



## **Audit Committee Supplement**

**Wyre Borough Council**  
**Please ask for : Marianne Unwin**  
**Marianne.Unwin@wyre.gov.uk**  
**Tel: 01253 887326**

**Audit Committee meeting on Tuesday, 27 July 2021 at 6.00 pm in the  
Council Chamber - Civic Centre, Poulton-le-Fylde**

**4. Statement of Accounts (pre-audit) 2020/21** (Pages 3 - 132)

Report of the Corporate Director Resources (Section 151 Officer).

Appendices to follow.

Members are reminded to watch back the training recording before the meeting, which can be found if you [click here](#)

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# STATEMENT OF ACCOUNTS

For the Year Ended  
31 March 2021

**Signature**

Clare James CPFA  
Corporate Director Resources  
(S.151 Officer)

Draft Accounts Considered (pre audit) by:      Audit Committee 27 July 2021

Audit Committee Chairman:                      Councillor Lesley McKay

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## NARRATIVE REPORT

### Message from the Corporate Director Resources

The financial year 2020/21 has been focused on the response to the outbreak of a global pandemic which has had a significant impact on the preparation of the 2020/21 Statement of Accounts. The Financial Services team has played a key role in the response to the pandemic and the transition to recovery phase and is committed to continuing to undertake the high standard of work for which it has earned an excellent reputation. As such, the accounts have been prepared to exacting standards, submitted to the External Auditor by 31 July 2021.

As alluded to above, the global pandemic has impacted significantly on the preparation of the Statement of Accounts and new legislation was enacted to extend the previously shortened statutory deadlines following the introduction of 'faster closedown' four years ago. The deadline for producing a draft set of accounts has been extended from 31 May to 31 July 2021 and the deadline for signing off the audited accounts has moved from 31 July to 30 September 2021. These extensions are shorter than those granted last year for the 2019/20 audit. In order to aid transparency, Local Authorities are normally required to have a common thirty day public inspection period which formerly included the first ten working days in June. As a result, in a normal year, the council's accounts could not be formally approved until after the tenth working day in June. As a consequence of the COVID-19 pandemic, for the 2020/21 accounts, there is no common inspection period. The requirement to advertise the inspection period is still in place and this was done on the council's website as in previous years. The accounts were open to public inspection during the period from 30 July 2021 to 10 September 2021.

There is no longer a requirement for the Audit Committee to review the draft accounts. Training materials for the review of the Statement of Accounts were issued to Audit Committee in advance of the scheduled meeting on 15 June 2021. In a change to previous years the training was recorded and distributed electronically for Audit Committee members to view at their convenience.

Working to our final accounts deadlines and the achievement of such high standards is only possible because of the hard work and dedication of officers across the council but especially the staff in Financial Services. This is reflected not just in our timely production of the accounts despite the pandemic but in all aspects of the work that the service undertakes. During 2020/21 Financial Services continued to lead and support transformational council initiatives including major capital projects, bids for external funding and the significant new burdens placed on the council in the response to Covid-19 including distributing over £50m in business grants so far.

The Statement of Accounts has been prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA). The style and format of the accounts complies with CIPFA standards and is similar to that of previous years. This Narrative Report provides information about Wyre, including the key issues affecting the council and its accounts. It also provides a summary of the financial position as at 31 March 2021.

### Signature

Clare James  
Corporate Director Resources (S.151 Officer)

## ORGANISATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT

### An Introduction to Wyre

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

Wyre’s population in June 2019 based on the Mid-Year Estimates provided by the Office for National Statistics was 112,091.

### Elected Members

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

Councillors are usually, but not always, aligned with one of the main national political parties and the position in Wyre at 31 March 2021 was as follows:

Conservative Group Councillors = 37; Labour Group Councillors = 8; Wyre Alliance Councillors = 3; and Wyre Residents Councillors = 2.

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

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

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

### The Council’s Spending

The council has two types of expenditure:

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

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

## Council Funding

### By how much has our government funding been cut?

2016/17 - a reduction of £0.9m or 16%

2017/18 – a reduction of £0.7m or 14%

2018/19 – a reduction of £0.4m or 9%

2019/20 – a reduction of £0.4m or 10%

2020/21 – a slight increase of £0.05m or 1.6%

For 2021/22 our baseline funding was frozen at £3.409m. As a one-off we will receive £0.145m in Lower Tier Authority grant.

Spending power figures, show a 0.5% increase.

Over the eleven years up to and including 2021/22 we have lost **£7m** in funding which is the equivalent of over **78%** of our grant back in 2010/11 (which was £8.9m).

### What can we expect in future?

2021/22 is another one-year settlement deal so beyond this our funding position is uncertain. The government are intending to conduct the delayed Spending Review in 2021/22 as well as consulting on a Fair Funding Review and Business Rates Retention Reform. However the ongoing pandemic may delay these changes further.

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

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

We also have an excellent track record on efficiency savings which has protected residents from the full impact of reductions in funding. We've saved over **£6.1m** between 2010/11 and 2019/20 that's an average of **£614,000 per year** and we predict future savings will take us over the £7m mark.

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 and whether 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 80% of our residents are satisfied or very satisfied with where they live.

## **Our role throughout the pandemic**

Over the last 12 months, Wyre Council has played a key role in supporting residents and businesses throughout the pandemic, working with other authorities, partners and volunteer groups across Lancashire. It has been challenging but hugely rewarding and we are proud of all we have achieved.

### **Wyre Together**

In March 2020 we launched Wyre Together to help vulnerable people in the community as they were told to shield and stay at home. Since then, Wyre Together has helped thousands of people to access support. We have delivered food parcels, helped people with their shopping and prescription deliveries and provided a vital, friendly voice on the other end of the phone to people who needed to know that help was available.

Throughout the pandemic we are pleased to have put our theatre Marine Hall to good use whilst it has been closed, transforming it into a base for the hubs and Fleetwood food bank. Over 60 members of staff were redeployed to help the most vulnerable in our community. It didn't matter who we asked, everyone who found their day job had changed owing to the pandemic were ready and more than willing to help.

### **Supporting local businesses**

We have been working hard to do whatever we can to support local businesses throughout the pandemic. Over the last year we have worked at pace to make payments of government grants to businesses and to launch discretionary schemes for businesses impacted by the restrictions.

To date we have made payments to thousands of businesses totalling over £50 million. We have also been working with the Health and Safety Executive to help different types of businesses across Wyre become COVID secure, carrying out spot checks and providing advice and guidance to help businesses operate in the safest way possible.

We would like to thank all the businesses that we have spoken to and visited. We have seen a really high level of compliance with government guidance which means that together we can provide a safer environment for the people of Wyre.

### **Supporting the NHS**

Since November 2020 staff at the council have been supporting the national Test and Trace programme by contacting local people that the NHS have been unable to reach. Everyone working together at a local and national level has allowed us to get in touch with people who have the virus and trace those they may have passed it to.

We have been able to advise these contacts to isolate and therefore break the chain of infection. This work has also given us the chance to make more people aware of support that is available, helping them to complete the self-isolation period. For example, we have been able to tell people about current funding and have been signposting them to further local support. Thank you to everyone who we have contacted for their cooperation and support in reducing the spread of the virus.

Although self-isolating is hard, your actions have saved lives. We are also pleased to have worked in partnership with the NHS, local GP practices and Fylde Coast CCG to set up some of our venues as vaccination centres. The vaccination programme is well underway and we sincerely hope that using our venues in this way can help this to happen as quickly as possible for our residents. Wyre's vaccination progress was ranked the third best in the country in April 2021 and our staff can be proud of the role they have played in this nationally important initiative.



## **Beyond Covid...**

### **Taking action on climate change**

We have committed to act on climate change and have taken a number of measures to help reduce the impact on our environment. The council declared a climate emergency in July 2019, and we are moving quickly to develop the plans and policies needed to effectively tackle and improve Wyre's resilience to climate change.

In recognition of this, Cabinet approved a Climate Change Action Plan in January 2021. This is a live document and sets out key priority areas for the council's own operations as well as wider borough initiatives to help us achieve a net zero-carbon position for the council's activities of 78% by 2035. There will be challenges ahead and proposed changes by the government to waste collection in particular will continue to be monitored. However, the successful roll-out of the new wheeled bin container in 2020, replacing the previously used boxes, has been welcomed by residents and as this was delivered during the first national lockdown those involved should be doubly congratulated.

So far, within the council we have:

- Switched to a 100% renewable electricity supplier;
- Installed LED lighting within the Civic Centre, as part of our plans to improve building efficiency;
- Introduced a Single Use Plastics policy and improved recycling arrangements across our council buildings;
- Purchased four electric vans to trial among our council fleet, with a view to replacing more vehicles with electric ones as they reach renewal, and;
- Introduced a Cycle to Work scheme and installed new bike facilities at the Civic Centre.

We have also:

- Expanded on the types of plastics that can be recycled from homes and provided a new wheeled bin to replace the smaller green boxes, increasing recycling capacity;
- Committed to planting 25,000 new trees by the end of April 2024;
- Introduced a ban on the release of sky lanterns and helium balloons on council land to reduce plastic waste locally;
- Begun the process of installing rapid charging points in our car parks for taxi drivers and residents;
- Delivered ongoing home energy efficiency measures and advice to residents in Wyre in partnership with Cosy Homes in Lancashire;
- Worked with partners to continue to implement flood prevention schemes across Wyre, and;
- Engaged with schools and community groups on projects to improve their local environment in a sustainable way.

## Backing businesses through COVID-19 and beyond

Wyre Council is committed to helping businesses across the borough deal with the impact of COVID-19.

Throughout 2020/21 we worked hard to support businesses through the uncertain and difficult times, offering safety advice, messaging and guidance, working with businesses to access appropriate funding and offering broader support to help them cope.

As we move forward in 2021/22, we are continuing this support and looking to advance the services we can offer businesses. We want to enable businesses to succeed and indeed thrive despite the difficulties and we are committed to doing all we can to ensure this happens.

We have set aside £300,000 in our 2021/22 budget for a new Town Centre Strategy Fund to help support business recovery in key economic centres in the borough. This builds upon the council's business plan goals which include 'supporting businesses to grow and prosper' and 'collaborating with our partners to create vibrant town centres'.

The new Town Centre Strategy Fund will play an important role in kick-starting the essential post-COVID-19 recovery process and will help to empower communities to determine their own local priorities. We have been working with business leaders and key stakeholders to develop new partnerships for our town centres including Fleetwood, Thornton-Cleveleys, Poulton and Garstang.

These partnerships will allow us to work collaboratively and productively with Wyre businesses and are vitally important in ensuring we are able to create plans and deliver them in line with each of our unique town centre's individual business needs.

Going forward we will continue our work with businesses to help our high streets to reopen safely. A core part of this will be the delivery of a digital support package for businesses across the borough, equipping them with the tools, training and confidence to be able to utilise digital marketing, which will help them to improve resilience and provide more opportunities in the face of restrictions.

We continue to work with our partners to develop the implementation plan for [Hillhouse Technology Enterprise Zone in Thornton](#). The site will benefit from investment worth millions and government support to expand, creating jobs in the area and attracting greater awareness of the wider borough's potential for growth.

We will continue to support the roll out of full fibre broadband across Wyre and have signed up to the CNI (Cooperative Network Infrastructure) working with Blackpool Council which will allow organisations access to direct Gigabit capable fibre optic service at attractive commercial rates.

## Current Economic Climate

In the current economic climate, it is especially important that the council considers its future budgets and continues to closely monitor the Medium-Term Financial Plan. The identification of earmarked reserves often takes account of risk assessments and contingency planning with funding being provided for known events such as the rolling replacement of IT equipment and vehicles. The level of general balances also supports contingency planning and recognises anticipated future financial pressure on revenue resources and the difficulties of securing immediate savings. The Council's Policy on the level of reserves and balances is included as part of the Medium-Term Financial Plan which is considered annually by Cabinet in October (November in 2020).

## Investing in Wyre

We were successful with our £1.7m Heritage Action Zone bid for Fleetwood and have started to progress the delivery plan which includes physical improvements to buildings, community engagement and cultural activities.

Poulton's [Vicarage Park](#), [Hawthorne Park](#) and [Wyre Estuary Country Park](#) in Thornton and Fleetwood's [Memorial Park](#) have all received Green Flag awards for another year.

Ferry Beach and Marine Beach in Fleetwood, and Rossall Beach and Jubilee Beach in Cleveleys have all been awarded Seaside Awards for another year.

Wyre is extremely successful in securing funding from external sources such as the Environment Agency, Coastal Communities and Heritage Lottery which allows us to keep investing in the borough.

In 2021/22 an estimated **86%** of our capital spending will be financed by external grants and contributions. Examples in 2020/21 and 2021/22 include:

**£4m** Better Care Funding over two years to deliver Disabled Facilities Grants providing adaptations to enable people with disabilities to live at home more independently,

**£0.5m** in 2021/22 for the Fleetwood Heritage Action Zone;

**£4.2m** for coastal defences work including phase one of the new Wyre Beach Management Scheme which should lead to future phases totalling in excess of £40 million, protecting homes and businesses in the borough.

Our Wyre Community Lottery launched early in 2020 has gathered momentum and we have around 40 community groups signed up already with almost £30,000 raised for good causes so far. The council supports this with free officer time and following the positive launch we hope to see it go from strength to strength.

Having delayed the launch owing to the pandemic, we went live with our Citizen Access Portal in July 2021 which will allow Wyre residents and businesses access to services online 24 hours a day, seven days a week. This will enable those who sign up to receive electronic bills, which is better for the environment, book services, check the status of any payments due to them and report local issues and track their progress.

## Protecting vulnerable residents

We have committed, for the eighth year running, to protect our most vulnerable residents by limiting the contribution to the localised council tax support scheme for those previously on full benefit to **8.5%**, which is significantly lower than neighbouring local authorities.

The Citizens Advice Bureau will continue to receive funding from Wyre at the same level to support their free debt advice service, which helps those affected by welfare reforms and a pilot scheme to trial digital service kiosks across the borough will also be funded in 2021/22. We will continue to deliver a care and repair service which offers free advice and support to both the over 60s and disabled people.

We are partners in the Healthier Fleetwood project, helping to reduce social isolation, raise aspirations and improve the health outcomes for local residents. This important initiative brings together a wide range of stakeholders including those from the NHS, other local authorities, housing associations, local sports organisations and community groups with Wyre Council taking an active role to progress and promote the scheme.

## Significant Liabilities

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

The underlying commitment that the authority has to pay retirement benefits is reflected in the net liability of £38,588,000. The net pension liability has reduced by £9,403,000. However, statutory arrangements for funding the deficit mean that the financial position of the authority remains healthy as the deficit on the scheme will be made good by increased contributions over the remaining working life of employees as assessed by the Scheme Actuary.

## Principal Risks and Uncertainties

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

The Council uses Zurich Municipal's STORM methodology (Strategic and Tactical Organisational Risk Management); a structured, systematic methodology that identifies, evaluates, prioritises and manages opportunities and risk at strategic and operational levels. The Audit Committee are required to review the Risk Management Policy on an annual basis with the last review being completed in June 2021 and this and further updates can be found on the council's website [www.wyre.gov.uk](http://www.wyre.gov.uk).

## Our People

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

The council is overseen by the Chief Executive who is supported by three Corporate Directors who are responsible for the following Directorates:



Further information can be found in the Annual Governance Statement.

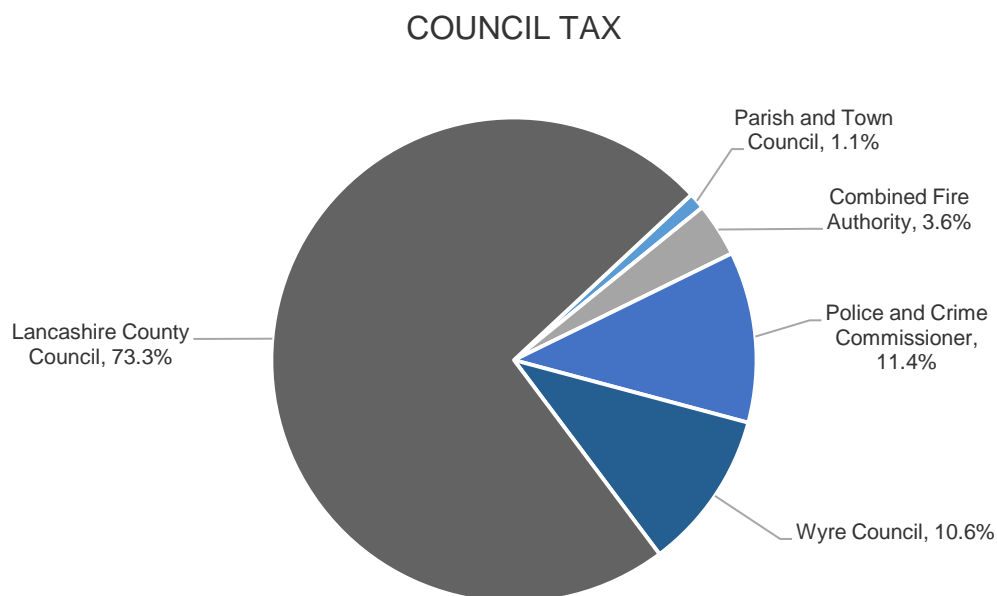
The Council is one of the largest employers in the borough employing 304 full time equivalents (49% female and 51% male). The workforce generally reflects the diversity of the resident's in the borough.

### Council Tax 2021/22

The Government continue to allow districts to increase council tax by up to 2% or £5 a year on a Band D equivalent property, if that is greater than 2%, without triggering a referendum. Their spending power calculation for 2021/22 assumes that districts will increase their council tax by the suggested £5.

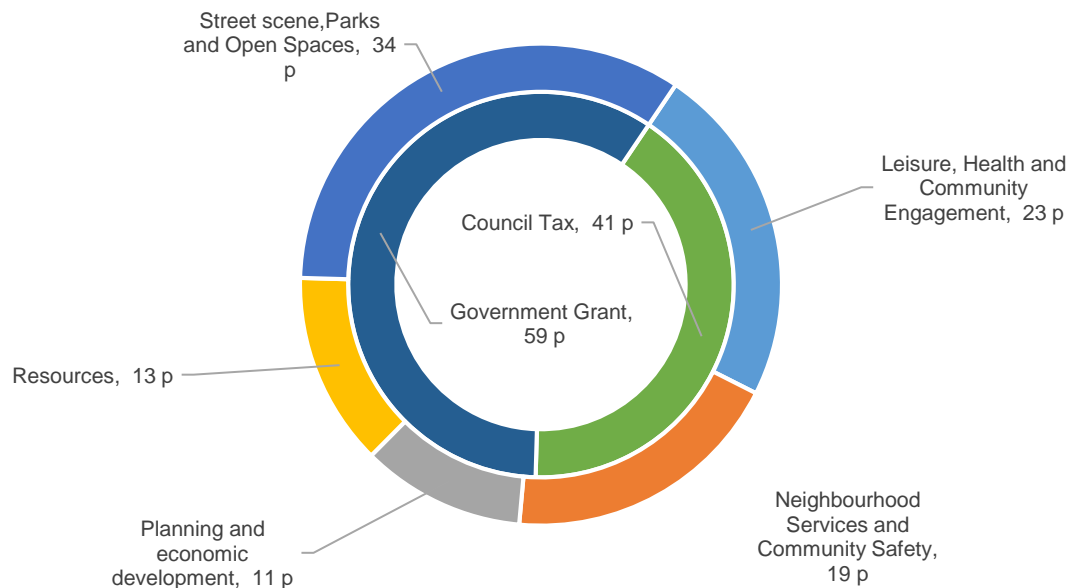
We have decided to follow the government's lead to maximise our spending power potential whilst keeping costs low for residents and continue providing Wyre's vital front-line services. This equates to a rise of £5 a year on a band D property, or just 10p a week, and means that the overall cost for all Wyre's services will be **57p per day**.

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



Wyre Council is the billing authority and collects council tax on behalf of all these agencies. However, Wyre's portion represents just under 11% or £209.74 (on a band D property) of the total amount of your bill in 2021/22. This compares to the equivalent figure of £204.74 (on a band D property) in 2020/21.

For every £1.00 the council receives in income it spends it in the following council areas (based on 2020/21 outturn):



### Business Plan 2019 to 2023 (2021 Update)

The Council's Business Plan sets out its vision, themes, priorities and key programmes and projects for a 4-year period, highlighting the issues upon which we have decided to focus in order to ensure that our vision is realised. All of this is captured under 'Our Vision: Wyre is a healthy and happy place where people want to live, work, invest and visit'. The core priorities in the Business Plan are shown below.

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

By 2025 we envisage the council will be characterised by;

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



# Business Plan 2019-2023

Updated 2021

**Our Vision:** Wyre is a healthy and happy place where people want to live, work, invest and visit

**wyre**  
council

## Economy

### OUR AMBITION – A STRONG LOCAL ECONOMY

#### We will:

- Work with the Fylde Coast Economic Prosperity Board to support economic growth and attract investment to Wyre
- Collaborate with our partners to facilitate vibrant town centres
- Support businesses to grow, prosper and recover
- Work with our partners to improve the infrastructure and connectivity across the Fylde Coast
- Maximise commercial opportunities and deliver efficiencies

## Place

### OUR AMBITION – A QUALITY LOCAL ENVIRONMENT FOR ALL TO ENJOY

#### We will:

- Work with residents, Parish and Town Councils and businesses to plan, protect and enhance the quality of our neighbourhoods
- Utilise Wyre's USP – the Great Outdoors – supporting residents and visitors to maximise the opportunities from coast to countryside
- Collaborate with our partners to respond to a range of climate change issues, including our commitment to carbon footprint reduction and tackling flood risk across Wyre.



## People

### OUR AMBITION – EMPOWERED COMMUNITIES

#### We will:

- Collaborate with residents and local stakeholders to support and maximise opportunities for improving health and wellbeing across our communities
- Transform the way customers access our services through making better use of technology
- Explore opportunities for communities and partners to deliver initiatives that build resilience and sustainability
- Work with partners to support and raise the aspirations of young people

# Delivering our Vision

wyre  
council



## Economy

### How will we do this?

- Support business growth at the Hillhouse Technology Enterprise Zone
- Collaborate with partners to develop strategic economic plans such as the Greater Lancashire Plan
- Work with our partners to increase access for residents and businesses to high speed internet and wi-fi wherever possible
- Develop the Fleetwood Regeneration Framework and explore external funding opportunities to support the future options to transform Fleetwood over the next 20 years
- Explore investment and development opportunities for our other town centres in Poulton, Garstang and Cleveleys
- Work with partners to explore the feasibility of a Fylde Coast tramway / rail loop
- Explore investment opportunities for our key council assets
- Proactively support business recovery following the pandemic

### How will we measure progress?

- Total visits to town centres
- Town centre vacancy rates
- Number of businesses supported
- % of fledgling businesses surviving - 18 months
- Number of Heritage Action Zone grants awarded to private owners
- Out of work benefit claimant count
- Visitor numbers to the borough

**Wyre is a healthy and happy place where people want to live, work, invest and visit**



## People

### How will we do this?

- Develop a long term strategy for sustainable leisure and wellbeing provision across Wyre
- Deliver a programme of work to promote healthy choices and healthier lifestyles to keep people well
- Maximise funding opportunities and deliver initiatives to support older people and people with disabilities to maintain independence
- Work with partners to improve the aspirations and resilience of our young people
- Develop a programme of work to improve and support the sustainability and resilience of our communities that builds on the learning from the covid support hubs
- Launch the next phase of the Digital Wyre Strategy ensuring customers have easy access to our services and that we embrace the opportunities new technologies bring

### How will we measure progress?

- % of e-contacts as a % of total contacts
- Number of people helped to remain independent at home
- % of physically active adults
- Number of visits to leisure centres
- Net gain / loss of members per leisure centre
- Number of volunteer hours
- % of resident population who consider themselves to be in good health



## Place

### How will we do this?

- Review and monitor the Wyre Local Plan 2011-2031
- Deliver the Wyre Beach Management Scheme
- Facilitate and support the improvement and use of parks and open spaces
- Deliver our action plan to reduce the effect of climate change on our borough including exploring green energy opportunities
- Promote activity to support our residents to reduce waste, increase reuse and recycling and implement environmental initiatives to help achieve a cleaner, greener Wyre
- Support the Turning Tides Partnership in their ambition to achieve a blue flag coast that is free from plastic pollution

### How will we measure progress?

- Number of people attending outdoor activities
- Satisfaction with parks and open spaces
- Satisfaction with keeping public land free from litter
- Reduction in fly tipping reported
- Money raised for good causes by the Wyre Community Lottery
- Reduction in council carbon emissions
- Number of public electric charging points
- Number of trees planted
- % of household waste recycled

**TOGETHER  
we make a  
difference**



## Financial Performance in 2020/21

### 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 59%) and the balance is funded by the Council taxpayer (approximately 41%). The following table sets out the comparison between the Updated Revised Budget and the outturn position, and how this expenditure has been funded:

| Description                           | Updated Revised Budget<br>£ | Outturn<br>£        | Variance<br>£      |
|---------------------------------------|-----------------------------|---------------------|--------------------|
| Net Cost of Services                  | 17,392,380                  | 14,610,901          | (2,781,479)        |
| Other Income and Expenditure          | 3,841,190                   | 7,075,835           | 3,234,645          |
| (Use of)/additions to balances        | (2,628,350)                 | (813,310)           | 1,815,040          |
| <b>TOTAL</b>                          | <b>18,605,220</b>           | <b>20,873,426</b>   | <b>2,268,206</b>   |
| <i>FUNDING</i>                        |                             |                     |                    |
| New Homes Bonus                       | (1,279,650)                 | (1,279,648)         | 2                  |
| Non Domestic Rates – Retained Share   | (2,885,360)                 | (3,130,581)         | (245,221)          |
| Non Domestic Rates – Section 31 Grant | (6,086,710)                 | (8,083,637)         | (1,996,927)        |
| Council Tax                           | (8,445,100)                 | (8,445,095)         | 5                  |
| Council Tax – Section 31 Grant        | 0                           | (26,069)            | (26,069)           |
| Enterprise Zone                       | 91,600                      | 91,604              | 4                  |
| <b>TOTAL</b>                          | <b>(18,605,220)</b>         | <b>(20,873,426)</b> | <b>(2,268,206)</b> |

The main contributors to the outturn variance reported against the movement of general balances, totalling £1,815,040, are outlined below:

| Description                                  | £           | £                |
|--|-------------|------------------|
| <i>Increased Spending/Reduced Income</i>     |             |                  |
| New Homes Bonus Reserve – Top Up             | 1,137,498   |                  |
| Capital Investment Reserve – Top Up          | 1,096,066   |                  |
| Property Investment Reserve – Top Up         | 266,900     |                  |
| Leisure Management Reserve – Top Up          | 250,000     |                  |
| Non Domestic Rates Payable                   | 12,308      |                  |
| Impairment Allowances (Bad Debt Provisions)  | 51,940      |                  |
| Rental Income                                | 74,421      |                  |
| Interest Received                            | 10,232      |                  |
| <b>TOTAL</b>                                 |             | <b>2,899,365</b> |
| <i>Reduced Spending/Increased Income</i>     |             |                  |
| Slippage to 2021/22 (net of reserve funding) | (1,815,040) |                  |
| Employee Costs (including training)          | (318,083)   |                  |
| Water Charges                                | (33,744)    |                  |
| Refuse Collection Contract                   | (38,136)    |                  |
| Vehicle expenses (fuel)                      | (17,614)    |                  |
| Car Allowances                               | (29,633)    |                  |
| Hire and Maintenance of Tools/Equipment      | (30,640)    |                  |
| Materials and Consumables                    | (24,356)    |                  |
| Postage                                      | (33,315)    |                  |

|                                      |                    |
|--------------------------------------|--------------------|
| Greater Lancashire Plan              | (21,853)           |
| Community payback scheme             | (20,000)           |
| Green Waste Subscription             | (10,833)           |
| Benefits and Rent Allowances         | (173,410)          |
| Council Tax Annex Grant              | (14,797)           |
| Unringfenced Covid-19 Grants         | (1,432,173)        |
| Sales, Fees and Charges Scheme       | (73,844)           |
| National Leisure Recovery Fund Grant | (220,000)          |
| Housing Benefit Admin Grants         | (61,267)           |
| Other Net Variances                  | (345,667)          |
| <b>TOTAL</b>                         | <b>(4,714,405)</b> |
| <b>GRAND TOTAL</b>                   | <b>(1,815,040)</b> |

Some of the spending that was planned to take place during 2020/21 has slipped into 2021/22 (details are available on the 27 July 2021 Audit Committee agenda pack on [www.wyre.gov.uk](http://www.wyre.gov.uk)) and will be covered by an increase in balances at year end. Spending officers ask for unspent budgets to be moved to the next financial year to avoid paying for previously committed works from their new year's budget. The underspend against their budget is slipped so that next year they can spend their full budget and underspend from the previous year. The slippage for 2020/21 includes:

| Description  | Amount<br>£      |
|--|------------------|
| <i>Revenue Slippage</i>  |                  |
| Leisure Centres – YMCA Subsidy   | 219,780          |
| Council Tax – Hardship Fund  | 195,810          |
| Support Services – Salary Savings  | 190,900          |
| Contingency - Provision for Cessation of Care and Repair/Handyperson Service | 139,600          |
| Sea Defences – Private Contractors   | 75,290           |
| Street Cleansing – Community Initiatives                                     | 68,950           |
| Grants - COVID-19 Community and Resident Support Funding                     | 67,750           |
| Building Maintenance – various sites   | 60,890           |
| Contingency - Provision for Additional Fees                                  | 55,330           |
| Coastal Communities Fund Revenue Schemes – Promotions and Special Works      | 52,130           |
| Local Plan – Consultant Fees   | 51,370           |
| Audit Risk Management – LCC Audit Fee  | 45,540           |
| Development Control – Consultant Fees  | 43,920           |
| Contingency – Provision for Asset Maintenance Costs                          | 37,800           |
| Recovering the High Street – Consultant Fees                                 | 37,390           |
| Other Slippage   | 472,590          |
| <b>TOTAL</b>   | <b>1,815,040</b> |

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

|                                 | Anticipated position<br>£ | Actual position<br>£ |
|---------------------------------|---------------------------|----------------------|
| Opening balance                 | 13,906,033                | 13,906,033           |
| (Withdrawals)/Additions in year | (2,628,350)               | (813,310)            |
| <b>Closing balance</b>          | <b>11,277,683</b>         | <b>13,092,723</b>    |

## Capital

The council spent a total of £6,788,650 (2019/20 £5,978,519) on capital investment in the year compared with an Updated Revised Budget of £11,770,251. A summary of the main items of expenditure is shown below:

| Main items of expenditure   | 2019/20<br>£     | 2020/21<br>£     |
|---|------------------|------------------|
| Housing Grants  | 1,908,126        | 1,346,820        |
| Flood Defences  | 1,431,574        | 730,241          |
| Leisure Centres   | 227,959          | 1,323            |
| Fleetwood Market  | 250,717          | 412,962          |
| Other Asset Management (Inc. vehicles and digital transformation) | 502,460          | 3,208,278        |
| Parks and Open Spaces   | 875,152          | 1,046,557        |
| Wheeled Bins  | 782,531          | 42,469           |
| <b>TOTAL</b>  | <b>5,978,519</b> | <b>6,788,650</b> |

The main reasons for the variation of £4,981,601 when compared to the Updated Revised Budget are listed below (details are available on the 27 July 2021 Audit Committee agenda pack on [www.wyre.gov.uk](http://www.wyre.gov.uk)):

| Description  | £           | £                  |
|--|-------------|--------------------|
| <i>Capital slippage into future years</i>              | (4,927,148) |                    |
| <b>TOTAL</b>   |             | <b>(4,927,148)</b> |
| <i>Transferred to Revenue</i>                          |             |                    |
| St Chad's Churchyard                                   | (3,160)     |                    |
| Market House Studios (CCF5)                            | (3,997)     |                    |
| <b>TOTAL</b>   |             | <b>(7,157)</b>     |
| <i>Reduced spending</i>                                |             |                    |
| Jubilee Gardens Refurbishment                          | (5,300)     |                    |
| Refurbishment of Children's Playground Jean Stansfield | (1)         |                    |
| Kings George Playing Fields Thornton Phase 2           | (10,678)    |                    |
| Cell Eleven Monitoring                                 | (5,091)     |                    |
| LED Lighting Works                                     | (3,799)     |                    |
| Replacement of Core IT Network Infrastructure          | (22,427)    |                    |
| <b>TOTAL</b>   |             | <b>(47,296)</b>    |
| <b>GRAND TOTAL</b>                                     |             | <b>(4,981,601)</b> |

Capital expenditure can be funded from earmarked reserves which have been built up from revenue contributions, prudential borrowing, capital grants and contributions from both government and non-government departments, or by using the proceeds from the disposal of non-current assets (e.g., land and buildings). In 2020/21 capital expenditure was funded as follows:

| Resources  | Amount<br>£      |
|--|------------------|
| Grants and contributions   |                  |
| Better Care funding towards Disabled Facilities Grants (DFG)                           | 1,269,876        |
| Regenda funding towards DFGs   | 76,944           |
| Environment Agency funding for Coastal Defence Works, Beach Management and Cell Eleven | 730,241          |
| Coastal Communities Funding Round 5  | 412,962          |
| Heritage Lottery and Benefactor Funding for Mount Restoration                          | 835,026          |
| Other Contributions e.g. LEF, Friends Groups, CHF                                      | 192,933          |
| Capital Receipts   | 65,119           |
| Revenue  | 3,205,549        |
| <b>TOTAL</b>   | <b>6,788,650</b> |

The council maintains a fund of capital receipts from the disposal of non-current assets to fund capital expenditure. At 31 March 2021 the funds available were:

| Description            | Revised<br>£   | Actual<br>£    |
|------------------------|----------------|----------------|
| Opening balance        | 781,055        | 781,055        |
| Received in year       | 50,500         | 107,075        |
| Applied in year        | (87,850)       | (65,119)       |
| <b>Closing balance</b> | <b>743,705</b> | <b>823,011</b> |

### Resources Available for Capital Investment

The table below summarises the approved resources available for the 2020/21 Capital Programme and the indicative programme to 2025/26. This level of resources ensures that overall planned spending and funding are in balance. Figures are correct for approved decisions as at 30 June 2021.

| Resource                         | 2020/21<br>Outturn<br>£ | 2021/22<br>Estimates<br>£ | 2022/23<br>Estimates<br>£ | 2023/24<br>Estimates<br>£ | 2024/25<br>Estimates<br>£ | 2025/26<br>Estimates<br>£ |
|----------------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <i>No revenue implications</i>   |                         |                           |                           |                           |                           |                           |
| Capital Receipts                 | 65,119                  | 24,242                    | -                         | -                         | -                         | -                         |
| Grants and contributions         | 3,517,982               | 12,678,933                | 2,688,127                 | 2,047,783                 | 1,833,127                 | 1,833,127                 |
| <b>SUB TOTAL</b>                 | <b>3,583,101</b>        | <b>12,703,175</b>         | <b>2,688,127</b>          | <b>2,047,783</b>          | <b>1,833,127</b>          | <b>1,833,127</b>          |
| <i>With revenue implications</i> |                         |                           |                           |                           |                           |                           |
| Other revenue contributions      | 3,205,549               | 3,231,732                 | 155,200                   | 149,500                   | 302,500                   | 215,000                   |
| <b>SUB TOTAL</b>                 | <b>3,205,549</b>        | <b>3,231,732</b>          | <b>155,200</b>            | <b>149,500</b>            | <b>302,500</b>            | <b>215,000</b>            |
| <b>TOTAL</b>                     | <b>6,788,650</b>        | <b>15,934,907</b>         | <b>2,843,327</b>          | <b>2,197,283</b>          | <b>2,135,627</b>          | <b>2,048,127</b>          |

## Levels of Borrowing

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

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

## Non-Financial Performance Indicators

The following statistics relate to 2020/21:



**615** homes built of which 111 are affordable homes



**982** handy person jobs completed



**229** volunteers contributing 12,458 hours



**272** incidents of dog fouling cleared up



**163** Disabled Facilities Grants awarded totalling £1.3m



Over **3.2m** bins emptied



**95.73%** of Council Tax collected



**94.98%** of business rates collected



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



**25,597** social media followers

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

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

## EXPLANATORY FOREWORD TO THE STATEMENT OF ACCOUNTS

This Statement of Accounts covers the financial year ended 31 March 2021 (2020/21). It has been prepared in accordance with the Accounts and Audit Regulations 2015 and the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21. The main Accounting Statements within this document are:

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

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

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

**Cash Flow Statement** – The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority’s future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e., borrowing) to the authority.

**Collection Fund Account** – There is a statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to preceptors (Lancashire County Council, Police and Crime Commissioner for Lancashire, Lancashire Combined Fire Authority and Wyre Borough Council) and Government of Council tax and non-domestic rates.

These statements are supported by the:

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

## STATEMENT OF RESPONSIBILITIES

### The Authority's Responsibilities

The Authority is required to:

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

### The Chief Financial Officer's Responsibilities

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

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

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code;
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities;
- assessed the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;

- used the going concern basis of accounting on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future; and
- maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether owing to fraud or error.

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Authority at 31 March 2021 and of its income and expenditure for the year then ended.

**Signature**

C JAMES

CORPORATE DIRECTOR RESOURCES (CHIEF FINANCIAL OFFICER)

(Authorised for issue) 30 July 2021

## **FURTHER INFORMATION**

Further information about the Accounts is available from:

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

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

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

Tel: 01253 891000 Email: [mailroom@wyre.gov.uk](mailto:mailroom@wyre.gov.uk)



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

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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

## ANNUAL GOVERNANCE STATEMENT

### 1.0 INTRODUCTION TO CORPORATE GOVERNANCE

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

### 2.0 SCOPE OF RESPONSIBILITY

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

### 3.0 THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 3.1 The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled, together with the activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 3.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to meet the targets in our policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Wyre Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 3.3 The governance framework has been in place at Wyre Council for the year ended 31 March 2021 and up to the date of approval of the annual statement of accounts.

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

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

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

- 5.1 The CIPFA/SOLACE guidance recommends that authorities should undertake annual reviews of their governance arrangements to ensure continuing compliance with best practice as set out in the framework.
- 5.2 Each year, normally in April, a governance workshop is held with key officers of the council who have the most appropriate knowledge, expertise and levels of seniority to consider the extent to which the organisation complies with the principles set out in the good governance framework. The principles are discussed in length and evidence is put forward to demonstrate how the council is meeting each of the principles. It is also an opportunity to identify any issues or gaps that could lead to a weaker governance structure.
- 5.3 In addition, evidence to produce the statement is also collected from a number of other sources, namely:
- The views of Internal Audit through regular progress reports, the Annual Internal Audit Opinion and the review of the effectiveness of Internal Audit,
  - The views and reports of our external auditors in their value for money opinion, and the
  - Examination of risk reports, risk registers and an overview of the risk management process.
- 5.4 Following this meeting, this information is collated and a draft statement is produced and circulated for comment. The final draft version of the statement is presented to Audit Committee for approval. Once approved by the Audit Committee, the statement is then signed by the Leader and Chief Executive and will ultimately form part of the 2020/21 Statement of Accounts. The draft Annual Governance Statement can be updated up to the date of the signing of the Statement of Accounts.

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

- 6.1 Set out below is how the council has complied with the seven core principles set out in the CIPFA / SOLACE framework during 2020/21.

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

##### **Behaving with integrity**

- Established codes of conduct define expected standards of personal behaviour for both staff and Members.

- The council has a set of corporate values for its staff reflecting public expectations about the conduct and behaviour of individuals and these are reflected in the recruitment and selection and performance appraisal processes. A different document is currently used for Corporate Directors which doesn't include an opportunity for personalised commentary by the Chief Executive of Corporate Directors or a Personal Development Plan. This weakness will be addressed on future versions.
- The council has a Member Code of Conduct in place that sets and helps to achieve high standards of conduct for elected Members.
- Induction training is in place for both staff and newly elected Members.
- Arrangements are in place to ensure that Members and employees of the council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.
- A register of interests is maintained for Members and officers.
- An up-to-date register of gifts and hospitality is maintained and is reviewed annually by the Monitoring Officer and the Audit Committee.
- There is an efficient Standards Committee.
- Arrangements are in place for whistleblowing, to which all officers, Members and all those contracting with the council have access. The policy is reviewed annually by the Audit Committee.
- Arrangements are in place so that conflicts of interest on behalf of Members and officers are avoided.
- Effective, transparent and accessible arrangements are in place for dealing with complaints.

### **Demonstrating strong commitment to ethical values**

- The Head of Governance (Chief Internal Auditor) champions ethical compliance for both officers and Members.
- Ethical Governance Surveys are carried out every three years to test both staff and elected Members knowledge and understanding of the council's key policies and procedures. The last staff survey was carried out in 2019 and the Member survey is scheduled for 2021.
- Protocols are in place for partnership working. These are documented in the council's Financial Regulations and Financial Procedure Rules and are subjected to an annual review.
- A competency framework, listing required behaviours and values, is currently used to drive recruitment and regular performance reviews are undertaken as part of the performance appraisal system.
- Policies and procedures are in place and are regularly reviewed for dealing with unacceptable behaviours.

### **Respecting the rule of law**

- The authority has complied with both the Chartered Institute of Public Finance and Accountancy (CIPFA) statement on the Role of the Chief Financial Officer and the Head of Internal Audit in Local Government.

- The Constitution sets out the responsibilities of elected Members by defining the decision-making powers of the Council, Executive, Overview and Scrutiny and regulatory and other committees, providing clear terms of reference, and describing roles and functions.
- The Head of Governance (Chief Internal Auditor) has extensive internal audit experience and is professionally qualified. She is a certified and chartered auditor (CIA, CMIIA) and also holds a Qualification in Internal Audit Leadership (QIAL).
- The S.151 Officer is a qualified CIPFA Accountant and Member of the Association of Accounting Technicians.
- Anti-fraud and anti-corruption policies are in place and reviewed annually by Audit Committee.
- The Monitoring Officer is responsible to the council for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.
- All allegations concerning breaches of the code by elected Members are thoroughly investigated.
- Up to date job descriptions and person specifications are maintained for the Chief Executive, Section 151 Officer and the Monitoring Officer.
- All staff completed training in respect of the Data Protection Act 2018 and the incorporated General Data Protection Regulations in 2018. Following the UK's exit from the European Union, updated training will be arranged. Regular training is provided to elected Members who sit on regulatory committees such as Planning, Licensing and the Audit Committee.
- Specific legislative requirements are observed, as well as the requirements of general law, and in particular the key principle of good administrative law, rationality, legality and natural justice form part of procedures and decision-making.
- Proper professional advice on matters that have legal or financial implications is available and when sought, recorded in advance of decision-making.
- Limits of lawful activity are recognised by the ultra vires doctrine and managers strive to utilise their powers to the full benefit of the community.
- During the on-going pandemic, Executive and certain Non-Executive Decisions were delegated to officers and taken under 'Emergency Powers'.

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

### **Openness**

- A business plan is published annually giving information on the council's strategic narrative, priorities and performance measures which is shared with all officers, Members, partners and the community.
- An annual statement of accounts is produced with an easy to read narrative report.
- The annual efficiency statement is published with the revenue estimates.

- The Corporate Director Resources (Section 151 Officer) is responsible for publishing annual accounts, in a timely manner and within statutory deadlines, to communicate the council's activities and achievements, its financial position and performance. During 2020/21, the 2019/20 accounts were delayed and signed off in March 2021, after the statutory deadline (30 November 2020) had passed, owing to the pandemic. This was a common occurrence nationally as the pandemic continued to have a significant impact on the council's day-to-day activities and capacity was stretched both internally and for the external auditors. However, the accounts were certified unqualified by the External Auditors who also issued an unqualified value for money conclusion for the 2019/20 financial year.
- The council as a whole is open and accessible to the community, service users and its officers and is committed to openness and transparency in all its dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.
- The council has recently completed a review of its compliance to the Local Government Transparency Code 2015 and is working towards full compliance.
- Wyre Voice, an information leaflet produced by the council, is delivered to every household annually with a monthly E-newsletter being sent to those who have subscribed.
- A monthly newsletter 'core brief' is produced and cascaded to all staff.
- Periodic reports are produced on Overview and Scrutiny function activity.
- Key decisions are published in the Schedule of Executive Decisions.
- All report authors have been offered training on report writing.
- Following the impact of on-going pandemic, all audio and visual recordings of Council meetings are available on the council's website and YouTube.
- A property investment panel has been established which will consider proposals for investment opportunities.
- The council's new intranet and use of Office 365 includes more ways for the organisation and staff to share information on the 'Wyre Hub' and through applications like Yammer and Delve.

### **Engaging comprehensively with institutional stakeholders**

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

- Clear channels of communication are in place with all sections of the community and other stakeholders including monitoring arrangements to ensure that they operate effectively, e.g. flood forums, the Fylde and Wyre Health and Wellbeing Partnership Board, the Waste Management Partnership Board and the Leisure Management Partnership Board.
- In response to the pandemic, Community Hubs were established and strong relationships were developed with a number of key partners (NHS, Police LFRS, Food Banks) to assist the community throughout the crisis.

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

- The council's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and are clearly articulated and disseminated.
- Arrangements are in place to enable the council to engage with all sections of the community effectively. These arrangements recognise that different sections of the community have different priorities and there are explicit processes for dealing with these competing demands.
- The council has a Digital Hub located at the Fleetwood Market in partnership with Citizens Advice to provide additional support to residents to help them develop their digital skills (closed during the pandemic).
- A 'together we make a difference network' is in place. This informal membership network led by the council is made up of council officers, elected Members and partners from all sectors with the aim to enable local people to make a difference in their local communities.
- The council undertakes regular consultation and all are available through the online consultation portal.
- All Wyre residents were contacted by letter during the pandemic and Community Hubs were set up to address the needs and requirements of the community.

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

#### **Defining outcomes**

- The Council has made a clear statement of its vision, ambitions, key programmes and projects in its business plan (2019 – 2023) which is used for service and corporate planning. The plan undergoes a 'light touch' annual refresh with a more comprehensive review undertaken every four years to coincide with the borough election cycle.
- The business plan includes a set of measures defining outcomes which are reported quarterly to the Overview and Scrutiny Committee.
- There are effective arrangements to deal with failure in service delivery.
- There is a corporate complaints procedure with annual reports from the Local Government Ombudsman being available on the website.
- The Medium Term Financial Plan (MTFP) / revenue estimates and capital programme are soundly based and are designed to deliver the council's strategic priorities.



- The value for money indicators are reviewed annually with the results being reported to Cabinet and Overview and Scrutiny Committee.
- The council's approach to value for money is reflected in the annual efficiency statement reported to Cabinet with targets and achievements monitored throughout the year.
- Strategic and operational risk registers are maintained and workshops are held throughout the year to review current risks and identify new risks. The risk registers are reviewed quarterly, in line with the business plan and the efficiency programme.
- During the pandemic, weekly returns were submitted via Lancashire County Council to the Ministry of Housing, Communities and Local Government.

### **Sustainable economic, social and environmental benefit**

- The council embraces community engagement and involvement and encourages neighbourhood engagement and works collectively with ward councillors, parish and town councillors, community groups and other partner organisations to identify local issues and priorities.
- Our business plan states a number of ambitions which will improve the health and wellbeing of our communities.
- Relationships have been established with clinical leads from the Blackpool, Preston, Morecambe Bay and Fylde coast clinical commissioning groups with a view to influencing service provision.
- The business plan is subject to an equality impact assessment on an annual basis.
- The development and delivery of the local plan has been subject to extensive consultation.
- Individual projects are equality impact assessed promoting access to services.
- Our 'together we make a difference network' works with the community to identify priority projects, makes links with partners, develops relationships with key stakeholders and helps facilitate the delivery of community priorities.
- The council has been awarded a number of both green and blue flag awards for our clean beaches and parks and open spaces.
- The Council's Constitution considers 'Social Value' when procuring goods and services.
- £300,000 has been set aside in the 2021/22 budget for a new town centre strategy fund which will help our town centres respond well following the pandemic.
- Following a successful Heritage Action Zone bid the council is working with Historic England to develop a proposed scheme to create new ways to champion and revive Fleetwood's historic high streets.
- The council is working with Allied British Ports and other partners to bring new commercial floor space at Fleetwood Docks to help safeguard the fish processing industry for Fleetwood.
- The council contracts with an external operator to run a weekly online community lottery to provide good causes and community groups with a simple and accessible way to raise funds.



- The council has worked closely with local business to help them re-open safely during the pandemic.

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

**Determining interventions**

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

**Planning interventions**

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

**Optimising achievement of intended outcomes**

- The MTFP is agreed annually in October and updated regularly with a revised projection being presented to Management Board and published with the revenue estimates in February.
- The MTFP, revenue estimates and capital programme are soundly configured to meet the requirements of the business plan.

- The MTFP sets out the framework for corporately managing the council's resources in the years ahead.

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

**Developing the Entity's capacity**

- The council continued to support the YMCA during the on-going pandemic and allocated nearly £1m in additional Covid funding for 2020/21. As previously reported in last year's Annual Governance Statement, the YMCA will not meet the agreed subsidy target in 2020/21. A bid to the National Leisure Recovery Fund (£0.2m) was successful in 2020/21 and this funding was used to support the reopening of the Leisure Centres in April 2021. Further financial and marketing support has been included in the 2021/22 budget.
- Effective mechanisms exist to monitor service delivery through the Overview and Scrutiny arrangements and quarterly performance reports highlight where corrective action is necessary.
- A key activity in the council's business plan is to continue the programme of works to maximise the use of our assets.
- The council subscribes to the APSE advisory service, with a view to benchmarking its front line services.
- Benchmarking is undertaken via relevant Lancashire professional groups e.g. revenues, audit, finance etc.
- The council plays an active role in the Fylde and Wyre health and wellbeing partnership.
- The council's performance appraisal system allows for documentation of the development of the individual through their personal development plan (PDP). A different document is used for Corporate Directors and this doesn't include a PDP or the opportunity for personalised feedback. This weakness will be amended for future appraisals.
- In 2020/21, the council's Chief Internal Auditor undertook a similar role for Lancaster City Council on a contractual basis. This arrangement ceased on the 31 March 2021.
- In 2018, the Internal Audit Service received a 'full compliance' overall opinion when assessed against the Public Sector Internal Audit Standards (PSIAS).
- The council regularly benchmarks Member's allowances as part of the review undertaken by the Independent Remuneration Panel.
- The council is continuing to liaise with advisory bodies and work with partners across the Lancashire Waste Partnership to respond to the current consultations linked to the waste and resource sector and likely to bring changes to the sector and for households and commerce once the Environment Bill is passed through Parliament.

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

- The Chief Executive is responsible and accountable to the council for all aspects of operational management and is required to attend regular performance appraisal meetings with the Leader of the Council.
- The Corporate Director Resources (Section 151 officer) is responsible to the council for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.
- There is an established pay and grading structure for employees referred to as the job evaluation system and a process for appeals.
- There is a clearly defined management structure and a scheme of delegation to officers, which is underpinned by the Members' Code of Conduct and a protocol for officer / Member relations.
- There are published job descriptions and established protocols, which ensure that the Leader and Chief Executive establish their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained.
- Financial Regulations and Financial Procedure Rules are reviewed annually by the Audit Committee.
- Career structures are in place for Members and officers to facilitate succession planning.
- An independent review of the Scrutiny function was carried out in 2020/21 by the Centre for Governance and Scrutiny and a workshop is scheduled for June 2021 to begin implementing their recommendations.
- The council supported three individuals through an apprenticeship scheme in Leadership and Management.
- Effective management arrangements are in place both at the top of and throughout the organisation to support the health and wellbeing of officers. Separate surveys of staff and Members were undertaken during the pandemic to address the health and wellbeing needs of both groups. Actions from both surveys have been identified and steps are being taken to implement additional support e.g. the Listening Ear service.
- The council assesses the skills required by elected Members and officers and makes a commitment to develop these to enable roles to be carried out effectively.
- The council ensures that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the council. It should be noted that the Monitoring Officer (MO) left the council on 1 June 2021 and the Deputy MO has now assumed the role. Owing to their long experience deputising in the role and the appointment of the HR Manager as their new deputy, it is not anticipated that this will be a governance issue.
- Training programmes are tailored to meet individual needs and there are opportunities for elected Members and officers to update their knowledge on a regular basis.
- Skills are developed on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed.

- Arrangements are in place via the volunteering initiative to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Authority.
- A competency framework exists to ensure that all staff have appropriate skills enabling them to deliver high quality services.

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

**Managing risk**

- Risk management is embedded into the culture of the council, with Members and managers at all levels recognising that risk management is part of their job.
- The risk management policy is refreshed annually and approved by the Audit Committee.
- In 2020/21 the council had individual BREXIT and ICT risk registers in place which were reviewed on a quarterly basis.
- Strategic and operational risk registers are maintained and workshops are held regularly to review current risks and identify any new risks. Whilst the Strategic Risk Workshop was held face-to face with a reduced number of participants present owing to the pandemic, operational risk workshops were held virtually.
- Most services have detailed Information Asset Registers in place which are reviewed by Internal Audit as part of each audit review ensuring compliance with legislation and demonstrating best practice in information governance.

**Managing performance**

- Performance is regularly reported to Corporate Management Team and Cabinet.
- The council has an Overview and Scrutiny Committee which allows for constructive challenge and enhances the council's performance overall.
- There are effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.
- There is a calendar of dates for submitting, publishing and distributing timely reports to the council's committees.
- Quarterly performance reports are submitted to the Overview and Scrutiny Committee.

**Robust internal control**

- An effective internal audit function is adequately resourced and maintained.
- Internal audit reviews are conducted under the Auditing Practices Board guidelines and in line with Public Sector Internal Audit Standards (PSIAS).

- In accordance with the Accounts and Audit Regulations 2015, an annual assessment of the council's systems of internal audit is carried out using the PSIAS and the checklist provided in the Local Government Application Note published by CIPFA. The standards also require an external assessment be carried out every five years. In April 2018 the Internal Audit Services received a 'full compliance' overall opinion following an external assessment carried out by Allerdale Borough Council and Preston City Council. The next review is scheduled for February 2023.
- The Head of Governance (Chief Internal Auditor) has developed a quality assurance improvement programme to ensure the continual improvement of the internal audit service.
- An effective Audit Committee is in place, which is independent of the Executive and the Overview and Scrutiny function.
- The Audit Committee undertakes an annual review of its own effectiveness against the checklist in the CIPFA guidance 'effective audit committees' and is satisfied that it meets the required standard.
- Both the Head of Governance (Chief Internal Auditor) and Senior Auditor have extensive experience and are both professionally qualified. The Chief Internal Auditor is a Chartered Auditor and also holds a Qualification in Internal Audit Leadership. The Senior Auditor is a Certified Auditor.
- The implementation of internal audit report recommendations is monitored by the Internal Audit Team and the Audit Committee.
- Counter-fraud policies are in place and reviewed annually. The effectiveness of these policies is reviewed on a regular basis.
- Robust whistleblowing arrangements are in place with the last ethical governance survey results showing that a high percentage of staff had a good understanding of the policy and knew how to raise concerns.

### **Managing data**

- In 2018, staff received training on the new Data Protection Act 2018 and the incorporated General Data Protection Regulations (GDPR) using an e-learning package.
- The council has appointed a Data Protection Officer who is responsible for ensuring the council's compliance with the Data Protection Act 2018 and the incorporated GDPR.
- In November 2019, the Audit Committee were given delegated responsibility for ensuring the council is compliant to the Data Protection Act and the GDPR and receives six monthly updates from the Head of Governance (Chief Internal Auditor).
- Information Asset Registers are in place to demonstrate the council knows what data it processes, where it is stored and how it is shared internally and externally.
- Information is stored securely and confidential waste disposal arrangements are in place.
- The council has a data classification scheme in place.
- Key performance data is regularly reviewed for accuracy by internal audit.

### **Strong public financial management**

- Those making decisions are provided with information that is fit for purpose, relevant, timely and gives clear explanations of technical and financial issues and their implications.
- An up to date register of gifts and hospitality is held and is annually inspected by the council's Audit Committee and the Monitoring Officer.
- There is an established pay and grading structure in place for employees.
- Financial Regulations and Financial Procedures Rules are reviewed annually and any changes are presented to the Audit Committee for approval.
- Registers of interests are maintained for both officers and elected Members.
- The External Auditors issued an unqualified value for money conclusion for the 2019/20 financial year.

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

#### **Implementing good practice in transparency**

- Wyre Voice, an information leaflet produced by the council is delivered to every house in the Borough.
- An easy to read 'narrative report' accompanies the Statement of Accounts.
- The Local Government Ombudsman annual report is published on the council's website.
- The council has recently completed a review of its compliance to the Local Government Transparency Code 2015 and is working towards full compliance.

#### **Implementing good practices in reporting**

- Annual presentations are delivered for elected Members concerning the council's finances as part of the production of the revenue estimates, the capital programme and the update of the MTFP.
- A set of questions and answers supports the financial position at the year-end illustrating key issues for members of the Audit Committee and the relevant stakeholders.
- The annual efficiency statement is published alongside the revenue estimates as part of the report to Cabinet in February.
- The Annual Governance Statement is regularly reviewed by the Section 151 Officer and the Head of Governance (Chief Internal Auditor). The action plan is monitored by the Corporate Management Team and reported to Audit Committee.
- The value for money indicators are reviewed annually with the results being reported to Cabinet.
- Project management information is available for elected Members via spreadsheets.
- Executive update reports are prepared and delivered by portfolio holders to Full Council.



## Assurance and effective accountability

- An effective internal audit function is resourced and maintained enabling them to deliver an annual internal audit opinion.
- The Head of Governance (Chief Internal Auditor) has reported in her Annual Audit Report that adequate assurance 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). There is a sound system of internal control designed to achieve the council's objectives and controls are generally being applied consistently.
- In accordance with the Audit and Account Regulations 2015, an annual assessment of the effectiveness of the internal audit function is completed.
- The Audit Committee work programme provides the opportunity for the Head of Governance (Chief Internal Auditor) to have a private and confidential discussion with the Audit Committee members.
- The council participates in RIPA inspections as and when required.
- Key partnerships are periodically reviewed through the internal audit plan with delivery via third parties being included in the assurance reviews undertaken annually.
- The Financial Regulations and Financial Procedure Rules include partnership guidance which can assist officers in managing the key risks of any partnership arrangements.
- Clear terms of reference exist for the key partnerships, clarifying arrangements for accountability, for example the Waste Management Service Development Board, the Leisure Management Partnership Board and the Fylde and Wyre Health and Wellbeing Board.

## 7.0 RISK MANAGEMENT

- 7.1 The council has adopted a corporate risk management policy and operates a fully integrated risk management system across the organisation.
- 7.2 Each year the council's Corporate Management Team (CMT) holds a strategic risk workshop, to identify and prioritise strategic risks and to produce an action plan. Significant business risks that may impact upon the council's priorities are identified and assessed, and appropriate control measures are in put place. The report and associated action plan is presented to Audit Committee and progress is monitored on a quarterly basis through the CMT. This year, CMT met on the 25 February 2021 to carry out the annual strategic workshop. The results of this workshop can be found at Appendix 3 of the Annual Internal Audit Report for 2020/21.
- 7.3 Operational risk workshops were held in February / March this year following the strategic risk workshop, with each service unit identifying any new risks that may occur during the year preventing the achievement of individual service plans. Owing to the on-going epidemic, the workshops took place through TEAMS. All staff who have responsibilities for identified risks are encouraged to review their risks and update their action plans continually throughout the year. However, a prompt is issued to staff in October to ensure progress is documented. Whilst the council is currently using spreadsheets to assist with the management of both strategic and operational risks, the council is in the process of procuring software to facilitate the administration processes. Risk registers are all visible on SharePoint and the Audit Committee are encouraged throughout the year to go and view the risks identified by each service unit and ensure progress is being made to mitigate each risk and challenge officers in the instances where no progress has been made.

- 7.4 During 2020/21, the council also had separate risk registers for both ICT and BREXIT. The council's ICT risk register is reviewed quarterly by the Corporate Director Communities, Head of ICT and the Senior Auditor and the results of these reviews can be found on SharePoint.
- 7.5 In preparedness for the UK leaving the European Union in January 2020, the council populated a BREXIT risks register which was reviewed on a regular basis following updates from Central Government, CMT and Head of Service. Following the departure from the EU in January 2021, this register has now been disbanded and any on-going risks / concerns have been amalgamated with individual operational risk registers.
- 7.6 Despite the pandemic, the council's risk management and assurance framework continued to be well supported and operated effectively across the organisation, with key officers participating in risk workshops and identifying and reporting new risks as they arise.

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

- 8.1 In accordance with the Accounts and Audit Regulations 2015, the council must ensure that it has a sound system of internal control which:
- a) facilitates the effective exercise of its functions and the achievement of its aims and objectives,
  - b) ensures that the financial and operational management of the council is effective; and
  - c) includes effective arrangements for the management of risk.
- 8.2 The council is also responsible for conducting a review each financial year of the effectiveness of the system of internal control.
- 8.3 The Corporate Director Resources (Section 151 Officer) is responsible for the proper administration of the council's financial affairs. This includes responsibility for maintaining and reviewing Financial Regulations and Financial Procedure Rules, to ensure they remain fit for purpose, submitting any additions or changes necessary to the Audit Committee for approval and reporting, where appropriate, breaches of the Regulations to the Cabinet and/or the Council.
- 8.4 Wyre Council's internal audit service, via a specific responsibility assigned to the Head of Governance (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 2020/21 concluded that 'adequate assurance 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). There is a sound system of internal control designed to achieve the council's objectives and controls are generally being applied consistently.
- 8.5 It reported that for the second year running, no areas reviewed were given either a 'weak' or poor' audit opinion and that individual reports confirm that no areas of concern were required to be brought to the attention of the Section 151 Officer or required reporting in the Annual Governance Statement as a 'significant' area of concern.
- 8.6 It also stated that whilst the on-going pandemic did affect the delivery of the audit plan and the audit team may not have provided assurance in all previously agreed areas, owing to the 'pause' in service from April to August, the audit function did respond positively in addressing the council's key risks during the pandemic.



## **9.0 VALUE FOR MONEY CONCLUSION**

- 9.1 The External Auditors issued an unqualified value for money conclusion in their most recent review for 2019/20. This means that they are satisfied that the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources. They raised no high priority recommendations as a result of their work.

## **10.0 SIGNIFICANT GOVERNANCE ISSUES IDENTIFIED**

- 10.1 No significant governance issues have been raised that require documenting separately in the Annual Governance Statement for 2020/21. However, when reviewing compliance to the guidance, a number of minor issues have been identified which have been documented in an action plan that will be monitored by Corporate Management Team and reported to the Audit Committee in November each year.
- 10.2 There were no significant governance issues raised in the 2019/20 Annual Governance Statement that were required to be followed-up and the minor issues identified at that time have been monitored and were last reported to the Audit Committee in November 2020. These have either been implemented or have been carried forward to the 2020/21 action plan.

## **11.0 CHALLENGES FROM COVID-19**

- 11.1 This section considers the impact of the Covid-19 pandemic on the adequacy of the governance arrangements during this period.

### **Impact on business as usual in the delivery of services**

- 11.2 Social distancing measures have had a significant impact on the council's decision-making procedures. MHCLG laid regulations before Parliament in April 2020 to provide flexibility in relation to local authority meetings held between 4 April 2020 and 6 May 2021. These regulations provided for remote access to meetings of local authorities by members of a local authority and by the press and public. The council put arrangements in place to hold meetings virtually, allowing elected members to fully engage in taking key decisions and to allow for public participation. All of our meetings have been broadcast live and made available on our Website and on our YouTube Channel. During the period to September prior to the commencement of virtual meetings, to enable decisions to be made during the crisis, delegated powers were also given to the Chief Executive and other officers in consultation with the Leader and Group Leaders. This meant that the council was able to respond to urgent matters swiftly, particularly during the first lockdown. These powers remained in place as a fall-back position until May 2021 but were exercised by exception only.
- 11.3 From April 2020, home working was facilitated for the majority of council staff. Those that could work from home, were equipped to do so and those that couldn't, were made to feel safe when coming into the office. Whilst some staff struggled with the challenges of remote working and the new software being used to facilitate these new working arrangements (TEAMS, Webex etc.), advice and guidance was created and circulated by ICT. A similar approach was taken with elected Members and feedback from the two main surveys conducted in 2020 were largely positive.

- 11.4 All services have continued to operate as normal where possible. All of the council's activities were risk assessed and additional control measures were put in place. These included social distancing in offices, extra PPE, hand sanitizers, plastic screens, photocopier stylus and implementing new changes to work patterns. Where essential, home visits and property / business inspections were carried out under Covid-19 secure protocols. Maintaining front line services was one of the council's priorities during the pandemic with the council working hard with our waste collection provider to ensure the household, garden and bulky waste service operated with as little disruption to services as possible.
- 11.5 The Communications Team have used the council's website, Facebook page and Twitter to keep our customers / residents up to date with changing legislation and we have worked hard to ensure that they feel comfortable when using our services or visiting our buildings in limited circumstances. The Chief Executive and Human Resources Team issued regular emails to staff and elected members to ensure that they had the most up to date information to pass on to staff, residents and stakeholders. Over the pandemic period, Corporate Management Team and the Senior Leadership Team meetings have continued via Teams and Webex.

#### **Areas of activity as part of the national response to coronavirus**

- 11.6 In April 2021 four Community Hubs were established in conjunction with established volunteer groups, to support those on the NHS shielding list and the vulnerable. Teams whose usual work had ceased or reduced were moved into new areas of activity, with much achieved through agile working measures. For example, a dedicated call centre for the Community Hubs was operated remotely by staff working from home or the office, with ICT solutions put in place to enable this to happen. This was operated not only during normal business hours, but also at times during the evenings and weekends.
- 11.7 The Housing Team worked closely with both the social and private housing sectors to ensure the council were able to provide support to the homeless and anyone at risk of becoming homeless.
- 11.8 Environmental Health played a significant role in ensuring Covid-19 regulatory advice from regulatory bodies was cascaded internally and externally to residents and businesses across the Borough. Covid-19 enforcement work was also undertaken, with some support from a contractor. A wide range of activities, including test and trace, have had a significant impact on the traditional work streams of the team.

#### **Funding consequences during the local government response**

- 11.9 The ongoing Covid-19 pandemic has had a financial impact on the council which is still being assessed. Emergency Covid-19 funding from central government in conjunction with other Covid related grant streams and the Sales, Fees and Charges income compensation scheme have helped to cushion the council from the impact. It is likely though that ongoing pressures will increase as this funding ceases and whilst the council's reserves and balances are healthy this position will need to be monitored throughout 2021/22.

#### **Longer term disruption and consequences arising from the coronavirus pandemic**

- 11.10 It is essential that the council focuses on the likely impact that the crisis, and its aftermath, will have on income levels both now and potentially into the future. It is difficult to make a reliable estimate of the full impact on the future, financial years. It could be difficult for councils to reduce their spending back to pre-crisis levels and income streams will not necessarily bounce back quickly, especially if the local economy is in recession. This means that the assumptions underlying later years in the

MTFP will almost certainly need to change, potentially making the 'funding gap' for 2021/22 and beyond larger.

### **Positive outcomes for the council**

- 11.11 The pandemic has not been without some positive outcomes for the council. The council provided sound leadership during the crisis with the ability to move resources around to ensure that it had the capacity to respond and change at pace where needed. Staff have demonstrated that they can adapt well and change working practices and culture to deliver services successfully virtually and remotely. The pandemic strengthened the resilience of some aspects of ICT, particularly remote working capability. Work to our ICT infrastructure continued during the pandemic and further improvements are planned. It has facilitated a move towards more agile working practices such as hot desking, with less reliance on physical office space, providing the catalyst to make changes which people are accepting of, without the normal change curve and inherent tensions.

## **12.0 FINANCIAL MANGEMENT CODE**

- 12.1 CIPFA have introduced a new Financial Management Code which is set to be implemented from 2021/22, with 2020/21 acting as a 'shadow year'. This timetable remains despite the pandemic but it is acknowledged that many authorities will still be working towards compliance during 2021/22 and beyond. The Code is designed to reflect the position local authorities find themselves in whereby the challenges of reduced funding and increased demand for services means that robust financial management is more important than ever. A series of high profile issues faced by a number of local authorities in recent times has highlighted the need to embed the principles of good financial management across all the ways that council's operate. As such, the Code sets out minimum standards and principles that authorities should seek to achieve. It is designed to be flexible to the nature, needs and circumstances of individual authorities and it is for each to determine to what degree they comply with the code and where further steps may be required.
- 12.2 The council's S.151 Officer has carried out a review of the Financial Management Standards and is confident that the council can demonstrate compliance against each. That is not to say that improvements cannot be made and one area has been identified as being of benefit to the council to further develop. This relates to long-term financial planning which has been problematic owing to the succession of one year financial settlements in recent times and the intention of central government to undertake significant reforms to local government funding with little actual progress being made, not least owing to the pandemic in 2020/21.
- 12.3 Currently a long-term capital programme is published as part of the Capital Strategy but the equivalent is not published for the revenue forecast. Whilst many council's have reduced their Medium Term Financial Plan (MTFP) period to one or two years owing to the uncertainty of government funding, Wyre's MTFP period has been increased to a five year plan (current year plus four years). This was deemed prudent by the S.151 Officer despite the lack of a multi-year settlement and is intended as a bridge to when more clarity is delivered about the Fair Funding Review and other delayed reforms. The MTFP acts as an 'early warning system' for the council's finances and is strengthened by maintaining a true medium-term approach.
- 12.4 Whilst longer term forecasting is fraught with uncertainty, there are approaches the council can take to undertaking more horizon scanning around the impact of factors such as increasing demand, aging population, climate change and hybrid working to name a few. An exercise will be undertaken during 2021/22 to commence capturing these longer-term drivers of costs and income with the Senior Leadership Team in order to strengthen the long-term financial planning at the council and improve compliance with the new Code.

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

13.1 As reported in the Annual Internal Audit report, despite the pandemic, and the significant pressure the organisation has faced during 2020/21, it is pleasing to report that governance processes and the overall framework have been well supported and have continued to operate effectively across the organisation.

### 14.0 CERTIFICATION

As the Leader of the Council, I am aware of the governance issues within this Authority and of the measures that are needed to improve the control environment. Overall, my assessment of the control environment as at 31 March 2021 is satisfactory.



COUNCILLOR D HENDERSON

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 2021 is satisfactory.



G PAYNE

CHIEF EXECUTIVE

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

| 2019/20           |                     |                    | Note  | 2020/21           |                     |                    |
|-------------------|---------------------|--------------------|---|-------------------|---------------------|--------------------|
| Gross Expenditure | Gross Income        | Net Expenditure    |   | Gross Expenditure | Gross Income        | Net Expenditure    |
| £                 | £                   | £                  |   | £                 | £                   | £                  |
| 6,325,577         | (1,497,573)         | 4,828,004          |   | 5,047,945         | (1,639,576)         | 3,408,369          |
| 31,779,954        | (29,063,368)        | 2,716,586          |   | 29,199,956        | (26,424,145)        | 2,775,811          |
| 3,822,194         | (2,311,108)         | 1,511,086          |   | 5,907,027         | (4,343,847)         | 1,563,180          |
| 6,462,832         | (1,698,170)         | 4,764,662          |   | 5,122,241         | (3,295,118)         | 1,827,123          |
| 6,553,194         | (1,451,042)         | 5,102,152          |   | 6,470,647         | (1,434,229)         | 5,036,418          |
| <b>54,943,751</b> | <b>(36,021,261)</b> | <b>18,922,490</b>  | <b>Cost of Services</b>   | <b>51,747,816</b> | <b>(37,136,915)</b> | <b>14,610,901</b>  |
| 736,546           | (45,000)            | 691,546            | Other Operating Income and Expenditure                                      | 808,213           | (84,310)            | 723,903            |
| 831,849           | (653,437)           | 178,412            | Financing and Investment Income and Expenditure                             | 685,327           | (718,012)           | (32,685)           |
| -                 | (17,407,119)        | (17,407,119)       | Taxation and Non-Specific Grant Income                                      | -                 | (17,308,550)        | (17,308,550)       |
|                   |                     | <b>2,385,329</b>   | <b>(Surplus) or Deficit on the Provision of Services</b>                    |                   |                     | <b>(2,006,431)</b> |
|                   |                     | (1,300,280)        | (Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets | 25                |                     | (3,960,095)        |
|                   |                     | (6,262,000)        | Remeasurements of the Net Defined Benefit Liability/ (Asset)                | 39                |                     | 7,703,000          |
|                   |                     | <b>(7,562,280)</b> | <b>Other Comprehensive Income and Expenditure</b>                           |                   |                     | <b>3,742,905</b>   |
|                   |                     | <b>(5,176,951)</b> | <b>Total Comprehensive Income and Expenditure</b>                           |                   |                     | <b>1,736,474</b>   |

## MOVEMENT IN RESERVES STATEMENT

|   | General<br>Fund<br>Balance<br>£ | Earmarked<br>Reserves<br>£ | Capital<br>Receipts<br>Reserve<br>£ | Capital<br>Grants<br>Unapplied<br>Reserve<br>£ | Total<br>Usable<br>Reserves<br>(Note 24)<br>£ | Unusable<br>Reserves<br>(Note 25)<br>£ | Total<br>Authority<br>Reserves<br>£ |
|---|---------------------------------|----------------------------|-------------------------------------|--|---|--|-------------------------------------|
| <b>Balance at 31 March 2019</b>   | <b>12,187,664</b>               | <b>12,148,487</b>          | <b>731,567</b>                      | <b>265,754</b>                                 | <b>25,333,471</b>                             | <b>89,068,384</b>                      | <b>114,401,855</b>                  |
| <b>Movement in Reserves during 2019/2020</b>                                      |                                 |                            |                                     |  |   |  |                                     |
| Total Comprehensive Income and Expenditure  | (2,385,329)                     | -                          | -                                   | -  | (2,385,329)                                   | 7,562,280                              | 5,176,951                           |
| Adjustments between accounting basis and funding basis under Regulations (Note 8) | 4,852,327                       | -                          | 49,487                              | (95,903)                                       | 4,805,911                                     | (4,805,911)                            | -                                   |
| <b>Increase / (Decrease) Movement in 2019/2020</b>                                | <b>2,466,998</b>                | <b>-</b>                   | <b>49,487</b>                       | <b>(95,903)</b>                                | <b>2,420,582</b>                              | <b>2,756,369</b>                       | <b>5,176,951</b>                    |
| Transfer to or from Earmarked Reserves  | (748,628)                       | 748,628                    | -                                   | -  | -   | -                                      | -                                   |
| <b>Balance at 31 March 2020 carried forward (Note 24 and 25)</b>                  | <b>13,906,033</b>               | <b>12,897,115</b>          | <b>781,054</b>                      | <b>169,851</b>                                 | <b>27,754,053</b>                             | <b>91,824,752</b>                      | <b>119,578,805</b>                  |
| <b>Movement in Reserves during 2020/21</b>  |                                 |                            |                                     |  |   |  |                                     |
| Total Comprehensive Income and Expenditure  | 2,006,431                       | -                          | -                                   | -  | 2,006,431                                     | (3,742,905)                            | (1,736,474)                         |
| Adjustments between accounting basis and funding basis under Regulations (Note 8) | 5,351,379                       | -                          | 41,957                              | (108,367)                                      | 5,284,969                                     | (5,284,969)                            | 0                                   |
| <b>Increase / (Decrease) Movement in 2020/21</b>                                  | <b>7,357,810</b>                | <b>-</b>                   | <b>41,957</b>                       | <b>(108,367)</b>                               | <b>7,291,400</b>                              | <b>(9,027,874)</b>                     | <b>(1,736,474)</b>                  |
| Transfer to or from Earmarked Reserves  | (8,171,118)                     | 8,171,118                  |                                     |  |   |  |                                     |
| <b>Balance at 31 March 2021 carried forward (Note 24 and 25)</b>                  | <b>13,092,725</b>               | <b>21,068,233</b>          | <b>823,011</b>                      | <b>61,484</b>                                  | <b>35,045,453</b>                             | <b>82,796,878</b>                      | <b>117,842,331</b>                  |



## BALANCE SHEET

As at 31 March 2021

| 31 March 2020<br>£   | Description   | Note | 31 March 2021<br>£   |
|----------------------|---|------|----------------------|
| 125,455,681          | Property, Plant and Equipment                       | 13   | 127,003,250          |
| 330,950              | Heritage Assets                                     | 14   | 330,950              |
| 6,772,555            | Investment Property                                 | 15   | 11,049,955           |
| 270,654              | Intangible Assets                                   | 16   | 214,083              |
| 19                   | Long Term Investments                               | 17   | 19                   |
| <b>132,829,859</b>   | <b>Long Term Assets</b>                             |      | <b>138,598,257</b>   |
| 8,000,000            | Short Term Investments                              | 17   | 6,000,000            |
| 58,672               | Inventories   | 18   | 62,637               |
| 5,991,205            | Short Term Debtors                                  | 19   | 14,733,281           |
| 15,718,715           | Cash and Cash Equivalents                           | 20   | 27,221,421           |
| <b>29,768,592</b>    | <b>Current Assets</b>                               |      | <b>48,017,339</b>    |
| (5,188,915)          | Short Term Creditors                                | 22   | (17,551,657)         |
| (3,209,710)          | Provisions  | 23   | (2,001,818)          |
| (2,060,518)          | Revenue Grants Received in Advance                  | 34   | (3,498,083)          |
| <b>(10,459,143)</b>  | <b>Current Liabilities</b>                          |      | <b>(23,051,558)</b>  |
| (1,552,000)          | Long Term Borrowing                                 | 17   | (1,552,000)          |
| (7,291)              | Deferred Liabilities                                |      | (11,283)             |
| (29,185,000)         | Liability related to Defined Benefit Pension Scheme | 39   | (38,588,000)         |
| (1,816,212)          | Capital Grants and Contributions                    | 34   | (5,570,424)          |
| <b>(32,560,503)</b>  | <b>Long Term Liabilities</b>                        |      | <b>(45,721,707)</b>  |
| <b>119,578,805</b>   | <b>Net Assets</b>                                   |      | <b>117,842,331</b>   |
| (27,754,053)         | Usable Reserves                                     | 24   | (35,045,453)         |
| (91,824,752)         | Unusable Reserves                                   | 25   | (82,796,878)         |
| <b>(119,578,805)</b> | <b>Total Reserves</b>                               |      | <b>(117,842,331)</b> |

## CASH FLOW STATEMENT

For the year ended 31 March 2021

| 2019/20<br>£        |   | Note      | 2020/21<br>£        |
|---------------------|---|-----------|---------------------|
| 2,385,329           | Net (Surplus) or Deficit on the Provision of Services   |           | (2,006,431)         |
| (9,956,953)         | Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-cash Movements   | 26        | (11,554,715)        |
| 4,419,514           | Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing activities | 26        | 3,516,691           |
| <b>(3,152,110)</b>  | <b>Net Cash Flows from Operating Activities</b>   |           | <b>(10,044,455)</b> |
| 52,678              | Investing Activities  | 27        | (1,911,124)         |
| 608,879             | Financing Activities  | 28        | 452,873             |
| <b>(2,490,553)</b>  | <b>Net (Increase) or Decrease in Cash and Cash Equivalents</b>  |           | <b>(11,502,706)</b> |
| (13,228,162)        | Cash and Cash Equivalents at the beginning of the reporting period  |           | (15,718,715)        |
| <b>(15,718,715)</b> | <b>Cash and Cash Equivalents at the end of the reporting period</b>   | <b>20</b> | <b>(27,221,421)</b> |

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 EXPENDITURE AND FUNDING ANALYSIS

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

2020/21

| Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statements amounts  | Net expenditure chargeable to the General Fund balances | Adjustments for Capital Purposes (Note 1) | Net change for the Pensions Adjustments (Note 2) | Other Differences (Note 3) | Total Adjustments  | Net expenditure in the comprehensive income and expenditure statement |
|---|---|---|--|----------------------------|--------------------|---|
| £   | £   | £   | £  | £                          | £                  | £   |
| Leisure, Health and Community Engagement  | 2,500,492   | 876,821                                   | 30,861   | 195                        | 907,877            | 3,408,369   |
| Neighbourhood Services and Community Safety   | 724,876   | 2,021,275                                 | 29,468   | 192                        | 2,050,935          | 2,775,811   |
| Planning and Economic Development   | 1,374,470   | 168,797                                   | 19,770   | 143                        | 188,710            | 1,563,180   |
| Resources   | 582,878   | 326,574                                   | 913,158  | 4,513                      | 1,244,245          | 1,827,123   |
| Street Scene, Parks and Open Spaces   | 4,605,644   | 383,574                                   | 46,743   | 457                        | 430,774            | 5,036,418   |
| <b>Net Cost of Services</b>   | <b>9,788,360</b>  | <b>3,777,041</b>                          | <b>1,040,000</b>                                 | <b>5,500</b>               | <b>4,822,541</b>   | <b>14,610,901</b>   |
| Other income and expenditure  | 764,213   | (84,310)                                  | 44,000   | -                          | (40,310)           | 723,903   |
| Financing and investment income and expenditure   | 2,818,701   | (3,467,386)                               | 616,000  | -                          | (2,851,386)        | (32,685)  |
| Taxation and non-specific grant income and expenditure  | (20,729,084)  | (2,062,795)                               | -  | 5,483,329                  | 3,420,534          | (17,308,550)  |
| <b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services (Note 8)</b> | <b>(7,357,810)</b>                                      | <b>(1,837,450)</b>                        | <b>1,700,000</b>                                 | <b>5,488,829</b>           | <b>5,351,379</b>   | <b>(2,006,431)</b>  |
| Transfers to/from earmarked reserves  | 8,171,118   | -   | -  | (8,171,118)                | (8,171,118)        | -   |
| <b>(Surplus)/Deficit</b>  | <b>813,308</b>  | <b>(1,837,450)</b>                        | <b>1,700,000</b>                                 | <b>(2,682,289)</b>         | <b>(2,819,739)</b> | <b>(2,006,431)</b>  |
| Opening General Fund Balance at 31 March 2020   | (13,906,033)  |   |  |                            |                    |   |
| Less (Surplus)/Deficit on General Fund Balance in Year  | 813,308   |   |  |                            |                    |   |
| <b>Closing General Fund balance at 31 March 2021</b>  | <b>(13,092,725)</b>                                     |   |  |                            |                    |   |

2019/20

| Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statements amounts  | Net expenditure chargeable to the General Fund balances* | Adjustments for Capital Purposes (Note 1) | Net change for the Pensions Adjustments (Note 2)* | Other Differences (Note 3) | Total Adjustments* | Net expenditure in the comprehensive income and expenditure statement |
|---|--|---|---|----------------------------|--------------------|---|
| £   | £  | £   | £   | £                          | £                  | £   |
| Leisure, Health and Community Engagement  | 2,613,054  | 2,204,017                                 | 11,194  | (261)                      | 2,214,950          | 4,828,004   |
| Neighbourhood Services and Community Safety   | 504,097  | 2,184,949                                 | 27,778  | (238)                      | 2,212,489          | 2,716,586   |
| Planning and Economic Development   | 1,105,813  | 399,774                                   | 5,658   | (159)                      | 405,273            | 1,511,086   |
| Resources   | 2,744,131  | 305,680                                   | 1,720,212   | (5,361)                    | 2,020,531          | 4,764,662   |
| Street Scene, Parks and Open Spaces   | 4,804,067  | 284,490                                   | 14,158  | (563)                      | 298,085            | 5,102,152   |
| <b>Net Cost of Services</b>   | <b>11,771,162</b>  | <b>5,378,910</b>                          | <b>1,779,000</b>                                  | <b>(6,582)</b>             | <b>7,151,328</b>   | <b>18,922,490</b>   |
| Other income and expenditure  | 687,346  | (36,800)                                  | 41,000  | -                          | 4,200              | 691,546   |
| Financing and investment income and expenditure   | 961,920  | (1,546,508)                               | 763,000   | -                          | (783,508)          | 178,412   |
| Taxation and non-specific grant income and expenditure  | (15,887,426)   | (2,451,387)                               | -   | 931,694                    | (1,519,693)        | (17,407,119)  |
| <b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services (Note 8)</b> | <b>(2,466,998)</b>                                       | <b>1,344,215</b>                          | <b>2,583,000</b>                                  | <b>925,112</b>             | <b>4,852,327</b>   | <b>2,385,329</b>  |
| Transfers to/from earmarked reserves  | 748,628  | -   | -   | (748,628)                  | (748,628)          | -   |
| <b>(Surplus)/Deficit</b>  | <b>(1,718,370)</b>                                       | <b>1,344,215</b>                          | <b>2,583,000</b>                                  | <b>176,484</b>             | <b>4,103,699</b>   | <b>2,385,329</b>  |
| Opening General Fund Balance at 31 March 2019   | (12,187,664)   |   |   |                            |                    |   |
| Less (Surplus)/Deficit on General Fund Balance in Year  | (1,718,370)  |   |   |                            |                    |   |
| <b>Closing General Fund balance at 31 March 2020</b>  | <b>(13,906,033)</b>                                      |   |   |                            |                    |   |

### 1) Adjustments for Capital Purposes

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

- Other Operating expenditure – adjusts for capital disposals with a transfer of income disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e. minimum revenue provision (MRP) and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivables in the year to those receivable without conditions or for which conditions were satisfied.

- Throughout the year the Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

## 2) Net change for the Pensions Adjustments

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

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

## 3) Other Differences

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

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

## NOTE 2 ACCOUNTING POLICIES

### General Principles

The Statement of Accounts summarises the Council's transactions in the 2020/21 financial year and its position for the year-ended 31 March 2021. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 and must comply with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and the Service Reporting Code of Practice 2020/21, 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 the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

### Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of no more than 24 hours. Cash equivalents are highly liquid investments that mature no more than three months from the date of acquisition and are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Balance Sheet and 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 Authority's cash management.

### Prior Period Adjustments, changes in Accounting Policies and Estimates and Errors

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority'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 fixed assets attributable to the service.

The Authority 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 authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the MRP contribution, 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. 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 government 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 authority's share of the accrued income for the year. However, regulations determine the amount of the Council tax and NDR that must be included in the authority'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 authority'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.

## Employee Benefits

### Benefits Payable during Employment

Short-term employee benefits are those due to be settled 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 Authority. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end which 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 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 Authority 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 the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority 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 Authority 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 Pension 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 Authority are members of the Local Government Pension Scheme, administered by Lancashire County Council.

The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Authority.

### **The Local Government Pension Scheme**

- The liabilities of the Lancashire County Council pension scheme attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 2.4% (2.4% at the beginning of the period) based on the indicative rate of return on high quality Corporate bonds.
- The assets of the Lancashire County Council pension fund attributable to the Authority 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 pension 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 Non Distributed Costs.
  - Net interest on the net defined benefit liability (asset), i.e. net interest expense for the Authority – 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 the net interest on the net defined benefit liability (asset) – charged to the Pension Reserve as Other Comprehensive Income and Expenditure.
  - actuarial gains and losses - changes in net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the Lancashire County Council pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority 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 Authority 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 date are those events both favourable and unfavourable that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Adjusting events: Those that provide evidence of conditions that existed at the end of the reporting period – the financial statements and notes to the accounts are adjusted to reflect such events.
- Non-adjusting events: Those that are indicative of conditions that arose after the reporting period – the financial statements and notes to the accounts are not amended to reflect such events, but where material, disclosure is made of the nature of the event and the estimated financial impact.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

## Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority 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 for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

## Financial Assets

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

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

The authority'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 authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in

the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

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

### **Financial Assets Measured at Fair Value through Profit or Loss**

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

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

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

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the 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 Authority when there is reasonable assurance that:

- The Authority 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 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 Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, 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 Authority'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 Authority's general policies on impairment. The Authority'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 Authority, 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 Authority 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 Authority does not consider it appropriate to charge depreciation.

#### **Civic Regalia**

The collection consists of assorted items kept by the Authority 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 Authority 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 Authority 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 Authority. Expenditure is capitalised where it can be measured reliably as attributable to that asset and does not include research expenditure.

Expenditure on the development of the Authority's website is capitalised as the website is not solely or primarily intended to promote or advertise the Authority's goods or services.



Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority 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. 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 Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

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.

### Interests in Companies and other Entities

The Authority has no material interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures, which require the Authority to prepare group accounts.

### Inventories

Inventories are included in the Balance Sheet at the lower of the cost and net realisable value.

### Investment Property

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

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

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. The Authority does not have any finance leases or operating leases.

## Overheads and Support Services

The cost of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2020/21 (SeRCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the Authority's status as a multi-functional, democratic organisation.
- Non Distributed Costs – the use of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets Held for Sale.

These two cost categories are defined in SeRCOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on the Cost of Services.

## 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 Authority 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 line of the Comprehensive Income and Expenditure Statement, 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 Comprehensive Income and Expenditure Statement, 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 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 Comprehensive Income and Expenditure Statement.

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 Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the 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, 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 up to 10 Years.
- Infrastructure – straight-line allocation over 50 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 immediately 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 Comprehensive Income and Expenditure Statement. 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.

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 Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to the disposal of housing assets, which the Authority no longer holds, (75% for dwellings, 50% for land and other assets, net of statutory deductions and allowances) is payable to the Government. The balance of receipts is required to be credited to 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.

## Provisions, Contingent Liabilities and Contingent Assets

### Provisions

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

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation, and are measured at the best estimate, at the balance sheet date, of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

### Contingent Liabilities

A contingent liability arises when an event has taken place that gives the authority 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 authority. 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 authority 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 authority.

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 Authority 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 in the Movement in Reserves Statement. 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 appropriated back into the General Fund Balance in the Movement in Reserves Statement 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 Authority – 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 Authority 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 2020/21 Wyre's REFCUS expenditure (£1,346,820) related to Disabled Facilities Grants.

## VAT

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

## Fair Value Measurement of non-financial assets

The authority 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 or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

The authority 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 authority 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 authority 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 authority'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 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, or

Level 3 – unobservable inputs for the asset or liability.



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

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

- Definition of a Business: Amendments to IFRS 3 Business Combinations
- Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7
- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments above and their impact on the information provided in the financial statements are still being evaluated.

### NOTE 4 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

#### Funding

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

#### Investment Properties

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

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

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

| Item  | Uncertainties  | Effect if actual results differ from assumptions   |
|---|--|--|
| Valuation of property portfolio and assets held in the pension scheme | <p>The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a global pandemic on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.</p> <p>Market activity is being impacted in many sectors. As at the valuation date, it is considered that less weight can be attached to the previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that valuers are faced with an unprecedented set of circumstances on which to base a judgement.</p> <p>The valuations are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 (Valuation Technical and</p> | <p>The valuations are estimates and thus any variations could result in over- or under-stated actual values realisable if sale actually occurred.</p> <p>A reduction in value would result in a reduction to the revaluation reserve and/or a loss charged to the comprehensive income and expenditure statement. An increase in estimated valuations would result in the reversal of any negative revaluations previously charged to the comprehensive income and expenditure statement and/or increases to the revaluation reserve and/or gains charged to the comprehensive income and expenditure statement.</p> |

Performance Standard) and VPGA 10 (Valuation Practical Guidance Application) of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to the valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, it is recommended that the valuation of these properties are kept under frequent review. Information relating to operational land and buildings is contained in Note 13, and information on investment properties is contained in Note 15.

In addition, the Authority recognises £104m of pension assets held within the Lancashire County Pension Fund. Within these pension assets are directly and indirectly held property assets.

The Fund's valuers have declared a material uncertainty in relation to their valuations of directly and indirectly held property assets in response to the global impact of the Covid-19 pandemic. Consequently, less certainty – and a higher degree of caution – should be attached to the valuation than would normally be the case. Information relating to the pension scheme is contained in Note 39.

|   |   |  |
|---|---|--|
| Depreciation of Property, Plant and Equipment | Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.  | If the useful life of assets is reduced, depreciation increase and the carrying amount of the assets falls.<br><br>It is estimated that the annual depreciation charge for buildings would increase for every year that useful lives has to be reduced.  |
| Fair Value Estimations                        | When the fair values of Investment Properties, Surplus Assets and Assets Held for Sale cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using the following valuation techniques:<br><br>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.<br><br>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,<br><br>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 Liability                            | Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.   | The effect on the net pension liability of changes in individual assumptions can be measured. For example, a 0.5% increase in the discount rate assumption would result in a decrease in the pension liability.  |
| Provision for credit losses                   | As at 31 March 2021, the Council had an outstanding balance of short term debtors. A review of the major areas of debt has led to an updated provision against credit losses. It is not certain that this provision would be sufficient as the Council cannot assess with certainty which debts will be collected or not.   | An understatement of credit losses would lead to a future adjustment and impairment to be reflected. The provisions held are based on policies adapted to the nature of the debt and service area, past experience and success rates experienced in collection. If collection rates were to deteriorate then the Council would need to review its policies on the calculation of its provision for credit losses.      |

## NOTE 6 EVENTS AFTER THE REPORTING PERIOD

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

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

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

## NOTE 7 EXPENDITURE AND INCOME ANALYSED BY NATURE

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

| Expenditure/Income                                       | 2019/20             | 2020/21             |
|--|---------------------|---------------------|
| <i>Expenditure</i>                                       |                     |                     |
| Employee benefits expenses                               | 11,448,313          | 11,635,567          |
| Other services expenses                                  | 38,156,883          | 36,379,003          |
| Support service recharges                                | 12,724,058          | 14,044,085          |
| Depreciation, amortisation, impairment                   | 5,378,910           | 3,777,041           |
| Interest payments  | 831,849             | 685,327             |
| Precepts and levies                                      | 695,546             | 764,213             |
| <b>Total expenditure</b>                                 | <b>69,235,559</b>   | <b>67,285,236</b>   |
| <i>Income</i>  |                     |                     |
| Fees, charges and other service income                   | (21,202,134)        | (21,058,363)        |
| Interest and investment income                           | (653,437)           | (718,012)           |
| Income from Council tax and non-domestic rates           | (10,768,695)        | (5,843,465)         |
| Government grants and contributions                      | (34,180,964)        | (41,587,517)        |
| Gain on the disposal of assets                           | (45,000)            | (84,310)            |
| <b>Total income</b>                                      | <b>(66,850,230)</b> | <b>(69,291,667)</b> |
| <b>(Surplus) or deficit on the Provision of Services</b> | <b>2,385,329</b>    | <b>(2,006,431)</b>  |

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

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

### General Fund Balance

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

### Capital Receipts Reserve

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

### Capital Grants Unapplied Reserve

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

| 2020/21   | Unusable Reserves            |                                     |   |  |
|---|------------------------------|-------------------------------------|---|--|
|   | General Fund<br>Balance<br>£ | Capital<br>Receipts<br>Reserve<br>£ | Capital Grants<br>Unapplied<br>Reserve<br>£ | Movement in<br>Unusable<br>Reserves<br>£ |
| <b><u>Adjustments primarily involving the Capital Adjustment Account:</u></b>   |                              |                                     |   |  |
| <b>1. Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>  |                              |                                     |   |  |
| Charges for depreciation and impairment of non-current assets.  | 3,678,334                    |                                     |   | (3,678,334)                              |
| Revaluation losses on Property, Plant and Equipment.  | 27,686                       |                                     |   | (27,686)                                 |
| Movements in the market value of Investment Properties.   | (166,279)                    |                                     |   | 166,279                                  |
| Amortisation of Intangible Assets.  | 71,021                       |                                     |   | (71,021)                                 |
| Capital grants and contributions applied.   | (3,409,615)                  |                                     |   | 3,409,615                                |
| Revenue expenditure funded from capital under statute.  | 1,346,820                    |                                     |   | (1,346,820)                              |
| 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.   | 22,765                       |                                     |   | (22,765)                                 |
| <b>2. Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>   |                              |                                     |   |  |
| Statutory provision for the financing of capital investment.  | (95,559)                     |                                     |   | 95,559                                   |
| Capital expenditure charged against the General Fund (Direct Revenue Contributions).  | (3,205,548)                  |                                     |   | 3,205,548                                |
| <b><u>Adjustment primarily involving the Capital Grants Unapplied Reserve:</u></b>  |                              |                                     |   |  |
| Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement.  | -                            |                                     | -   |  |
| Application of grants and capital financing transferred to the Capital Adjustment Account.  |                              |                                     | (108,367)                                   | 108,367                                  |
| <b><u>Adjustment primarily involving the Capital Receipts Reserve:</u></b>  |                              |                                     |   |  |
| Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.   | (107,075)                    | 107,075                             |   |  |
| Use of Capital Receipts Reserve to finance new capital expenditure.   |                              | (65,118)                            |   | 65,118                                   |
| <b><u>Adjustments primarily involving the Pension Reserve:</u></b>  |                              |                                     |   |  |
| Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 39).  | 3,110,000                    |                                     |   | (3,110,000)                              |
| Employer's pension's contributions and direct payments to pensioner's payable in the year.  | (1,410,000)                  |                                     |   | 1,410,000                                |
| <b><u>Adjustments primarily involving the Collection Fund Adjustment Account:</u></b>   |                              |                                     |   |  |
| Amount by which Council tax income and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from Council tax income calculated for the year in accordance with statutory requirements. | 5,483,329                    |                                     |   | (5,483,329)                              |
| <b><u>Adjustments primarily involving the Accumulated Absences Account:</u></b>   |                              |                                     |   |  |
| Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.                | 5,500                        |                                     |   | (5,500)                                  |
| <b>Total Adjustments</b>  | <b>5,351,379</b>             | <b>41,957</b>                       | <b>(108,367)</b>                            | <b>(5,284,969)</b>                       |

| 2019/20   | Unusable Reserves            |                                     |   |  |
|---|------------------------------|-------------------------------------|---|--|
|   | General Fund<br>Balance<br>£ | Capital<br>Receipts<br>Reserve<br>£ | Capital Grants<br>Unapplied<br>Reserve<br>£ | Movement in<br>Unusable<br>Reserves<br>£ |
| <b><u>Adjustments primarily involving the Capital Adjustment Account:</u></b>   |                              |                                     |   |  |
| <b>1. Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>  |                              |                                     |   |  |
| Charges for depreciation and impairment of non-current assets.  | 3,763,433                    |                                     |   | (3,763,433)                              |
| Revaluation losses on Property, Plant and Equipment.  | 1,552,245                    |                                     |   | (1,552,245)                              |
| Movements in the market value of Investment Properties.   | 62,000                       |                                     |   | (62,000)                                 |
| Amortisation of Intangible Assets.  | 63,232                       |                                     |   | (63,232)                                 |
| Capital grants and contributions applied.   | (2,451,387)                  |                                     |   | 2,451,387                                |
| Revenue expenditure funded from capital under statute.  | 1,908,126                    |                                     |   | (1,908,126)                              |
| 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.   | 23,200                       |                                     |   | (23,200)                                 |
| <b>2. Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>   |                              |                                     |   |  |
| Statutory provision for the financing of capital investment.  | (95,559)                     |                                     |   | 95,559                                   |
| Capital expenditure charged against the General Fund (Direct Revenue Contributions).  | (1,512,949)                  |                                     |   | 1,512,949                                |
| <b><u>Adjustment primarily involving the Capital Grants Unapplied Reserve:</u></b>  |                              |                                     |   |  |
| Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement.  | (1,908,127)                  |                                     | 1,908,127                                   |  |
| Application of grants and capital financing transferred to the Capital Adjustment Account.  |                              |                                     | (2,004,030)                                 | 2,004,030                                |
| <b><u>Adjustment primarily involving the Capital Receipts Reserve:</u></b>  |                              |                                     |   |  |
| Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.   | (60,000)                     | 60,000                              |   |  |
| Use of Capital Receipts Reserve to finance new capital expenditure.   |                              | (10,513)                            |   | 10,513                                   |
| <b><u>Adjustments primarily involving the Pension Reserve:</u></b>  |                              |                                     |   |  |
| Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 39).  | 4,552,000                    |                                     |   | (4,552,000)                              |
| Employer's pension's contributions and direct payments to pensioner's payable in the year.  | (1,969,000)                  |                                     |   | 1,969,000                                |
| <b><u>Adjustments primarily involving the Collection Fund Adjustment Account:</u></b>   |                              |                                     |   |  |
| Amount by which Council tax income and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from Council tax income calculated for the year in accordance with statutory requirements. | 931,694                      |                                     |   | (931,694)                                |
| <b><u>Adjustments primarily involving the Accumulated Absences Account:</u></b>   |                              |                                     |   |  |
| Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.                | (6,581)                      |                                     |   | 6,581                                    |
| <b>Total Adjustments</b>  | <b>4,852,327</b>             | <b>49,487</b>                       | <b>(95,903)</b>                             | <b>(4,805,911)</b>                       |



## NOTE 9 MOVEMENTS IN EARMARKED RESERVES

This note sets out the amounts set aside from the General Fund balances in Earmarked Reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2020/21

| General Fund   | Balance at<br>31 March<br>2019<br>£ | Transfers in<br>2019/20<br>£ | Transfers<br>out 2019/20<br>£ | Balance at<br>31 March<br>2020<br>£ | Transfers in<br>2020/21<br>£ | Transfers<br>out 2020/21<br>£ | Balance at<br>31 March<br>2021<br>£ |
|--|-------------------------------------|------------------------------|-------------------------------|-------------------------------------|------------------------------|-------------------------------|-------------------------------------|
| <i>Non ring-fenced reserves</i>                        |                                     |                              |                               |                                     |                              |                               |                                     |
| Building Control                                       | 5,109                               | 5,206                        | -                             | 10,315                              | 44,200                       | -                             | 54,515                              |
| Capital Investment                                     | 1,155,728                           | 488,771                      | (1,081,180)                   | 563,319                             | 1,116,066                    | (51,129)                      | 1,628,256                           |
| Elections  | 112,493                             | 41,217                       | (153,710)                     | -                                   | 41,217                       | -                             | 41,217                              |
| Homelessness   | -                                   | -                            | -                             | -                                   | 459,622                      | -                             | 459,622                             |
| Insurance  | 83,645                              | 40,000                       | (17,631)                      | 106,014                             | 40,000                       | (47,777)                      | 98,237                              |
| IT Strategy  | 316,698                             | 353,977                      | (189,805)                     | 480,870                             | 715,585                      | (245,740)                     | 950,715                             |
| Land Charges   | 23,383                              | -                            | (5,432)                       | 17,951                              | -                            | (5,389)                       | 12,562                              |
| Leisure Management                                     | 265,770                             | 8,200                        | (67,889)                      | 206,081                             | 260,935                      | -                             | 467,016                             |
| New Homes Bonus  | 2,274,996                           | -                            | (568,749)                     | 1,706,247                           | 1,137,498                    | (568,749)                     | 2,274,996                           |
| Non-Domestic Rates<br>Equalisation                     | 2,854,747                           | 2,608,339                    | (1,562,478)                   | 3,900,608                           | 8,254,239                    | (2,269,299)                   | 9,885,548                           |
| Performance Reward<br>Initiative                       | 28,599                              | -                            | (4,035)                       | 24,564                              | -                            | (2,050)                       | 22,514                              |
| Property Investment Fund                               | 1,000,000                           | -                            | -                             | 1,000,000                           | 1,906,900                    | -                             | 2,906,900                           |
| Value for Money  | 602,940                             | 305,679                      | (106,037)                     | 802,582                             | 75,540                       | (14,450)                      | 863,672                             |
| Vehicle<br>Replacement/Street<br>Cleansing Maintenance | 3,192,705                           | 5,519                        | (280,567)                     | 2,917,657                           | 643,500                      | (3,005,818)                   | 555,339                             |
| <b>Sub total</b>                                       | <b>11,916,813</b>                   | <b>3,856,908</b>             | <b>(4,037,513)</b>            | <b>11,736,208</b>                   | <b>14,695,302</b>            | <b>(6,210,401)</b>            | <b>20,221,109</b>                   |
| <i>Ring-fenced reserves</i>                            |                                     |                              |                               |                                     |                              |                               |                                     |
| Enterprise Zone Growth                                 | 231,674                             | 966,682                      | (37,449)                      | 1,160,907                           | 39,005                       | (352,788)                     | 847,123                             |
| <b>Sub total</b>                                       | <b>231,674</b>                      | <b>966,682</b>               | <b>(37,449)</b>               | <b>1,160,907</b>                    | <b>39,005</b>                | <b>(352,788)</b>              | <b>847,123</b>                      |
| <b>Grand total</b>                                     | <b>12,148,487</b>                   | <b>4,823,590</b>             | <b>(4,074,962)</b>            | <b>12,897,115</b>                   | <b>14,734,307</b>            | <b>(6,563,189)</b>            | <b>21,068,233</b>                   |

- **Building Control** – a fundamental principle of the Building Regulations Scheme, introduced 1 April 1999 and subsequently amended by the 2010 Regulations, is that there is a three to five year rolling accounting period over which costs should equate with charge income. This reserve assists with achieving that aim in future periods or fund expenditure promoting increased efficiency and reduced costs.
- **Capital Investment** – established in 2009/10 to fund capital investment, thereby avoiding the need to borrow in the future.
- **Elections** – established in 2008/09 to fund Borough Elections, which occur every four years.
- **Insurance** – established in 2016/17 to fund the increased level of excesses following a review of the Council's insurance arrangements and related risk management costs.
- **IT Strategy** – to meet costs of the rolling replacement of IT equipment, infrastructure and other known future costs.

- **Land Charges** – Councils are required to assess the cost of providing a service, the projected take-up of that service and thus the charge should be made over a period of between 1 and 3 years. This reserve, following receipt of a ‘new burdens’ payment from DCLG, will also contribute to the cost of the personal search revocation implications.
- **Leisure Management** – established to fund the Council’s 50% share of costs above the agreed operational subsidy level or fund service improvements.
- **New Homes Bonus** – established in 2011/12 using funding encouraging local authorities to facilitate housing growth to compensate for the impact of accepting the Council Tax Freeze grant.
- **Homelessness Reserve** – established in 2020/21 to hold a number of Homelessness related external funding streams and one off grants. Used to fund initiatives to support homelessness prevention, mitigate the problem of rough sleeping and contribute to the general provision of Housing Options services.
- **Non-Domestic Rates Equalisation** – established in 2013/14 to protect against the volatility in funding associated with the new Business Rate Retention Scheme.
- **Performance Reward Initiatives** – established in 2009/10 using performance reward grant which was previously administered by the Local Strategic Partnership until its dissolution at the end of March 2013. The monies have subsequently been used to promote the Shaping Your Neighbourhood initiative, which was agreed by the Council in April 2012.
- **Property Investment Fund** – established in 2018/19 initially as a two-year pilot to explore investing in commercial property without the need to externally borrow. A Property Investment Board is responsible for making decisions on how the fund is utilised.
- **Value for Money** – originally established in 2005/06 for future value for money initiatives and now incorporates supplementary grants awarded for the administration of Council tax, localised Council tax support, NNDR and housing benefit.
- **Vehicle Replacement/Street Cleansing Maintenance** – originally established in 2005/06 to fund the future replacement of the mobile advice centre, but now reflects the current and anticipated requirements for the vehicle fleet Council wide and the maintenance of Street Cleansing vehicles.
- **Enterprise Zone (EZ) Growth** – established in 2018/19 to hold business rates growth from the EZ in the council’s role as accountable body for the site. This income is ring-fenced for investment in the EZ, primarily for infrastructure improvements.

## NOTE 10 OTHER OPERATING EXPENDITURE

| 2019/20<br>£   |  | 2020/21<br>£   |
|----------------|--|----------------|
| 695,546        | Parish Council Precepts  | 764,213        |
| 41,000         | Pension administration costs   | 44,000         |
| (45,000)       | (Gains)/losses on disposal of non-current assets (excl. investment assets) | (84,310)       |
| <b>691,546</b> | <b>TOTAL</b>   | <b>723,903</b> |

## NOTE 11 FINANCING AND INVESTMENT INCOME AND EXPENDITURE

| 2019/20<br>£   |   | 2020/21<br>£    |
|----------------|---|-----------------|
| 68,849         | Interest payable and similar charges  | 69,327          |
| 763,000        | Net interest on defined benefits liability / (asset)  | 616,000         |
| (222,313)      | Interest receivable and similar income  | (63,730)        |
| (431,124)      | Income and Expenditure in relation to Investment properties and changes to their fair value (See Note 15) | (654,282)       |
| <b>178,412</b> | <b>TOTAL</b>  | <b>(32,685)</b> |

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

| 2019/20<br>£        |   | 2020/21<br>£        |
|---------------------|---|---------------------|
| (8,137,889)         | Council Tax income                              | (8,256,198)         |
| (2,630,806)         | Non-domestic rates (income) and expenditure     | 2,412,733           |
| (4,187,037)         | Non-ring-fenced government grants (See Note 34) | (9,402,290)         |
| (2,451,387)         | Capital grants and contributions (See Note 34)  | (2,062,795)         |
| <b>(17,407,119)</b> | <b>TOTAL</b>                                    | <b>(17,308,550)</b> |

## NOTE 13 PROPERTY, PLANT AND EQUIPMENT

### Movements in 2020/21

|   | Other Land and<br>Buildings | Vehicles, Plant,<br>Furniture and<br>Equipment | Infrastructure<br>Assets | Community<br>Assets | Assets Under<br>Construction | Surplus Assets | Total Property,<br>Plant and<br>Equipment |
|---|-----------------------------|--|--------------------------|---------------------|------------------------------|----------------|---|
|   | £                           | £  | £                        | £                   | £                            | £              | £   |
| <b>Cost or valuation</b>  |                             |  |                          |                     |                              |                |   |
| <b>B/fwd at 01/04/20</b>  | <b>47,299,442</b>           | <b>6,600,658</b>                               | <b>86,864,356</b>        | <b>4,701,970</b>    | <b>-</b>                     | <b>-</b>       | <b>145,466,426</b>                        |
| Additions   | 123,002                     | 3,553,156                                      | 27,686                   | 929,860             | 672,555                      | -              | 5,306,259                                 |
| Revaluation<br>increase/decreases to the<br>revaluation reserve                                 | 1,769,808                   | -  | -                        | -                   | -                            | -              | 1,769,808                                 |
| Revaluation<br>increase/(decrease) to the<br>Surplus or Deficit on the<br>Provision of Services | -                           | -  | (27,686)                 |                     |                              | -              | (27,686)                                  |
| Derecognition - Disposals   | (11,904)                    | (438,596)                                      |                          |                     |                              | -              | (450,500)                                 |
| Reclassifications   | (3,990,000)                 | -  |                          |                     |                              | -              | (3,990,000)                               |
| Reclassified to Held for Sale   |                             | -  |                          |                     |                              | -              |   |
| <b>Sub-Total</b>  | <b>45,190,348</b>           | <b>9,715,218</b>                               | <b>86,864,356</b>        | <b>5,631,830</b>    | <b>672,555</b>               | <b>-</b>       | <b>148,074,307</b>                        |
| <b>Depreciation</b>   |                             |  |                          |                     |                              |                |   |
| <b>B/fwd at 01/04/20</b>  | <b>(4,532,589)</b>          | <b>(4,124,858)</b>                             | <b>(11,353,298)</b>      | <b>-</b>            | <b>-</b>                     | <b>-</b>       | <b>(20,010,745)</b>                       |
| Charge in year  | (1,394,541)                 | (543,081)                                      | (1,740,712)              | -                   | -                            | -              | (3,678,334)                               |
| Revaluations  | 2,190,286                   | -  | -                        | -                   | -                            | -              | 2,190,286                                 |
| Derecognition – Disposals   | 1,702                       | 426,033  | -                        | -                   | -                            | -              | 427,735                                   |
| Reclassification  | -                           | -  | -                        | -                   | -                            | -              | -   |
| <b>C/fwd at 31/03/21</b>  | <b>(3,735,142)</b>          | <b>(4,241,906)</b>                             | <b>(13,094,010)</b>      | <b>-</b>            | <b>-</b>                     | <b>-</b>       | <b>(21,071,058)</b>                       |
| <b>Net Book Value at 31/03/21</b>   | <b>41,455,206</b>           | <b>5,473,312</b>                               | <b>73,770,346</b>        | <b>5,631,830</b>    | <b>672,555</b>               | <b>-</b>       | <b>127,003,249</b>                        |

## Movements in 2019/20

|   | Other Land and<br>Buildings | Vehicles, Plant,<br>Furniture and<br>Equipment | Infrastructure<br>Assets | Community<br>Assets | Assets Under<br>Construction | Surplus Assets | Total Property,<br>Plant and<br>Equipment |
|---|-----------------------------|--|--------------------------|---------------------|------------------------------|----------------|---|
|   | £                           | £  | £                        | £                   | £                            | £              | £   |
| <b>Cost or valuation</b>  |                             |  |                          |                     |                              |                |   |
| <b>B/fwd at 01/04/19</b>  | <b>49,127,078</b>           | <b>5,537,141</b>                               | <b>85,639,284</b>        | <b>3,934,638</b>    | -                            | -              | <b>144,238,141</b>                        |
| Additions   | 550,393                     | 1,215,056                                      | 1,431,574                | 767,332             | -                            | -              | 3,964,355                                 |
| Revaluation<br>increase/decreases to the<br>revaluation reserve                                 | (1,032,286)                 | -  | -                        | -                   | -                            | -              | (1,032,286)                               |
| Revaluation<br>increase/(decrease) to the<br>Surplus or Deficit on the<br>Provision of Services | (1,345,743)                 | -  | (206,502)                | -                   | -                            | -              | (1,552,245)                               |
| Derecognition - Disposals   | -                           | (151,539)                                      | -                        | -                   | -                            | -              | (151,539)                                 |
| Reclassifications   | -                           | -  | -                        | -                   | -                            | -              | -   |
| Reclassified to Held for Sale   | -                           | -  | -                        | -                   | -                            | -              | -   |
| <b>Sub-Total</b>  | <b>47,299,442</b>           | <b>6,600,658</b>                               | <b>86,864,356</b>        | <b>4,701,970</b>    | -                            | -              | <b>145,466,426</b>                        |
| <b>Depreciation</b>   |                             |  |                          |                     |                              |                |   |
| <b>B/fwd at 01/04/19</b>  | <b>(5,253,473)</b>          | <b>(3,839,150)</b>                             | <b>(9,638,794)</b>       | -                   | -                            | -              | <b>(18,731,417)</b>                       |
| Charge in year  | (1,611,682)                 | (437,247)                                      | (1,714,504)              | -                   | -                            | -              | (3,763,433)                               |
| Revaluations  | 2,332,566                   | -  | -                        | -                   | -                            | -              | 2,332,566                                 |
| Derecognition – Disposals   | -                           | 151,539  | -                        | -                   | -                            | -              | 151,539                                   |
| Reclassification  | -                           | -  | -                        | -                   | -                            | -              | -   |
| <b>C/fwd at 31/03/20</b>  | <b>(4,532,589)</b>          | <b>(4,124,858)</b>                             | <b>(11,353,298)</b>      | -                   | -                            | -              | <b>(20,010,745)</b>                       |
| <b>Net Book Value at 31/03/20</b>   | <b>42,766,853</b>           | <b>2,475,800</b>                               | <b>75,511,058</b>        | <b>4,701,970</b>    | -                            | -              | <b>125,455,681</b>                        |

## Commitments on the Capital Programme

The following significant contracts for capital investment have been entered into:

| Scheme                            | Purpose                                      | Approx.<br>Value £ | Period over which investment<br>will take place |
|-----------------------------------|--|--------------------|---|
| Wyre Beach Management Phase 1 & 2 | To carry out works and set up site compound  | 2,810,000          | April 2021 to February 2022                     |
| Citizen's Access Portal           | To implement a new web-based customer portal | 63,000             | April 2021 to July 2021                         |

## Revaluations

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment is revalued at least every five years. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS). Valuations were undertaken by an internal professionally qualified RICS valuer, and valuations are dated as at 1 April 2020. 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.

While formal revaluations are not prepared as of 31 March 2021, each year Wyre considers whether the carrying value of land and buildings remains appropriate. As a response to Covid-19 and in discussion with the Authority's valuer, the valuation of operational land and buildings as at 31 March 2021 is considered to be subject to 'material valuation uncertainty'. Consequently, less certainty and a higher degree of caution should be attached to the valuations than would normally be the case. Refer to Note 5 for further details.

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

| Valued                               | Other land and buildings<br>£ | Vehicle, plant, furniture and equipment<br>£ | Infrastructure assets<br>£ | Community assets<br>£ | Assets Under Construction<br>£ | Surplus assets<br>£ | Total<br>£         |
|--------------------------------------|-------------------------------|--|----------------------------|-----------------------|--------------------------------|---------------------|--------------------|
| Carried at Historic cost:            | -                             | 9,715,218                                    | 86,864,356                 | 5,631,830             | 672,555                        | -                   | 102,883,959        |
| Valued at fair value as at 31 March: |                               |  |                            |                       |                                |                     |                    |
| 2021                                 | 12,538,320                    | -  | -                          | -                     | -                              | -                   | 12,538,320         |
| 2020                                 | 16,430,596                    | -  | -                          | -                     | -                              | -                   | 16,430,596         |
| 2019                                 | 5,240,341                     | -  | -                          | -                     | -                              | -                   | 5,240,341          |
| 2018                                 | 3,460,083                     | -  | -                          | -                     | -                              | -                   | 3,460,083          |
| 2017                                 | 7,521,008                     | -  | -                          | -                     | -                              | -                   | 7,521,008          |
| <b>Total cost or valuation</b>       | <b>45,190,348</b>             | <b>9,715,218</b>                             | <b>86,864,356</b>          | <b>5,631,830</b>      | <b>672,555</b>                 | <b>-</b>            | <b>148,074,307</b> |

## NOTE 14 HERITAGE ASSETS

### Movements in 2020/21

| Cost or valuation                                   | Civic Regalia<br>£ | Statues<br>£   | TOTAL<br>£     |
|---|--------------------|----------------|----------------|
| Balance brought forward at 1 April 2020             | 94,575             | 236,375        | 330,950        |
| Additions in year                                   | -                  | -              | -              |
| <b>Net book value carried forward 31 March 2021</b> | <b>94,575</b>      | <b>236,375</b> | <b>330,950</b> |

### Movements in 2019/20

| Cost or valuation                                   | Civic Regalia<br>£ | Statues<br>£   | TOTAL<br>£     |
|---|--------------------|----------------|----------------|
| Balance brought forward at 1 April 2019             | 94,575             | 236,375        | 330,950        |
| Additions in year                                   | -                  | -              | -              |
| <b>Net book value carried forward 31 March 2020</b> | <b>94,575</b>      | <b>236,375</b> | <b>330,950</b> |

### Depreciation

In accordance with FRS30 and the CIPFA Code of Practice heritage assets are not subject to depreciation.

The Authority's collection of Civic Regalia and the Statues are both reported in the Balance Sheet at the valuation used for insurance purposes which is based on market values and updated periodically.

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



## NOTE 15 INVESTMENT PROPERTY

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

|   | 2019/20<br>£   | 2020/21<br>£   |
|---|----------------|----------------|
| Rental Income from Investment property  | 501,324        | 488,003        |
| Gain or loss on disposal of investment assets and gain or loss on revaluation | (70,200)       | 166,279        |
| Direct operating expenses arising from Investment property                    | -              |                |
| <b>Net gain/(loss)</b>  | <b>431,124</b> | <b>654,282</b> |

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

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

|   | 2019/20<br>£     | 2020/21<br>£      |
|---|------------------|-------------------|
| Balance brought forward                       | 6,857,755        | 6,772,555         |
| <i>Additions:</i>                             |                  |                   |
| Purchases                                     | -                |                   |
| Construction                                  | -                |                   |
| Subsequent expenditure                        | -                | 121,121           |
| Disposals                                     | (23,200)         |                   |
| Net gain/(losses) from fair value adjustments | (62,000)         | 166,279           |
| <i>Transfers:</i>                             |                  |                   |
| To/from property plant and equipment          | -                | 3,990,000         |
| Other changes                                 | -                |                   |
| <b>Balance carried forward</b>                | <b>6,772,555</b> | <b>11,049,955</b> |

### Fair Value Hierarchy

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

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

All the Council's investment properties have been value assessed as Level 2 on the fair value hierarchy for valuation purposes.

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

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

While formal revaluations are not prepared as of 31 March 2021, each year Wyre considers whether the carrying value of investment properties remains appropriate. As a response to Covid-19 and in discussion with the Authority's valuer, the valuation of investment properties as at 31 March 2021 is considered to be subject to 'material valuation uncertainty'. Consequently, less certainty and a higher degree of caution should be attached to the valuations than would normally be the case. Refer to Note 5 for further details.

### NOTE 16 INTANGIBLE ASSETS

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

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

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £71,022 charged to revenue in 2020/21 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:

|   | 2019/20<br>£   | 2020/21<br>£   |
|---|----------------|----------------|
| <i>Balance at start of the year comprising:</i> |                |                |
| Gross carrying amount                           | 2,624,427      | 2,730,464      |
| Accumulated amortisation                        | (2,396,578)    | (2,459,810)    |
| <b>Net carrying amount at start of the year</b> | <b>227,849</b> | <b>270,654</b> |
| Additions                                       | 106,037        | 14,450         |
| Amortisation for the period                     | (63,232)       | (71,022)       |
| <b>Net carrying amount at end of period</b>     | <b>270,654</b> | <b>214,082</b> |
| <i>Comprising:</i>                              |                |                |
| Gross carrying amount                           | 2,730,464      | 2,744,914      |
| Accumulated amortisation                        | (2,459,810)    | (2,530,832)    |
|   | <b>270,654</b> | <b>214,082</b> |

## NOTE 17 FINANCIAL INSTRUMENTS

### Categories of Financial Instruments

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

|   | Non-current           |                       | Current               |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 31 March<br>2020<br>£ | 31 March<br>2021<br>£ | 31 March<br>2020<br>£ | 31 March<br>2021<br>£ |
| <b>Investments</b>                                |                       |                       |                       |                       |
| <b>At amortised cost</b>                          |                       |                       |                       |                       |
| Cash and Cash Equivalents                         | -                     |                       | 15,718,715            | 27,123,909            |
| Short term Investments                            | 19                    | 19                    | 8,000,000             | 6,000,000             |
| <b>Total Investments</b>                          | <b>19</b>             | <b>19</b>             | <b>23,718,715</b>     | <b>33,123,909</b>     |
| <b>Short Term Debtors</b>                         |                       |                       |                       |                       |
| <b>At amortised cost</b>                          |                       |                       |                       |                       |
| Financial assets carried at contract amounts      | -                     | -                     | 890,001               | 717,072               |
| <b>Total Short Term Debtors</b>                   | <b>-</b>              | <b>-</b>              | <b>890,001</b>        | <b>717,072</b>        |
| <b>Borrowings</b>                                 |                       |                       |                       |                       |
| Financial liabilities at amortised cost           | (1,552,000)           | (1,552,000)           | -                     | -                     |
| <b>Total Borrowings</b>                           | <b>(1,552,000)</b>    | <b>(1,552,000)</b>    | <b>-</b>              | <b>-</b>              |
| <b>Short Term Creditors</b>                       |                       |                       |                       |                       |
| Financial liabilities carried at contract amounts | -                     |                       | (1,525,140)           | (1,552,614)           |
| <b>Total Short Term Creditors</b>                 | <b>-</b>              |                       | <b>(1,525,140)</b>    | <b>(1,552,614)</b>    |

### Income, expense, gains and losses

|   | 2019/20   |  | 2020/21   |  |
|---|---|--|---|--|
|   | Surplus or<br>deficit on the<br>provision of<br>services<br>£ | Other<br>comprehensi<br>ve income<br>and<br>expenditure<br>£ | Surplus or<br>deficit on the<br>provision of<br>services<br>£ | Other<br>comprehensi<br>ve income<br>and<br>expenditure<br>£ |
| <b>Net gains/losses on:</b>   |   |  |   |  |
| Financial assets measured at fair value through profit or loss                                | -   |  |   |  |
| Financial assets measured at amortised cost   | 222,313   |  | 63,730  |  |
| Investments in equity instruments designated at fair value through other comprehensive income |   | -  |   | -  |
| Financial assets measured at fair value through other comprehensive income                    | -   | -  |   | -  |
| Financial liabilities measured at fair value through profit or loss                           | -   |  |   |  |
| Financial liabilities measured at amortised cost  | (68,849)  |  | (69,326)  |  |
| <b>Total net gains/losses</b>   | <b>153,464</b>  | <b>-</b>   | <b>(5,596)</b>  | <b>-</b>   |

### Fair Values of Assets and Liabilities

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

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

The fair values calculated are as follows:

|                                    | 31 March 2020        |                  | 31 March 2021        |                  |
|------------------------------------|----------------------|------------------|----------------------|------------------|
|                                    | Carrying amount<br>£ | Fair Value<br>£  | Carrying amount<br>£ | Fair Value<br>£  |
| Market Debt                        | 0                    | 0                | 0                    | 0                |
| PWLB Debt (short and long term)    | 1,552,000            | 2,168,775        | 1,552,000            | 2,321,435        |
| <b>Total Borrowings</b>            | <b>1,552,000</b>     | <b>2,168,775</b> | <b>1,552,000</b>     | <b>2,321,435</b> |
| Creditors                          | 1,525,140            | 1,525,140        | 1,552,614            | 1,552,614        |
| <b>Total Financial Liabilities</b> | <b>3,077,140</b>     | <b>3,693,915</b> | <b>3,104,614</b>     | <b>3,874,049</b> |

The fair value of the liabilities is greater than the carrying amount in 2020/21 because the Authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the prevailing rates at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31 March 2021) arising from a commitment to pay interest to lenders above current market rates.

|   | 31 March 2020        |                   | 31 March 2021        |                   |
|---|----------------------|-------------------|----------------------|-------------------|
|   | Carrying amount<br>£ | Fair Value<br>£   | Carrying amount<br>£ | Fair Value<br>£   |
| Investments (Cash and Cash Equivalents) and short term deposits | 23,718,715           | 23,718,715        | 33,123,909           | 33,123,909        |
| Long Term Debtors   | -                    | -                 | -                    | -                 |
| Debtors   | 890,001              | 890,001           | 717,072              | 717,072           |
| <b>Total Financial Assets</b>                                   | <b>24,608,716</b>    | <b>24,608,716</b> | <b>33,840,981</b>    | <b>33,840,981</b> |

The fair value of the assets is the same as the carrying amount in 2020/21. The materiality of the less than 1 year fair value adjustments means there is very little impact on the overall figure.

## NOTE 18 INVENTORIES

| 2019/20<br>£              | Analysis                                   | 2020/21<br>£  |
|---------------------------|--|---------------|
| <b>Consumable Stores:</b> |  |               |
| 40,698                    | <b>Balance at 1 April</b>                  | 58,672        |
| 493,981                   | Purchases                                  | 410,084       |
| (476,007)                 | Recognised as an expense in the year       | (406,119)     |
| -                         | - Written (off)/on balances                | -             |
| -                         | - Reversal of write-offs in previous years | -             |
| <b>58,672</b>             | <b>Balance at 31 March</b>                 | <b>62,637</b> |

There was no work in progress at 31 March 2021.

## NOTE 19 SHORT TERM DEBTORS

| 2019/20<br>£                            | Analysis                       | 2020/21<br>£      |
|---|--------------------------------|-------------------|
| <b>Amounts falling due in one year:</b> |                                |                   |
| 2,060,491                               | Central Government Bodies      | 6,283,774         |
| 1,587,659                               | Other Local Authorities        | 6,161,869         |
| -                                       | - NHS Bodies                   | 48,356            |
| -                                       | - Public Corporations          | -                 |
| 2,343,055                               | Other Entities and Individuals | 2,239,282         |
| <b>5,991,205</b>                        | <b>Total</b>                   | <b>14,733,281</b> |

## NOTE 20 CASH AND CASH EQUIVALENTS

| 2019/20<br>£      | Analysis                   | 2020/21<br>£      |
|-------------------|----------------------------|-------------------|
| 2,370             | Cash held by the Authority | 2,370             |
| -                 | - Bank current accounts    | -                 |
| (1,055,080)       | Bank overdrafts            | 95,202            |
| 16,771,425        | Short term deposits        | 27,123,849        |
| <b>15,718,715</b> | <b>Total</b>               | <b>27,221,421</b> |

## NOTE 21 ASSETS HELD FOR SALE

The Authority had no assets held for sale as at the balance sheet date.

## NOTE 22 SHORT TERM CREDITORS

| 2019/20<br>£       | Analysis                       | 2020/21<br>£        |
|--------------------|--------------------------------|---------------------|
| (1,365,839)        | Central Government Bodies      | (14,833,809)        |
| (1,235,090)        | Other Local Authorities        | (331,773)           |
| (100,000)          | NHS Bodies                     | (220,121)           |
| -                  | - Public Corporations          | -                   |
| (2,487,986)        | Other Entities and Individuals | (2,165,954)         |
| <b>(5,188,915)</b> | <b>Total</b>                   | <b>(17,551,657)</b> |

## NOTE 23 PROVISIONS

Changes to the Business rates system came into force with effect from 1 April 2013 under the Localism Act. The Authority, County Council and Combined Fire Authority now retain 50% of rates collected, and also assume responsibility for 50% of any losses due to appeals. (In 2019/20, owing to the 75% pilot pool arrangement, for one year only, this share increased to 75%.)

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

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

| 2019/20<br>£       | Analysis                   | 2020/21<br>£       |
|--------------------|----------------------------|--------------------|
| <b>(1,961,594)</b> | <b>Balance at 1 April</b>  | <b>(3,209,710)</b> |
| (1,248,116)        | Additional Provisions made | -                  |
| -                  | Amounts used               | 1,207,892          |
| <b>(3,209,710)</b> | <b>Balance at 31 March</b> | <b>(2,001,818)</b> |

## NOTE 24 USABLE RESERVES

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

| 2019/20<br>£      | Analysis                         | 2020/21<br>£      |
|-------------------|----------------------------------|-------------------|
| 13,906,033        | General Fund                     | 13,092,725        |
| 12,897,115        | Earmarked Reserves               | 21,068,233        |
| 781,054           | Capital Receipts Reserve         | 823,011           |
| 169,851           | Capital Grants Unapplied Reserve | 61,484            |
| <b>27,754,053</b> | <b>Total</b>                     | <b>35,045,453</b> |

## NOTE 25 UNUSABLE RESERVES

| 2019/20<br>£      | Analysis                           | 2020/21<br>£      |
|-------------------|------------------------------------|-------------------|
| 18,311,860        | Revaluation Reserve                | 21,556,905        |
| 103,256,452       | Capital Adjustment Account         | 105,875,362       |
| (29,185,000)      | Pensions Reserve                   | (38,588,000)      |
| (439,564)         | Collection Fund Adjustment Account | (5,922,893)       |
| (118,996)         | Accumulated Absences Account       | (124,496)         |
| <b>91,824,752</b> | <b>Total</b>                       | <b>82,796,878</b> |



## Revaluation Reserve

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

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

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

| 2019/20<br>£      |   | 2020/21<br>£      |
|-------------------|---|-------------------|
| <b>17,779,916</b> | <b>Balance at 1 April</b>   | <b>18,311,860</b> |
| 3,946,350         | Upward revaluation of assets  | 3,960,095         |
| (2,646,070)       | Downward revaluation of assets and impairment losses not charged to the Surplus or (Deficit) on the Provision of Services   | -                 |
| 1,300,280         | Surplus or deficit on revaluation of non-current assets not posted to the Surplus or (Deficit) on the Provision of Services | 3,960,095         |
| (768,336)         | Difference between fair value depreciation and historic cost depreciation   | (715,050)         |
| -                 | Accumulated gains on assets sold or scrapped  | -                 |
| (768,336)         | Amounts written off to the Capital Adjustment Account   | (715,050)         |
| <b>18,311,860</b> | <b>Balance at 31 March</b>  | <b>21,556,905</b> |

## Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets under statutory provisions. The Account is debited with costs such as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and subsequent costs.

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

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

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

| 2019/20<br>£       |  | £           | 2020/21<br>£       |
|--------------------|--|-------------|--------------------|
| <b>103,785,914</b> | <b>Balance at 1 April</b>  |             | <b>103,256,452</b> |
|                    | Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:                               |             |                    |
| (3,763,433)        | - Charges for depreciation and impairment of non-current assets  | (3,678,334) |                    |
| (1,552,245)        | - Revaluation losses on Property, Plant and Equipment  | (27,686)    |                    |
| (63,232)           | - Amortisation of intangible assets  | (71,022)    |                    |
| (1,908,126)        | - Revenue expenditure funded from capital under statute  | (1,346,820) |                    |
| (23,200)           | - 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 | (22,765)    |                    |
| (7,310,236)        |  |             | (5,146,627)        |
| 768,336            | Adjusting amounts written out of the Revaluation Reserve   |             | 715,050            |
| (6,541,900)        | Net written out amount of the cost of non-current assets consumed in the year  |             | (4,431,577)        |
|                    | Capital financing applied in the year:   |             |                    |
| 10,513             | - Use of the Capital Receipts Reserve to finance new capital expenditure   | 65,118      |                    |
| 2,451,387          | - Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing              | 3,409,615   |                    |
| 2,004,030          | - Application of grants to capital financing from the Capital Grants Unapplied Reserve   | 108,367     |                    |
| 95,559             | - Statutory provision for the financing of capital investment charged against the General Fund   | 95,559      |                    |
| 1,512,949          | - Capital expenditure charged against the General Fund   | 3,205,549   |                    |
| 6,074,438          |  |             | 6,884,208          |
| (62,000)           | Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement                           |             | 166,279            |
| -                  | Movement in the Donated Assets Account credited to the Comprehensive Income and Expenditure Statement  |             | -                  |
| <b>103,256,452</b> | <b>Balance at 31 March</b>   |             | <b>105,875,362</b> |

## Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

| 2019/20<br>£        |  | £ | 2020/21<br>£        |
|---------------------|--|---|---------------------|
| <b>(32,864,000)</b> | <b>Balance at 1 April</b>  |   | <b>(29,185,000)</b> |
| 6,262,000           | Remeasurement of the net defined benefit liability / (asset)   |   | (7,703,000)         |
| (4,552,000)         | Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement |   | (3,110,000)         |
| 1,969,000           | Employer's pensions contributions and direct payments to pensioners payable in the year  |   | 1,410,000           |
| <b>(29,185,000)</b> | <b>Balance at 31 March</b>   |   | <b>(38,588,000)</b> |

## Collection Fund Adjustment Account

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

| 2019/20<br>£     |   | £           | 2020/21<br>£       |
|------------------|---|-------------|--------------------|
| 492,130          | <b>Balance at 1 April</b>   |             | <b>(439,564)</b>   |
| (67,031)         | Council Tax   | (70,623)    |                    |
| 102,019          | Non-Domestic Rates  | (5,543,315) |                    |
| (966,682)        | Enterprise Zone Growth  | 130,609     |                    |
| <b>(931,694)</b> | <b>Amount by which Council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from Council tax and non-domestic rates income calculated for the year in accordance with statutory requirements</b> |             | <b>(5,483,329)</b> |
| 17,501           | Council Tax   | (53,121)    |                    |
| (318,472)        | Non-Domestic Rates  | (5,861,788) |                    |
| (138,593)        | Enterprise Zone Growth  | (7,984)     |                    |
| <b>(439,564)</b> | <b>Balance at 31 March</b>  |             | <b>(5,922,893)</b> |

## Accumulated Absences Account

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

| 2019/20<br>£     |  | £         | 2020/21<br>£     |
|------------------|--|-----------|------------------|
| <b>(125,577)</b> | <b>Balance at 1 April</b>  |           | <b>(118,996)</b> |
| 125,577          | Settlement or cancellation of accrual made at the end of the preceding year  | 118,996   |                  |
| (118,996)        | Amounts accrued at the end of the current year   | (124,496) |                  |
| <b>6,581</b>     | <b>Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements</b> |           | <b>(5,500)</b>   |
| <b>(118,996)</b> | <b>Balance at 31 March</b>   |           | <b>(124,496)</b> |

## NOTE 26 CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

| 2019/20<br>£     |                    | 2020/21<br>£ |
|------------------|--------------------|--------------|
| (222,313)        | Interest received  | (63,730)     |
| 68,849           | Interest paid      | 69,327       |
| -                | Dividends received | -            |
| <b>(153,464)</b> | <b>Total</b>       | <b>5,597</b> |

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

| 2019/20<br>£     |  | 2020/21<br>£      |
|------------------|--|-------------------|
| 3,763,433        | Depreciation   | 3,678,334         |
| 1,552,245        | Impairment and downward valuations   | 27,686            |
| 63,232           | Amortisation   | 71,022            |
| (478,219)        | Increase / (decrease) in creditors   | 8,888,088         |
| (541,280)        | (Increase) / decrease in debtors   | (1,455,044)       |
| (17,974)         | (Increase) / decrease in inventories   | (3,965)           |
| 4,282,200        | Movement in pension liability (Retirement benefits)  | 1,700,000         |
| 23,200           | Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised | 22,765            |
| 62,000           | Movement in Investment Property values (Net gain/losses from fair value adjustments)             | (166,279)         |
| 1,248,116        | Movement in Provisions   | (1,207,892)       |
| <b>9,956,953</b> | <b>Total</b>   | <b>11,554,715</b> |

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

| 2019/20<br>£       |   | 2020/21<br>£       |
|--------------------|---|--------------------|
| -                  | Proceeds from short term (not considered to be cash equivalents) and long term investments        | -                  |
| (60,000)           | Proceeds from the sale of property plant and equipment, investment property and intangible assets | (107,075)          |
| (4,359,514)        | Capital Grants credited to surplus or deficit on the provision of services                        | (3,409,616)        |
| <b>(4,419,514)</b> | <b>Total</b>  | <b>(3,516,691)</b> |

## NOTE 27 CASH FLOW STATEMENT – INVESTING ACTIVITIES

| 2019/20<br>£    |  | 2020/21<br>£     |
|-----------------|--|------------------|
| (2,825,865)     | Purchase of property, plant and equipment, investment property and intangible assets               | (7,359,779)      |
| (24,000,000)    | Purchase of short term and long term investments   | (9,000,000)      |
| -               | Other payments for investing activities  | -                |
| 60,000          | Proceeds from the sale of property, plant and equipment, investment property and intangible assets | 107,075          |
| 22,000,000      | Proceeds from short term and long term investments   | 11,000,000       |
| 4,713,187       | Other receipts from investing activities   | 7,163,828        |
| <b>(52,678)</b> | <b>Total</b>   | <b>1,911,124</b> |

## NOTE 28 CASH FLOW STATEMENT – FINANCING ACTIVITIES

| 2019/20<br>£     |  | 2020/21<br>£     |
|------------------|--|------------------|
| -                | Cash receipts of short and long term borrowing   | -                |
| -                | Other receipts from financing activities   | -                |
| -                | Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts | -                |
| (465)            | Repayments and Receipts from short and long term borrowing   | 3,992            |
| (608,414)        | Billing Authorities - Council Tax and NNDR adjustments   | (456,865)        |
| -                | Other payments for financing activities  | -                |
| <b>(608,879)</b> | <b>Total</b>   | <b>(452,873)</b> |

## NOTE 29 TRADING OPERATIONS

In accordance with the Service Reporting Code of Practice (SeRCOP) trading services or undertakings with the public or with third parties includes, amongst other categories, catering undertakings, industrial units and markets.

The aim of this note to the accounts reflects considerations of stewardship in that where the authority is trading and taking commercial risks then there should be assurance that the authority is not exposing itself unreasonably to loss.

Where trading accounts are an integral part of the total cost of particular services they should be fully consolidated into the total cost of that service and this is the case for those services listed below. Some are an integral part of the Authority's services to the public such as the operation of Fleetwood Market or the letting of industrial units and others are support services such as the bar facility at the Marine Hall.

| Expenditure<br>£   | 2019/20<br>Expenditure<br>£ | (Surplus)/Deficit<br>£ | Trading<br>operations | Income<br>£      | 2020/21<br>Expenditure<br>£ | (Surplus)/Deficit<br>£ |
|--------------------|-----------------------------|------------------------|-----------------------|------------------|-----------------------------|------------------------|
| (87,502)           | 116,074                     | 28,572                 | Catering              | (2,069)          | 36,348                      | 34,279                 |
| (475,665)          | 448,222                     | (27,443)               | Industrial Sites      | (429,823)        | 425,349                     | (4,474)                |
| (24,926)           | 13,318                      | (11,608)               | Poulton Market        | (10,751)         | 19,219                      | 8,468                  |
| (530,707)          | 647,424                     | 116,717                | Fleetwood Market      | (340,566)        | 454,870                     | 114,304                |
| (4,065)            | 154                         | (3,911)                | Cleveleys Market      | -                | 200                         | 200                    |
| <b>(1,122,865)</b> | <b>1,225,192</b>            | <b>102,327</b>         | <b>Total</b>          | <b>(783,209)</b> | <b>935,986</b>              | <b>152,776</b>         |

### Catering

The Catering operation relates to the bar/catering facility at the Marine Hall which primarily operates as an events, functions and wedding venue. There has been an increase in the deficit from £28,572 in 2019/20 to £34,279 in 2020/21 relating to operational costs across the board. Running costs at Marine Hall (excluding capital charges) have increased from £291,793 in 2019/20 to £368,782 in 2020/21, an increase of £76,989 or 30% year on year. This is mainly as a result of increased building maintenance costs (£37,844), and a reduction in income (£257,167) owing to the hall being used as a food bank for much of the year and to support community hub work during the pandemic.

### Industrial sites

This group includes a variety of land and building holdings including Fleetwood Golf Course, the waste disposal site, Copse Road depot and industrial units. The surplus/deficit reported above is therefore shown partly in the net cost of services and partly in the financing and investment section. The financial position has not improved, the adjusted position excluding capital charges is that a surplus was achieved of £105,139 in 2020/21 (£128,111 in 2019/20). The reduction is largely owing to reduced rental income in 2020/21 (£45,842).

### Markets

#### *Fleetwood Market*

Fleetwood Market is a busy traditional market with over 150 indoor and outdoor stalls. In 2020/21 the outturn deficit position was £114,303, compared to a surplus in 2019/20 of £96,134). This was a small increase in building maintenance costs (£11,722), but mainly owing to a reduced level of income, £334,706 in 2020/21 compared to £524,707 in 2019/20. The market was closed for a long period of time during 2020/21 because of the Covid-19 pandemic.

### *Poulton Market*

Poulton Market is a weekly market held every Monday in the historic Market Square. Stalls at the outdoor market sell a wide range of goods and local produce. Poulton Market posted a deficit in 2020/21 of £8,468 compared to a surplus in 2019/20 of £11,608. The reason for the deficit is reduced income from market stall income, £10,751 in 2020/21 compared to £24,926 in 2019/20. Poulton Market (apart from selected food stalls) was unable to trade for most of 2020/21 owing to the Covid-19 pandemic.

### *Cleveleys Market*

Cleveleys (outdoor) Market did not trade during 2020/21 owing to the Covid-19 pandemic.

## **NOTE 30 AGENCY SERVICES**

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 2020/21 was £79,098 (2019/20 £81,418). The above sums are not included in the Comprehensive Income and Expenditure Statement.

## **NOTE 31 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:

|                              | 2019/20<br>£   | 2020/21<br>£   |
|------------------------------|----------------|----------------|
| Allowances                   | 311,866        | 312,220        |
| Travel and subsistence       | 1,867          | 498            |
| Dependent's carers allowance | -              | -              |
| <b>Total</b>                 | <b>313,733</b> | <b>312,718</b> |

## **NOTE 32 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 reimbursement for election work and redundancy payments but excluding employer's pension contributions, was £50,000 or more in bands of £5,000 were:

| Remuneration Bands | Number of employees<br>2019/20 | Number of employees<br>2020/21 |
|--------------------|--------------------------------|--------------------------------|
| £50,000 - £54,999  | 4                              | 6                              |
| £55,000 - £59,999  | -                              | 3                              |
| £60,000 - £64,999  | 1                              | -                              |
| £65,000 - £69,999  | 3                              | 1                              |
| £70,000 - £74,999  | -                              | 3                              |
| £75,000 - £79,999  | -                              | -                              |
| £80,000 - £84,999  | -                              | -                              |
| £85,000 - £89,999  | -                              | -                              |
| £90,000 - £94,999  | -                              | -                              |



|                     |   |   |
|---------------------|---|---|
| £95,000 - £99,999   | - | - |
| £100,000 - £104,999 | - | - |
| £105,000 - £109,999 | 1 | 1 |
| £110,000 - £114,999 | - | - |
| £115,000 - £119,999 | - | - |
| £120,000 - £124,999 | - | - |

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

**Senior Officers' emoluments-Salary is between £50,000 and £150,000 per year**

| Post holder<br>information (Post<br>title)         | Year    | Salary<br>(Including fees<br>and<br>Allowances)<br>£ | Expenses<br>Allowances<br>£ | Compensation<br>for loss of office<br>(Redundancy<br>payments)<br>£ | Pension<br>contributions<br>(Incl. strain /<br>augmented<br>costs)<br>£ | Total<br>Remuneration<br>£ |
|--|---------|--|-----------------------------|---|---|----------------------------|
| Chief Executive                                    | 2020/21 | 109,050  | -                           | -   | 19,956  | 129,006                    |
|  | 2019/20 | 106,131  | 80                          | -   | 16,769  | 122,980                    |
| Corporate Director<br>Communities                  | 2020/21 | 73,124   | -                           | -   | 13,382  | 86,506                     |
|  | 2019/20 | 65,493   | 274                         | -   | 10,348  | 76,115                     |
| Corporate Director<br>Environment                  | 2020/21 | 73,124   | -                           | -   | 13,382  | 86,505                     |
|  | 2019/20 | 65,493   | -                           | -   | 10,348  | 75,841                     |
| Corporate Director<br>Resources (s.151<br>Officer) | 2020/21 | 73,980   | 50                          | -   | 13,538  | 87,568                     |
|  | 2019/20 | 60,740   | 316                         | -   | 9,597   | 70,653                     |

### NOTE 33 EXTERNAL AUDIT COSTS

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

| 2019/20<br>£  | Audit Fee Type   | 2020/21<br>£  |
|---------------|--|---------------|
| 37,470        | Fees payable with regard to audit services carried out by the appointed external auditor | 37,470        |
| (4,530)       | Rebate from Public Sector Audit Appointments Limited (PSAA)                              | -             |
| -             | Fees payable in respect of other services provided by the external auditor               | -             |
| -             | Fees payable to the Cabinet Office in respect of the National Fraud Initiative           | 2,450         |
| 12,000        | Fees payable to the external auditor for the certification of grant claims and returns   | 12,000        |
| <b>44,940</b> | <b>Total</b>   | <b>51,920</b> |

## NOTE 34 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:

|   | 2019/20<br>£      | 2020/21<br>£      |
|---|-------------------|-------------------|
| <b>Credited to Tax and Non-Specific Grant Income</b>  |                   |                   |
| New Homes Bonus                                       | 1,406,242         | 1,279,648         |
| NNDR Section 31 Grant                                 | 2,780,795         | 8,083,637         |
| Council Tax Section 31 Grant                          | -                 | 1,069,807         |
| Capital Grants and Contributions                      |                   |                   |
| - Environment Agency                                  | 1,412,907         | 702,555           |
| - National Lottery Heritage                           | 676,577           | 835,026           |
| - CCF5  | 250,717           | 412,962           |
| - Other Contributions                                 | 111,186           | 181,726           |
| - S106 Contributions                                  | -                 | 7,470             |
| <b>Sub total</b>                                      | <b>6,638,424</b>  | <b>12,572,831</b> |
| <b>Credited to Services</b>                           |                   |                   |
| Housing and Council Tax Benefits                      | 25,037,105        | 23,416,833        |
| Ministry of Housing, Communities and Local Government | 499,358           | 697,059           |
| Disabled Facilities Grants                            | 1,908,126         | 1,346,820         |
| Covid-19 Pandemic Funding                             | -                 | 4,921,057         |
| Other   | 97,951            | 62,630            |
| <b>Sub total</b>                                      | <b>27,542,540</b> | <b>30,444,399</b> |
| <b>Total</b>  | <b>34,180,964</b> | <b>43,017,230</b> |

The Authority has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that may require monies to be returned to the awarding body. The amounts recognised in the Balance Sheet as Revenue Grants Received in Advance is £3,498,083 and Capital Grants and Contributions is £5,570,424.

## NOTE 35 RELATED PARTIES

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

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

## Central Government

Central government has significant influence over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. Council tax bills, housing benefits). Grants received from Government departments are set out in Note 12 with Note 34 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 2020/21 financial year a number of Council members had a controlling interest in a company, partnership, trust or equity. The controlling interest was by way of ownership, or as a director, trustee, governor or partner of an organisation. The existence of the procedures described above ensures that the Council is able to both identify where a member has an interest, and take action to ensure that there is no participation in any decisions relevant to their interest. All major decisions are available for public scrutiny and challenge as part of the Council's constitutional arrangements.

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2020/21 is shown in Note 31. During 2020/21, some Councillors of Wyre Borough acted in a number of other capacities for related parties, namely being either employed by other local organisations or serving on the management boards of companies, schools and voluntary bodies.

There are no transactions to disclose in 2020/21.

## Officers

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

## Other Public bodies

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

Payments to the Local Government Pension Scheme – see Note 39.

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

## Entities Controlled or Significantly Influenced by the Authority

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

## NOTE 36 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.

|  | 2019/20<br>£      | 2020/21<br>£      |
|--|-------------------|-------------------|
| <b>Opening Capital Financing Requirement</b>   | <b>11,356,900</b> | <b>11,261,341</b> |
| <b>Capital Investment</b>  |                   |                   |
| Property, Plant and Equipment*   | 3,964,355         | 5,306,259         |
| Investment Property*   | -                 | 121,121           |
| Intangible Assets*   | 106,037           | 14,450            |
| Heritage Assets  | -                 | -                 |
| Other  | 361               | -                 |
| Revenue Expenditure Funded from Capital under Statute                                  | 1,908,126         | 1,346,820         |
| <b>Sources of Finance</b>  |                   |                   |
| Capital Receipts   | (10,513)          | (65,119)          |
| Government grants and other contributions  | (4,455,417)       | (3,517,982)       |
| Other contributions  | -                 | -                 |
| <b>Sums set aside from Revenue</b>   |                   |                   |
| Direct revenue contributions   | (1,512,949)       | (3,205,549)       |
| Minimum Revenue Provision  | (95,559)          | (95,559)          |
| <b>Closing Capital Financing Requirement</b>   | <b>11,261,341</b> | <b>11,165,782</b> |
| <b>Explanation of movement in the year</b>   |                   |                   |
| Increase in underlying need to borrow (unsupported by government financial assistance) | -                 | -                 |
| Minimum Revenue Provision set aside to repay debt                                      | (95,559)          | (95,559)          |
| <b>(Decrease) / increase in Capital financing Requirement</b>                          | <b>(95,559)</b>   | <b>(95,559)</b>   |

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

## NOTE 37 LEASES

### Authority as lessee

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

### Authority as lessor

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

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

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

|   | 2019/20<br>£     | 2020/21<br>£     |
|---|------------------|------------------|
| Not later than one year                           | 577,912          | 550,660          |
| Later than one year and not later than five years | 1,570,745        | 1,273,641        |
| Later than five years                             | 5,011,680        | 4,763,830        |
|   | <b>7,160,337</b> | <b>6,588,131</b> |

The authority has no finance leases.

### NOTE 38 TERMINATION BENEFITS

The Authority terminated the contracts of one employee in 2020/21 (three employees in 2019/20), incurring liabilities of £99,028 (£97,851 in 2019/20), who left the Authority following a review of service delivery arrangements.

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

| Exit package cost band (including special payments) | Number of compulsory redundancies (a) |              | Number of other departures agreed (b) |              | Total number of exit packages by cost band (a) + (b) |              | Total cost of exit packages in each band |               |
|---|---------------------------------------|--------------|---------------------------------------|--------------|--|--------------|--|---------------|
|   | 2019/20<br>£                          | 2020/21<br>£ | 2019/20<br>£                          | 2020/21<br>£ | 2019/20<br>£   | 2020/21<br>£ | 2019/20<br>£                             | 2020/21<br>£  |
| £0 - £20,000  | -                                     | -            | 2                                     | -            | 2  | -            | 13,577                                   | -             |
| £20,001 - £40,000                                   | -                                     | -            | -                                     | -            | -  | -            | -  | -             |
| £40,001 - £60,000                                   | -                                     | -            | -                                     | -            | -  | -            | -  | -             |
| £60,001 - £80,000                                   | -                                     | -            | -                                     | -            | -  | -            | -  | -             |
| £80,001 - £100,000                                  | 1                                     | -            | -                                     | 1            | 1  | 1            | 84,274                                   | 99,028        |
| £100,001 - £150,000                                 | -                                     | -            | -                                     | -            | -  | -            | -  | -             |
| Over £150,000                                       | -                                     | -            | -                                     | -            | -  | -            | -  | -             |
| <b>Total</b>  | <b>1</b>                              | <b>-</b>     | <b>2</b>                              | <b>1</b>     | <b>3</b>   | <b>1</b>     | <b>97,851</b>                            | <b>99,028</b> |

### NOTE 39 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 2020/21 the employer's contribution rate was 18.3% with no deficit recovery contribution necessary. This rate was determined following the 2019 triennial actuarial review of the Pension Fund, which impacts in the 2020/21, 2021/22 and 2022/23 financial years.

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

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

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

| 2019/20<br>£ | Local Government Pension Scheme  |   | 2020/21<br>£ |
|--------------|--|---|--------------|
|              | Comprehensive Income and Expenditure Statement   |   |              |
|              | <b>Cost of Services:</b>   |   |              |
|              | <b>Service cost comprising:</b>  |   |              |
| 2,338,000    | -  | Current Service Cost  | 2,323,000    |
| 1,312,000    | -  | Past Service Costs  | -            |
| 98,000       | -  | (Gain)/Loss from Settlements  | 127,000      |
|              | <b>Other Operating Expenditure</b>   |   |              |
| 41,000       | -  | Administration Expenses   | 44,000       |
|              | <b>Financing and Investment Income and Expenditure</b>   |   |              |
| 763,000      | -  | Net Interest Expense  | 616,000      |
| 4,552,000    | <b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>   |   | 3,110,000    |
|              | <b>Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>  |   |              |
|              | <b>Remeasurement of the net defined benefit liability comprising:</b>  |   |              |
| 903,000      | -  | Return on plan assets (excluding amount included in the net interest expense) | (8,265,000)  |
| (4,181,000)  | -  | Actuarial gains and losses arising on changes in demographic assumptions      | -            |
| (1,927,000)  | -  | Actuarial gains and losses arising on changes in financial assumptions        | 18,641,000   |
| (1,057,000)  | -  | Other   | (2,673,000)  |
| (6,262,000)  | <b>Total Remeasurements charged to Other Comprehensive Income and Expenditure</b>  |   | 7,703,000    |
| (1,710,000)  | <b>Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>  |   | 10,813,000   |
|              | <b>Movement in Reserves Statement</b>  |   |              |
| (4,552,000)  | Reversal of net changes made to the surplus or deficit on the provision of services for the post-employment benefits in accordance with the Code |   | (3,110,000)  |
|              | <b>Actual amount charged against the General Fund Balance for pensions in the year:</b>  |   |              |
| 1,969,000    | -  | Employers' contributions payable to scheme                                    | 1,410,000    |

## 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:

|  | 2019/20<br>£        | 2020/21<br>£        |
|--|---------------------|---------------------|
| Fair value of plan assets                                    | 95,364,000          | 103,763,000         |
| Present value of the defined benefit obligation              | (124,549,000)       | (142,351,000)       |
| <b>Net liability arising from defined benefit obligation</b> | <b>(29,185,000)</b> | <b>(38,588,000)</b> |

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

### Reconciliation of fair value of the scheme assets

|  | 2019/20<br>£      | 2020/21<br>£       |
|--|-------------------|--------------------|
| Opening fair value of scheme assets  | 97,139,200        | 95,364,000         |
| Interest income  | 2,294,000         | 2,331,000          |
| Remeasurements gain and (loss):  |                   |                    |
| - The return on plan assets, excluding the amount included in the net interest expense | (903,000)         | 8,265,000          |
| Other Operating Expenditure - Administration   | (41,000)          | (44,000)           |
| Contributions from Employer  | 1,969,000         | 1,410,000          |
| Contributions from Employees   | 441,000           | 479,000            |
| Benefits Paid  | (3,836,000)       | (4,042,000)        |
| Lump sum pre-payment   | (1,699,200)       | -                  |
| <b>Closing fair value of scheme assets</b>   | <b>95,364,000</b> | <b>103,763,000</b> |

### Reconciliation of present value of the scheme liabilities

|  | 2019/20<br>£         | 2020/21<br>£         |
|--|----------------------|----------------------|
| Opening balance at 1 April   | (128,304,000)        | (124,549,000)        |
| Current Service Cost   | (2,338,000)          | (2,323,000)          |
| Interest Cost  | (3,057,000)          | (2,947,000)          |
| Contribution by Scheme Participants  | (441,000)            | (479,000)            |
| Remeasurements gain and (loss):  |                      |                      |
| - Actuarial gains/(losses) arising from changes in demographic assumptions | 4,181,000            | -                    |
| - Actuarial gains/(losses) arising from changes in financial assumptions   | 1,927,000            | (18,641,000)         |
| - Other  | 1,057,000            | 2,673,000            |
| Past Service Cost  | (1,312,000)          | -                    |
| Curtailments   | (98,000)             | (127,000)            |
| Benefits Paid  | 3,836,000            | 4,042,000            |
| Settlements  | -                    | -                    |
| <b>Closing balance at 31 March</b>   | <b>(124,549,000)</b> | <b>(142,351,000)</b> |

The liabilities show the underlying commitments that the Authority has in the long-run to pay retirement benefits. The net liability of £38,588,000 has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy as the deficit on the Scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the Scheme Actuary.



## Local Government Pension Scheme assets comprised:

|                                  | 2019/20<br>£      | 2020/21<br>£       |
|----------------------------------|-------------------|--------------------|
| Cash:                            |                   |                    |
| - Cash and cash equivalents      | 2,670,000         | 2,562,000          |
| - Net Current Assets             | (1,621,000)       | (271,000)          |
| Sub-total cash                   | <b>1,049,000</b>  | <b>2,291,000</b>   |
| Equity instruments:              |                   |                    |
| By industry type                 |                   |                    |
| - Consumer                       | -                 | -                  |
| - Manufacturing                  | -                 | -                  |
| - Energy and utilities           | -                 | -                  |
| - Financial institutions         | -                 | -                  |
| - Health and care                | -                 | -                  |
| - Information technology         | -                 | -                  |
| Miscellaneous/Unclassified       | -                 | -                  |
| Sub-total equity                 | -                 | -                  |
| Bonds:                           |                   |                    |
| By sector                        |                   |                    |
| - Corporate                      | 2,385,000         | -                  |
| - Government                     | -                 | -                  |
| Sub-total bonds                  | <b>2,385,000</b>  | -                  |
| Property:                        |                   |                    |
| By type                          |                   |                    |
| - Retail                         | 95,000            |                    |
| - Commercial                     | 1,239,000         | 1,777,000          |
| - Residential                    | -                 | -                  |
| Sub-total property               | <b>1,334,000</b>  | <b>1,777,000</b>   |
| Private equity:                  |                   |                    |
| - UK                             | -                 | -                  |
| - Overseas                       | 7,629,000         | 8,325,000          |
| Sub-total private equity         | <b>7,629,000</b>  | <b>8,325,000</b>   |
| Other investment funds:          |                   |                    |
| - Infrastructure                 | 13,160,000        | 12,444,000         |
| - Indirect property funds        | 6,771,000         | 13,000,000         |
| - Credit funds                   | 15,068,000        | 13,871,000         |
| - Pooled Fixed Income            | 5,054,000         | 3,459,000          |
| - UK Pooled equity funds         | -                 | 1,061,000          |
| - Overseas Pooled equity funds   | 42,914,000        | 47,535,000         |
| Sub-total other investment funds | <b>82,967,000</b> | <b>91,370,000</b>  |
| Lump sum pre-payment             | -                 | -                  |
| <b>Total Assets</b>              | <b>95,364,000</b> | <b>103,763,000</b> |

## Basis for Estimating Assets and Liabilities

The Fund's valuers have declared a material uncertainty in relation to their valuations of directly and indirectly held property assets in response to the global impact of the Covid-19 pandemic. In the above note, these assets comprise the sums disclosed under Property and elements disclosed under Other Investment Funds. Consequently, less certainty, and a higher degree of caution, should be attached to the valuation than would normally be the case, refer to Note 5 for further details.

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

The significant assumptions used by the actuary have been:

|   | 2019/20    | 2020/21    |
|---|------------|------------|
| <b>Mortality assumptions</b>                      |            |            |
| Longevity at 65 for current pensioners            |            |            |
| - Men   | 22.3 years | 22.4 years |
| - Women   | 25.0 years | 25.1 years |
| Longevity at 65 for future pensioners             |            |            |
| - Men   | 23.8 years | 23.9 years |
| - Women   | 26.8 years | 26.9 years |
|   |            |            |
| Rate of CPI inflation/CARE Benefits revaluation   | 2.1%       | 2.7%       |
| Rate of increase in salaries                      | 3.6%       | 4.2%       |
| Rate of increase in pensions in payment/deferment | 2.2%       | 2.8%       |
| Rate for discounting scheme liabilities           | 2.4%       | 2.1%       |

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

The sensitivity analysis below have been determined based on reasonably possible changes to the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases for men and women. In practice this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit cost method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

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

|  | 2019/20     | 2020/21     |
|--|-------------|-------------|
| 1 year increase in members life expectancy | 3,440,000   | 4,385,000   |
| 0.1% increase in Discount Rate             | (1,891,000) | (2,162,000) |
| 0.1% increase in the Salary Increase Rate  | 201,000     | 210,000     |
| 0.1% increase in the Pension Increase Rate | 1,921,000   | 2,195,000   |
| 1% increase in 2020/21 investment returns  | (955,000)   | (1,055,000) |
| 1% decrease in 2020/21 investment returns  | 955,000     | 1,055,000   |

## Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The County Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100%. The maximum deficit recovery period for the Fund has been set as 16 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed 31 March 2022.

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

The Actuary anticipates that the Authority will pay £1.457m in employer contributions to the scheme in 2020/21.

The weighted average duration of the defined benefit obligation for scheme members in 2020/21 is 15 years (15 years in 2019/20).

### NOTE 40 CONTINGENT LIABILITIES

There are no contingent liabilities at the balance sheet date

### NOTE 41 NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

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

The Authority's overall risk management procedures focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the resources available to fund services. The Treasury Management Practices are agreed annually by the Cabinet in March and the Treasury Management and Annual Investment Strategy is approved annually by Council in April but this will be delayed until September 2020 owing to Covid-19.

### 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.

|  | 31/03/2021<br>£000<br>a | Historical experience<br>of default<br>%<br>b | Adjustment for<br>market conditions at<br>31/03/21<br>%<br>C | Estimated maximum<br>exposure to default<br>£<br>a x c |
|--|-------------------------|---|--|--|
| Deposits with banks and financial institutions (market value): |                         |   |  |  |
| High rated counterparties                                      | 33,124                  | 0.00%   | 0.00%  | 0  |
| Trade debtors (o/s Sundry Debtors at 31/03/21)                 | 869                     | 0.50%   | 4.00%  | 35   |

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 £869,386 outstanding for trade debtors, £618,000 is overdue. The overdue amount can be analysed by age as follows:

|                          | 2020/21<br>£000 |
|--------------------------|-----------------|
| Less than three months   | 182             |
| Three months to one year | 60              |
| More than one year       | 376             |
| <b>Total</b>             | <b>618</b>      |

### Liquidity Risk

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

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

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

The maturity analysis of financial liabilities is as follows:

|  | 2020/21<br>£000 |
|--|-----------------|
| Less than one year (short term creditors and short term borrowing) | 1,552           |
| Between one and two years  | -               |
| Between two and five years   | -               |
| Between five and ten years   | 1,552           |
| More than ten years (long term borrowing)                          | -               |
| <b>Total</b>   | <b>3,104</b>    |

### Market Risk

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

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

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

The Authority has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Authority's prudential indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a prudential indicator is set which provides maximum and minimum limits for fixed and variable interest rate exposure. The in-house treasury team will monitor the market and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns.

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

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

**NOTE 42 LANCASHIRE BUSINESS RATES POOL**

**\*\* INFORMATION TO FOLLOW \*\***

## 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).

| 2019/20                     |                  |              |   | 2020/21 |                     |                  |              |
|-----------------------------|------------------|--------------|---|---------|---------------------|------------------|--------------|
| Business Rates<br>£         | Council Tax<br>£ | Total<br>£   |   | Note    | Business Rates<br>£ | Council Tax<br>£ | Total<br>£   |
| INCOME                      |                  |              |   |         |                     |                  |              |
|                             | (68,935,047)     | (68,935,047) | Council Tax Receivable  | 1       |                     | (71,184,782)     | (71,184,782) |
|                             | -                | -            | Council Tax Annex Grant   |         |                     | -                | -            |
| (26,643,452)                |                  | (26,643,452) | Business Rates Receivable   | 2       | (11,275,299)        |                  | (11,275,299) |
| -                           | (2,429)          | (2,429)      | Transitional Protection Payment   |         | -                   | (841,356)        | (841,356)    |
| (1,044,624)                 | -                | (1,044,624)  | Contributions to previous year's Collection Fund deficit                  | 3       | (301,663)           | -                | (301,663)    |
| (27,688,076)                | (68,937,476)     | (96,625,552) | TOTAL INCOME  |         | (11,576,962)        | (72,026,138)     | (83,603,100) |
| EXPENDITURE                 |                  |              |   |         |                     |                  |              |
| Precepts, Demands and Share |                  |              |   |         |                     |                  |              |
| 6,196,421                   |                  | 6,196,421    | - Central Government  |         | 12,456,705          |                  | 12,456,705   |
| 4,337,494                   | 49,632,251       | 53,969,745   | - Lancashire County Council   |         | 2,242,207           | 52,232,580       | 54,474,787   |
|                             | 7,424,990        | 7,424,990    | - Police and Crime Commissioner for Lancashire                            |         |                     | 7,887,182        | 7,887,182    |
| 371,785                     | 2,560,876        | 2,932,661    | - Lancashire Combined Fire Authority                                      |         | 249,134             | 2,643,111        | 2,892,245    |
| 13,879,981                  | 8,057,509        | 21,937,490   | - Wyre Borough Council  |         | 9,965,364           | 8,401,109        | 18,366,473   |
| 24,785,681                  | 67,675,626       | 92,461,307   |   |         | 24,913,410          | 71,163,982       | 96,077,392   |
| Charges to Collection Fund  |                  |              |   |         |                     |                  |              |
| 165,361                     | 265,670          | 431,031      | - Less Write offs of uncollectable amounts                                |         | 39,278              | 200,059          | 239,337      |
| 316,280                     | 337,721          | 654,001      | - Less: Increase / (Decrease) in Bad Debt Provisions                      |         | 366,131             | 891,902          | 1,258,033    |
| 827,639                     |                  | 827,639      | - Less: Increase / (Decrease) in Provisions for Appeals                   |         | (727,081)           |                  | (727,081)    |
| 149,787                     |                  | 149,787      | - Costs of Collection Allowance   |         | 147,810             |                  | 147,810      |
| 962,690                     |                  | 962,690      | - Transitional Protection Payments due for the year to Central Government |         | 774,722             |                  | 774,722      |
| -                           | -                | -            | - Interest on Refunds   |         | -                   | -                | -            |
| -                           |                  | -            | - Enterprise Zone disregard amount  |         | -                   |                  | -            |
| 2,421,757                   | 603,391          | 3,025,148    |   |         | 600,860             | 1,091,961        | 1,692,821    |
| Contributions               |                  |              |   |         |                     |                  |              |
| -                           | 1,218,387        | 1,218,387    | - To previous year's Collection Fund surplus                              | 3       | -                   | 369,322          | 369,322      |
|                             |                  |              | - Enterprise Zone Growth  |         | 39,005              |                  | 39,005       |
| 27,207,438                  | 69,497,404       | 96,704,842   | TOTAL EXPENDITURE   |         | 25,553,275          | 72,625,265       | 98,178,540   |
| (480,638)                   | 559,928          | 79,290       | (Surplus) / Deficit arising during the year                               |         | 13,976,313          | 599,127          | 14,575,440   |
| 1,051,227                   | (705,026)        | 346,201      | (Surplus) / Deficit B/fwd as at 1 April                                   |         | 570,589             | (145,098)        | 425,491      |
| 570,589                     | (145,098)        | 425,491      | (Surplus) / Deficit C/fwd as at 31 March                                  | 4       | 14,546,902          | 454,029          | 15,000,931   |



## NOTES TO THE COLLECTION FUND

### NOTE 1 COUNCIL TAX

The Council Tax base for 2020/21 was calculated at 37,301 and a Band D Council Tax set at £1,887.37. The tax base was calculated as follows:

| Band   | Total number of chargeable dwellings | **Relevant amount x number of dwellings |
|--|--------------------------------------|---|
| Additional band                              | 30                                   | 16                                      |
| A  | 12,149                               | 6,746                                   |
| B  | 12,140                               | 8,314                                   |
| C  | 12,485                               | 10,100                                  |
| D  | 7,629                                | 6,946                                   |
| E  | 5,233                                | 5,979                                   |
| F  | 2,370                                | 3,337                                   |
| G  | 1,014                                | 1,631                                   |
| H  | 59                                   | 112                                     |
|  | <b>53,109</b>                        | <b>43,181</b>                           |
| Less Council Tax Reduction                   |                                      | (5,119)                                 |
|  |                                      | 38,062                                  |
| Collection Rate 98% = Relevant Amount x 0.98 |                                      | <b>37,301</b>                           |

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

### NOTE 2 INCOME FROM BUSINESS RATE PAYERS

The total non-domestic rateable value at 31 March 2021 was £70,240,703 (31 March 2020 £70,655,622). The Government set a National Non-domestic multiplier (rate in the pound) of 51.2 pence for 2020/21 and a Small Business non-domestic multiplier of 49.9 pence (2019/20 50.4 pence and 49.1 pence). This rateable value figure is different from the figure in the accounts due to various relief awards.

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

| Business Rates<br>£   | 2019/20<br>Council<br>Tax<br>£ | Total<br>£     |  | Business Rates<br>£ | 2020/21<br>Council<br>Tax<br>£ | Total<br>£    |
|---|--------------------------------|----------------|--|---------------------|--------------------------------|---------------|
| <b>Attributable to Central Government and other Local Authorities as follows:</b> |                                |                |  |                     |                                |               |
| (522,312)   |                                | (522,312)      | Central Government                           | (77,066)            |                                | (77,066)      |
| (94,016)  | 900,638                        | 806,622        | Lancashire County Council                    | (52,230)            | 270,861                        | 218,631       |
|   | 123,419                        | 123,419        | Police and Crime Commissioner for Lancashire |                     | 40,515                         | 40,515        |
| (10,446)  | 46,920                         | 36,474         | Lancashire Combined Fire Authority           | (4,492)             | 13,960                         | 9,468         |
| (417,850)   | 147,410                        | (270,440)      | Wyre Borough Council                         | (167,875)           | 43,986                         | (123,889)     |
| <b>(1,044,624)</b>  | <b>1,218,387</b>               | <b>173,763</b> | <b>Total</b>                                 | <b>(301,663)</b>    | <b>369,322</b>                 | <b>67,659</b> |

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

| Business Rates<br>£   | 2019/20<br>Council<br>Tax<br>£ | Total<br>£     |  | Business Rates<br>£ | 2020/21<br>Council<br>Tax<br>£ | Total<br>£        |
|---|--------------------------------|----------------|--|---------------------|--------------------------------|-------------------|
| <b>Attributable to Central Government and other Local Authorities as follows:</b> |                                |                |  |                     |                                |                   |
| 144,301   |                                | 144,301        | Central Government                           | 7,206,222           |                                | 7,206,222         |
| 99,291  | (106,281)                      | (6,990)        | Lancashire County Council                    | 1,332,079           | 333,058                        | 1,665,137         |
|   | (15,669)                       | (15,669)       | Police and Crime Commissioner for Lancashire |                     | 51,191                         | 51,191            |
| 8,525   | (5,647)                        | 2,878          | Lancashire Combined Fire Authority           | 146,813             | 16,659                         | 163,472           |
| 318,472   | (17,501)                       | 300,971        | Wyre Borough Council                         | 5,861,788           | 53,121                         | 5,914,909         |
| <b>570,589</b>  | <b>(145,098)</b>               | <b>425,491</b> | <b>(Surplus)/Deficit as at 31 March</b>      | <b>14,546,902</b>   | <b>454,029</b>                 | <b>15,000,931</b> |

## GLOSSARY OF ACCOUNTING TERMS

### Accounting policies

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

### Accruals

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

### Accumulated absences

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

### Agency services

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

### Amortisation

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

### Assets

An item which is measurable in monetary terms.

### Auditor's opinion

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

### Balance sheet

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

### Budget

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

### Capital adjustment account

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

### Capital expenditure

Expenditure on the acquisition and/or improvement of assets, which adds to, and not merely maintains, its value.

### Capital receipts

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

### Cash and cash equivalents

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

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

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

### Collection fund

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

### Comprehensive income and expenditure statement (CIES)

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

### Consistency

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

### Contingency

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

## **Contingent liabilities or assets**

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

## **Council tax**

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

## **Creditors**

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

## **Current assets**

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

## **Current liabilities**

Amounts which will become payable or could be called in within the next accounting period, e.g. Creditors or cash overdrawn.

## **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 or not the amounts due have been paid or not. The difference between expenditure and payments is calculated by reference to the levels of accruals.

## **Expenditure and Funding Analysis**

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

## **Fair value**

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

## Financial instruments

Defined as contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. This includes the borrowing and lending of money and the making of investments and also extends to include debtors and creditors.

## General fund

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

## Going concern

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

## Gross expenditure

The cost of service provision before allowing for any income.

## Heritage asset

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

## International financial reporting standard (IFRS)

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

## Impairment

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

## Income

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

## Intangible assets

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

## Inventories

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

- Consumable stores
- Maintenance materials
- Client services work in progress
- Property acquired or constructed for sale

## Leases

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

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

## Liabilities

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

## Long term assets

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

## Long term borrowing

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

## Materiality

The concept that the financial statements should include all amounts which, if omitted, or misstated, could be expected to lead to a distortion by a reader of those statements.

## Minimum Revenue Provision (MRP)

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

## Net assets

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

## Net expenditure

Gross expenditure less gross income.

## Non-domestic rates

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

## Non-ringfenced grant

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

## Outturn

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

## Precept

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

## Projected unit method – pension fund valuation

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

## Provisions

Provisions are required for any obligation that require a settlement by a transfer of economic benefits but where the timing of the transfer is uncertain.

## Prudence

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

## Public works loan board (PWLb)

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

## Related party

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

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

## Remuneration

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

## Reserves

Amounts created for future policy purposes or to cover contingencies.



## Retirement benefits

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

## Revenue expenditure

Expenditure of a day to day nature incurred in the course of providing services, earning revenue, maintaining assets and on the acquisition of goods for resale.

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

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

## Revenue support grant (RSG)

Government grant to support local authority services.

## Scheme liabilities

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

## Service reporting code of practice (SeRCOP)

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

## Short term borrowing

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

## Slippage

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

## Termination benefits

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

## Unusable reserves

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

## Usable reserves

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

## Useful life

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

## Work in progress

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

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

## LINKS TO OTHER FINANCIAL INFORMATION

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

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



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## Capital Financing Report

## Appendix 2 - Table 1

| Portfolio    | Director | Capital Project   | Funded By  | Revised Budget<br>2020/21 | Actual Capital<br>Expenditure To<br>31 March 2021 | Budget<br>2021/22 * | Budget 2022/23   | Budget<br>2023/24 | Budget<br>2024/25 | Budget 2025/26   | TOTAL<br>2020/21 - 2025/26 |
|--------------|----------|---|--|---------------------------|---|---------------------|------------------|-------------------|-------------------|------------------|----------------------------|
|              |          |   |  | £                         | £   | £                   | £                | £                 | £                 | £                | £                          |
| LH&CE        | MB       | Fleetwood Leisure Centre - Heating                          | Capital Receipts   | 1,323                     | 1,323   |                     |                  |                   |                   |                  | 1,323                      |
| SSP&OS       | MB       | Playground Refurbishment Unallocated                        | Capital Receipts   | 15,542                    | 0   | 10,242              |                  |                   |                   |                  | 10,242                     |
| SSP&OS       | MB       | Jubilee Gardens Refurbishment                               | Grants and Contributions / Capital Receipts                      | 42,000                    | 35,000  | 7,000               |                  |                   |                   |                  | 42,000                     |
| SSP&OS       | MB       | Tebay Playground Refurbishment                              | Capital Receipts   | 7,000                     | 0   | 7,000               |                  |                   |                   |                  | 7,000                      |
| SSP&OS       | MB       | Preesall Playing Fields Environmental Improvements          | Grants and Contributions   | 74,070                    | 2,763   | 71,307              |                  |                   |                   |                  | 74,070                     |
| SSP&OS       | MB       | Refurbishment of Children's Playground Jean Stansfield      | Grants and Contributions   | 1,475                     | 1,474   |                     |                  |                   |                   |                  | 1,474                      |
| SSP&OS       | MB       | Kings George Playing Fields Thornton Phase 2                | Grants and Contributions   | 31,605                    | 20,927  |                     |                  |                   |                   |                  | 20,927                     |
| SSP&OS       | MB       | Restoration of the Mount                                    | Grants and Contributions / Capital Investment Reserve            | 1,027,386                 | 948,893   | 78,493              |                  |                   |                   |                  | 1,027,386                  |
| SSP&OS       | MB       | Wheeled Bins (box exchange programme 2019/20)               | Revenue -Capital Investment Reserve                              | 42,469                    | 42,469  |                     |                  |                   |                   |                  | 42,469                     |
| SSP&OS       | MB       | Children's Playground Refurbishment Memorial Park Fleetwood | Grants and Contributions / Capital Receipts                      | 37,500                    | 37,500  |                     |                  |                   |                   |                  | 37,500                     |
| SSP&OS       | MB       | Kings George Playing Fields Thornton Phase 3                | Grants and Contributions   | 0                         | 0   | 10,678              |                  |                   |                   |                  | 10,678                     |
| NS&CS        | MB       | Cell Eleven Monitoring                                      | Grants and Contributions   | 32,777                    | 27,686  |                     |                  |                   |                   |                  | 27,686                     |
| NS&CS        | MB       | Rossall Sea Wall Improvement Works                          | Grants and Contributions   | 238,432                   | 30,000  | 208,432             |                  |                   |                   |                  | 238,432                    |
| NS&CS        | MB       | Wyre Beach Management Business Case                         | Grants and Contributions   | 3,974,633                 | 672,555   | 3,302,078           |                  |                   |                   |                  | 3,974,633                  |
| NS&CS        | MH       | Disabled Facilities Mandatory Grants                        | Grants and Contributions   | 2,154,964                 | 1,346,820   | 2,888,108           | 1,833,127        | 1,833,127         | 1,833,127         | 1,833,127        | 11,567,436                 |
| NS&CS        | MH       | Empty Homes Delivery  | Grants and Contributions   | 17,049                    | 0   | 17,049              |                  |                   |                   |                  | 17,049                     |
| R            | MB       | Vehicle Replacement/Str.Cleansing Mtnce                     | Revenue -Vehicle Replacement Reserve / Capital Receipts          | 3,045,842                 | 3,027,818   | 411,519             | 155,200          | 149,500           | 302,500           | 215,000          | 4,261,537                  |
| R            | CJ       | Citizen Access Portal                                       | Revenue -Value For Money Reserve                                 | 76,867                    | 14,450  | 62,417              |                  |                   |                   |                  | 76,867                     |
| R            | CJ       | Cash Receipting System Upgrade                              | Revenue -Value For Money Reserve                                 | 24,746                    | 0   | 24,746              |                  |                   |                   |                  | 24,746                     |
| R            | MH       | Tablet Devices for Councillors                              | Revenue -IT Strategy Reserve                                     | 6,545                     | 1,452   |                     |                  |                   |                   |                  | 1,452                      |
| R            | MB       | LED Lighting Works -Civic Centre                            | Capital Receipts   | 32,497                    | 28,698  |                     |                  |                   |                   |                  | 28,698                     |
| R            | MH       | Replacement of Core IT Network Infrastructure               | Revenue -IT Strategy Reserve                                     | 249,257                   | 135,860   | 38,800              |                  |                   |                   |                  | 174,660                    |
| R            | MB       | St Chad's Churchyard Boundary Wall Works                    | Revenue -Capital Investment Reserve                              | 62,910                    | 0   | 59,750              |                  |                   |                   |                  | 59,750                     |
| R            | MH       | Project Neptune - Getting Building Fund LEP Grant           | Grants and Contributions   |                           |   | 4,030,385           |                  |                   |                   |                  | 4,030,385                  |
| R            | MH       | Acquisition of fish and food processing commercial units    | Grants and Contributions / Revenue - Property Investment Reserve |                           |   | 4,034,500           |                  |                   |                   |                  | 4,034,500                  |
| P&ED         | MH       | CCF5 Fleetwood Market Outdoor Area/Digital Signage          | Grants and Contributions   | 330,475                   | 299,592   | 34,053              |                  |                   |                   |                  | 333,645                    |
| P&ED         | MB       | CCF5 Market Street Studios                                  | Grants and Contributions   | 120,537                   | 113,370   |                     |                  |                   |                   |                  | 113,370                    |
| P&ED         | MH       | Fleetwood HAZ   | Grants and Contributions   | 122,350                   | 0   | 638,350             | 855,000          | 214,656           |                   |                  | 1,708,006                  |
| <b>TOTAL</b> |          |   |  | <b>11,770,251</b>         | <b>6,788,650</b>                                  | <b>15,934,907</b>   | <b>2,843,327</b> | <b>2,197,283</b>  | <b>2,135,627</b>  | <b>2,048,127</b> | <b>31,947,921</b>          |

| Funding Sources                      | Revised Budget<br>2020/21 | Actual Capital<br>Expenditure To<br>31 March 2021 | Budget<br>2021/22 * | Budget 2022/23   | Budget<br>2023/24 | Budget<br>2024/25 | Budget 2025/26   | TOTAL<br>2020/21 - 2025/26 |
|--------------------------------------|---------------------------|---|---------------------|------------------|-------------------|-------------------|------------------|----------------------------|
|                                      | £                         | £   | £                   | £                | £                 | £                 | £                | £                          |
| Grants and Contributions             | 7,168,379                 | 3,517,982   | 12,678,933          | 2,688,127        | 2,047,783         | 1,833,127         | 1,833,127        | 24,599,079                 |
| Revenue -Capital Investment Reserve  | 1,132,765                 | 47,969  | 59,750              | 0                | 0                 | 0                 | 0                | 107,719                    |
| Revenue -IT Strategy Reserve         | 255,802                   | 137,312   | 38,800              | 0                | 0                 | 0                 | 0                | 176,112                    |
| Revenue -Vehicle Replacement Reserve | 3,023,842                 | 3,005,818   | 411,519             | 155,200          | 149,500           | 302,500           | 215,000          | 4,239,537                  |
| Revenue -Value For Money Reserve     | 101,613                   | 14,450  | 87,163              | 0                | 0                 | 0                 | 0                | 101,613                    |
| Revenue -Property Investment Reserve |                           |   | 2,634,500           |                  |                   |                   |                  | 2,634,500                  |
| Capital Receipts                     | 87,850                    | 65,119  | 24,242              | 0                | 0                 | 0                 | 0                | 89,361                     |
| Loan                                 | 0                         | 0   | 0                   | 0                | 0                 | 0                 | 0                | 0                          |
| <b>TOTAL</b>                         | <b>11,770,251</b>         | <b>6,788,650</b>                                  | <b>15,934,907</b>   | <b>2,843,327</b> | <b>2,197,283</b>  | <b>2,135,627</b>  | <b>2,048,127</b> | <b>31,947,921</b>          |

\* Slippage from 2020/21 included in 2021/22 balances above; breakdown provided in Appx 2 Table 2 (excluding £57,263 of slippage transferred to revenue expenditure)

Please note:- Purple text indicates externally funded schemes

| Budget Reconciliation                                |                   |                   |                  |                  |                  |                  |
|--|-------------------|-------------------|------------------|------------------|------------------|------------------|
| Original Budget - as approved at Council 17 Feb 2021 | 11,764,751        | 2,742,622         | 2,843,327        | 2,197,283        | 2,135,627        | 2,048,127        |
| Subsequent changes agreed to date ^                  | 5,500             | 8,322,400         | 0                | 0                | 0                | 0                |
| Current approval                                     | 11,770,251        | 11,065,022        | 2,843,327        | 2,197,283        | 2,135,627        | 2,048,127        |
| <b>2020/21 Year end slippage</b>                     |                   | <b>4,869,885</b>  | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         |
| <b>Latest Capital Budget</b>                         | <b>11,770,251</b> | <b>15,934,907</b> | <b>2,843,327</b> | <b>2,197,283</b> | <b>2,135,627</b> | <b>2,048,127</b> |

^ Revenue funding re-allocated to contribute to project costs at The Mount for CCTV installation

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Comparison of 2020/21 Capital Expenditure to Budget

Appendix 2 - Table 2

| Portfolio | Director | Capital Project   | Revised Budget<br>2020/21 | Actual<br>Capital<br>Expenditure<br>To 31st March<br>2021 | Actual<br>Revenue<br>Expenditure<br>To 31st March<br>2021 | Variance   | Overspend | Underspend | Slippage to<br>2021/22* | Comments   |
|-----------|----------|---|---------------------------|---|---|------------|-----------|------------|-------------------------|--|
|           |          |   | £                         | £   | £   | £          | £         | £          | £                       |  |
| LH&CE     | MB       | Fleetwood Leisure Centre - Heating                          | 1,323                     | 1,323   |   | 0          |           |            | 0                       | Project complete   |
| SSP&OS    | MB       | Playground Refurbishment Unallocated                        | 15,542                    | 0   |   | -15,542    |           |            | -15,542                 | Slippage - £5,300 to be transferred to Jubilee Gardens in 2021/22  |
| SSP&OS    | MB       | Jubilee Gardens Refurbishment                               | 42,000                    | 35,000  |   | -7,000     |           | -5,300     | -1,700                  | Slippage - External funding not available (reflective of underspend amount).<br>Unallocated playground refurbishment budget used for shortfall in funding in 2021/22 |
| SSP&OS    | MB       | Tebay Playground Refurbishment                              | 7,000                     | 0   |   | -7,000     |           |            | -7,000                  | Slippage   |
| SSP&OS    | MB       | Preesall Playing Fields Environmental Improvements          | 74,070                    | 2,763   |   | -71,307    |           |            | -71,307                 | Slippage - project ongoing   |
| SSP&OS    | MB       | Refurbishment of Children's Playground Jean Stansfield      | 1,475                     | 1,474   |   | -1         |           | -1         | 0                       | Project complete   |
| SSP&OS    | MB       | Kings George Playing Fields Thornton Phase 2                | 31,605                    | 20,927  |   | -10,678    |           | -10,678    | 0                       | Project complete   |
| SSP&OS    | MB       | Restoration of the Mount                                    | 1,027,386                 | 948,893   |   | -78,493    |           |            | -78,493                 | Slippage - project ongoing   |
| SSP&OS    | MB       | Wheeled Bins (box exchange programme 2019/20)               | 42,469                    | 42,469  |   | 0          |           |            | 0                       | Project complete   |
| SSP&OS    | MB       | Children's Playground Refurbishment Memorial Park Fleetwood | 37,500                    | 37,500  |   | 0          |           |            | 0                       | Project complete   |
| NS&CS     | MB       | Cell Eleven Monitoring                                      | 32,777                    | 27,686  |   | -5,091     |           | -5,091     | 0                       | Project complete   |
| NS&CS     | MB       | Rossall Sea Wall Improvement Works                          | 238,432                   | 30,000  |   | -208,432   |           |            | -208,432                | Slippage - information signage & street furniture design to be agreed  |
| NS&CS     | MB       | Wyre Beach Management Business Case                         | 3,974,633                 | 672,555   |   | -3,302,078 |           |            | -3,302,078              | Slippage - change of site compound resulted in additional work/delays prior to obtaining planning permission   |
| NS&CS     | MH       | Disabled Facilities Mandatory Grants                        | 2,154,964                 | 1,346,820   |   | -808,144   |           |            | -808,144                | Slippage - installation delays due to Covid 19   |
| NS&CS     | MH       | Empty Homes Delivery  | 17,049                    | 0   |   | -17,049    |           |            | -17,049                 | Slippage   |
| R         | MB       | Vehicle Replacement/Str. Cleansing Mtnce                    | 3,045,842                 | 3,027,818   |   | -18,024    |           |            | -18,024                 | Slippage - delay on purchasing bespoke dog cage conversions on 4 electric vans   |
| R         | CJ       | Citizen Access Portal                                       | 76,867                    | 14,450  |   | -62,417    |           |            | -62,417                 | Slippage - project ongoing. New website going live on 1 July 2021  |
| R         | CJ       | Cash Receipting System Upgrade                              | 24,746                    | 0   |   | -24,746    |           |            | -24,746                 | Slippage - Civica Pay cash receipting system going live on 29 June 2021  |
| R         | MH       | Tablet Devices for Councillors                              | 6,545                     | 1,452   |   | -5,093     |           |            | -5,093                  | Slippage* - the full balance to be transferred to revenue schemes in 2021/22   |
| R         | MB       | LED Lighting Works -Civic Centre                            | 32,497                    | 28,698  |   | -3,799     |           | -3,799     | 0                       | Project complete   |
| R         | MH       | Replacement of Core IT Network Infrastructure               | 249,257                   | 135,860   |   | -113,397   |           | -22,427    | -90,970                 | Slippage* - split between capital (£38,800) & revenue (£52,170)  |
| R         | MB       | St Chad`s Churchyard Boundary Wall Works                    | 62,910                    | 0   | 3,160   | -59,750    |           |            | -59,750                 | Slippage - 2020/21 costs transferred to revenue owing to nature of expenditure   |
| P&ED      | MH       | CCF5 Fleetwood Market Outdoor Area/Digital Signage          | 330,475                   | 299,592   |   | -30,883    |           |            | -30,883                 | Slippage - delays in completing the project  |
| P&ED      | MB       | CCF5 Market Street Studios                                  | 120,537                   | 113,370   | 3,997   | -3,170     |           |            | -3,170                  | Slippage - transferred to Fleetwood Market Outdoor Area project in 2021/22   |
| P&ED      | MH       | Fleetwood HAZ   | 122,350                   | 0   |   | -122,350   |           |            | -122,350                | Slippage - project delay due to lower than anticipated applications  |
|           |          |   | 11,770,251                | 6,788,650   | 7,157   | -4,974,444 | 0         | -47,296    | -4,927,148              |  |

\*Includes £57,263 slipped to Revenue.

| Portfolio Key |   |
|---------------|---|
| LH&CE         | Leisure, Health and Community Engagement    |
| NS&CS         | Neighbourhood Services and Community Safety |
| P&ED          | Planning and Economic Development           |
| R             | Resources                                   |
| SSP&OS        | Street Scene, Parks and Open Spaces         |

| Director Key |  |
|--------------|--|
| CJ           | Clare James, Corporate Director Resources        |
| MB           | Mark Billington, Corporate Director Environment  |
| MH           | Marianne Hesketh, Corporate Director Communities |

Please note:- Purple text indicates externally funded schemes

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| <b>Total Revenue Reserve and Balance Movements</b>     |                                       |                          |  |   |
|--|---------------------------------------|--------------------------|--|---|
|  | <b>20/21<br/>Revised<br/>Estimate</b> | <b>20/21<br/>Actuals</b> | <b>Variance</b>  |   |
|  |                                       |                          | <b>Favourable<br/>(Higher than<br/>Anticipated<br/>Balances)</b> | <b>Unfavourable<br/>(Lower than<br/>Anticipated<br/>Balances)</b> |
|  | <b>£</b>                              | <b>£</b>                 | <b>£</b>   | <b>£</b>  |
| Revenue Reserves as at 31 March 2021 (see Appendix 4a) | 16,316,330                            | 21,068,233               | (4,751,903)  |   |
| Revenue Balances as at 31 March 2021 (see Appendix 4a) | 11,277,683                            | 13,092,723               | (1,815,040)  |   |
| <b>TOTAL Revenue Reserves and Balances</b>             | <b>27,594,013</b>                     | <b>34,160,956</b>        | <b>(6,566,943)</b>   | <b>-</b>  |

| <b>Major Variances Impacting on Revenue Reserves</b>  |   |  |  |  |
|---|---|--|--|--|
|   | <b>20/21<br/>Revised<br/>Estimate as<br/>at 31 March<br/>21</b> | <b>20/21<br/>Actuals as at<br/>31 March 21</b> | <b>Variance</b>  |  |
| <b>Earmarked Reserves</b>   |   |  | <b>Favourable<br/>(Increased<br/>Transfer In /<br/>Reduced<br/>Transfer Out)</b> | <b>Unfavourable<br/>(Reduced<br/>Transfer In /<br/>Increased<br/>Transfer Out)</b> |
|   | <b>£</b>  | <b>£</b>                                       | <b>£</b>   | <b>£</b>   |
| <b>Building Control:</b> higher net surplus achieved  | 0   | 44,200   | (44,200)   |  |
| <b>Capital Investment:</b> capital project slippage resulted in reduced draw down, top up from balances to provide for future capital schemes   | (105,379)   | 1,064,937                                      | (1,170,316)  |  |
| <b>Elections:</b> no change   | 41,217  | 41,217   |  |  |
| <b>Homelessness:</b> increased top up from in year project underspends  | 304,060   | 459,622  | (155,562)  |  |
| <b>Insurance:</b> increased draw down to cover cost of claims   | 30,000  | (7,777)  |  | 37,777   |
| <b>Investment - IT Strategy:</b> savings from IT higher than expected, some slippage resulted in reduced draw down  | 318,883   | 469,845  | (150,962)  |  |
| <b>Land Charges:</b> higher net deficit realised in 2020/21   | 0   | (5,389)  |  | 5,389  |
| <b>Leisure Management:</b> top up from balances to provide for future requirements  | 7,380   | 260,935  | (253,555)  |  |
| <b>New Homes Bonus:</b> top up from balances to provide for future requirements   | (568,749)   | 568,749  | (1,137,498)  |  |
| <b>Non-Domestic Rates Equalisation:</b> level of 20/21 s31 grants higher than anticipated, offset by increased release to balances of prior year funds                                | 4,719,821   | 5,984,940                                      | (1,265,119)  |  |
| <b>Performance Reward Initiatives:</b> project delays resulted in reduced draw down in 2021/22  | (3,000)   | (2,050)  | (950)  |  |
| <b>Property Investment Fund:</b> further funds put aside to fund Project Neptune  | 1,640,000   | 1,906,900                                      | (266,900)  |  |
| <b>Value for Money:</b> additional DWP funding received during 2020/21 and reduced draw down owing to delays with projects  | (106,343)   | 61,090   | (167,433)  |  |
| <b>Vehicle Replacement/Street Cleansing Maintenance:</b> increased contribution from street cleansing in addition to slightly reduced draw down relating to vehicle purchases in year | (2,397,124)   | (2,362,318)                                    | (34,806)   |  |
| <b>Enterprise Zone Growth (Ring-fenced):</b> delays to projects resulted in reduced draw down from the reserve during 2021/22   | (461,551)   | (313,783)                                      | (147,768)  |  |
|   | <b>3,419,215</b>  | <b>8,171,118</b>                               | <b>(4,751,903)</b>   | <b>43,166</b>  |
|   |   |  | <b>(4,751,903)</b>   |  |

| <b>Major Variances Impacting on Revenue Balances</b>  |                                       |                          |                    |  |  |
|---|---------------------------------------|--------------------------|--------------------|--|--|
|   | <b>20/21<br/>Revised<br/>Estimate</b> | <b>20/21<br/>Actuals</b> | <b>Slippage</b>    | <b>Variance</b>  |  |
|   | <b>£</b>                              | <b>£</b>                 | <b>£</b>           | <b>Favourable<br/>(Underspend /<br/>additional<br/>income)</b> | <b>Unfavourable<br/>(Overspend /<br/>reduced<br/>income)</b> |
|   |                                       |                          |                    | <b>£</b>   | <b>£</b>   |
| <b>20/21 Slippage to Future Years (see Appendix 3b)</b>   |                                       |                          | <b>(1,815,040)</b> | <b>(1,815,040)</b>   |  |
| <b>New Homes Bonus Reserve - Top Up</b>   |                                       |                          |                    |  | <b>1,137,498</b>   |
| <b>Capital Investment Reserve - Top Up</b>  |                                       |                          |                    |  | <b>1,096,066</b>   |
| <b>Property Investment Reserve - Top Up</b>   |                                       |                          |                    |  | <b>266,900</b>   |
| <b>Leisure Management Reserve - Top Up</b>  |                                       |                          |                    |  | <b>250,000</b>   |
| <b>Service Specific Major Variances (adjusted for slippage)</b>   |                                       |                          |                    |  |  |
| <b>Employee costs:</b>  |                                       |                          |                    |  |  |
| <u>Salaries and Agency Costs (incl Training):</u> vacancies across various service areas and delays in recruitment to posts   | 10,979,030                            | 10,470,047               | 190,900            | <b>(318,083)</b>   |  |
| <b>Premises Costs</b>   |                                       |                          |                    |  |  |
| <u>Non Domestic Rates:</u> prior year amendments to car park rateable values impacting in 2020/21   | 458,520                               | 470,828                  | 0                  |  | <b>12,308</b>  |
| <u>Water Charges (incl. surface and waste)</u>  | 161,040                               | 127,296                  | 0                  | <b>(33,744)</b>  |  |
| <u>Refuse Collection Contract:</u> contract underspends   | 2,175,670                             | 2,130,354                | 7,180              | <b>(38,136)</b>  |  |
| <b>Transport Costs</b>  |                                       |                          |                    |  |  |
| <u>Fuel:</u> impact of COVID-19   | 107,370                               | 89,756                   | 0                  | <b>(17,614)</b>  |  |
| <u>Car Allowances - Casual Mileage:</u> reduced staff mileage owing to COVID-19 pandemic  | 62,980                                | 33,347                   | 0                  | <b>(29,633)</b>  |  |
| <b>Supplies and services:</b>   |                                       |                          |                    |  |  |
| <u>Hire and Maintenance of Tools/Equipment:</u>   | 75,230                                | 44,590                   | 0                  | <b>(30,640)</b>  |  |
| <u>Materials and Consumables:</u> underspends across various service areas; some delays to works caused Covid-19  | 209,730                               | 149,444                  | 35,930             | <b>(24,356)</b>  |  |
| <u>Postage:</u> underspends across various service areas - main contributors are Electoral Registration, Council Tax Collection and Compliance Team                     | 168,990                               | 135,675                  | 0                  | <b>(33,315)</b>  |  |
| <u>Impairment Allowances for Outstanding Debt:</u> movement in impairment allowances higher than budget owing to limited debt recovery action undertaken during 2020/21 | 15,000                                | 66,940                   | 0                  |  | <b>51,940</b>  |
| <b>Third party payments:</b>  |                                       |                          |                    |  |  |
| <u>Greater Lancashire Plan:</u> refund received in 2020/21, relating to unbudgeted costs recognised in 2019/20  | 0                                     | <b>(21,853)</b>          | 0                  | <b>(21,853)</b>  |  |
| <u>Community Payback Project:</u> opportunities limited owing to Covid-19 pandemic  | 21,000                                | 1,000                    | 0                  | <b>(20,000)</b>  |  |
| <b>Income:</b>  |                                       |                          |                    |  |  |
| <u>Removal of Green Waste:</u> income exceeded anticipated levels   | <b>(827,000)</b>                      | <b>(837,833)</b>         | 0                  | <b>(10,833)</b>  |  |
| <u>Rental Income:</u> actual income lower than budget   | <b>(1,128,380)</b>                    | <b>(1,053,959)</b>       | 0                  |  | <b>74,421</b>  |
| <u>Benefits and Rent Allowances:</u> benefit subsidy levels and recovery of historic benefit overpayments higher than budget  | <b>(47,440)</b>                       | <b>(220,850)</b>         | 0                  | <b>(173,410)</b>   |  |
| <u>Council Tax Annex Grant:</u> 2020/21 unbudgeted grant allocation   | 0                                     | <b>(14,797)</b>          | 0                  | <b>(14,797)</b>  |  |
| <u>Unringfenced Covid-19 Grants</u>   | <b>(249,590)</b>                      | <b>(1,681,763)</b>       |                    | <b>(1,432,173)</b>   |  |
| <u>Sales, Fees and Charges Scheme</u>   | <b>(926,580)</b>                      | <b>(1,000,424)</b>       | 0                  | <b>(73,844)</b>  |  |
| <u>National Leisure Recovery Fund Grant</u>   | 0                                     | <b>(220,000)</b>         | 0                  | <b>(220,000)</b>   |  |
| <u>Housing Benefit Admin Grants:</u> additional grant allocations received during 2020/21   | <b>(364,430)</b>                      | <b>(425,697)</b>         | 0                  | <b>(61,267)</b>  |  |
| <b>Non Service Specific Major Variances</b>   |                                       |                          |                    |  |  |
| <b>Income:</b>  |                                       |                          |                    |  |  |
| <u>Interest Received:</u> whilst cash balances were high during the year, low interest rates available resulted in lower interest receipts                              | <b>(70,000)</b>                       | <b>(59,768)</b>          | 0                  |  | <b>10,232</b>  |
| <b>Other Variations (in aggregate)</b>  |                                       |                          |                    | <b>(345,667)</b>   |  |
|   |                                       |                          |                    | <b>(4,714,405)</b>   | <b>2,899,365</b>   |
|   |                                       |                          |                    | <b>(1,815,040)</b>   |  |



| Portfolio                                   | 2020/21<br>Slippage<br>Request<br>£ |
|---|-------------------------------------|
| Leisure, Health and Community Engagement    | 364,090                             |
| Neighbourhood Services and Community Safety | 179,940                             |
| Planning and Economic Development           | 221,590                             |
| Resources                                   | 913,640                             |
| Street Scene, Parks and Open Spaces         | 135,780                             |
| <b>TOTAL</b>                                | <b>1,815,040</b>                    |

**Leisure, Health and Community Engagement****364,090**Arts Development / Promotion

Creative People and Places Contribution

20,000

Healthier Fleetwood Events and Activities

5,000

Coastal Communities Fund Revenue Schemes

Promotions and Special Works

52,130

Sports Development

External Coaching

34,780

Leisure Centres

YMCA Subsidy

219,780

Countryside General

Volunteer Expenses

3,000

Food Safety

Brexit EHC Costs

22,220

Contaminated Land

Consultants Fees

7,180

**Neighbourhood Services and Community Safety****179,940**Sea Defences

Private Contractors

75,290

Materials and Consumables

35,930

Community Safety Operations

Community Development Initiatives - CCTV Improvements

24,620

Community Development Initiatives - General

6,180

Community Development Initiatives - Mobile Camera

540

Community Development Initiatives - ACT Awareness

2,480

Community Development Initiatives - Rural Crime Campaign

410

Community Development Initiatives - Genga

1,750

Childrens Trust

Other Contributions

32,740

**Planning and Economic Development****221,590**Development Control

Consultants Fees

43,920

Local Plan

Consultants Fees

51,370

Copse Rd Depot

CCTV Running Costs

11,180

Future High Street Fund Revenue Schemes

Consultants Fees

16,820

Economic Development

Consultants Fees

3,640

Cleveleys Coastal Community Project

Consultants Fees

11,990

Recovering the High Streets

Consultants Fees

37,390

WBC Highways - Non Agency

Maintenance of Unadopted Assets

4,100

Maintenance of Unadopted Assets - Street Lighting

3,400

Maintenance of Unadopted Assets - Regenda Housing Association

10,060

Fleetwood/Knott End Ferry

Dredging

4,600

Landing Stage Maintenance

7,010

Ferry Dock Maintenance

4,720

Bus Shelters and Turn Round

Repairs to Non-WBC Buildings

11,390

|  |                |
|--|----------------|
| <b>Resources</b>   | <b>913,640</b> |
| <u>Legal Services</u>  |                |
| Purchase of Tools or Equipment                                 | 16,540         |
| <u>Financial Services Team</u>                                 |                |
| Salaries   | 135,900        |
| <u>Audit Risk Management</u>                                   |                |
| LCC Audit Fees   | 45,540         |
| <u>Civic Centre (and Bungalow)</u>                             |                |
| Purchase Furniture   | 14,680         |
| <u>Community Safety Team</u>                                   |                |
| Amenity and Information Signs                                  | 9,370          |
| <u>Parks and Open Spaces Team</u>                              |                |
| Routine Maintenance  | 3,380          |
| Playground Equipment   | 10,450         |
| Salaries   | 55,000         |
| <u>Contingency</u>   |                |
| Provision for Electrical Testing                               | 2,000          |
| Provision for Legionella Assessment Survey                     | 25,100         |
| Provision for Asbestos Surveys                                 | 25,000         |
| Provision for Additional Legal Fees                            | 55,330         |
| Provision for Asset Maintenance Costs                          | 37,800         |
| Provision for Severe Weather                                   | 13,500         |
| Provision for Cessation of Care and Repair/Handyperson Service | 139,600        |
| <u>Building Maintenance</u>                                    |                |
| Building Maintenance   | 60,890         |
| <u>Council Tax Support Funding</u>                             |                |
| Other Contributions  | 195,810        |
| <u>Grants</u>  |                |
| COVID-19 Community and Resident Support Funding                | 67,750         |
| <b>Street Scene, Parks and Open Spaces</b>                     | <b>135,780</b> |
| <u>Mount Grounds</u>   |                |
| Planned Lottery Projects                                       | 18,070         |
| <u>Street Cleansing</u>  |                |
| Provision of Bins, Boxes and Sacks                             | 7,180          |
| Community Development Initiatives                              | 68,950         |
| <u>Domestic Waste Management</u>                               |                |
| Service Development Board Contribution                         | 32,530         |
| Promotions   | 9,050          |

| <b>Reconciliation</b>  |                   |
|--|-------------------|
| <b>Summary Impact on Balances after accounting for Slippage from 2020/21</b> |                   |
|  | <b>£</b>          |
| Actual Balances at 31/3/21 (see Appendix 4a)                                 | 13,092,723        |
| <b>Less:</b>   |                   |
| Net Directorate slippage requests from 2020/21 to 2021/22 (see above)        | (1,815,040)       |
| Income slippage from 2020/21 to 2021/22                                      | 0                 |
| Advanced spend in 2020/21 of 2021/22 revenue budget                          | 0                 |
| Financing of slipped capital expenditure by revenue                          | 0                 |
| Financing of advanced spend in 2020/21 of 2021/22 capital budget by revenue  | 0                 |
| Net additional use of reserves in respect of slipped expenditure             | 0                 |
| Original Balances movement 2021/22 as approved at Council 11/3/21            | (483,000)         |
| <b>Latest Estimated Balances as at 31 March 2022 (see Appendix 4a)</b>       | <b>10,794,683</b> |
| Balances at 31/3/22 (per Council 11/3/21)                                    | 10,794,683        |
| Add estimated 2020/21 balance movements (per Council 11/3/21)                | 2,628,350         |
| Less actual 2020/21 balance movements as at 31/3/21                          | (813,310)         |
| Less net use of balances as a consequence of slippage to 2021/22             | (1,815,040)       |
| <b>Latest Estimated Balances as at 31 March 2022 (see Appendix 4a)</b>       | <b>10,794,683</b> |

**2020/21 Revised Estimate Position**

|   | Opening<br>Balance as at<br>01/04/2020<br>£ | Transfers in<br>('top-up')<br>£ | Transfers out<br>(to fund<br>expenditure)<br>£ | Closing Balance<br>as at<br>31/03/2021<br>£ |
|---|---|---------------------------------|--|---|
| <b><u>Earmarked Reserves</u></b>                    |   |                                 |  |   |
| Building Control                                    | 10,315                                      | 0                               | 0  | 10,315                                      |
| Capital Investment                                  | 563,319                                     | 0                               | (105,379)                                      | 457,940                                     |
| Elections   | -   | 41,217                          | 0  | 41,217                                      |
| Homelessness  | -   | 304,060                         | 0  | 304,060                                     |
| Insurance   | 106,014                                     | 40,000                          | (10,000)                                       | 136,014                                     |
| Investment - I.T. Strategy                          | 480,870                                     | 660,685                         | (341,802)                                      | 799,753                                     |
| Land Charges  | 17,951                                      | 0                               | 0  | 17,951                                      |
| Leisure Management                                  | 206,081                                     | 7,380                           | 0  | 213,461                                     |
| New Homes Bonus                                     | 1,706,247                                   | 0                               | (568,749)                                      | 1,137,498                                   |
| Non-Domestic Rates Equalisation                     | 3,900,608                                   | 6,012,090                       | (1,292,269)                                    | 8,620,429                                   |
| Performance Reward Initiatives                      | 24,564                                      | 0                               | (3,000)  | 21,564                                      |
| Property Investment Fund                            | 1,000,000                                   | 1,640,000                       | 0  | 2,640,000                                   |
| Value for Money                                     | 802,582                                     | 47,143                          | (153,486)                                      | 696,239                                     |
| Vehicle Replacement/Street<br>Cleansing Maintenance | 2,917,657                                   | 626,720                         | (3,023,844)                                    | 520,533                                     |
| <b>TOTAL Earmarked Reserves</b>                     | <b>11,736,208</b>                           | <b>9,379,295</b>                | <b>(5,498,529)</b>                             | <b>15,616,974</b>                           |
| <b><u>Ring-fenced Reserves</u></b>                  |   |                                 |  |   |
| Enterprise Zone Growth                              | 1,160,907                                   | 46,989                          | (508,540)                                      | 699,356                                     |
| <b>TOTAL Ring-fenced Reserves</b>                   | <b>1,160,907</b>                            | <b>46,989</b>                   | <b>(508,540)</b>                               | <b>699,356</b>                              |
| <b>TOTAL Reserves</b>                               | <b>12,897,115</b>                           | <b>9,426,284</b>                | <b>(6,007,069)</b>                             | <b>16,316,330</b>                           |
| <b><u>Balances</u></b>                              |   |                                 |  |   |
| General Fund  | 13,906,033                                  | 0                               | (2,628,350)                                    | 11,277,683                                  |
| <b>TOTAL Balances</b>                               | <b>13,906,033</b>                           | <b>0</b>                        | <b>(2,628,350)</b>                             | <b>11,277,683</b>                           |
| <b>TOTAL Reserves and Balances</b>                  | <b>26,803,148</b>                           | <b>9,426,284</b>                | <b>(8,635,419)</b>                             | <b>27,594,013</b>                           |

**2020/21 Outturn Position**

|   | Opening<br>Balance as at<br>01/04/2020<br>£ | Transfers in<br>('top-up')<br>£ | Transfers out<br>(to fund<br>expenditure)<br>£ | Closing Balance<br>as at<br>31/03/2021<br>£ |
|---|---|---------------------------------|--|---|
| <b><u>Earmarked Reserves</u></b>                    |   |                                 |  |   |
| Building Control                                    | 10,315                                      | 44,200                          | -  | 54,515                                      |
| Capital Investment                                  | 563,319                                     | 1,116,066                       | (51,129)                                       | 1,628,256                                   |
| Elections   | -   | 41,217                          | -  | 41,217                                      |
| Homelessness  | -   | 459,622                         | -  | 459,622                                     |
| Insurance   | 106,014                                     | 40,000                          | (47,777)                                       | 98,237                                      |
| Investment - I.T. Strategy                          | 480,870                                     | 715,585                         | (245,740)                                      | 950,715                                     |
| Land Charges  | 17,951                                      | -                               | (5,389)  | 12,562                                      |
| Leisure Management                                  | 206,081                                     | 260,935                         | -  | 467,016                                     |
| New Homes Bonus                                     | 1,706,247                                   | 1,137,498                       | (568,749)                                      | 2,274,996                                   |
| Non-Domestic Rates Equalisation                     | 3,900,608                                   | 8,254,239                       | (2,269,299)                                    | 9,885,548                                   |
| Performance Reward Initiatives                      | 24,564                                      | -                               | (2,050)  | 22,514                                      |
| Property Investment Fund                            | 1,000,000                                   | 1,906,900                       | -  | 2,906,900                                   |
| Value for Money                                     | 802,582                                     | 75,540                          | (14,450)                                       | 863,672                                     |
| Vehicle Replacement/Street<br>Cleansing Maintenance | 2,917,657                                   | 643,500                         | (3,005,818)                                    | 555,339                                     |
| <b>TOTAL Earmarked Reserves</b>                     | <b>11,736,208</b>                           | <b>14,695,302</b>               | <b>(6,210,401)</b>                             | <b>20,221,109</b>                           |
| <b><u>Ring-fenced Reserves</u></b>                  |   |                                 |  |   |
| Enterprise Zone Growth                              | 1,160,907                                   | 39,005                          | (352,788)                                      | 847,124                                     |
| <b>TOTAL Ring-fenced Reserves</b>                   | <b>1,160,907</b>                            | <b>39,005</b>                   | <b>(352,788)</b>                               | <b>847,124</b>                              |
| <b>TOTAL Reserves</b>                               | <b>12,897,115</b>                           | <b>14,734,307</b>               | <b>(6,563,189)</b>                             | <b>21,068,233</b>                           |
| <b><u>Balances</u></b>                              |   |                                 |  |   |
| General Fund  | 13,906,033                                  | 1,815,040                       | (2,628,350)                                    | 13,092,723                                  |
| <b>TOTAL Balances</b>                               | <b>13,906,033</b>                           | <b>1,815,040</b>                | <b>(2,628,350)</b>                             | <b>13,092,723</b>                           |
| <b>TOTAL Reserves and Balances</b>                  | <b>26,803,148</b>                           | <b>16,549,347</b>               | <b>(9,191,539)</b>                             | <b>34,160,956</b>                           |

**2021/22 Estimated Position**

|   | Opening<br>Balance as at<br>01/04/2021<br>£ | Transfers in<br>('top-up')<br>£ | Transfers out<br>(to fund<br>expenditure)<br>£ | Closing Balance<br>as at<br>31/03/2022<br>£ |
|---|---|---------------------------------|--|---|
| <b><u>Earmarked Reserves</u></b>                    |   |                                 |  |   |
| Building Control                                    | 54,515                                      | -                               | -  | 54,515                                      |
| Capital Investment                                  | 1,628,256                                   | -                               | (59,750)                                       | 1,568,506                                   |
| Elections   | 41,217                                      | 41,217                          | -  | 82,434                                      |
| Homelessness  | 459,622                                     | -                               | -  | 459,622                                     |
| Insurance   | 98,237                                      | 40,000                          | -  | 138,237                                     |
| Investment - I.T. Strategy                          | 950,715                                     | 33,630                          | (155,978)                                      | 828,367                                     |
| Land Charges  | 12,562                                      | -                               | -  | 12,562                                      |
| Leisure Management                                  | 467,016                                     | 7,380                           | -  | 474,396                                     |
| New Homes Bonus                                     | 2,274,996                                   | -                               | (568,749)                                      | 1,706,247                                   |
| Non-Domestic Rates Equalisation                     | 9,885,548                                   | 1,908,780                       | (5,861,787)                                    | 5,932,541                                   |
| Together We Make A Difference                       | 22,514                                      | -                               | (950)  | 21,564                                      |
| Property Investment Fund                            | 2,906,900                                   | -                               | (2,634,500)                                    | 272,400                                     |
| Value for Money                                     | 863,672                                     | -                               | (199,479)                                      | 664,193                                     |
| Vehicle Replacement/Street<br>Cleansing Maintenance | 555,339                                     | 580,149                         | (411,519)                                      | 723,969                                     |
| <b>TOTAL Earmarked Reserves</b>                     | <b>20,221,109</b>                           | <b>2,611,156</b>                | <b>(9,892,712)</b>                             | <b>12,939,553</b>                           |
| <b><u>Ring-fenced Reserves</u></b>                  |   |                                 |  |   |
| Enterprise Zone Growth                              | 847,124                                     | -                               | (173,340)                                      | 673,784                                     |
| <b>TOTAL Ring-fenced Reserves</b>                   | <b>847,124</b>                              | <b>-</b>                        | <b>(173,340)</b>                               | <b>673,784</b>                              |
| <b>TOTAL Reserves</b>                               | <b>21,068,233</b>                           | <b>2,611,156</b>                | <b>(10,066,052)</b>                            | <b>13,613,337</b>                           |
| <b><u>Balances</u></b>                              |   |                                 |  |   |
| General Fund  | 13,092,723                                  | -                               | (2,298,040)                                    | 10,794,683                                  |
| <b>TOTAL Balances</b>                               | <b>13,092,723</b>                           | <b>-</b>                        | <b>(2,298,040)</b>                             | <b>10,794,683</b>                           |
| <b>TOTAL Reserves and Balances</b>                  | <b>34,160,956</b>                           | <b>2,611,156</b>                | <b>(12,364,092)</b>                            | <b>24,408,020</b>                           |

**2022/23 Estimated Position**

|   | Opening<br>Balance as at<br>01/04/2022<br>£ | Transfers in<br>(‘top-up’)<br>£ | Transfers out<br>(to fund<br>expenditure)<br>£ | Closing Balance<br>as at<br>31/03/2023<br>£ |
|---|---|---------------------------------|--|---|
| <b><u>Earmarked Reserves</u></b>                    |   |                                 |  |   |
| Building Control                                    | 54,515                                      | -                               | -  | 54,515                                      |
| Capital Investment                                  | 1,568,506                                   | -                               | -  | 1,568,506                                   |
| Elections   | 82,434                                      | 41,217                          | -  | 123,651                                     |
| Homelessness  | 459,622                                     | -                               | -  | 459,622                                     |
| Insurance   | 138,237                                     | 40,000                          | -  | 178,237                                     |
| Investment - I.T. Strategy                          | 828,367                                     | 51,425                          | (112,084)                                      | 767,708                                     |
| Land Charges  | 12,562                                      | -                               | -  | 12,562                                      |
| Leisure Management                                  | 474,396                                     | 7,380                           | -  | 481,776                                     |
| New Homes Bonus                                     | 1,706,247                                   | -                               | (568,749)                                      | 1,137,498                                   |
| Non-Domestic Rates Equalisation                     | 5,932,541                                   | -                               | -  | 5,932,541                                   |
| Together We Make A Difference                       | 21,564                                      | -                               | -  | 21,564                                      |
| Property Investment Fund                            | 272,400                                     | -                               | -  | 272,400                                     |
| Value for Money                                     | 664,193                                     | -                               | (50,500)                                       | 613,693                                     |
| Vehicle Replacement/Street<br>Cleansing Maintenance | 723,969                                     | 578,679                         | (155,200)                                      | 1,147,448                                   |
| <b>TOTAL Earmarked Reserves</b>                     | <b>12,939,553</b>                           | <b>718,701</b>                  | <b>(886,533)</b>                               | <b>12,771,721</b>                           |
| <b><u>Ring-fenced Reserves</u></b>                  |   |                                 |  |   |
| Enterprise Zone Growth                              | 673,784                                     | -                               | (49,950)                                       | 623,834                                     |
| <b>TOTAL Ring-fenced Reserves</b>                   | <b>673,784</b>                              | <b>-</b>                        | <b>(49,950)</b>                                | <b>623,834</b>                              |
| <b>TOTAL Reserves</b>                               | <b>13,613,337</b>                           | <b>718,701</b>                  | <b>(936,483)</b>                               | <b>13,395,555</b>                           |
| <b><u>Balances</u></b>                              |   |                                 |  |   |
| General Fund  | 10,794,683                                  | -                               | (1,499,000)                                    | 9,295,683                                   |
| <b>TOTAL Balances</b>                               | <b>10,794,683</b>                           | <b>-</b>                        | <b>(1,499,000)</b>                             | <b>9,295,683</b>                            |
| <b>TOTAL Reserves and Balances</b>                  | <b>24,408,020</b>                           | <b>718,701</b>                  | <b>(2,435,483)</b>                             | <b>22,691,238</b>                           |

**2023/24 Estimated Position**

|   | Opening<br>Balance as at<br>01/04/2023<br>£ | Transfers in<br>(‘top-up’)<br>£ | Transfers out<br>(to fund<br>expenditure)<br>£ | Closing Balance<br>as at<br>31/03/2024<br>£ |
|---|---|---------------------------------|--|---|
| <b><u>Earmarked Reserves</u></b>                    |   |                                 |  |   |
| Building Control                                    | 54,515                                      | -                               | -  | 54,515                                      |
| Capital Investment                                  | 1,568,506                                   | -                               | -  | 1,568,506                                   |
| Elections   | 123,651                                     | 41,217                          | (164,868)                                      | -   |
| Homelessness  | 459,622                                     | -                               | -  | 459,622                                     |
| Insurance   | 178,237                                     | 40,000                          | -  | 218,237                                     |
| Investment - I.T. Strategy                          | 767,708                                     | 49,930                          | (86,000)                                       | 731,638                                     |
| Land Charges  | 12,562                                      | -                               | -  | 12,562                                      |
| Leisure Management                                  | 481,776                                     | 1,240                           | -  | 483,016                                     |
| New Homes Bonus                                     | 1,137,498                                   | -                               | (568,749)                                      | 568,749                                     |
| Non-Domestic Rates Equalisation                     | 5,932,541                                   | -                               | -  | 5,932,541                                   |
| Together We Make A Difference                       | 21,564                                      | -                               | -  | 21,564                                      |
| Property Investment Fund                            | 272,400                                     | -                               | -  | 272,400                                     |
| Value for Money                                     | 613,693                                     | -                               | -  | 613,693                                     |
| Vehicle Replacement/Street<br>Cleansing Maintenance | 1,147,448                                   | 575,685                         | (149,500)                                      | 1,573,633                                   |
| <b>TOTAL Earmarked Reserves</b>                     | <b>12,771,721</b>                           | <b>708,072</b>                  | <b>(969,117)</b>                               | <b>12,510,676</b>                           |
| <b><u>Ring-fenced Reserves</u></b>                  |   |                                 |  |   |
| Enterprise Zone Growth                              | 623,834                                     | -                               | (49,950)                                       | 573,884                                     |
| <b>TOTAL Ring-fenced Reserves</b>                   | <b>623,834</b>                              | <b>-</b>                        | <b>(49,950)</b>                                | <b>573,884</b>                              |
| <b>TOTAL Reserves</b>                               | <b>13,395,555</b>                           | <b>708,072</b>                  | <b>(1,019,067)</b>                             | <b>13,084,560</b>                           |
| <b><u>Balances</u></b>                              |   |                                 |  |   |
| General Fund  | 9,295,683                                   | -                               | (2,064,251)                                    | 7,231,432                                   |
| <b>TOTAL Balances</b>                               | <b>9,295,683</b>                            | <b>-</b>                        | <b>(2,064,251)</b>                             | <b>7,231,432</b>                            |
| <b>TOTAL Reserves and Balances</b>                  | <b>22,691,238</b>                           | <b>708,072</b>                  | <b>(3,083,318)</b>                             | <b>20,315,992</b>                           |



**2024/25 Estimated Position**

|   | Opening<br>Balance as at<br>01/04/2024<br>£ | Transfers in<br>(‘top-up’)<br>£ | Transfers out<br>(to fund<br>expenditure)<br>£ | Closing Balance<br>as at<br>31/03/2025<br>£ |
|---|---|---------------------------------|--|---|
| <b><u>Earmarked Reserves</u></b>                    |   |                                 |  |   |
| Building Control                                    | 54,515                                      | -                               | -  | 54,515                                      |
| Capital Investment                                  | 1,568,506                                   | -                               | -  | 1,568,506                                   |
| Elections   | -   | 41,217                          | -  | 41,217                                      |
| Homelessness  | 459,622                                     | -                               | -  | 459,622                                     |
| Insurance   | 218,237                                     | 40,000                          | -  | 258,237                                     |
| Investment - I.T. Strategy                          | 731,638                                     | 49,930                          | (86,000)                                       | 695,568                                     |
| Land Charges  | 12,562                                      | -                               | -  | 12,562                                      |
| Leisure Management                                  | 483,016                                     | -                               | -  | 483,016                                     |
| New Homes Bonus                                     | 568,749                                     | -                               | (568,749)                                      | -   |
| Non-Domestic Rates Equalisation                     | 5,932,541                                   | -                               | -  | 5,932,541                                   |
| Together We Make A Difference                       | 21,564                                      | -                               | -  | 21,564                                      |
| Property Investment Fund                            | 272,400                                     | -                               | -  | 272,400                                     |
| Value for Money                                     | 613,693                                     | -                               | -  | 613,693                                     |
| Vehicle Replacement/Street<br>Cleansing Maintenance | 1,573,633                                   | 575,685                         | (302,500)                                      | 1,846,818                                   |
| <b>TOTAL Earmarked Reserves</b>                     | <b>12,510,676</b>                           | <b>706,832</b>                  | <b>(957,249)</b>                               | <b>12,260,259</b>                           |
| <b><u>Ring-fenced Reserves</u></b>                  |   |                                 |  |   |
| Enterprise Zone Growth                              | 573,884                                     | -                               | (49,950)                                       | 523,934                                     |
| <b>TOTAL Ring-fenced Reserves</b>                   | <b>573,884</b>                              | <b>-</b>                        | <b>(49,950)</b>                                | <b>523,934</b>                              |
| <b>TOTAL Reserves</b>                               | <b>13,084,560</b>                           | <b>706,832</b>                  | <b>(1,007,199)</b>                             | <b>12,784,193</b>                           |
| <b><u>Balances</u></b>                              |   |                                 |  |   |
| General Fund  | 7,231,432                                   | -                               | (2,246,251)                                    | 4,985,181                                   |
| <b>TOTAL Balances</b>                               | <b>7,231,432</b>                            | <b>-</b>                        | <b>(2,246,251)</b>                             | <b>4,985,181</b>                            |
| <b>TOTAL Reserves and Balances</b>                  | <b>20,315,992</b>                           | <b>706,832</b>                  | <b>(3,253,450)</b>                             | <b>17,769,374</b>                           |

**2025/26 Estimated Position**

|   | Opening<br>Balance as at<br>01/04/2025<br>£ | Transfers in<br>('top-up')<br>£ | Transfers out<br>(to fund<br>expenditure)<br>£ | Closing Balance<br>as at<br>31/03/2026<br>£ |
|---|---|---------------------------------|--|---|
| <b><u>Earmarked Reserves</u></b>                    |   |                                 |  |   |
| Building Control                                    | 54,515                                      | -                               | -  | 54,515                                      |
| Capital Investment                                  | 1,568,506                                   | -                               | -  | 1,568,506                                   |
| Elections   | 41,217                                      | 41,217                          | -  | 82,434                                      |
| Homelessness  | 459,622                                     | -                               | -  | 459,622                                     |
| Insurance   | 258,237                                     | 40,000                          | -  | 298,237                                     |
| Investment - I.T. Strategy                          | 695,568                                     | 49,930                          | (86,000)                                       | 659,498                                     |
| Land Charges  | 12,562                                      | -                               | -  | 12,562                                      |
| Leisure Management                                  | 483,016                                     | -                               | -  | 483,016                                     |
| New Homes Bonus                                     | -   | -                               | -  | -   |
| Non-Domestic Rates Equalisation                     | 5,932,541                                   | -                               | -  | 5,932,541                                   |
| Together We Make A Difference                       | 21,564                                      | -                               | -  | 21,564                                      |
| Property Investment Fund                            | 272,400                                     | -                               | -  | 272,400                                     |
| Value for Money                                     | 613,693                                     | -                               | -  | 613,693                                     |
| Vehicle Replacement/Street<br>Cleansing Maintenance | 1,846,818                                   | 575,685                         | (215,000)                                      | 2,207,503                                   |
| <b>TOTAL Earmarked Reserves</b>                     | <b>12,260,259</b>                           | <b>706,832</b>                  | <b>(301,000)</b>                               | <b>12,666,091</b>                           |
| <b><u>Ring-fenced Reserves</u></b>                  |   |                                 |  |   |
| Enterprise Zone Growth                              | 523,934                                     | -                               | (49,950)                                       | 473,984                                     |
| <b>TOTAL Ring-fenced Reserves</b>                   | <b>523,934</b>                              | <b>-</b>                        | <b>(49,950)</b>                                | <b>473,984</b>                              |
| <b>TOTAL Reserves</b>                               | <b>12,784,193</b>                           | <b>706,832</b>                  | <b>(350,950)</b>                               | <b>13,140,075</b>                           |
| <b><u>Balances</u></b>                              |   |                                 |  |   |
| General Fund  | 4,985,181                                   | -                               | (2,941,000)                                    | 2,044,181                                   |
| <b>TOTAL Balances</b>                               | <b>4,985,181</b>                            | <b>-</b>                        | <b>(2,941,000)</b>                             | <b>2,044,181</b>                            |
| <b>TOTAL Reserves and Balances</b>                  | <b>17,769,374</b>                           | <b>706,832</b>                  | <b>(3,291,950)</b>                             | <b>15,184,256</b>                           |

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**2020/21 Revised Estimate and Actuals**

\* as approved by Council 11th March 2021 (Cabinet meeting 17/2/21 - Appx 5)

|   | 2020/21 Revised Estimate * | 2020/21 Actual     |
|---|----------------------------|--------------------|
|   | £                          | £                  |
| <b>BUILDING CONTROL</b>   |                            |                    |
| Chargeable work 2020/21 net nil   | 0                          | 44,200             |
| <b>CAPITAL INVESTMENT</b>   |                            |                    |
| Boundary Wall Works to St Chad's Church (PH decision 28/5/20)                       | (62,910)                   | (3,160)            |
| Purchase of wheeled bins (19/20 capital slippage)                                   | (42,469)                   | (42,469)           |
| Top Up from CCTV  |                            | 5,500              |
| Top Up from Building Maintenance  |                            | 14,500             |
| Use of reserve to fund The Mount CCTV installation                                  |                            | (5,500)            |
| 2020/21 Top Up to fund Capital Asset Improvement Programme                          |                            | 1,096,066          |
|   | <b>(105,379)</b>           | <b>1,064,937</b>   |
| <b>ELECTIONS</b>  |                            |                    |
| Annual provision May 2023 Borough Elections   | 41,217                     | 41,217             |
| <b>HOMELESSNESS</b>   |                            |                    |
| Top Up from funding received within Housing Services                                | 304,060                    | 459,622            |
| <b>INSURANCE</b>  |                            |                    |
| Annual set aside for possible claims.   | 40,000                     | 40,000             |
| Use - to cover new claims.  | (10,000)                   | (47,777)           |
|   | <b>30,000</b>              | <b>(7,777)</b>     |
| <b>INVESTMENT - I.T. STRATEGY</b>   |                            |                    |
| Top Up from IT general savings per latest review                                    | 51,425                     | 106,325            |
| Top Up to fund rolling replacement programme  | 360,000                    | 360,000            |
| Additional Rolling Replacement Hardware Programme                                   | (86,000)                   | (86,000)           |
| Replacing core IT network (PH decision 25/6/20)                                     | (249,257)                  | (158,288)          |
| Tablet devices for Councillors (19/20 capital slippage)                             | (6,545)                    | (1,452)            |
| Top up to fund IT network works   | 249,260                    | 249,260            |
|   | <b>318,883</b>             | <b>469,845</b>     |
| <b>LAND CHARGES</b>   |                            |                    |
| Chargeable work 2020/21 net nil   |                            | (5,389)            |
| <b>LEISURE MANAGEMENT</b>   |                            |                    |
| Annual Top Up for Exercise Equipment at Garstang Leisure Centre (Year 2 of 4)       | 7,380                      | 10,935             |
| 2020/21 Top Up to Leisure Management Reserve  | -                          | 250,000            |
|   | <b>7,380</b>               | <b>260,935</b>     |
| <b>NEW HOMES BONUS</b>  |                            |                    |
| Fund Council Taxpayer income foregone from 11/12 freeze.                            | (176,689)                  | (176,689)          |
| Fund Council Taxpayer income foregone from 12/13 freeze.                            | (176,166)                  | (176,166)          |
| Fund Council Taxpayer income foregone from 13/14 freeze.                            | (71,250)                   | (71,250)           |
| Fund Council Taxpayer income foregone from 14/15 freeze.                            | (72,037)                   | (72,037)           |
| Fund Council Taxpayer income foregone from 15/16 freeze.                            | (72,607)                   | (72,607)           |
| 2020/21 Top Up to New Homes Bonus Reserve   | -                          | 1,137,498          |
|   | <b>(568,749)</b>           | <b>568,749</b>     |
| <b>NON-DOMESTIC RATES EQUALISATION</b>  |                            |                    |
| Top Up - s31 Local Government Act 2003 Grant net of related NDR Levy                | 6,012,090                  | 8,254,239          |
| Release of Prior Year Balances  | (1,292,269)                | (2,269,299)        |
|   | <b>4,719,821</b>           | <b>5,984,940</b>   |
| <b>PERFORMANCE REWARD INITIATIVES</b>   |                            |                    |
| Fleetwood Beach Wheelchair (PH decision 3/8/20)                                     | (3,000)                    | (2,050)            |
| <b>PROPERTY INVESTMENT FUND</b>   |                            |                    |
| Top Up to fund Future Property Acquisitions   | 1,640,000                  | 1,906,900          |
| <b>VALUE FOR MONEY</b>  |                            |                    |
| New Burdens funding   | 47,143                     | 75,540             |
| Procurement and Implementation of a Citizen Access Portal.                          | (18,840)                   | -                  |
| Migration to hosted Revs & Bens software system (PH decision 28/7/20)               | (33,030)                   | -                  |
| Procurement and Implementation of a Citizen Access Portal (19/20 capital slippage). | (76,870)                   | (14,450)           |
| Cash Receipting System Upgrade (19/20 capital slippage)                             | (24,746)                   | -                  |
|   | <b>(106,343)</b>           | <b>61,090</b>      |
| <b>VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE</b>                             |                            |                    |
| Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 1 of 8).                  | 239,375                    | 239,375            |
| Top Up to fund replacement vehicles   | 385,085                    | 385,085            |
| Use of Reserve to fund vehicle replacements/adaptations.                            | (3,023,844)                | (3,005,818)        |
| Additional Income MOT Centre Top Up Reserve to replace equipment.                   | 2,260                      | 19,040             |
|   | <b>(2,397,124)</b>         | <b>(2,362,318)</b> |
| <b>RINGFENCED - ENTERPRISE ZONE GROWTH</b>  |                            |                    |
| Top Up from Growth identified in NNDR1/NNDR3 Returns                                | 46,989                     | 39,005             |
| Use of Growth monies to fund expenditure  | (49,950)                   | (25,573)           |
| Use of Reserve to fund NNDR 1 and NNDR 3 reconciliation adjustments                 | (138,590)                  | (130,609)          |
| Hillhouse EZ infrastructure funding (PH decision 20/8/20)                           | (320,000)                  | (196,606)          |
|   | <b>(461,551)</b>           | <b>(313,783)</b>   |
| <b>2020/21 TOTAL NET TRANSFER TO / (FROM) RESERVES</b>                              | <b>3,419,215</b>           | <b>8,171,118</b>   |

**Updated 2021/22 Estimate**

\* as approved by Council 11th March 2021 (Cabinet meeting 17/2/21 - Appx 5)

|  | <b>Current *</b>        |                    | <b>Latest</b>           |                    |
|--|-------------------------|--------------------|-------------------------|--------------------|
|  | <b>2021/22 Estimate</b> |                    | <b>2021/22 Estimate</b> |                    |
|  | £                       | £                  | £                       | £                  |
| <b><u>BUILDING CONTROL</u></b>   |                         |                    |                         |                    |
| Chargeable work 2021/22 net nil  |                         | -                  |                         | -                  |
| <b><u>CAPITAL INVESTMENT</u></b>   |                         |                    |                         |                    |
| Boundary Wall Works to St Chad's Church (PH decision 28/5/20) - 20/21 capital slippage |                         | -                  |                         | (59,750)           |
| <b><u>ELECTIONS</u></b>  |                         |                    |                         |                    |
| Annual provision May 2023 Borough Elections.   |                         | 41,217             |                         | 41,217             |
| <b><u>HOMELESSNESS</u></b>   |                         |                    |                         |                    |
|  |                         | -                  |                         | -                  |
| <b><u>INSURANCE</u></b>  |                         |                    |                         |                    |
| Annual set aside for possible claims.  |                         | 40,000             |                         | 40,000             |
| <b><u>INVESTMENT - I.T. STRATEGY</u></b>   |                         |                    |                         |                    |
| Top Up from IT general savings per latest review.                                      | 33,630                  |                    | 33,630                  |                    |
| Replacing core IT network (PH decision 25/6/20) - 20/21 capital & revenue slippage     | -                       |                    | (64,885)                |                    |
| Tablet devices for Councillors (19/20 slippage)  | -                       |                    | (5,093)                 |                    |
| Additional Rolling Replacement Hardware Programme.                                     | (86,000)                |                    | (86,000)                |                    |
|  |                         | (52,370)           |                         | (122,348)          |
| <b><u>LAND CHARGES</u></b>   |                         |                    |                         |                    |
| Chargeable work 2021/22 net nil  |                         | -                  |                         | -                  |
| <b><u>LEISURE MANAGEMENT</u></b>   |                         |                    |                         |                    |
| Annual Top Up for Exercise Equipment at Garstang Leisure Centre (Year 3 of 4)          |                         | 7,380              |                         | 7,380              |
| <b><u>NEW HOMES BONUS</u></b>  |                         |                    |                         |                    |
| Fund Council Taxpayer income foregone from 11/12 freeze.                               | (176,689)               |                    | (176,689)               |                    |
| Fund Council Taxpayer income foregone from 12/13 freeze.                               | (176,166)               |                    | (176,166)               |                    |
| Fund Council Taxpayer income foregone from 13/14 freeze.                               | (71,250)                |                    | (71,250)                |                    |
| Fund Council Taxpayer income foregone from 14/15 freeze.                               | (72,037)                |                    | (72,037)                |                    |
| Fund Council Taxpayer income foregone from 15/16 freeze.                               | (72,607)                |                    | (72,607)                |                    |
|  |                         | (568,749)          |                         | (568,749)          |
| <b><u>NON-DOMESTIC RATES EQUALISATION</u></b>  |                         |                    |                         |                    |
| Top Up - s31 Local Government Act 2003 Grant net of related NDR Levy                   | 1,908,780               |                    | 1,908,780               |                    |
| Use of Reserve to fund Collection Fund Deficit   | (5,183,910)             |                    | (5,861,787)             |                    |
|  |                         | (3,275,130)        |                         | (3,953,007)        |
| <b><u>TOGETHER WE MAKE A DIFFERENCE (* prev PERFORMANCE REWARD INITIATIVES)</u></b>    |                         |                    |                         |                    |
| Fleetwood Beach Wheelchair (PH decision 3/8/20) - 20/21 slippage                       |                         | -                  |                         | (950)              |
| <b><u>PROPERTY INVESTMENT FUND</u></b>   |                         |                    |                         |                    |
| Use of reserve to fund property acquisition (Cabinet decision                          |                         | -                  |                         | (2,634,500)        |
| <b><u>VALUE FOR MONEY</u></b>  |                         |                    |                         |                    |
| Migration to hosted Revs & Bens software system (PH decision 28/7/20)                  | (50,500)                |                    | (50,500)                |                    |
| Procurement and Implementation of a Citizen Access Portal (19/20 capital slippage).    | -                       |                    | (62,417)                |                    |
| Cash Receipting System Upgrade (19/20 capital slippage)                                | -                       |                    | (24,746)                |                    |
| Financial Management System (PH decision 24/06/21)                                     | -                       |                    | (61,816)                |                    |
|  |                         | (50,500)           |                         | (199,479)          |
| <b><u>VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE</u></b>                         |                         |                    |                         |                    |
| Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 1 of 8).                     | 239,375                 |                    | 239,375                 |                    |
| Top Up to fund replacement vehicles  | 337,774                 |                    | 337,774                 |                    |
| Use of Reserve to fund vehicle replacements/adaptations.                               | (393,495)               |                    | (411,519)               |                    |
| Additional Income MOT Centre Top Up Reserve to replace equipment.                      | 3,000                   |                    | 3,000                   |                    |
|  |                         | 186,654            |                         | 168,630            |
| <b><u>RINGFENCED - ENTERPRISE ZONE GROWTH</u></b>                                      |                         |                    |                         |                    |
| Use of Growth monies to fund expenditure   | (49,950)                |                    | (49,950)                |                    |
| Hillhouse EZ infrastructure funding (PH decision 20/8/20) - 20/21 slippage             | -                       |                    | (123,390)               |                    |
|  |                         | (49,950)           |                         | (173,340)          |
| <b>2021/22 TOTAL NET TRANSFER TO RESERVES</b>  |                         | <b>(3,721,448)</b> |                         | <b>(7,454,896)</b> |

**Updated 2022/23 Estimate**

\* as approved by Council 11th March 2021 (Cabinet meeting 17/2/21 - Appx 5)

|   | <b>Current *</b>        |                  | <b>Latest</b>           |                  |
|---|-------------------------|------------------|-------------------------|------------------|
|   | <b>2022/23 Estimate</b> |                  | <b>2022/23 Estimate</b> |                  |
|   | £                       | £                | £                       | £                |
| <b><u>BUILDING CONTROL</u></b>  |                         |                  |                         |                  |
| Chargeable work 2022/23 net nil   |                         | -                |                         | -                |
| <b><u>CAPITAL INVESTMENT</u></b>  |                         | -                |                         | -                |
| <b><u>ELECTIONS</u></b>   |                         |                  |                         |                  |
| Annual provision May 2023 Borough Elections.  |                         | 41,217           |                         | 41,217           |
| <b><u>HOMELESSNESS</u></b>  |                         | -                |                         | -                |
| <b><u>INSURANCE</u></b>   |                         |                  |                         |                  |
| Annual set aside for possible claims.   |                         | 40,000           |                         | 40,000           |
| <b><u>INVESTMENT - I.T. STRATEGY</u></b>  |                         |                  |                         |                  |
| Top Up from IT general savings per latest review.                                   | 51,425                  |                  | 51,425                  |                  |
| Replacing core IT network (PH decision 25/6/20) - 20/21 slippage                    | -                       |                  | (26,084)                |                  |
| Additional Rolling Replacement Hardware Programme.                                  | (86,000)                |                  | (86,000)                |                  |
|   |                         | (34,575)         |                         | (60,659)         |
| <b><u>LAND CHARGES</u></b>  |                         |                  |                         |                  |
| Chargeable work 2022/23 net nil   |                         | -                |                         | -                |
| <b><u>LEISURE MANAGEMENT</u></b>  |                         |                  |                         |                  |
| Annual Top Up for Exercise Equipment at Garstang Leisure Centre (Year 4 of 4)       |                         | 7,380            |                         | 7,380            |
| <b><u>NEW HOMES BONUS</u></b>   |                         |                  |                         |                  |
| Fund Council Taxpayer income foregone from 11/12 freeze.                            | (176,689)               |                  | (176,689)               |                  |
| Fund Council Taxpayer income foregone from 12/13 freeze.                            | (176,166)               |                  | (176,166)               |                  |
| Fund Council Taxpayer income foregone from 13/14 freeze.                            | (71,250)                |                  | (71,250)                |                  |
| Fund Council Taxpayer income foregone from 14/15 freeze.                            | (72,037)                |                  | (72,037)                |                  |
| Fund Council Taxpayer income foregone from 15/16 freeze.                            | (72,607)                |                  | (72,607)                |                  |
|   |                         | (568,749)        |                         | (568,749)        |
| <b><u>NON-DOMESTIC RATES EQUALISATION</u></b>                                       |                         | -                |                         | -                |
| <b><u>TOGETHER WE MAKE A DIFFERENCE (* prev PERFORMANCE REWARD INITIATIVES)</u></b> |                         | -                |                         | -                |
| <b><u>PROPERTY INVESTMENT FUND</u></b>  |                         | -                |                         | -                |
| <b><u>VALUE FOR MONEY</u></b>   |                         |                  |                         |                  |
| Migration to hosted Revs & Bens software system (PH decision 28/7/20)               |                         | (50,500)         |                         | (50,500)         |
| <b><u>VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE</u></b>                      |                         |                  |                         |                  |
| Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 3 of 8).                  | 239,375                 |                  | 239,375                 |                  |
| Top Up to fund vehicle replacement  | 336,304                 |                  | 336,304                 |                  |
| Use of Reserve to fund vehicle replacements/adaptations.                            | (155,200)               |                  | (155,200)               |                  |
| Additional Income MOT Centre Top Up Reserve to replace equipment.                   | 3,000                   |                  | 3,000                   |                  |
|   |                         | 423,479          |                         | 423,479          |
| <b><u>RINGFENCED - ENTERPRISE ZONE GROWTH</u></b>                                   |                         |                  |                         |                  |
| Use of Growth monies to fund expenditure  |                         | (49,950)         |                         | (49,950)         |
| <b>2022/23 TOTAL NET TRANSFER (FROM) RESERVES</b>                                   |                         | <b>(191,698)</b> |                         | <b>(217,782)</b> |

**Updated 2023/24 Estimate**

\* as approved by Council 11th March 2021 (Cabinet meeting 17/2/21 - Appx 5)

|   | <b>Current *</b>        |                  | <b>Latest</b>           |                  |
|---|-------------------------|------------------|-------------------------|------------------|
|   | <b>2023/24 Estimate</b> |                  | <b>2023/24 Estimate</b> |                  |
|   | £                       | £                | £                       | £                |
| <b><u>BUILDING CONTROL</u></b>  |                         |                  |                         |                  |
| Chargeable work 2023/24 net nil   |                         | -                |                         | -                |
| <b><u>CAPITAL INVESTMENT</u></b>  |                         | -                |                         | -                |
| <b><u>ELECTIONS</u></b>   |                         |                  |                         |                  |
| Annual provision May 2023 Borough Elections.  | 41,217                  |                  | 41,217                  |                  |
| Use of Reserve for Borough Elections in 2023  | (164,868)               |                  | (164,868)               |                  |
|   |                         | (123,651)        |                         | (123,651)        |
| <b><u>HOMELESSNESS</u></b>  |                         | -                |                         | -                |
| <b><u>INSURANCE</u></b>   |                         |                  |                         |                  |
| Annual set aside for possible claims.   |                         | 40,000           |                         | 40,000           |
| <b><u>INVESTMENT - I.T. STRATEGY</u></b>  |                         |                  |                         |                  |
| Top Up from IT general savings per latest review.                                   | 49,930                  |                  | 49,930                  |                  |
| Additional Rolling Replacement Hardware Programme.                                  | (86,000)                |                  | (86,000)                |                  |
|   |                         | (36,070)         |                         | (36,070)         |
| <b><u>LAND CHARGES</u></b>  |                         |                  |                         |                  |
| Chargeable work 2023/24 net nil.  |                         | -                |                         | -                |
| <b><u>LEISURE MANAGEMENT</u></b>  |                         |                  |                         |                  |
| Annual Top Up for Exercise Equipment at Garstang Leisure Centre (Year 4 of 4)       |                         | 1,240            |                         | 1,240            |
| <b><u>NEW HOMES BONUS</u></b>   |                         |                  |                         |                  |
| Fund Council Taxpayer income foregone from 11/12 freeze.                            | (176,689)               |                  | (176,689)               |                  |
| Fund Council Taxpayer income foregone from 12/13 freeze.                            | (176,166)               |                  | (176,166)               |                  |
| Fund Council Taxpayer income foregone from 13/14 freeze.                            | (71,250)                |                  | (71,250)                |                  |
| Fund Council Taxpayer income foregone from 14/15 freeze.                            | (72,037)                |                  | (72,037)                |                  |
| Fund Council Taxpayer income foregone from 15/16 freeze.                            | (72,607)                |                  | (72,607)                |                  |
|   |                         | (568,749)        |                         | (568,749)        |
| <b><u>NON-DOMESTIC RATES EQUALISATION</u></b>                                       |                         | -                |                         | -                |
| <b><u>TOGETHER WE MAKE A DIFFERENCE (* prev PERFORMANCE REWARD INITIATIVES)</u></b> |                         | -                |                         | -                |
| <b><u>PROPERTY INVESTMENT FUND</u></b>  |                         | -                |                         | -                |
| <b><u>VALUE FOR MONEY</u></b>   |                         | -                |                         | -                |
| <b><u>VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE</u></b>                      |                         |                  |                         |                  |
| Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 4 of 8).                  | 239,375                 |                  | 239,375                 |                  |
| Top Up to fund vehicle replacement  | 333,310                 |                  | 333,310                 |                  |
| Use of Reserve to fund vehicle replacements/adaptations                             | (149,500)               |                  | (149,500)               |                  |
| Additional Income MOT Centre Top Up Reserve to replace equipment.                   | 3,000                   |                  | 3,000                   |                  |
|   |                         | 426,185          |                         | 426,185          |
| <b><u>RINGFENCED - ENTERPRISE ZONE GROWTH</u></b>                                   |                         |                  |                         |                  |
| Use of Growth monies to fund expenditure  |                         | (49,950)         |                         | (49,950)         |
| <b>2023/24 TOTAL NET TRANSFER (FROM) RESERVES</b>                                   |                         | <b>(310,995)</b> |                         | <b>(310,995)</b> |



**Updated 2024/25 Estimate**

\* as approved by Council 11th March 2021 (Cabinet meeting 17/2/21 - Appx 5)

|   | <b>Current *</b>        |                  | <b>Latest</b>           |                  |
|---|-------------------------|------------------|-------------------------|------------------|
|   | <b>2024/25 Estimate</b> |                  | <b>2024/25 Estimate</b> |                  |
|   | £                       | £                | £                       | £                |
| <b><u>BUILDING CONTROL</u></b>  |                         |                  |                         |                  |
| Chargeable work 2024/25 net nil   |                         | -                |                         | -                |
| <b><u>CAPITAL INVESTMENT</u></b>  |                         | -                |                         | -                |
| <b><u>ELECTIONS</u></b>   |                         |                  |                         |                  |
| Annual provision May 2027 Borough Elections.  |                         | 41,217           |                         | 41,217           |
| <b><u>HOMELESSNESS</u></b>  |                         | -                |                         | -                |
| <b><u>INSURANCE</u></b>   |                         |                  |                         |                  |
| Annual set aside for possible claims.   |                         | 40,000           |                         | 40,000           |
| <b><u>INVESTMENT - I.T. STRATEGY</u></b>  |                         |                  |                         |                  |
| Top Up from IT general savings per latest review.                                   | 49,930                  |                  | 49,930                  |                  |
| Additional Rolling Replacement Hardware Programme.                                  | (86,000)                |                  | (86,000)                |                  |
|   |                         | (36,070)         |                         | (36,070)         |
| <b><u>LAND CHARGES</u></b>  |                         |                  |                         |                  |
| Chargeable work 2024/25 net nil   |                         | -                |                         | -                |
| <b><u>LEISURE MANAGEMENT</u></b>  |                         | -                |                         | -                |
| <b><u>NEW HOMES BONUS</u></b>   |                         |                  |                         |                  |
| Fund Council Taxpayer income foregone from 11/12 freeze.                            | (176,689)               |                  | (176,689)               |                  |
| Fund Council Taxpayer income foregone from 12/13 freeze.                            | (176,166)               |                  | (176,166)               |                  |
| Fund Council Taxpayer income foregone from 13/14 freeze.                            | (71,250)                |                  | (71,250)                |                  |
| Fund Council Taxpayer income foregone from 14/15 freeze.                            | (72,037)                |                  | (72,037)                |                  |
| Fund Council Taxpayer income foregone from 15/16 freeze.                            | (72,607)                |                  | (72,607)                |                  |
|   |                         | (568,749)        |                         | (568,749)        |
| <b><u>NON-DOMESTIC RATES EQUALISATION</u></b>                                       |                         | -                |                         | -                |
| <b><u>TOGETHER WE MAKE A DIFFERENCE (* prev PERFORMANCE REWARD INITIATIVES)</u></b> |                         | -                |                         | -                |
| <b><u>PROPERTY INVESTMENT FUND</u></b>  |                         | -                |                         | -                |
| <b><u>VALUE FOR MONEY</u></b>   |                         | -                |                         | -                |
| <b><u>VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE</u></b>                      |                         |                  |                         |                  |
| Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 5 of 8).                  | 239,375                 |                  | 239,375                 |                  |
| Top Up to fund vehicle replacement  | 333,310                 |                  | 333,310                 |                  |
| Use of Reserve to fund vehicle replacements/adaptations.                            | (302,500)               |                  | (302,500)               |                  |
| Additional Income MOT Centre Top Up Reserve to replace equipment.                   | 3,000                   |                  | 3,000                   |                  |
|   |                         | 273,185          |                         | 273,185          |
| <b><u>RINGFENCED - ENTERPRISE ZONE GROWTH</u></b>                                   |                         |                  |                         |                  |
| Use of Growth monies to fund expenditure  |                         | (49,950)         |                         | (49,950)         |
| <b>2024/25 TOTAL NET TRANSFER TO RESERVES</b>                                       |                         | <b>(300,367)</b> |                         | <b>(300,367)</b> |

**Updated 2025/26 Estimate**

\* as approved by Council 11th March 2021 (Cabinet meeting 17/2/21 - Appx 5)

|   | <b>Current *</b>        |                | <b>Latest</b>           |                |
|---|-------------------------|----------------|-------------------------|----------------|
|   | <b>2025/26 Estimate</b> |                | <b>2025/26 Estimate</b> |                |
|   | £                       | £              | £                       | £              |
| <b><u>BUILDING CONTROL</u></b>  |                         |                |                         |                |
| Chargeable work 2025/26 net nil   |                         | -              |                         | -              |
| <b><u>CAPITAL INVESTMENT</u></b>  |                         | -              |                         | -              |
| <b><u>ELECTIONS</u></b>   |                         |                |                         |                |
| Annual provision May 2027 Borough Elections.  |                         | 41,217         |                         | 41,217         |
| <b><u>HOMELESSNESS</u></b>  |                         | -              |                         | -              |
| <b><u>INSURANCE</u></b>   |                         |                |                         |                |
| Annual set aside for possible claims.   |                         | 40,000         |                         | 40,000         |
| <b><u>INVESTMENT - I.T. STRATEGY</u></b>  |                         |                |                         |                |
| Top Up from IT general savings per latest review.                                   | 49,930                  |                | 49,930                  |                |
| Additional Rolling Replacement Hardware Programme.                                  | (86,000)                |                | (86,000)                |                |
|   |                         | (36,070)       |                         | (36,070)       |
| <b><u>LAND CHARGES</u></b>  |                         |                |                         |                |
| Chargeable work 2025/26 net nil   |                         | -              |                         | -              |
| <b><u>LEISURE MANAGEMENT</u></b>  |                         | -              |                         | -              |
| <b><u>NEW HOMES BONUS</u></b>   |                         | -              |                         | -              |
| <b><u>NON-DOMESTIC RATES EQUALISATION</u></b>                                       |                         | -              |                         | -              |
| <b><u>TOGETHER WE MAKE A DIFFERENCE (* prev PERFORMANCE REWARD INITIATIVES)</u></b> |                         | -              |                         | -              |
| <b><u>PROPERTY INVESTMENT FUND</u></b>  |                         | -              |                         | -              |
| <b><u>VALUE FOR MONEY</u></b>   |                         | -              |                         | -              |
| <b><u>VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE</u></b>                      |                         |                |                         |                |
| Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 6 of 8).                  | 239,375                 |                | 239,375                 |                |
| Top Up to fund vehicle replacement  | 333,310                 |                | 333,310                 |                |
| Use of Reserve to fund vehicle replacements/adaptations.                            | (215,000)               |                | (215,000)               |                |
| Additional Income MOT Centre Top Up Reserve to replace equipment.                   | 3,000                   |                | 3,000                   |                |
|   |                         | 360,685        |                         | 360,685        |
| <b><u>RINGFENCED - ENTERPRISE ZONE GROWTH</u></b>                                   |                         |                |                         |                |
| Use of Growth monies to fund expenditure  |                         | (49,950)       |                         | (49,950)       |
| <b>2025/26 TOTAL NET TRANSFER TO RESERVES</b>                                       |                         | <b>355,882</b> |                         | <b>355,882</b> |