the` service in-house and extending the existing contract. Officers in liaison with Corporate Management Team have been exploring the opportunity for a proposed extension supported by external legal advice on compliance with the Public Contracts Regulations 2015. Any extension would need to secure service continuity and value for money while retaining flexibility for future service arrangements. Its duration and justification will need to be considered against the revised LGR timetable and the time available to any successor authority to determine and implement its procurement strategy. The preferred approach will be subject to formal approval and recorded through the council's decision-making arrangements.

Overall Opinion on the Effectiveness of the Council's Governance Arrangements for 2025/26

The Leader of the Council, Councillor Michael Vincent, and the Chief Executive, Rebecca Huddleston, place strong emphasis on the role of sound governance, clear accountability and effective control systems in supporting the council's operations and service delivery.

The outcome of the 2025/26 governance review indicates that these arrangements are operating appropriately and are consistent with the requirements of the CIPFA/SOLACE Framework. Overall, they provide an adequate level of assurance and continue to underpin the council's ability to deliver its strategic priorities. In particular, this AGS summarises how our governance arrangements have continued to be reviewed, updated and improved over the last year. Our decision-making, risk management, value for money, project and performance management alongside our ambitious transformation programme have strengthened our governance arrangements and have assisted us in the delivery of our Council Plan for 2024-2028.

This statement includes an action plan summarising the key areas where improvements could be made to strengthen our governance framework further. The plan will 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 2024/25 review that have yet to be resolved have been carried forward to the 2025/26 action plan

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 2026 is satisfactory.



COUNCILLOR M VINCENT

LEADER OF THE COUNCIL

As the Chief Executive, I am aware of the governance issues within this Authority and of the measures that are needed to improve the control environment. Overall, my assessment of the control environment as at 31 March 2026 is satisfactory.



R HUDDLESTON

CHIEF EXECUTIVE

Comprehensive Income and Expenditure Statement

2024/25				Note	2025/26		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000			Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
7,569	(2,264)	5,305	Leisure, Health and Community Engagement		7,992	(2,054)	5,938
28,007	(26,296)	1,710	Neighbourhood Services and Community Safety		25,791	(23,563)	2,228
6,895	(3,731)	3,163	Planning Policy and Economic Development		7,558	(3,415)	4,143
6,233	(2,359)	3,874	Resources		6,001	(2,085)	3,916
8,667	(1,681)	6,986	Street Scene, Parks and Open Spaces		8,996	(1,909)	7,087
57,370	**(36,332)**	**21,038**	**Cost of Services**		**56,338**	**(33,026)**	**23,312**
1,062	(32)	1,031	Other Operating Income and Expenditure	10	1,254	-	1,254
2	(3,309)	(3,308)	Financing and Investment Income and Expenditure	11	68	(2,707)	(2,639)
150	(35,017)	(34,868)	Taxation and Non-Specific Grant Income	12	140	(33,767)	(33,627)
		(16,106)	**(Surplus) or Deficit on the Provision of Services**				**(11,700)**
		(4,663)	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets	13			(6,169)
		(507)	Remeasurements of the Net Defined Benefit Liability/ (Asset)	36			(139)
		(5,170)	**Other Comprehensive Income and Expenditure**				**(6,308)**
		(21,276)	**Total Comprehensive Income and Expenditure**				**(18,008)**

Movement In Reserves Statement

	General Fund Balance £'000	Earmarked Reserves (Note 9) £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Reserve £'000	Total Usable Reserves (Note 22) £'000	Unusable Reserves (Note 23) £'000	Total Reserves £'000
Balance at 31 March 2024	**16,758**	**19,766**	**2,681**	**58**	**39,265**	**147,342**	**186,607**
Movement in Reserves during 2024/25							
Total Comprehensive Income and Expenditure	16,106	-	-	-	16,106	5,170	21,276
Adjustments between accounting basis and funding basis under Regulations (Note 8)	(12,333)	-	(123)	(58)	(12,514)	12,514	-
Increase / (Decrease) Movement in 2024/2025	**3,774**	**-**	**(123)**	**(58)**	**3,592**	**17,684**	**21,276**
Transfer to or from Earmarked Reserves	(16,783)	16,783	-	-	-	-	-
Balance at 31 March 2025 carried forward (Note 22 and 23)	**3,750**	**36,549**	**2,558**	**-**	**42,857**	**165,026**	**207,883**
Movement in Reserves during 2025/26							
Total Comprehensive Income and Expenditure	11,700	-	-	-	11,700	6,308	18,008
Adjustments between accounting basis and funding basis under Regulations (Note 8)	(8,441)	-	(372)	-	(8,813)	8,813	-
Increase / (Decrease) Movement in 2025/26	**3,259**	**-**	**(372)**	**-**	**2,887**	**15,121**	**18,008**
Transfer to or from Earmarked Reserves	(4,959)	4,959	-	-	-	-	-
Balance at 31 March 2026 carried forward (Note 22 and 23)	**2,050**	**41,508**	**2,186**	**-**	**45,744**	**180,147**	**225,891**

Balance Sheet

31 March 2025 £'000	Description	Note	31 March 2026 £'000
161,012	Property, Plant and Equipment	13	176,286
331	Heritage Assets	14	331
15,999	Investment Property	15	16,425
16	Intangible Assets	16	6
-	Right of Use Assets	34	20
177,359	**Long Term Assets**		**193,068**
18,000	Short Term Investments	17	5,000
94	Inventories	-	127
8,548	Short Term Debtors	18	10,426
1,093	Pension Fund Asset	36	-
20,557	Cash and Cash Equivalents	19	39,090
48,291	**Current Assets**		**54,643**
(5,293)	Short Term Creditors	20	(5,550)
-	Other Short-Term Liabilities	-	(13)
(927)	Provisions	21	(1,659)
(2,412)	Revenue Grants Received in Advance	31	(2,913)
(8,633)	**Current Liabilities**		**(10,135)**
(12)	Deferred Liabilities	-	(12)
-	Lease Liabilities	-	(8)
(1,914)	Liability related to Defined Benefit Pension Scheme	36	(1,602)
(7,209)	Capital Grants and Contributions	31	(10,063)
(9,134)	**Long Term Liabilities**		**(11,685)**
207,883	**Net Assets**		**225,891**
(42,857)	Usable Reserves	22	(45,744)
(165,026)	Unusable Reserves	23	(180,147)
(207,883)	**Total Reserves**		**(225,891)**

Cash Flow Statement

2024/25 £'000		Note	2025/26 £'000
(16,106)	Net (Surplus) or Deficit on the Provision of Services		(11,700)
(4,811)	Adjustments to Net (Surplus)/Deficit on the Provision of Services for Non-cash Movements	24	(5,894)
20,765	Adjustments for items included in the Net Surplus/Deficit on the Provision of Services that are Investing and Financing activities	24	18,416
(152)	**Net Cash Flows from Operating Activities**		**822**
(2,588)	Investing Activities	25	(20,660)
1,480	Financing Activities	26	1,304
(1,260)	**Net (Increase) or Decrease in Cash and Cash Equivalents**		**(18,534)**
(19,297)	Cash and Cash Equivalents at the beginning of the reporting period		(20,557)
(20,557)	**Cash and Cash Equivalents at the end of the reporting period**	19	**(39,090)**

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.

2025/26

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statements amounts	Net expenditure chargeable to the General Fund balances £'000	Adjustments for Capital Purposes £'000	Net change for the Pensions Adjustments £'000	Other Differences £'000	Total Adjustments £'000	Net expenditure in the comprehensive income and expenditure statement £'000
Leisure, Health and Community Engagement	4,794	1,170	(27)	1	1,144	5,938
Neighbourhood Services and Community Safety	1,234	999	(4)	1	995	2,229
Planning Policy and Economic Development	3,877	280	(15)	1	266	4,143
Resources	3,754	363	(226)	25	162	3,916
Street Scene, Parks and Open Spaces	6,374	712	(2)	2	712	7,086
Net Cost of Services	**20,034**	**3,523**	**(274)**	**30**	**3,279**	**23,312**
Other income and expenditure	1,183	7	64	-	71	1,254
Financing and investment income and expenditure	(3,001)	325	37	-	362	(2,639)
Taxation and non-specific grant income and expenditure	(21,474)	(13,085)	-	931	(12,154)	(33,627)
Difference between General Fund surplus or deficit and CIES Surplus or Deficit on the Provision of Services (Note 8)	**(3,259)**	**(9,229)**	**(173)**	**961**	**(8,442)**	**(11,700)**
Transfers to/from earmarked reserves (Note 9)	4,959	-	-	(4,959)	(4,959)	-
(Surplus)/Deficit	**1,700**	**(9,229)**	**(173)**	**(3,998)**	**(13,400)**	**(11,700)**
Opening General Fund Balance at 31 March 2025	(3,750)					
Less (Surplus)/Deficit on General Fund Balance in Year	1,700					
Closing General Fund balance at 31 March 2026	**(2,050)**					

2024/25

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statements amounts	Net expenditure chargeable to the General Fund balances £'000	Adjustments for Capital Purposes £'000	Net change for the Pensions Adjustments £'000	Other Differences £'000	Total Adjustments £'000	Net expenditure in the comprehensive income and expenditure statement £'000
Leisure, Health and Community Engagement	3,834	1,464	6	-	1,471	5,305
Neighbourhood Services and Community Safety	701	1,004	5	-	1,009	1,710
Planning Policy and Economic Development	2,966	189	8	-	197	3,163
Resources	3,389	340	137	9	485	3,874
Street Scene, Parks and Open Spaces	6,293	681	11	1	693	6,986
Net Cost of Services	**17,183**	**3,677**	**167**	**11**	**3,855**	**21,038**
Other income and expenditure	1,003	(32)	59	-	27	1,031
Financing and investment income and expenditure	(2,279)	(1,024)	(5)	-	(925)	(3,308)
Taxation and non-specific grant income and expenditure	(19,681)	(15,594)	-	408	(15,186)	(34,868)
Difference between General Fund surplus or deficit and CIES Surplus or Deficit on the Provision of Services (Note 8)	**(3,774)**	**(12,973)**	**221**	**419**	**(12,229)**	**(16,106)**
Transfers to/from earmarked reserves (Note 9)	16,783	-	-	(16,783)	(16,783)	-
(Surplus)/Deficit	**13,009**	**(12,973)**	**221**	**(16,364)**	**(29,011)**	**(16,106)**
Opening General Fund Balance at 31 March 2024	(16,758)					
Less (Surplus)/Deficit on General Fund Balance in Year	13,009					
Closing General Fund balance at 31 March 2025	**(3,749)**					

Adjustments for Capital Purposes

Adjustments for Capital Purposes – This column adds in depreciation, 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 2025/26 financial year and its position at the year-end of 31 March 2026. The council must prepare an annual Statement of Accounts in accordance with the Accounts and Audit Regulations 2015 (as amended), which require the accounts to be produced in line with proper accounting practices. These practices

primarily comprise of the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, supported by International Financial Reporting Standards (IFRS).

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

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 based on 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 because 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 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 6.1% p.a. at the end of the period (5.8% p.a. at the beginning of the period) based on the indicative rate of return on high-quality corporate bonds.

– The assets of the Lancashire County pension fund attributable to the council are included in the balance sheet at their fair value:

- Quoted securities – current bid price
- Unquoted securities – professional estimate
- Unitised securities – current bid price
- Property – market value

The change in the net pensions asset/(liability) is analysed into the following components:

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the comprehensive income and expenditure statement to the services for which the employees worked.
- Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the comprehensive income and expenditure statement as part of the Resources Portfolio.

Finance cost comprising:

- 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.

Cashflows comprising:

- Contributions paid to the Lancashire County 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 or where this is initiated by a service to the individual service, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the least term on the same basis as rental income.

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 2025/26 Wyre's REFCUS expenditure of £5.1m 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 2026 for 2025/26).

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.

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

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

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

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

Note 4 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 2 the council 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

Following the multi-year settlement announced for 2026/27 to 2028/29, there is greater certainty in the sector around core funding. Over the three years, the council will see a £1.1m reduction in funding and this will need to be addressed. Given that LGR is scheduled for 1 April 2028, this alleviates some of the pressures with the expectation that savings will be made under a larger unitary council as services are reviewed. At this juncture there is no indication that the assets of the council 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 has adopted IFRS 16 Leases from 1 April 2024. In applying the standard, management has exercised judgement in determining whether contractual arrangements meet the definition of a lease and in assessing the materiality of lease arrangements for recognition.

Following the assessment, two leases have been recognised on the Balance Sheet. The overall impact of IFRS 16 is not material to the 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 council 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 would 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 must 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 several 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 36 for details of sensitivity analysis.
Provision for credit losses	As at 31 March 2026, 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, 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.
Arrears	The NDR arrears balance at the Balance Sheet date is deemed to be at risk of material adjustment within the next year due to current economic circumstances, meaning that businesses are struggling to pay. A review of significant balances suggested an impairment of doubtful debts was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.	If collection rates were to deteriorate further, an increased level of provision would be required to be set aside as an allowance.

Note 6 Events After the Reporting Period

The draft Statement of Accounts were authorised for issue by the Director of Finance and Governance on 30 June 2026. Events taking place after this date are not reflected in the draft financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2026, the figures in the financial statements have been adjusted in all material respects to reflect the impact of this information.

In July 2026 a decision was taken by central government to progress the LGR option that resulted in a four unitary model for Lancashire. Wyre would become part of the Fylde Coast unitary council with Fylde Borough Council, Blackpool Borough Council (already a unitary) and the relevant disaggregated parts of Lancashire County Council.

In September 2026 a decision was taken by government to review their decision in this and other regions and all bodies were asked to cease work on LGR implementation until that review was complete. In October 2026 the government announced the above decision has been withdrawn and a structured approach to review will now take place and an outcome is expected by early 2027.

Note 7 Expenditure and Income Analysed by Nature

Expenditure/Income	2024/25 £'000 (Re-stated)	2025/26 £'000
Expenditure		
Employee benefits expenses	14,592	14,845
Other services expenses	38,845	38,034
Depreciation, amortisation, impairment	3,677	3,523
Interest payments	2	68
Repayment of grants and contributions*	140	140
Precepts and levies	1,003	1,183
Net (gain)/loss on the disposal of assets	-	7
Total expenditure	**58,259**	**57,800**
Income		
Fees, charges and other service income	(7,785)	(8,143)
Interest and investment income	(2,271)	(1,961)
Income from Council tax and non-domestic rates	(12,945)	(13,680)
Grants and contributions	(50,294)	(44,970)
Net (gain)/loss on the disposal of assets	(32)	-
Net Investment asset income	(1,038)	(746)
Total income	**(74,365)**	**(69,500)**
(Surplus) or deficit on the Provision of Services	**(16,106)**	**(11,700)**

*Previously the Repayment of Grants and Contributions (£140k) was included within Grants and Contributions income.

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.

2025/26	Usable Reserves			Movement in Unusable Reserves £'000
	General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Reserve £'000	
Adjustments primarily involving the Capital Adjustment Account:				
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for depreciation and impairment of non-current assets.	3,505	-	-	(3,505)
Revaluation losses on Property, Plant and Equipment.	7	-	-	(7)
Movements in the market value of Investment Properties.	557	-	-	(557)
Amortisation of Intangible Assets.	10	-	-	(10)
Capital grants and contributions applied.	(18,243)	-	-	18,243
Revenue expenditure funded from capital under statute.	5,158	-	-	(5,158)
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.	180	-	-	(180)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:				
Statutory provision for the financing of capital investment.	(86)	-	-	86
Capital expenditure charged against the General Fund (Direct Revenue Contributions).	(145)	-	-	145
Adjustment primarily involving the Capital Grants Unapplied Reserve:				
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.	-	-	-	-
Adjustment primarily involving the Capital Receipts Reserve:				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.	(173)	173	-	-
Use of Capital Receipts Reserve to finance new capital expenditure.	-	(545)	-	545
Adjustments primarily involving the Pension Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 36).	1,356	-	-	(1,356)
Employer's pension's contributions and direct payments to pensioner's payable in the year.	(1,529)	-	-	1,529
Adjustments primarily involving the Collection Fund Adjustment Account:				
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.	931	-	-	(931)
Adjustments primarily involving the Accumulated Absences Account:				
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.	30	-	-	(30)
Total Adjustments	**(8,442)**	**(372)**	**-**	**8,814**

2024/25	Usable Reserves			Movement in Unusable Reserves £'000
	General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Reserve £'000	
Adjustments primarily involving the Capital Adjustment Account:				
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for depreciation and impairment of non-current assets.	3,104	-	-	(3,104)
Revaluation losses on Property, Plant and Equipment.	563	-	-	(563)
Movements in the market value of Investment Properties.	(87)	-	-	87
Amortisation of Intangible Assets.	10	-	-	(10)
Capital grants and contributions applied.	(20,729)	-	-	20,729
Revenue expenditure funded from capital under statute.	5,135	-	-	(5,135)
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	-	-	(4)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:				
Statutory provision for the financing of capital investment.	(90)	-	-	90
Capital expenditure charged against the General Fund (Direct Revenue Contributions).	(847)	-	-	847
Adjustment primarily involving the Capital Grants Unapplied Reserve:				
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)	58
Adjustment primarily involving the Capital Receipts Reserve:				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.	(36)	36	-	-
Use of Capital Receipts Reserve to finance new capital expenditure.	-	(159)	-	159
Adjustments primarily involving the Pension Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 36).	1,872	-	-	(1,872)
Employer's pension's contributions and direct payments to pensioner's payable in the year.	(1,651)	-	-	1,651
Adjustments primarily involving the Collection Fund Adjustment Account:				
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.	408	-	-	(408)
Adjustments primarily involving the Accumulated Absences Account:				
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	-	-	(11)
Total Adjustments	**(12,333)**	**(123)**	**(58)**	**12,514**

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 2025/26.

General Fund	Balance at 31 March 2024 £'000	Transfers in 2024/25 £'000	Transfers out 2024/25 £'000	Balance at 31 March 2025 £'000	Transfers in 2025/26 £'000	Transfers out 2025/26 £'000	Balance at 31 March 2026 £'000
Non-ring-fenced reserves							
Asset Management and Maintenance	1,930	1,070	(20)	2,980	-	(68)	2,912
Budget Equalisation	1,706	13,794	(568)	14,932	8,740	(6,471)	17,201
Collection Fund Equalisation	8,820	4,900	(9,320)	4,400	4,638	(6,138)	2,900
Elections	102	106	(34)	174	70	(5)	239
ICT Strategy	1,612	33	(312)	1,333	-	(254)	1,079
Insurance and Legal	425	115	(28)	512	614	(659)	467
Investment Projects	22	1,978	-	2,000	4,000	(38)	5,962
Leisure Management	718	1,357	(195)	1,880	429	(111)	2,198
Revenue Slippage	-	2,000	-	2,000	449	(1,116)	1,333
Transformation	732	268	(147)	853	-	(110)	743
Vehicle and Plant Replacement	2,071	2,002	(831)	3,242	573	(78)	3,737
Sub total	**18,138**	**27,624**	**(11,456)**	**34,306**	**19,514**	**(15,048)**	**38,771**
Ring-fenced reserves							
Building Control	134	26	-	160	-	(112)	48
Enterprise Zone Growth	1,085	706	(80)	1,711	775	(66)	2,420
Homelessness	410	-	(38)	372	-	(104)	268
Sub total	**1,629**	**732**	**(118)**	**2,243**	**775**	**(282)**	**2,736**
Grand total	**19,767**	**28,356**	**(11,574)**	**36,549**	**20,289**	**(15,330)**	**41,508**

Earmarked Reserves are held for the following purposes:

- Asset Management and Maintenance – to fund repairs, maintenance and improvements to all of our assets avoiding the need to borrow.
- Budget Equalisation – to cushion the impact of any central government funding shortfall arising.
- Building Control – a fundamental principle of the Building Regulations Scheme, introduced 1 April 1999 and subsequently amended by the 2010 Regulations. This income is ring-fenced to the service which should aim to achieve a break-even position over a rolling three year period.
- Collection Fund Equalisation – to protect against volatility associated with the new Business Rate (BR) Retention Scheme and any deficits on the Collection Fund.
- Elections – to meet the cost of Borough Elections, which occur every four years.
- Enterprise Zone (EZ) Growth – established to hold business rates growth from the EZ as the accountable body under the terms of the Memorandum of Understanding (MOU). This income is ring-fenced for supporting investment in the EZ, primarily for infrastructure improvements and support for marketing of the site.
- Homelessness – established to hold various Homelessness related external funding streams and one-off grants. Ring-fenced 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 – established to renew ICT equipment on a rolling replacement in accordance with the ICT Strategy.
- Insurance and Legal – to meet the cost of insurance claims, damages and self-insuring some of our assets. Also used to hold sums received from the insurers.
- Leisure Management – to meet the council's share of the cost of Leisure Management in excess of the agreed target cost/fund reinvestment, to fund investment in our leisure assets and support related council priorities.
- Investment Projects – established to facilitate investing in commercial property and improving the commercialisation of our own assets. Repurposed to focus on delivery of key Council Plan projects prior to 1 April 2028.
- Revenue Slippage – to record agreed revenue slippage items during the year and at outturn.
- Transformation – established for service transformation, invest to save projects, pump-priming key Council Plan priorities.
- Vehicle and Plant Replacement – to fund the future replacement of the council's vehicle fleet, plant and related equipment (including MOT station).

Note 10 Other Operating Expenditure

2024/25 £'000		2025/26 £'000
1,003	Parish Council Precepts	1,183
59	Pension administration costs	64
(32)	(Gains)/losses on disposal of non-current assets and administrative costs linked to disposal of assets (excl. investment assets)	7
1,031	**Total**	**1,254**

Note 11 Financing and Investment Income and Expenditure

2024/25 £'000		2025/26 £'000
2	Interest payable and similar charges	31
(1,354)	Net interest on defined benefits liability / (asset)	(2,246)
1,349	Interest on asset ceiling	2,283
(2,266)	Interest receivable and similar income	(1,961)
(1,038)	Income and Expenditure in relation to investment properties and changes to their fair value (Note 15)	(746)
(3,308)	**Total**	**(2,639)**

Note 12 Taxation and Non-Specific Grant Income and Expenditure

2024/25 £'000		2025/26 £'000
(10,067)	Council Tax (income) and expenditure	(10,712)
(2,859)	Non-domestic rates (income) and expenditure	(2,968)
(6,348)	Non-ring-fenced government grants and related expenditure (Note 31)	(6,862)
(15,594)	Capital grants and contributions (Note 31)	(13,085)
(34,868)	**Total**	**(33,627)**

Note 13 Property, Plant and Equipment

Movements in 2025/26

	Other Land and Buildings £'000	Vehicles, Plant, Furniture and Equipment £'000	Infrastructure Assets £'000	Community Assets £'000	Assets Under Construction £'000	Total Property, Plant and Equipment £'000
Cost or valuation						
At 1 April 2025	48,795	11,163	86,864	6,016	32,324	185,162
Additions	312	1,592	-	1	11,869	13,774
Revaluation increase/decreases to the revaluation reserve	3,543	-	-	-	-	3,543
Revaluation increase/(decrease) to the Surplus or Deficit on the Provision of Services	(8)	-	-	-	-	(8)
Derecognition - Disposals	-	(402)	-	-	(180)	(582)
Reclassifications	(7)	-	488	42	(1,505)	(982)
At 31 March 2026	**52,635**	**12,353**	**87,352**	**6,059**	**42,508**	**200,907**
Depreciation						
At 1 April 2025	(1,589)	(7,121)	(15,440)	-	-	(24,150)
Charge in year	(1,727)	(955)	(817)	-	-	(3,499)
Revaluations	2,626	-	-	-	-	2,626
Derecognition – Disposals	-	402	-	-	-	402
At 31 March 2026	**(690)**	**(7,674)**	**(16,257)**	**-**	**-**	**(24,621)**
Net book value						
At 31 March 2026	**51,945**	**4,679**	**71,095**	**6,059**	**42,508**	**176,286**

Movements in 2024/25

	Other Land and Buildings £'000	Vehicles, Plant, Furniture and Equipment £'000	Infrastructure Assets £'000	Community Assets £'000	Assets Under Construction £'000	Total Property, Plant and Equipment £'000
Cost or valuation						
At 1 April 2024	50,229	10,165	86,864	5,767	17,427	170,453
Additions	87	1,334	9	249	14,897	16,576
Revaluation increase/decreases to the revaluation reserve	(155)	-	-	-	-	(155)
Revaluation increase/(decrease) to the Surplus or Deficit on the Provision of Services	(554)	-	(9)	-	-	(563)
Derecognition - Disposals	-	(337)	-	-	-	(337)
Reclassifications	(812)	-	-	-	-	(812)
At 31 March 2025	**48,795**	**11,163**	**86,864**	**6,016**	**32,324**	**185,162**
Depreciation						
At 1 April 2024	(4,996)	(6,577)	(14,623)	-	-	(26,196)
Charge in year	(1,411)	(876)	(817)	-	-	(3,104)
Revaluations	4,818	-	-	-	-	4,818
Derecognition – Disposals	-	332	-	-	-	332
At 31 March 2025	**(1,589)**	**(7,121)**	**(15,440)**	**-**	**-**	**(24,150)**
Net book value						
At 31 March 2025	**47,206**	**4,042**	**71,424**	**6,016**	**32,324**	**161,012**

Commitments on the Capital Programme

As at 31 March 2026 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 £4m (£16m as at 31 March 2025). The on-going commitments are mainly in relation to the Wyre Beach Management Sea Defences scheme and Our Future Coast project.

Revaluations

The council carries out a 5-year quinquennial revaluation cycle supplemented by annual indexation which ensures all Property, Plant and Equipment asset values remain materially accurate. 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 2026. The indices used were also advised by our qualified RICS valuers. 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 council's rolling programme for the revaluation of Property, Plant and Equipment.

Valued	Other land and buildings £'000	Vehicle, plant, furniture and equipment £'000	Infrastructure assets £'000	Community assets £'000	Assets Under Construction £'000	Total £'000
Carried at Historic cost:	-	12,353	87,352	6,059	42,508	148,272
Valued at fair value at 31 March 2026:						
2026	30,428	-	-	-	-	30,428
2025	6,695	-	-	-	-	6,695
2024	5,685	-	-	-	-	5,685
2023	673	-	-	-	-	673
2022	9,154	-	-	-	-	9,154
Total cost or valuation	**52,635**	**12,353**	**87,352**	**6,059**	**42,508**	**200,907**

Note 14 Heritage Assets

The council's heritage assets held are valued at £331,000. These assets are comprised of Civic Regalia £95,000 which includes ceremonial items of historical significance, and Statues £236,000. The statues include the Eros statue located in Fleetwood £200,000 and the Sir Peter Hesketh-Fleetwood statue £36,000. These assets are primarily held for their cultural, historic and civic importance and are not used for operational purposes.

Movements in 2025/26

Cost or valuation	Civic Regalia £'000	Statues £'000	Total £'000
At 1 April 2025	95	236	331
Additions in year	-	-	-
Net book value at 31 March 2026	**95**	**236**	**331**

Movements in 2024/25

Cost or valuation	Civic Regalia £'000	Statues £'000	Total £'000
At 1 April 2024	95	236	331
Additions in year	-	-	-
Net book value at 31 March 2025	**95**	**236**	**331**

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 expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

2024/25 £'000		2025/26 £'000
951	Rental Income from Investment property	1,303
87	Gain or (loss) on disposal of investment assets and gain or loss on revaluation	(557)
1,038	**Net gain/(loss)**	**746**

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.

2024/25 £'000		2025/26 £'000
15,018	Balance brought forward	15,999
	Additions:	
82	Subsequent expenditure	-
87	Net gain/(losses) from fair value adjustments	(557)
	Transfers:	
812	To/from property, plant and equipment	982
15,999	**Balance carried forward**	**16,425**

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 considers 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 £10,000 charged to revenue in 2025/26 (£10,000 in 2024/25) 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:

2024/25 £'000		2025/26 £'000
	Balance at start of the year:	
2,780	Gross carrying amount	2,780
(2,754)	Accumulated amortisation	(2,764)
26	**Net carrying amount at start of the year**	**16**
(10)	Amortisation for the period	(10)
16	**Net carrying amount at end of period**	**6**
	Comprising:	
2,780	Gross carrying amount	2,780
(2,764)	Accumulated amortisation	(2,774)
16		**6**

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 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000
Investments at amortised cost				
Cash and Cash Equivalents	-	-	20,520	38,953
Short term Investments	-	-	18,000	5,000
Total Investments	**-**	**-**	**38,520**	**43,953**
Short Term Debtors at amortised cost				
Financial assets carried at contract amounts	-	-	1,495	1,820
Total Short-Term Debtors	**-**	**-**	**1,495**	**1,820**
Other Long-Term Liabilities				
Finance lease liabilities	-	21	-	-
Total Other Long-Term Liabilities		**21**	**-**	**-**
Short Term Creditors				
Financial liabilities carried at contract amounts	-	-	(2,066)	(3,001)
Total Short-Term Creditors	**-**	**-**	**(2,066)**	**(3,001)**

Income, expense, gains and losses

	2024/25		2025/26	
	Surplus or deficit on the provision of services £'000	Other comprehensive income and expenditure £'000	Surplus or deficit on the provision of services £'000	Other comprehensive income and expenditure £'000
Net gains/losses on:				
Financial assets at amortised cost	2,266	-	1,961	-
Total net gains/losses	**2,266**	**-**	**1,961**	**-**

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 2025		31 March 2026	
	Carrying amount £'000	Fair Value £'000	Carrying amount £'000	Fair Value £'000
Creditors	(2,066)	(2,066)	(3,001)	(3,001)
Total Financial Liabilities	**(2,066)**	**(2,066)**	**(3,001)**	**(3,001)**

There are several creditors which are not classified as financial instruments and are therefore excluded from the above table. These total £2.6m and largely relate to statutory amounts due to central government and other public sector bodies. When added to the creditor figure disclosed above of £3m this amounts to the figure disclosed in the Balance Sheet at 31 March 2026 of £5.6m.

The fair value of the liabilities is the same as the carrying amount in 2025/26. The materiality of the less than one-year fair value adjustments mean there is very little impact on the overall figure.

	31 March 2025		31 March 2026	
	Carrying amount £'000	Fair Value £'000	Carrying amount £'000	Fair Value £'000
Investments (Cash and Cash Equivalents) and short-term deposits	38,520	38,520	43,953	43,953
Debtors	1,495	1,495	1,820	1,820
Total Financial Assets	**40,015**	**40,015**	**45,773**	**45,773**

The fair value of the assets is the same as the carrying amount for both 2025/26 and 2024/25. 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 £8.6m and largely relate to statutory amounts due from central government and other public sector bodies. When added to the debtor figure disclosed above of £1.8m these amounts to the figure disclosed in the Balance Sheet at 31 March 2026 of £10.4m.

Note 18 Short Term Debtors

2024/25 £'000	Analysis	2025/26 £'000
	Amounts falling due in one year:	
2,492	Central Government Bodies	3,065
3,103	Other Local Authorities	3,066
49	NHS Bodies	72
2,904	Other Entities and Individuals	5,223
8,548	**Total**	**10,426**

Note 19 Cash and Cash Equivalents

2024/25 £'000	Analysis	2025/26 £'000
2	Cash held by the Authority	-
35	Bank current accounts	137
20,520	Short term deposits	38,953
20,557	**Total cash and cash equivalents**	**39,090**

Note 20 Short Term Creditors

2024/25 £'000	Analysis	2025/26 £'000
(1,734)	Central Government Bodies	(1,209)
(938)	Other Local Authorities	(633)
-	NHS Bodies	(3)
(2,621)	Other Entities and Individuals	(3,705)
(5,293)	**Total**	**(5,550)**

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 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 several 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.

The Authority is currently a party to ongoing legal proceedings. A provision of £0.6m has been made for the possible settlement/s that the authority will have to pay. However, in order not to prejudice seriously the privacy of individuals and the authority's position in the case/s, any further information has been withheld from this publication.

2024/25 Total Provisions £'000	Analysis	Business Rates Appeals £'000	Other Provisions £'000	2025/26 Total Provisions £'000
(1,690)	Balance at 1 April	(927)	-	(927)
-	Additional Provisions made	(132)	(600)	(732)
763	Amounts used / released	-	-	-
(927)	**Balance at 31 March**	**(1,059)**	**(600)**	**(1,659)**

Note 22 Usable Reserves

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

2024/25 £'000	Analysis	2025/26 £'000
3,750	General Fund	2,049
36,549	Earmarked Reserves	41,508
2,558	Capital Receipts Reserve	2,187
42,857	**Total usable reserves**	**45,744**

Note 23 Unusable Reserves

2024/25 £'000	Analysis	2025/26 £'000
31,818	Revaluation Reserve	37,173
134,685	Capital Adjustment Account	145,101
(1,914)	Pensions Reserve	(1,602)
598	Collection Fund Adjustment Account	(333)
(161)	Accumulated Absences Account	(191)
165,026	**Total unusable reserves**	**180,147**

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.

2024/25 £'000			2025/26 £'000
27,865	Balance at 1 April		31,818
4,663	Upward revaluation of assets	6,619	
4,663	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or (Deficit) on the Provision of Services		6,169
(710)	Difference between fair value depreciation and historic cost depreciation	(814)	
(710)	Amounts written off to the Capital Adjustment Account		(814)
31,818	**Balance at 31 March**		**37,173**

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.

2024/25 £'000		2025/26 £'000
120,822	Balance at 1 April	134,685
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(3,104)	Charges for depreciation and impairment of non-current assets and right-of-use assets	(3,505)
(563)	Revaluation losses on Property, Plant and Equipment	(8)
(10)	Amortisation of intangible assets	(10)
(5,135)	Revenue expenditure funded from capital under statute	(5,159)
(4)	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	(180)
(8,816)		**(8,862)**
709	Adjusting amounts written out of the Revaluation Reserve	815
(8,107)	**Net written out amount of the cost of non-current assets consumed in the year**	**(8,047)**
	Capital financing applied in the year:	
159	Use of the Capital Receipts Reserve to finance new capital expenditure	545
20,729	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	18,243
58	Application of grants to capital financing from the Capital Grants Unapplied Reserve	-
90	Statutory provision for the financing of capital investment charged against the General Fund	86
847	Capital expenditure charged against the General Fund	145
21,883		**19,019**
87	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(556)
134,685	**Balance at 31 March**	**145,101**

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.

2024/25 £'000	Analysis	2025/26 £'000
(2,200)	Balance at 1 April	(1,914)
507	Remeasurement of the net defined benefit liability / (asset)	139
(1,872)	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	(1,356)
1,651	Employer's pensions contributions and direct payments to pensioners payable in the year	1,529
(1,914)	**Balance at 31 March**	**(1,602)**

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.

2024/25 £'000		2025/26 £'000
1,006	Balance at 1 April	598
17	Council Tax	67
(366)	Non-Domestic Rates	(737)
(59)	Enterprise Zone Growth	(261)
(408)	**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**	**(931)**
188	Council Tax	255
76	Non-Domestic Rates	(661)
334	Enterprise Zone Growth	73
598	**Balance at 31 March**	**(333)**

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.

2024/25 £'000		2025/26 £'000
(150)	Balance at 1 April	(161)
150	Settlement or cancellation of accrual made at the end of the preceding year	161
(161)	Amounts accrued at the end of the current year	(191)
(11)	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	(30)
(161)	**Balance at 31 March**	**(191)**

Note 24 Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

2024/25 £'000		2025/26 £'000
(2,091)	Interest received	(1,833)
1	Interest paid	31
(2,090)	**Total**	**(1,802)**

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

2024/25 £'000		2025/26 £'000
3,104	Depreciation	3,505
563	Impairment and downward valuations	8
10	Amortisation	10
1,641	Increase / (decrease) in creditors	1,510
(748)	Increase / (decrease) in revenue grant receipt in advance	-
(257)	(Increase) / decrease in debtors	(1,495)
30	(Increase) / decrease in inventories	(33)
1,314	Movement in pension liability (Retirement benefits)	920
4	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	180
(850)	Other non-cash items charged to the net surplus or deficit on the provision of services	1,289
4,811	**Total**	**5,894**

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

2024/25 £'000		2025/26 £'000
(36)	Proceeds from the sale of property plant and equipment, investment property and intangible assets	(173)
(20,729)	Capital Grants credited to surplus or deficit on the provision of services	(18,243)
(20,765)	**Total**	**(18,416)**

Note 25 Cash Flow Statement – Investing Activities

2024/25 £'000		2025/26 £'000
(16,576)	Purchase of property, plant and equipment, investment property and intangible assets	(13,611)
(23,000)	Purchase of short term and long-term investments	(8,000)
(140)	Other payments for investing activities	(140)
36	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	173
24,000	Proceeds from short term and long-term investments	21,000
18,268	Other receipts from investing activities	21,238
2,588	**Total**	**20,660**

Note 26 Cash Flow Statement – Financing Activities

2024/25 £'000		2025/26 £'000
4	Other receipts from financing activities	(6)
(1,484)	Billing Authorities – Council Tax and NNDR adjustments	(1,298)
(1,480)	**Total**	**(1,304)**

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 2025/26 was £127,000 (2024/25 £124,000); 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 2025/26 the council administered the following Cost of Living related grants as an agent of government bodies:

Grant Scheme	Grant Amount Carried Forward from 2024/25 or received in 2025/26 £'000	Grant Amount Distributed to Third Parties / Repaid in Year £'000	Balance To Be Repaid £'000
Small Business Grant Funds	30	-	30
Total	**30**	**-**	**30**

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:

2024/25 £'000		2025/26 £'000
358	Allowances	378
1	Travel and subsistence	1
359	**Total**	**379**

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 2024/25	Number of employees 2025/26
£50,000 - £54,999	7	10
£55,000 - £59,999	2	4
£60,000 - £64,999	4	4
£65,000 - £69,999	1	1
£70,000 - £74,999	-	1
£75,000 - £79,999	1	-
£80,000 - £84,999	3	1
£85,000 - £89,999	-	3
£90,000 - £94,999	-	-
£95,000 - £99,999	-	-
£100,000 - £104,999	-	-
£105,000 - £109,999	-	-
£110,000 - £114,999	-	-
£115,000 - £119,999	1	-
£120,000 - £124,999	-	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.

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

Post holder information (Post title)	Year	Salary (Including fees and Allowances) £	Expense Allowances £	Pension contributions (Incl. strain / augmented costs) £	Total Remuneration £
Chief Executive	2025/26	123,288	-	16,644	139,932
	2024/25	116,530	-	15,667	132,197
Director of Communities*	2025/26	83,645	39	12,640	96,324
	2024/25	82,862	-	12,462	95,324
Director of Environment	2025/26	86,740	-	11,710	98,450
	2024/25	84,050	-	11,347	95,397
Director of Finance and Governance*	2025/26	86,629	8	11,820	98,457
	2024/25	83,940	-	11,457	95,397
Director of Transformation and Change (from 22/04/24)	2025/26	86,740	39	11,710	98,489
	2024/25	79,147	-	10,685	89,832

* Restated 2024/25 balances to show correct presentational split between Salary and Pension Contributions, reflecting Additional Voluntary Contributions (AVCs).

Note 30 External Audit Costs

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

2024/25 £'000	Audit Fee	2025/26 £'000
	Fees payable regarding audit services carried out by the appointed external auditor	
(72)	**Deloitte** (credit for prior year audits not fully completed)	(2)
	KPMG:	
157	Statutory Audit	161
10	Fee variation: ISA315r for 23/24	-
21	Other Fee variations	29
(20)	Redmond Review Local Audit Fees Grant	(20)
-	Local Audit Backstop New Burden Grant	(46)
96	**Total**	**122**

2024/25 £'000	Other Inspection Fees	2025/26 £'000
-	Rebate from Public Sector Audit Appointments Limited (PSAA)	2
3	Fees payable to the Cabinet Office in respect of the National Fraud Initiative	-
23	Fees payable to the external auditor for the certification of grant claims and returns	16
26	**Total**	**18**

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:

	2024/25 £'000	2025/26 £'000
Credited to taxation and non-specific grant income and expenditure		
New Homes Bonus	(657)	(977)
Funding Guarantee Grant	(1,100)	-
Non-Domestic Rates Section 31 Grant	(4,520)	(4,018)
Revenue Support Grant	(1)	(1)
Services Grant	(22)	-
Recovery Grant	-	(374)
Non-Domestic Rates Levy Surplus Grant	(29)	-
Extended Producer Responsibility Grant	-	(1,364)
National Insurance Contribution Grant	-	(129)
Capital Grants and Contributions		
Environment Agency	(13,710)	(12,452)
Swimming Pool Support Fund	(138)	-
UK Shared Prosperity Fund	(1,252)	(459)
Rural England Prosperity Fund	(237)	-
Other Contributions	(59)	(60)
S106 Contributions	(198)	(113)
Total	**(21,923)**	**(19,947)**
Credited to Services		
Housing Benefits and Council Tax	(19,290)	(16,387)
Cost of Living Funding	(870)	(568)
Disabled Facilities Grants	(2,370)	(2,696)
Other Local Authorities	(862)	(899)
Ministry for Housing, Communities and Local Government	(2,171)	(1,628)
Healthy Homes Project	(100)	(46)
Holiday Activities and Food Programme	(303)	(307)
Environment Agency	(2,032)	(1,972)
Simpler Recycling	-	(171)
S106 Contributions	(27)	-
Other Misc Contributions	(206)	(209)
Total	**(28,231)**	**(24,883)**
Total Grant Income and Other Contributions	**(50,154)**	**(44,830)**

The Council has received several 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 £2.9m and Capital Grants and Contributions is £11.6m; of this balance, grants from the Environment Agency total £7.2m.

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 2025/26 financial year several 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 can 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 2025/26 is shown in note 28. During 2025/26, 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 the year, the Council entered the following related party transactions:

- The Council received £1,560 from Baxter Homes Ltd, in which one Council member had an interest. The member concerned did not participate in any discussions or decisions relating to this transaction.
- The Council paid £120,261 to Garstang Town Trust from UKSPF grant funding, in which two Council members had an interest. Those members did not take part in any discussions or decisions relating to the payment.
- The Council has a longstanding working relationship with Citizens Advice Lancashire to provide free advice services to Wyre residents, including debt advice, and has incurred expenditure of £35,000 during 2025/26. A council member was appointed to the Board of Trustees for the Citizens Advice Lancashire board in June 2025; the member was not involved in the council's decision-making in relation to this transaction.

In all other cases, transactions with related parties were immaterial in value and were appropriately authorised and 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 36.

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.

	2024/25 £'000	2025/26 £'000
Opening Capital Financing Requirement	10,879	10,789
Capital Investment		
Property, Plant and Equipment*	16,576	13,774
Right Of Use Asset	-	26
Investment Property*	82	-
Revenue Expenditure Funded from Capital under Statute	5,135	5,159
Sources of Finance		
Capital Receipts	(159)	(545)

Government grants and other contributions	(20,787)	(18,243)
Sums set aside from Revenue		
Direct revenue contributions	(847)	(145)
Minimum Revenue Provision	(90)	(86)
Closing Capital Financing Requirement	**10,789**	**10,729**
Explanation of movement in the year		
Minimum Revenue Provision set aside to repay debt	(90)	(86)
Assets acquired under finance leases	-	26
(Decrease) / increase in Capital financing Requirement	**(90)**	**(60)**

* 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's lease contracts comprise leases of operational motor vehicles.

The lease for vehicles commenced in October 2025 for a term 2 years and the value of the assets as at 31 March 2026 was £20,000.

Right-of-use assets

The table shows the change in the value of right-of-use assets held under leases by the council.

	Vehicles, Plant and Equipment £'000	Total £'000
Cost or Valuation		
At 1 April 2025	-	-
Additions	26	26
At 31 March 2026	**26**	**26**
Depreciation		
At 1 April 2025	-	-
Charge in year	(6)	(6)
At 31 March 2026	**(6)**	**(6)**
Net book value	**20**	**20**

Additionally, under IFRS16, we have brought a right-of-use lease liability including interest onto the balance sheet.

2024/25 £'000	Lease Liabilities	2025/26 £'000
-	Current Lease Liabilities	(13)
-	Non-Current Lease Liabilities	(8)
-	**Total**	**(21)**

Maturity analysis of these liabilities

The lease liabilities are due to be settled over the following time bands.

	2024/25 £'000	2025/26 £'000
Less than one year	-	(13)
One to five years	-	(8)
Total undiscounted liabilities	**-**	**(21)**

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. 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.

Transactions under leases

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

	2024/25 £'000	2025/26 £'000
Operating leases		
Income	(1,144)	(1,525)
Total lease income	**(1,144)**	**(1,525)**

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	
	2024/25 £'000	2025/26 £'000
Less than one year	1,006	1,174
One to five years	2,506	2,757
More than five years	6,103	11,947
Total undiscounted receivables	**9,615**	**15,878**

Note 35 Termination Benefits

The Authority terminated the contract of one employee in 2025/26 (one employee in 2024/25), incurring liabilities of £63,000 (£64,000 in 2024/25). In addition, there were residual costs of £40,000 in 2024/25 arising from the two exit packages agreed in 2023/24.

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

Exit package cost band (including special payments)	Number of compulsory redundancies (a)		Number of other departures agreed (b)		Total number of exit packages by cost band (a) + (b)		Total cost of exit packages in each band	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25 £'000	2025/26 £'000
£0 - £20,000	-	-	-	-	-	-	4	-
£20,001 - £40,000	-	-	-	-	-	-	-	-
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	1	1	1	1	64	63

£80,001 - £100,000	-	-	-	-	-	-	36	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
Over £150,000	-	-	-	-	-	-	-	-
Total	**0**	**0**	**1**	**1**	**1**	**1**	**104**	**63**

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 2025/26 the employer's contribution rate was 13.5% (after a secondary rate of minus 6.5% reflecting a past service surplus is applied). 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. Following the 2025 triennial actuarial review of the pension fund, the rate for 2026/27, 2027/28 and 2028/19 will be 5.7%.

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 must be generated to meet actual pension payments as they eventually fall due.

The Lancashire County 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:

2024/25 £'000	Local Government Pension Scheme	2025/26 £'000
	Comprehensive Income and Expenditure Statement	
	Cost of Services:	
	Service cost comprising:	
1,737	Current Service Cost	1,255
81	(Gain)/Loss from Curtailments	-
	Other Operating Expenditure	
59	Administration Expenses	64

	Financing and Investment Income and Expenditure	
(5)	Net Interest Expense/(Gain)	37
1,872	**Total post-employment benefits charged to the surplus or deficit on the provision of services**	**1,356**

2024/25 £'000	Local Government Pension Scheme	2025/26 £'000
	Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement	
	Remeasurement of the net defined benefit liability comprising:	
1,955	Return on plan assets (excluding amount included in the net interest expense)	2,281
(310)	Actuarial gains and losses arising on changes in demographic assumptions	(429)
(12,809)	Actuarial gains and losses arising on changes in financial assumptions	(37)
10,535	Effect of asset ceiling	(4,630)
122	Other experience gain/(loss)	2,632
-	Adjustment to valuation for additional payment	44
(507)	**Total Remeasurements charged to Other Comprehensive Income and Expenditure**	**(139)**
1,365	**Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement**	**(1,217)**
	Movement in Reserves Statement	
(1,872)	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	(1,356)
	Actual amount charged against the General Fund Balance for pensions in the year:	
1,651	Employers' contributions payable to scheme*	1,529

*A prepayment was made to the pension fund in 2023/24 – employer contributions in 2023/24 totalled £3.5m; 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:

	2024/25 £'000	2025/26 £'000
Fair value of plan assets	128,434	128,891
Present value of the defined benefit funded obligation	(87,988)	(91,885)
Surplus/(Deficit) before application of asset ceiling	**40,446**	**37,006**
Impact of Asset Ceiling adjustment	39,353	37,006
Present value of the defined benefit unfunded obligation	(1,914)	(1,602)
Reported liability arising from defined benefit obligation	**(1,914)**	**(1,602)**
Reported asset on account of prepayment	**1,093**	**-**

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 £37m (£129m less £92m). The minimum funding contributions are higher than the future service cost, and therefore no asset is recognisable. An asset ceiling has been applied for Wyre Council to cap the surplus at nil meaning that the surplus of £37m 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

	2024/25 £'000	2025/26 £'000
Opening fair value of scheme assets	128,864	128,434
Interest income	6,201	7,318
Remeasurements gain and (loss):		
The return on plan assets, excluding the amount included in the net interest income	(1,955)	(2,281)
Other Operating Expenditure – Administration	(59)	(64)
Contributions from Employer	312	392
Contributions from Employees	645	697
Benefits Paid	(5,574)	(5,605)
Closing fair value of scheme assets	**128,434**	**128,891**

Reconciliation of present value of the scheme liabilities

	2024/25 £'000	2025/26 £'000
Opening balance at 1 April	(101,407)	(89,902)
Current Service Cost	(1,737)	(1,255)
Interest Cost	(4,847)	(5,072)
Contribution by Scheme Participants	(645)	(697)
Remeasurements gain and (loss):		
Actuarial gain/(loss) arising from changes in demographic assumptions	310	429
Actuarial gain/(loss) arising from changes in financial assumptions	12,809	37
Experience gain/(loss)	122	(2,632)
Curtailments	(81)	-
Benefits Paid	5,574	5,605
Closing balance at 31 March	**(89,902)**	**(93,487)**

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 £1.6m 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 2026

	2024/25 £'000	2025/26 £'000
Asset ceiling impact at beginning of period	27,472	39,353
Interest on surplus above asset ceiling	1,346	2,283
Change in asset ceiling (net of interest)	10,535	(4,630)
Asset ceiling impact at end of period	**39,353**	**37,006**

Local Government Pension Scheme assets comprised:

	2024/25 £'000	2025/26 £'000
Cash:		
Cash and cash equivalents	1,636	1,004
Net Current Assets	270	283
Sub-total cash	**1,906**	**1,287**
Equity instruments:		
Financial institutions	128	130
Sub-total equity	**128**	**130**
Bonds:		
Overseas Corporate	128	-
Sub-total bonds	**128**	**-**
Property:		
Industrial / Warehouse	771	1,013
Shops	257	282
Multi let Commercial Building	514	495
Sub-total property	**1,542**	**1,790**
Alternatives:		
Overseas private equity	7,893	6,960
Sub-total alternatives	**7,893**	**6,960**
Infrastructure	17,067	17,739
Credit Funds	20,633	24,317
Pooled Fixed Income	6,929	8,057
Indirect Property Funds	8,774	10,424
UK Pooled Equity Funds	2	57
Overseas Pooled Equity Funds	63,433	58,130
Sub-total other investment funds	**116,838**	**118,724**
Total Assets	**128,434**	**128,891**

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 2025.

The significant assumptions used by the actuary have been:

	2024/25	2025/26
Mortality assumptions		
Longevity at 65 for current pensioners		
Men	21.1 years	21.0 years
Women	23.6 years	23.6 years

Longevity at 65 for future pensioners		
Men	22.3 years	22.1 years
Women	25.4 years	25.1 years
Rate assumptions		
Rate of CPI inflation/CARE Benefits revaluation	2.6%	2.9%
Rate of increase in salaries	4.1%	4.4%
Rate of increase in pensions in payment/deferment	2.7%	3.0%
Rate for discounting scheme liabilities	5.8%	6.1%

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

	2024/25 £'000	2025/26 £'000
1 year increase in members life expectancy	1,910	1,991
0.5% increase in Discount Rate	(5,439)	(5,230)
0.25% increase in the Salary Increase Rate	447	311
0.25% increase in the Inflation Rate	2,849	2,730
1% increase in investment returns	(1,261)	(1,266)
1% decrease in investment returns	1,261	1,266

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at a 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 20 years. Funding levels are monitored on an annual basis. The next triennial valuation was completed as at 31 March 2025.

The Actuary does not expect to receive any normal contributions into the fund during 2025/26, as set out above the Council has pre-paid £3.3m in employer contributions to the scheme in May 2023 for the period 2023/24 to 2025/26. It is though envisaged that £0.2m will be paid in recharges in relation to legacy unfunded benefits.

The weighted average duration of the defined benefit obligation for scheme members in 2025/26 is 12 years (16 years in 2024/25).

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 2026 list and the closed 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.

On 22 October 2026, as a consequence of a multi-agency investigation into potential land contamination at AGC Chemicals Europe Ltd in Thornton-Cleveleys, the Council determined that two nearby council-owned allotment sites were contaminated. See Recommendation of Determination of Occupation Road and Sandringham Avenue Allotments as Contaminated.pdf. Under legislation, the 'polluter pays' principle applies and at this stage it is the council's intention to seek remediation of the sites, paid for by the polluter.

As such, investigations and discussions with relevant stakeholders are continuing in relation to potential responsibilities for monitoring, remediation and associated costs.

At the balance sheet date, the extent of any obligation falling to the Council remains uncertain and no reliable estimate of any potential liability can be made. Accordingly, no provision has been recognised in the accounts in relation to the allotment sites or the wider investigation.

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.

	31/03/2026 £000 a	Historical experience of default % b	Adjustment for market conditions at 31/03/2026 % c	Estimated maximum exposure to default £000 a x c
Deposits with banks and financial institutions (market value):				
High rated counterparties	43,846	0%	0%	-
Trade debtors (o/s Sundry Debtors at 31/03/26)	831	0.5%	4%	33

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 £0.8m (£1.1m in 2024/25) outstanding for trade debtors, £0.5m (£0.9m in 2024/25) is overdue. The overdue amount can be analysed by age as follows:

	2024/25 £000	2025/26 £000
Less than 90 days	238	143
90 days to 150 days	42	24
More than 150 days	584	360
Total	**864**	**527**

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:

	2024/25 £000	2025/26 £000
Less than one year (short term creditors)	5,293	5,550
Total	**5,293**	**5,550**

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 of 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 2024/25 and 2025/26 are shown in the table below:

2024/25	Lancashire Business Rates Pool	2025/26
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%
100%	**Total**	**100%**

As part of the pool arrangements, one authority must be designated as lead authority, which in the case of the Lancashire Business Rates Pool is Ribble Valley Borough Council. As part of this arrangement a fee of £20,000 is payable, charged equally to all members of the pool, 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 2025/26	Authority Type	Tariffs and Top-Ups in Respect of 2025/26 £'000	Retained Levy on Growth 2025/26 £'000	10% Retained Levy Payable to/Received by Lancashire County Council £'000	Net Retained Levy 2025/26 £'000
Burnley Borough Council	Tariff	6,981	(1,610)	161	(1,449)
Chorley Borough Council	Tariff	7,943	(1,508)	151	(1,357)
Fylde Borough Council	Tariff	8,941	(1,426)	142	(1,284)
Hyndburn Borough Council	Tariff	5,094	(1,450)	145	(1,305)
Pendle Borough Council	Tariff	4,324	(1,255)	126	(1,130)
Ribble Valley Borough Council	Tariff	5,322	(880)	88	(792)
Rossendale Borough Council	Tariff	3,488	(771)	77	(694)
South Ribble Borough Council	Tariff	12,931	(2,234)	224	(2,010)
West Lancashire Borough Council	Tariff	10,772	(1,804)	180	(1,624)
Wyre Borough Council	Tariff	8,412	(810)	81	(729)
Lancashire County Council	Top-Up	(171,276)	-	(1,375)	(1,375)
Central Government	-	97,068	-	-	
Total		**-**	**(13,749)**	**-**	**(13,749)**

Lancashire Business Rates Pool Members 2024/25	Authority Type	Tariffs and Top-Ups in Respect of 2024/25 £'000	Retained Levy on Growth 2024/25 £'000	10% Retained Levy Payable to/Received by Lancashire County Council £'000	Net Retained Levy 2024/25 £'000
Burnley Borough Council	Tariff	6,905	(1,160)	116	(1,044)
Chorley Borough Council	Tariff	7,863	(1,665)	167	(1,498)
Fylde Borough Council	Tariff	8,851	(720)	72	(648)

Hyndburn Borough Council	Tariff	5,041	(1,543)	154	(1,389)
Pendle Borough Council	Tariff	4,284	(782)	78	(704)
Ribble Valley Borough Council	Tariff	5,272	(980)	98	(882)
Rossendale Borough Council	Tariff	3,459	(594)	59	(534)
South Ribble Borough Council	Tariff	12,783	(2,104)	210	(1,894)
West Lancashire Borough Council	Tariff	10,657	(1,227)	123	(1,104)
Wyre Borough Council	Tariff	8,334	(923)	92	(830)
Lancashire County Council	Top-Up	(169,453)	-	(1,170)	(1,170)
Central Government	-	96,002	-	-	-
Total		**-**	**(11,696)**	**-**	**(11,696)**

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

2024/25				Note	2025/26		
Business Rates £'000	Council Tax £'000	Total £'000			Business Rates £'000	Council Tax £'000	Total £'000
-	(90,993)	(90,993)	Council Tax Receivable	1	-	(97,115)	(97,115)
(24,862)	-	(24,862)	Business Rates Receivable	2	(28,559)	-	(28,559)
-	(9)	(9)	Council Tax Discounts Funded from Billing Authority General Fund		-	-	-
(898)	-	(898)	Transitional Protection Payments due for the year from Central Government		(109)	-	(109)
-	-	-	Contributions to previous year's deficit	3	-	-	-
(25,760)	**(91,002)**	**(116,762)**	**Total income**		**(28,668)**	**(97,115)**	**(125,783)**

Expenditure

2024/25				Note	2025/26		
Business Rates £'000	Council Tax £'000	Total £'000			Business Rates £'000	Council Tax £'000	Total £'000
			Precepts, Demands and Share				
13,125	-	13,125	Central Government		13,926	-	13,926
2,363	64,707	67,070	Lancashire County Council		2,507	69,057	71,564
-	10,309	10,309	Police and Crime Commissioner for Lancashire		-	11,036	11,036
263	3,316	3,579	Lancashire Combined Fire Authority		279	3,569	3,848
10,500	9,861	20,361	Wyre Borough Council		11,141	10,456	21,597
26,250	**88,193**	**114,443**			**27,853**	**94,118**	**121,971**
			Charges to Collection Fund				
11	-	11	Less Write offs of uncollectable amounts		70	-	70
190	962	1,151	Less: Increase / (Decrease) in Bad Debt Provisions		1,380	689	2,069
(1,516)	-	(1,516)	Less Settlement of Appeals against appeals provision		(1,049)	-	(1,049)
(227)	-	(227)	Less: Increase / (Decrease) in Provisions for Appeals		236	-	236
150	-	150	Costs of Collection Allowance		150	-	150
707	-	707	Enterprise Zone disregard amount		514	-	514
(685)	**962**	**276**			**1,301**	**689**	**1,990**
			Contributions				
1,110	1,672	2,781	To previous year's surplus	3	1,360	1,689	3,049
26,675	**90,827**	**117,501**	**Total Expenditure**		**30,514**	**96,496**	**3,049**
914	(175)	740	(Surplus) / Deficit arising during the year		1,846	(619)	1,227
(1,104)	(1,503)	(2,607)	(Surplus) / Deficit as at 1 April		(190)	(1,678)	(1,868)
(190)	**(1,678)**	**(1,867)**	**(Surplus) / Deficit as at 31 March**	**4**	**1,656**	**(2,297)**	**(641)**

Notes to the Collection Fund

Note 1 Council Tax

The Council Tax base for 2025/26 was calculated at 39,784.18 (39,138.48 2024/25) and a Band D Council Tax set at £2,336.00 (£2,227.73 2024/25). The tax base was calculated as follows:

Band	Total number of chargeable dwellings	**Relevant amount x number of dwellings
Additional band	36.00	18.06
A	11,947.75	6,887.93
B	12,416.25	8,636.11
C	13,331.75	10,820.14
D	7,839.25	7,265.75
E	5,951.25	6,880.22
F	2,714.50	3,722.94
G	1,110.00	1,769.20
H	63.00	117.00
	55,409.75	**46,117.35**
Less Council Tax Reduction		(5,102.73)
		41,014.62
Collection Rate 97% = Relevant Amount x 0.97		**39,784.18**

** 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 2026 was 77,392,076 (31 March 2025 77,872,837). The Government set a National Non-domestic multiplier (rate in the pound) of 55.5 pence for 2025/26 and a Small Business non-domestic multiplier of 49.9 pence (2024/25 54.6 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

2024/25				2025/26		
Business Rates £'000	Council Tax £'000	Total £'000		Business Rates £'000	Council Tax £'000	Total £'000
			Attributable to Central Government and other Local Authorities as follows:			
555	-	555	Central Government	680	-	680
100	1,223	1,323	Lancashire County Council	122	1,239	1,361
-	195	195	Police and Crime Commissioner for Lancashire	-	197	197
11	64	75	Lancashire Combined Fire Authority	14	64	78
444	189	633	Wyre Borough Council	544	189	733
1,110	**1,672**	**2,781**	**Total**	**1,360**	**1,689**	**3,049**

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

2024/25				2025/26		
Business Rates £'000	Council Tax £'000	Total £		Business Rates £'000	Council Tax £'000	Total £'000
			Attributable to Central Government and other Local Authorities as follows:			
(95)	-	(95)	Central Government	827	-	827
(17)	(1,231)	(1,248)	Lancashire County Council	149	(1,686)	(1,537)
-	(196)	(196)	Police and Crime Commissioner for Lancashire	-	(269)	(269)
(2)	(63)	(65)	Lancashire Combined Fire Authority	17	(87)	(70)
(76)	(188)	(264)	Wyre Borough Council	662	(255)	407
(190)	**(1,678)**	**(1,868)**	**(Surplus) / Deficit as at 31 March**	**1,655**	**(2,297)**	**(642)**

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.

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