



## **Audit Committee Supplement**

**Wyre Borough Council**  
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**Audit Committee meeting on Tuesday, 27 September 2022 at 6.00 pm  
in the Committee Room 2 - Civic Centre**

6. **Statement of Accounts (pre-audit) 2021/22** (Pages 1 - 134)  
Report of the Corporate Director Resources (Section 151 Officer).

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# STATEMENT OF ACCOUNTS

For the Year Ended  
31 March 2022

Clare James CPFA

Corporate Director Resources

(Section 151 Officer)

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## NARRATIVE REPORT

### Message from the Corporate Director Resources

The financial year 2021/22 has again been focused on the response to the outbreak of a global pandemic which has had a significant impact on the preparation of the 2021/22 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 2022.

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' five years ago. The deadline for producing a draft set of accounts has been extended from 31 May to 31 July 2022 and at the time of writing the deadline for signing off the audited accounts has moved from 31 July to 30 September 2022. 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 2021/22 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 29 July 2022 to 9 September 2022.

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 14 June 2022. 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 2021/22 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 £52m in business grants so far since April 2020.

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 2022.

Clare James  
Corporate Director Resources (S.151 Officer)

## ORGANISATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT

### An Introduction to Wyre

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

Wyre's population in June 2020 based on the Mid-Year Estimates provided by the Office for National Statistics was 113,067.

### 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 2022 was as follows:

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

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

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

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

### The Council's Spending

The council has two types of expenditure:

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

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

## Council Funding

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

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

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

Spending power figures show a 5.5% increase.

Over the twelve years up to and including 2022/23 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?**

2022/23 is another one-year settlement deal so beyond this our funding position is uncertain. The government are intending to conduct the delayed Fair Funding Review and Business Rates Retention Reform in 2022. 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 in efficiency savings which has protected residents from the full impact of reductions in funding. We've saved nearly **£7m** between 2010/11 and 2020/21 that's an average of **£626,000 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, being innovative and ensuring services meet the needs of our communities.

### **What does the budget mean for residents?**

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

Our latest Life in Wyre Survey results show that 80% of our residents are satisfied or very satisfied with where they live.

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

### **Supporting the NHS**

Throughout the year our support for the NHS has continued with a focus on getting people vaccinated. Our venues have hosted vaccine clinics, including drop in sessions, allowing thousands more people to get their first, second and booster vaccines and give themselves the best protection possible against COVID-19.

Wyre has consistently had one of the highest vaccine rates in the county and we are proud to have played our part in that.

### **Backing business in Wyre**

We are working hard to help businesses get back on their feet following the pandemic. Since 2020 we have paid £52 million to businesses in grants. Through our Additional Restrictions Grant (ARG) scheme we have helped businesses to open in vacant town centre premises and at Fleetwood Market, giving our high streets a boost.

We have launched a new scheme with partner Maybe Tech to provide free social media training and support to help business encourage customers back to the high street. The platform also includes access to the Local Rewards scheme to give residents an incentive to shop locally.

We recognise that a successful business begins with a healthy workforce. Together with Active Lancashire and our partners in the Business Health Matters programme, we are offering a range of free courses to Wyre's small and medium sized businesses to help them improve the physical and mental health of their employees.

Funded by the European Social Fund, we are delivering accredited qualifications for employees and business owners to become Workplace Health Champions through a choice of one and three day courses. We will be hosting open courses for people from across the borough to join or we can come into a workplace to deliver the training. Through the Business Health Matters programme, employees can also access courses to improve their basic skills in Maths, English or ESOL (English to Speakers of Other Languages).

Looking to the future, we are working towards re-launching our Wyred Up business support network as a way for businesses to access information, funding, best practice ideas and networking opportunities. We are also pleased to be once again hosting the Wyre Business Awards later this year.



## **Focussing on our town centres**

We have set up town centre partnership boards across Wyre to boost regeneration, gain a better understanding of the current situation in each area and highlight opportunities for improvement. Each board is made up of local key stakeholders, businesses, community champions and representatives from the education sector and together we are working to form future plans for our town centres.

In partnership with Historic England, we have been working to support Fleetwood's heritage quarter to improve buildings through the High Street Heritage Action Zone. The council has already offered over £200,000 of grants to key heritage buildings in the area, with more grants available until March 2024.

Work has begun on buildings in Fleetwood including Fleetwood Museum, The Steamer and St Mary's Presbytery Church. There are many more projects in the pipeline, including building improvements to Fleetwood Market, with work due on a number of other schemes in the next few months.

The projects are intended to support Fleetwood's existing heritage and enhance the historic high street and the vibrancy of the town.

## **Project Neptune**

The 'Neptune Fish and Food Processing Park' development located on Fleetwood Docks is due to be completed this summer. We have been working with partners to build a new, modern facility to support the fish processing businesses located at the docks.

Project Neptune will safeguard jobs in the fish processing industry as well as create up to 100 new ones. It is also hoped that future investment in the wider dock site will be unlocked and the success of Project Neptune will lead to further investment.

This ambitious project has been part funded by £4million from the Government's 'Getting Building Fund', as well as capital investment from Wyre Council to purchase the facility and financial support from Lancashire County Council's Lancashire Economic Recovery and Growth Fund.

## **The Visitor Economy**

A key priority for us is to welcome people back to Wyre, our town centres, hospitality, retail and attractions.

We are working with event organisers in Wyre to enable events to take place across the borough once again, as well as hosting a number of events of our own, including for the Queen's Jubilee celebrations, to help boost visitor numbers and provide entertainment for local people.

Our theatres have now reopened with shows and events planned for the rest of the year and beyond.

We have made improvements to Fleetwood market including a new outdoor street food courtyard, an art gallery space as an extension of the Market House Studios and new signage as well as a range of new free family events.

### **Healthier Wyre**

We have invested £1.5 million of funding into our leisure centres to support and reopen all of them following their closure due to the pandemic and have since welcomed members old and new. We continue to promote the excellent facilities on offer in Fleetwood, Thornton, Poulton and Garstang and encourage communities to support their local leisure facilities.

Over 63% of adults in Wyre are classed as being overweight or obese. To help people reduce their health risks and improve wellbeing, we have launched two new weight management programmes.

We have relaunched our Healthier Wyre and Great Outdoors activity programme offering a wide range of activities for people of all ages and abilities, many of which are free. From guided cycle rides and cycling courses for beginners, to walks, singing groups, art sessions, nature workshops and specialist activities for people living with dementia there's something for everyone and we're delighted to have these back up and running with new things in the calendar for 2022.

### **Climate Change**

We have declared a Climate Emergency and committed to reducing the council's emissions by at least 78% by 2035, before achieving net zero by 2050. We also plan to support the borough to achieve the same target. Climate change is causing devastating impacts across the globe. As a coastal borough, Wyre is particularly at risk of sea level rise and flooding. It is therefore crucial that we all do our bit to reverse these changes, and reduce our impact on the environment.

At Wyre Council, we're leading by example. So far, we have:

- Become the first carbon literate council in Lancashire and received a Bronze level accreditation in recognition of our awareness of the impacts of carbon dioxide in everyday activities
- Begun a review to look at how mitigating the impact of climate change can be better considered in our Local Plan
- Begun the planting of 25,000 new trees across Wyre
- Begun the process of installing rapid charging points in our car parks for taxi drivers and residents, and added electric vehicles to our fleet
- Worked with partners to continue to implement flood prevention schemes across Wyre
- Introduced a ban on the release of sky lanterns and helium balloons on council land to reduce plastic waste locally
- Begun to trial meadow creation as part of our grassland management, letting some of our open spaces grow to encourage wildflowers.
- Secured a grant to put in place de-carbonisation measures at Fleetwood market.

We know there's still a long way to go; but together, we can make a difference.

### **Protecting Wyre from flooding**

Climate change is a particular threat to the Fylde Coast owing to rising sea levels and the increasing frequency of extreme weather events. We are working with our partners on a number of flood protection schemes to protect homes and businesses in Wyre.

The Wyre Beach and Dune Management Scheme is a £42 million scheme to help raise and stabilise beaches from Cleveleys to Fleetwood. The work will protect over 11,000 properties and will commence this year.

We are supporting the Wyre Natural Flood Management Scheme project led by Wyre River's Trust to reduce rapid runoff during heavy rainfall reducing the flood risk to Scorton, Garstang, Churchtown, St Michaels and Great Eccleston. We have also been working with the Rivers Trust on smaller scale interventions in the downstream catchment including flood storage areas in Thornton Cleveleys at White Carr Lane, Stanah and a development at King Georges playing fields, which will reduce flood risk and provide carbon and biodiversity benefits.

We have also successfully bid for £7.2 million of funding to develop coastal resilience through the creation of natural buffer strips around the coast. Interventions such as developing salt marsh, creating dune systems and intertidal lagoons and reclaiming redundant brownfield sites will help to mitigate the consequences of climate change including flood risk and the loss of biodiversity.

### **Parks and Open Spaces**

We are lucky to have so many parks and open spaces for everyone to enjoy here in Wyre and are constantly making improvements.

Key projects include the opening of the Mount Pavilion following the extensive refurbishment thanks to a £1m personal donation from the late Mrs Lofthouse and a further £2.4m of grant funding from the National Lottery Heritage Fund. The Pavilion is now in regular use for events including weddings and we have an [artist and scientist in residence](#) at the Lodge building running activities for local young people.

In recognition of Mrs Lofthouse's generous personal donations and the work she has done for Fleetwood, we have created a commemorative memorial board in the gardens at the Mount to memorialise the tremendous impact she had on the town.

Following a public consultation in 2021, building work to create a new urban park in Fleetwood has begun. The project will create 'Custom House Square' on the area of Custom House Car Park which overlooks Fleetwood Market on Victoria Street. It is hoped that the space will bring a breath of fresh air to the area; with new lighting, seating, additional trees and planting along with room to hold occasional small events.

The new square will complement work to enhance the area and attract shoppers to the market and the new outdoor market area. In the future, Fleetwood Museum visitors using the car park will also be encouraged to use the square as a route from which to access a proposed new entrance off Custom House Lane.

The project is being made possible by Historic England's Heritage Action Zone scheme which looks to fuel economic, social and cultural recovery to a select number of high streets in the country.

We are also undertaking works to King George's playing field in Thornton to create a new footpath, plant new trees and create a network of wetlands and ponds. The work will create habitats for biodiversity and help to restore Royles Brook to make space for water, help improve river water quality and aid better drainage of surface water from neighbouring sports pitches. Work begins in spring 2022 and the majority of works will be complete in summer 2022 with tree planting taking place in winter 2022/23.

As we look to the future with positivity following the pandemic, we are working on a garden of reflection at the front of the Civic Centre in Poulton. It is hoped this will provide a peaceful space for people to sit and take a moment to reflect.

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.

### **Digital Transformation**

We launched our Citizen Access Portal in July 2021 which allows 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. We have over 31,000 users signed up already.

### **Protecting vulnerable residents**

We have committed, for the tenth 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 other neighbouring local authorities.

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

The Household Support Fund launched in January and we have distributed hundreds of thousands of pounds already to those on low incomes to support fuel poverty.

Following the government's announcement in February, the council has been pivotal in delivering the Energy Bill Rebate scheme with payments of £150 to households in council tax bands A to D being made in the new financial year.

### 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 £27,448,000. The net pension liability has reduced by £11,140,000. 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

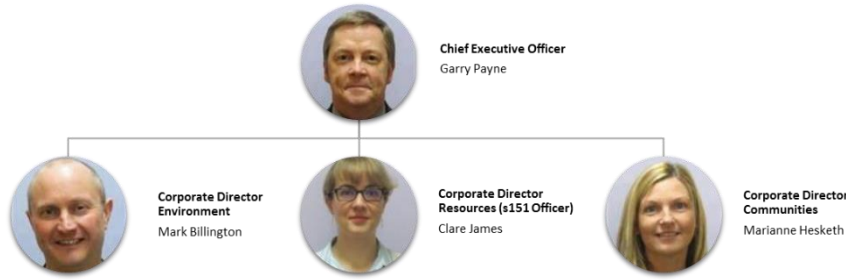
The council manages its significant business risks and recognises that effective risk management is integral to the council's corporate governance arrangements. The council's Corporate Management Team meets annually to review the council's strategic risks as identified on the council's strategic risk 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 2022 and this and further updates can be found on the council's website [www.wyre.gov.uk](http://www.wyre.gov.uk).

### Our People

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

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



Further information can be found in the Annual Governance Statement.

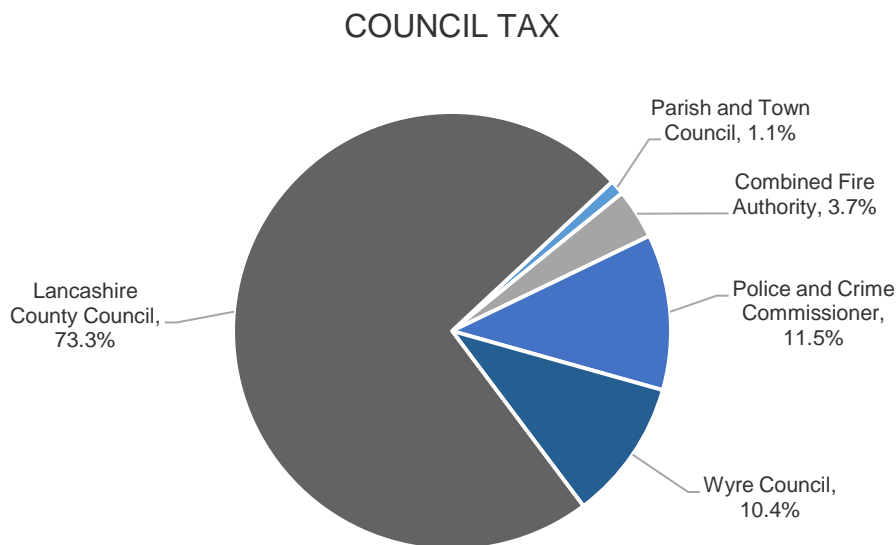
The Council is one of the largest employers in the borough employing 314.2 full time equivalents. The workforce generally reflects the diversity of the residents in the borough.

### Council Tax 2022/23

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 2022/23 assumes that districts will increase their council tax by the suggested £5.

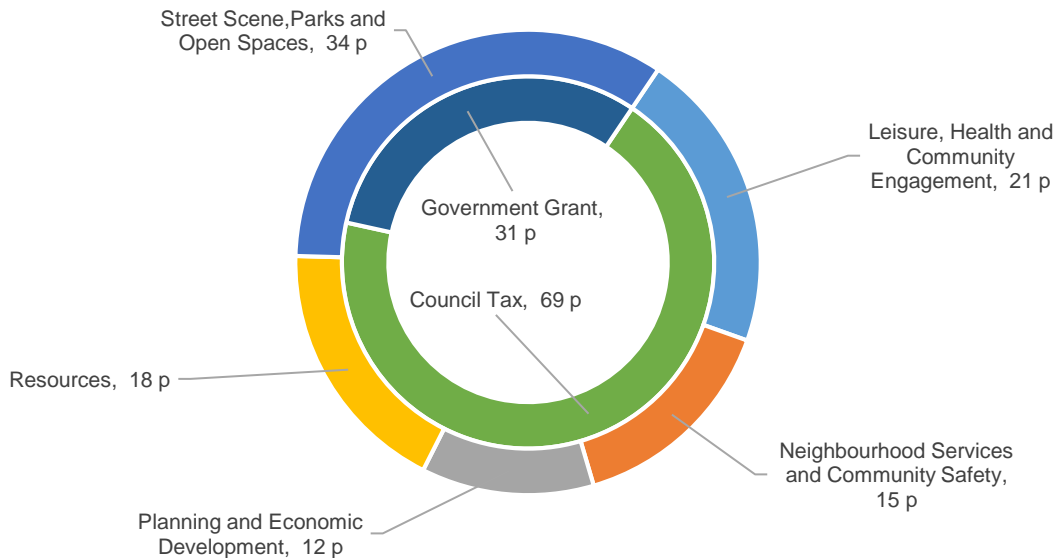
We have decided to follow the government’s lead to maximise our spending power potential whilst keeping costs low for residents and continue providing Wyre's vital front-line services. This equates to a rise of £5 (2.38%) a year on a band D property, or just 10p a week, and means that the overall cost for all Wyre's services will be **59p 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 10.4% or £214.74 (on a band D property) of the total amount of your bill in 2022/23 in a parished area (10.5% in a non-parished area). This compares to the equivalent figure of £209.74 (on a band D property) in 2021/22.

For every £1.00 the council receives in income it spends it in the following council areas (based on 2021/22 outturn):



### Business Plan 2019 to 2023 (2022 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, happy and greener 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-focussed working relationships with other councils, partners, organisations and our communities; delivering excellent joined up services for the residents of Wyre.

- **Highest levels of performance with a clear focus on responsibility and empowerment.** We will make sure that everyone is clear about the part they play in delivering high impact outcomes. We will invest and develop the skills of our employees and promote team working across the council, allowing teams and team members to have greater flexibility, authority and control. Employees will have the opportunity to gain new skills and experiences through cross-directorate working.
- **Innovative, commercially minded and environmentally aware.** We will upskill our staff to think and act commercially, we will embrace new ways of working and we will be open to exploring innovative service delivery options. We will take our climate change responsibility seriously and work to ensure that we minimise the negative and maximise the positive impact on the environment in everything we do.



# Business Plan 2019-2023

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

## People

### OUR AMBITION – EMPOWERED HEALTHIER 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
- Collaborate with residents and local stakeholders to influence and encourage a low carbon culture through behaviour change

Last updated: 2022



## Economy

### OUR AMBITION – A STRONG LOCAL ECONOMY

**We will:**

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

## Place

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

**We will:**

- Work towards reducing the council's and wider borough's emissions by at least 78% by 2035
- Collaborate with our partners to respond to a range of climate change issues, including our commitment to carbon footprint reduction and tackling flood risk across Wyre
- Work with residents, Parish and Town Councils and businesses to plan, protect and enhance the quality of our neighbourhoods and environment
- Utilise Wyre's USP – the Great Outdoors – supporting residents and visitors to maximise the opportunities from coast to countryside whilst protecting, preserving and enhancing our environment for current and future generations

# Delivering our Vision



## People

### How will we do this?

- Agree and deliver a new 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
- Work with partners to deliver the holiday activity programme for our young people
- Relaunch our Digital Wyre Strategy ensuring customers have easy access to our services and that we embrace the opportunities new technologies bring
- Collaborate with partners to improve community energy consumption through retrofitting houses and supporting district heating projects
- Develop a campaign to raise awareness and encourage behavioural change amongst residents to support climate change projects/initiatives



## Economy

### How will we do this?

- Support business growth and job creation at the Hillhouse Technology Enterprise Zone
- Collaborate with our Lancashire partners to develop joint working arrangements with a focus on economic growth, skills and tackling climate change
- Continue to support town centre recovery through the town centre strategy fund and explore investment and sustainable development opportunities for our key town centres
- Explore investment opportunities for our key council assets
- Relaunch our Wyred Up network to proactively support sustainable business recovery following the pandemic and to encourage and support businesses to reduce their carbon footprint



## Place

### How will we do this?

- Work with others to deliver our action plan to reduce the effect of climate change on our borough including the carbon footprint of all council activities and assets
- Promote activity to support our residents to reduce waste, increase reuse and recycling, and implement environmental initiatives to help achieve a sustainable environment
- Complete the partial review of the Wyre Local Plan 2011-2031 and commence a full review
- Deliver the Wyre Beach Management Scheme to protect homes from coastal flooding
- Facilitate and support the improvement, biodiversity, accessibility and use of our parks and open spaces
- Support the Turning Tides Partnership in the ambition to achieve a blue flag coast that is free from plastic pollution
- Lead on and support natural flood management projects

**How will we measure progress?**

- % of resident population who consider themselves to be in good health
- Number of annual visits to our leisure centres
- Number of memberships at our leisure centres
- Number of volunteer hours
- Number of children engaged with holiday activities
- Number of residents registered for My Wyre account
- Number of domestic energy measures installed under Cosy Homes in Lancashire, via Green Homes Grants and other Government Schemes
- Number of residents engaged with behaviour change campaigns using digital and non-digital channels

**How will we measure progress?**

- Number of jobs created within the Enterprise Zone
- Em investments to Wyre from County Deal
- Increase footfall to town centres
- Reduce town centre vacancy rates
- % of fledgling businesses surviving – 18 months
- Number of visitors to the borough each year
- Business rate collection target 97%
- Council tax collection target 97%

**How will we measure progress?**

- Reduction in council and borough carbon emissions
- Number of public electric charging points made available
- Number of trees planted
- % of household waste recycled
- Number of properties protected from coastal flooding
- Satisfaction with our parks and open spaces
- Satisfaction with keeping public land free from litter
- Reduction in fly-tipping reported



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

## 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 31%) and the balance is funded by the Council taxpayer (approximately 69%). The following table sets out the comparison between the Updated Revised Budget and the outturn position, and how this expenditure has been funded:

Description	Updated Revised Budget £	Outturn £	Variance £
Net Cost of Services	17,873,100	16,377,448	(1,495,652)
Other Income and Expenditure	(5,566,405)	(4,067,583)	1,498,822
(Use of)/additions to balances	(959,215)	236,495	1,195,710
<b>TOTAL</b>	<b>11,347,480</b>	<b>12,546,360</b>	<b>1,198,880</b>
<i>FUNDING</i>			
New Homes Bonus	(1,072,950)	(1,072,948)	2
Local Services Support Grant	(145,230)	(145,232)	(2)
Non Domestic Rates – Retained Share	1,930,760	2,018,315	87,555
Non Domestic Rates – Section 31 Grant	(3,365,260)	(4,569,661)	(1,204,401)
Council Tax	(8,518,780)	(8,518,787)	(7)
Council Tax – Section 31 Grant	(176,020)	(185,239)	(9,219)
Enterprise Zone	-	(72,808)	(72,808)
<b>TOTAL</b>	<b>(11,347,480)</b>	<b>(12,546,360)</b>	<b>(1,198,880)</b>

The main contributors to the outturn variance reported against the movement of general balances, totalling £1,195,710, are outlined below:

Description	£	£
<i>Increased Spending/Reduced Income</i>		
Council Tax Equalisation Reserve – Top Up	1,137,498	
IT Strategy Reserve – Top Up	498,898	
Leisure Management Reserve – Top Up	250,000	
Capital Investment Reserve – Top Up	22,800	
Value For Money Reserve – Top Up	22,514	
Water Charges	26,193	
Legal Costs	22,598	
Impairment Allowances (Bad Debt Provisions)	51,594	
Rental Income	19,264	
<b>Increased Spending/Reduced Income TOTAL</b>		<b>2,051,359</b>
<i>Reduced Spending/Increased Income</i>		
Slippage to 2022/23 (net of reserve funding)	(1,195,710)	
Employee Costs (including training)	(532,635)	
Non Domestic Rates – Public Conveniences	(20,722)	
Special Works	(10,300)	
Maintenance of Unadopted Assets	(19,149)	

<i>Reduced Spending/Increased Income cont'd</i>	£	£
Hire and Maintenance of Tools/Equipment	(29,012)	
Materials and Consumables	(24,370)	
Postage	(18,783)	
Mayor's Attendant	(10,346)	
Bank Charges	(16,131)	
Advertising (incl. Statutory Notices)	(16,046)	
External Coaching	(11,114)	
YMCA Subsidy	(716,067)	
Private Contractors	(17,348)	
Benefits and Rent Allowances	(28,413)	
Council Tax Annex Grant	(18,159)	
Sales, Fees and Charges (incl. Legal Fees)	(305,912)	
Housing Benefit Admin Grants	(61,267)	
Interest Received	(17,676)	
Other Net Variances	(177,909)	
<b>Reduced Spending/Increased Income TOTAL</b>		<b>(3,247,069)</b>
<b>GRAND TOTAL</b>		<b>(1,195,710)</b>

Some of the spending that was planned to take place during 2021/22 has slipped into 2022/23 (details are available on the 27 September 2022 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 2021/22 includes:

Description	Amount £
<i>Revenue Slippage</i>	
Legal Fees and Court Fee Refunds	120,130
Town Centre Strategies	115,590
Sea Defences – Private Contractors	99,450
Street Cleansing Initiatives	91,860
Building Maintenance – Various Sites	80,890
Financial Services – Salaries	71,250
Weight Management Programme	53,740
Development control - Consultants Fees	45,000
Service Development Board (Waste Collection)	42,530
Heritage Lottery Projects	40,950
Health and Wellbeing Project Costs	38,260
Children's Trust	31,900
Sports Development – External Coaching	31,750
Sea Defences – Materials Consumables	31,220
Community Development Initiatives - CCTV	30,800
Other Slippage	318,390
Less Reserve Funded Items	(48,000)
<b>TOTAL</b>	<b>1,195,710</b>

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

	Anticipated position £	Actual position £
Opening balance	13,092,725	13,092,725
(Withdrawals)/Additions in year	(959,215)	236,495
<b>Closing balance</b>	<b>12,133,510</b>	<b>13,329,220</b>

## Capital

The council spent a total of £4,270,709 (2020/21 £6,788,650) on capital investment in the year compared with an Updated Revised Budget of £15,044,816. A summary of the main items of expenditure is shown below:

Main items of expenditure	2020/21 £	2021/22 £
Disabled Facilities Grants	1,346,820	2,201,318
Flood Defences	730,241	1,527,715
Leisure Centres	1,323	-
Fleetwood Market	412,962	53,910
Fleetwood High Street Improvements	-	284,687
Other Asset Management (Inc. vehicles, digital transformation and other buildings)	3,208,278	110,428
Parks and Open Spaces	1,046,557	92,651
Wheeled Bins	42,469	-
<b>TOTAL</b>	<b>6,788,650</b>	<b>4,270,709</b>

The main reasons for the variation of £10,774,107 when compared to the Updated Revised Budget are listed below (details will be available as part of 27 September 2022 Audit Committee agenda pack on [www.wyre.gov.uk](http://www.wyre.gov.uk)):

Description	£	£
<i>Capital slippage into future years</i>	(6,411,216)	
<b>TOTAL</b>		<b>(6,411,216)</b>
<i>Reclassified as an Agency Arrangement</i>		
Fleetwood – Fish and Food Processing Units (Project Neptune)	(4,030,385)	
<i>Transferred to Revenue</i>		
Fleetwood Heritage Action Zone	(233,316)	
Replacement of Core IT Network Infrastructure	(38,800)	
<b>TOTAL</b>		<b>(4,302,501)</b>
<i>Reduced spending</i>		
Fleetwood Market	(10,033)	
St Chad's Churchyard	(27,260)	
Cash receipting System Upgrade	(24,746)	
<i>Increased spending (fully funded)</i>		
Cell Eleven Monitoring	1,649	
<b>TOTAL</b>		<b>(60,390)</b>
<b>GRAND TOTAL</b>		<b>(10,774,107)</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 2021/22 capital expenditure was funded as follows:

Resources	Amount £
Grants and contributions	352,383
Better Care funding towards Disabled Facilities Grants (DFG)	2,126,318
Regenda funding towards DFGs	75,000
Environment Agency funding for Coastal Defence Works, Beach Management and Cell Eleven	1,527,715
Coastal Communities Funding Round 5	34,053
Heritage Lottery and Benefactor Funding for Mount Restoration	24,955
Capital Receipts	-
Revenue	130,285
<b>TOTAL</b>	<b>4,270,709</b>

The council maintains a fund of capital receipts from the disposal of non-current assets to fund capital expenditure. At 31 March 2022 the funds available were:

Description	Revised £	Actual £
Opening balance	823,011	823,011
Received in year	-	46,110
Applied in year	(24,242)	-
<b>Closing balance</b>	<b>798,769</b>	<b>869,121</b>

### Resources Available for Capital Investment

The table below summarises the approved resources available for the 2021/22 Capital Programme and the indicative programme to 2026/27. This level of resources ensures that overall planned spending and funding are in balance. The future years estimates reflect the capital programme approved as part of the 2022/23 budget process.

Resource	2021/22 Outturn £	2022/23 Estimates £	2023/24 Estimates £	2024/25 Estimates £	2025/26 Estimates £	2026/27 Estimates £
<i>No revenue implications</i>						
Capital Receipts	-	-	-	-	-	-
Grants and contributions	4,140,424	9,939,388	14,578,139	14,363,483	11,030,372	2,079,964
<b>SUB TOTAL</b>	<b>4,373,740</b>	<b>9,939,388</b>	<b>14,578,139</b>	<b>14,363,483</b>	<b>11,030,372</b>	<b>2,079,964</b>
<i>With revenue implications</i>						
Other revenue contributions	130,285	155,200	149,500	302,500	215,000	404,500
<b>SUB TOTAL</b>	<b>130,285</b>	<b>155,200</b>	<b>149,500</b>	<b>302,500</b>	<b>215,000</b>	<b>404,500</b>
<b>TOTAL</b>	<b>4,504,025</b>	<b>10,094,588</b>	<b>14,727,639</b>	<b>14,665,983</b>	<b>11,245,372</b>	<b>2,484,464</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 2021/22:

 <b>732</b> homes built of which 264 are affordable homes	 <b>575</b> handy person jobs completed	 <b>219</b> volunteers contributing 18,970 hours	 <b>229</b> incidents of dog fouling cleared up
 <b>325</b> Disabled Facilities Grants awarded totalling £2.2m	 Over <b>3.3m</b> bins emptied	 <b>96.83%</b> of Council Tax collected	 <b>97.09%</b> of business rates collected
	 <b>12.16 days</b> average time taken to process housing or council tax benefit claim	 <b>44,109</b> 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 2022 (2021/22). It has been prepared in accordance with the Accounts and Audit Regulations 2015 and the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22. The main Accounting Statements within this document are:

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

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

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

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



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

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

These statements are supported by the:

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

## STATEMENT OF RESPONSIBILITIES

### The Authority's Responsibilities

The Authority is required to:

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

### The Chief Financial Officer's Responsibilities

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

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

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

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Authority at 31 March 2022 and of its income and expenditure for the year then ended.

C JAMES  
CORPORATE DIRECTOR RESOURCES (CHIEF FINANCIAL OFFICER)  
(Authorised for issue) 29 July 2022

## **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 adopted a code of corporate governance, which is consistent with the principles of the CIPFA / SOLACE 'Delivering Good Governance in Local Government' framework 2016.

### **3.0 THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

3.1 The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled, together with the activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

- 3.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to meet the targets in our policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Wyre Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 3.3 The governance framework has been in place at Wyre Council for the year ending 31 March 2022.

#### **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 On the 28 March, a governance workshop was held with key officers of the Council who have the most appropriate knowledge, expertise and levels of seniority to consider the extent to which the organisation complies with the principles set out in the good governance framework. The principles were discussed in length and evidence was put forward to demonstrate how the council was meeting each of the principles. It was also an opportunity to identify any issues or gaps that could lead to a weaker governance structure.

5.3 In addition, evidence to produce the statement was also collected from a number of other sources, namely:

- The views of Internal Audit through regular progress reports, the Annual Internal Audit Opinion and the review of the effectiveness of Internal Audit;
- The views and reports of our External Auditors in their value for money opinion, and the
- The examination of risk reports, risk registers and an overview of the risk management process.

5.4 Following this meeting, this information was collated and a draft statement was produced and circulated for comment. The final draft version of the statement is presented to Audit Committee for approval. Once approved by the Audit Committee, the statement is then signed by the Leader and Chief Executive and will ultimately form part of the 2021/22 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 2021/22.

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

#### Behaving with integrity

- Established codes of conduct define expected standards of personal behaviour for both staff and Elected Members.
- The council has a set of corporate values for its staff reflecting public expectations about the conduct and behaviour of individuals and these are reflected in the recruitment and selection and performance appraisal processes.
- The Council has a refreshed Member Code of Conduct in place that helps to achieve high standards of conduct for Elected Members.
- A number of Elected Members have recently attended training in relation to 'Ethical Standards' and the recently refreshed Code of Conduct.
- Induction training is in place for both staff and newly Elected Members.
- Arrangements are in place to ensure that Elected Members and employees of the council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.
- A register of interests is maintained for Elected Members and officers.
- An up-to-date register of gifts and hospitality is maintained for officers and 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, Elected 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 Elected 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 and Business Support champion's ethical compliance for both officers and Elected 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 took place during November 2021.
- Protocols are in place for partnership working. These are documented in the council's Financial Regulations and Financial Procedure Rules and reviewed annually.
- A competency framework, listing required behaviours and values is currently used to drive recruitment and regular performance reviews are undertaken as part of the performance appraisal system.
- Policies and procedures are in place and are regularly reviewed for dealing with unacceptable behaviours.

#### Respecting the rule of law

- The authority observes both the Chartered Institute of Public Finance and Accountancy (CIPFA) statement on the Role of the Chief Financial Officer and the Head of Internal Audit in Local Government with any non-compliance reported in the Annual Governance Statement.
- The Constitution sets out the responsibilities of Elected Members by defining the decision-making powers of the Council, Executive, Overview and Scrutiny and regulatory and other committees, providing clear terms of reference, and describing roles and functions.
- The new Chief Internal Auditor is a 'Certified' Internal Auditor and has extensive internal audit experience.
- The Head of Governance and Business Support is a Certified and Chartered Auditor (CIA, CMIIA) and also holds a Qualification in Internal Audit Leadership (QIAL).
- 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 of Conduct by Elected Members are thoroughly investigated by the Monitoring Officer.
- Up to date job descriptions and person specifications are maintained for the Chief Executive, Section 151 Officer and the Monitoring Officer.
- All staff and Elected Members have completed Data Protection training in 2018, however it is recognised the need for an immediate refresh. This will be arranged for the newly Elected Members in May 2023.
- Freedom of Information and Environmental Information Regulation training was provided to Service Managers in February 2022.
- Subject Access Request training was provided to all officers involved in the administration of these in February 2022.
- Regular training is provided to Elected Members who sit on regulatory committees such as Planning, Licensing and the Audit 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.
- The Council's Constitution has recently been amended to allow 'Non-Executive Decisions' to be taken under 'Emergency Powers' in the event of an on-going pandemic.

## **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. The draft 2020/21 accounts are awaiting formal sign-off following delays by External Audit and now a review on infrastructure asset treatment by CIPFA.
- 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's compliance to the Local Government Transparency Code 2015 was last reviewed as part of the Information Governance / GDPR compliance audit work that took place during 2021/22. Gaps were identified, which will be addressed through the action plan.
- 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 the overview and scrutiny function activity.
- Key decisions are published in the Schedule of Executive Decisions.
- All audio recordings of Council meetings are available on the council's website and YouTube.
- A property investment panel has been established which considers proposals for investment opportunities.
- The Council website complies with the New Accessibility Regulations 2019.
- Hybrid working / staff feedback sessions were held with CMT and were open to all staff in autumn 2021.

#### Engaging comprehensively with institutional stakeholders

- The council continues to meet regularly with the YMCA to oversee the operation of the council's leisure centres and pools.
- The council has established a Beach Management Board that meet on a monthly basis to oversee the sea defences scheme, which is estimated to cost £42m. Internal Audit attend each meeting.
- Key partnerships are periodically reviewed through the internal audit plan and the Financial Regulations and Financial Procedure Rules include advice and guidance, which can assist officers in managing the key risks of partnership arrangements.
- Corporate guidance has been issued on consultation and public involvement mechanisms offering practical steps and advice.
- The council maintains links with the parish and town councils by regular attendance at the Lancashire Association of Local Councils (LALC) meetings.
- Clear channels of communication are in place with all sections of the community and other stakeholders including monitoring arrangements to ensure that they operate effectively, e.g. flood forums and the Waste Management Partnership Board.
- The council continues to support the food banks (Over Wyre / Fleetwood) established in response to the recent pandemic.
- Approximately £90,000 of grants have been distributed during 2021/22 to local community groups made available from the Household Support Fund.

#### 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.
- 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 consultations and all are available through the online consultation portal.

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

#### Defining outcomes

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

#### Sustainable economic, social and environmental benefit

- The council embraces community engagement and involvement and encourages neighbourhood engagement. It works collectively with ward councillors, parish and town councillors, community groups and other partner organisations to identify local issues and priorities.

- Following the declaration of a climate emergency in July 2019 the Council continues to work through a comprehensive action plan of key issues effecting both council services and the wider community.
- In recognition of our progress on climate change, the council has been accredited as a Bronze Level Carbon Literate Organisation. We are the first authority in Lancashire to achieve this status.
- Our business plan states a number of ambitions which will improve the health and wellbeing of our communities.
- 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.
- 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 continues to work closely with Associated British Ports and other partners to bring new commercial floor space at Fleetwood Docks to help safeguard the fish processing industry for Fleetwood (Project Neptune).
- The council operates a weekly online community lottery to provide good causes and community groups with a simple way to raise funds.
- The council continues to work and support local business following the pandemic through the development and implementation of the Wyre Local Growth Plan.
- £300,000 was allocated during 2021/22 towards a new town centre strategy fund which was formed to support our town centres following the pandemic.

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

Determining interventions

- There are mechanisms in place for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.
- Those making decisions are provided with information that is fit for purpose and relevant.

- Limits of lawful activity are recognised by the ultra vires doctrine and managers strive to utilise their powers to the full benefit of the community.
- Proper, professional advice on matters that have legal or financial implications is available and when sought, recorded in advance of decision making.
- A Digital Transformation Board is in place to oversee key ICT infrastructure projects.

#### Planning interventions

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

#### Optimising achievement of intended outcomes

- The MTFP is agreed annually in October, updated regularly and published with the revenue estimates in February.
- The MTFP, revenue estimates and capital programme are soundly configured to meet the requirements of the business plan.
- The MTFP sets out the framework for corporately managing the council's resources in the years ahead.

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

### Developing the Entity’s capacity

- The council continues to support the YMCA and allocated an increased subsidy at the start of 2021/22 to the YMCA. The YMCA has operated within the subsidy budget and are reporting a significant underspend although pressures continue to be felt post-pandemic.
- Effective mechanisms exist to monitor service delivery through the overview and scrutiny arrangements and quarterly performance reports highlight where corrective action is necessary.
- A key activity in the council's business plan is to continue the programme of works to maximise the use of our assets.
- The council subscribes to the APSE advisory service, with a view to benchmarking its front line services.
- Benchmarking is undertaken periodically via relevant Lancashire professional groups e.g. revenues, audit, finance.
- The council’s performance appraisal system allows for documentation of the development of the individual through their personal development plan.
- Internal Audit received a ‘full compliance’ overall opinion when assessed against the Public Sector Internal Audit Standards (PSIAS) in 2018. The next assessment is due in March 2023. Internal self-assessments continue to take place annually.
- The council regularly benchmarks Elected Member’s allowances as part of the review undertaken by the Independent Remuneration Panel. The last full review was completed in April 2022.
- The council attends the Lancashire Waste Partnership and are currently evaluating if a revised Lancashire Waste Strategy is required following the release of the DEFRA Resources and Waste Strategy 2018 and new Environment Act 2021 Legislation being introduced, with any consultation including advisory groups such as the Local Authority Recycling Advisory Committee (LARAC), Waste and Resource Action Programme (WRAP) and Association of Public Service Excellence (APSE).

### 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 attends regular performance appraisal meetings with the Leader of the Council.
- The Corporate Director Resources (Section 151 officer) is responsible to the council for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.
- There is an established pay and grading structure for employees referred to as the job evaluation system and a process for appeals.

- There is a clearly defined management structure and a scheme of delegation to officers, which is underpinned by the Members' Code of Conduct and a protocol for officer / Elected Member relations.
- There are published job descriptions and established protocols, which ensure that the Leader and Chief Executive establish their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained.
- Financial Regulations and Financial Procedure Rules are reviewed annually by the Audit Committee.
- Career structures are in place where possible for Elected Members and officers to facilitate succession planning.
- Funding was made available to fund up to six new apprenticeship posts in 2021. To date, two posts have been filled, with a further three commencing in summer 2022.
- Effective management arrangements are in place both at the top of and throughout the organisation to support the health and wellbeing of officers.
- The council 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.
- 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 the appropriate skills enabling them to deliver high quality services.

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

Managing risk

- Risk management is embedded into the culture of the council, with Elected Members and managers at all levels recognising that risk management is part of their job.
- The Risk Management Policy and Procedure is refreshed annually and approved by the Audit Committee.

- Strategic, Operational and ICT (including cyber security) risk registers are managed through a dedicated risk management system. Workshops are held regularly to review current risks and identify any new risks.
- 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. The gaps have been identified and the Information Governance Group will monitor the gaps to ensure they are addressed in a timely manner.
- In March 2022, all officers responsible for answering Freedom of Information, Environmental Information Requests and Subject Access Requests attended mandatory training from an external provider.

### Managing performance

- Performance is regularly reported to the Corporate Management Team, Cabinet and the Overview and Scrutiny Committee.
- The council has an Overview and Scrutiny Committee which allows for constructive challenge and enhances the council's performance overall.
- There are effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.
- There is a calendar of dates for submitting, publishing and distributing timely reports to the council's committees.
- A workshop was held in February 2022 with Overview and Scrutiny and CMT to agree the Committee's work programme for 2022/23.

### 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.
- A quality assurance improvement programme (QAIP) is in place to ensure the continual improvement of the internal audit service.
- An 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 with only two minor actions identified following the last review in June 2022.
- Both the Audit and Risk Manager (Chief Internal Auditor) and the Audit, Risk and Performance Lead have extensive experience in internal audit. The current Chief Internal Auditor is a Certified Internal Auditor.
- The Head of Governance and Business Support holds both the Chartered Auditor and a Qualification in Internal Audit Leadership.
- The implementation of internal audit reports 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.
- The council has an effective whistleblowing policy which is reviewed annually by the Audit Committee.

### Managing data

- In 2018, both staff and Elected Members received data protection training. Refresher training will be provided by September 2022 for staff and May 2023 for the newly elected Members.
- The council has appointed a Data Protection Officer (and a Deputy) who is responsible for ensuring the council's compliance with any data protection legislation.
- The Audit Committee have delegated responsibility for ensuring the council is compliant to data protection legislation and receives six monthly updates from the Head of Governance and Business Support
- In March 2022, the Audit Committee were given delegated responsibility for Cyber Security. The Committee will receive updates as part of the audit and risk management update in June / November.
- Information Asset Registers are in place for the majority of services to demonstrate the council knows what data it processes, where it is stored and how it is shared (data flows) internally and externally.
- Information is stored securely and confidential waste disposal arrangements are in place.
- Key performance data is regularly reviewed for accuracy by internal audit.

### Strong public financial management

- Those making decisions are provided with information that is fit for purpose, relevant, timely and gives clear explanations of technical and financial issues and their implications.
- Up to date registers of gifts and hospitality are held for both Elected Members and officers, demonstrating openness and transparency.
- Registers of interests are maintained for both officers and Elected Members.
- There is an established pay and grading structure in place for employees.

- Financial Regulations and Financial Procedures Rules are reviewed annually and any changes are presented to the Audit Committee for approval.
- It is expected that the External Auditors will issue an unqualified value for money conclusion for the 2020/21 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 presented to Full Council and also 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. Any gaps in compliance will be monitored by the Information Governance Group.

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 and Business Support. The action plan is monitored by Corporate Management Team and reported to Audit Committee in June and November each year.
- 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 the Audit and Risk Manager (Chief Internal Auditor) to deliver an annual internal audit opinion.

- The Chief Internal Auditor has reported in her Annual Audit Report that reasonable assurances can be given on the overall adequacy and effectiveness of the council's governance, risk management, and control processes (i.e. the system of internal control). This means that 'generally' there is a sound system of internal control, governance and risk management and that controls are in place and are generally being applied consistently. Whilst some issues, non-compliance or scope for improvement were identified recommendations have been made and if implemented will improve the control environment.
- In accordance with the Audit and Account Regulations 2015, an annual assessment of the effectiveness of the internal audit function is completed and presented to the Audit Committee with any areas of non-compliance documented in an action plan and in the Internal Audit Quality and Assurance Improvement Programme.
- The Audit Committee work programme provides the opportunity for the Chief Internal Auditor to have a private and confidential discussion with the Audit Committee members.
- The council participates in RIPA inspections as and when required. The last inspection was carried out in January 2022 with only minor observations being made.
- Key partnerships are periodically reviewed through the internal audit plan with delivery via third parties being included in the assurance reviews undertaken annually.
- The Financial Regulations and Financial Procedure Rules include partnership guidance which can assist officers in managing the key risks of any partnership arrangements.
- Clear terms of reference exist for the key partnerships, clarifying arrangements for accountability, for example the Waste Management Partnership and the Community Safety Partnership.

## **7.0 RISK MANAGEMENT FRAMEWORK**

- 7.1 The council has adopted a corporate Risk Management Policy and Procedure and now operates a fully integrated risk management system (GRACE) across the organisation.
- 7.2 Each year the council's Corporate Management Team (CMT), Head of Governance and Business Support, Audit and Risk Manager and the Audit Committee Chairman attend a strategic risk workshop, to identify and prioritise risks and to produce an action plan. This year, the workshop took place on 18 March 2022. The results of this workshop can be found in the Annual Internal Audit Report for 2021/22. At the workshop, significant business risks that may impact upon the council's priorities (the business plan) are identified and assessed, and appropriate control measures are in put place. The report and associated action plan is presented to Audit Committee and progress is monitored on a quarterly basis through the CMT.

- 7.3 Operational risk workshops were held this year following the strategic risk workshop in March, with each service unit identifying new risks that could occur during the year preventing the achievement of individual service plans. 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 number of prompts were issued to staff to ensure progress was documented.
- 7.4 In June 2021, the council purchased a new risk management system (GRACE) to fully automate the risk management process and remove Internal Audit from the management and administration of risk, allowing them to give a more independent and objective opinion on the effectiveness of the risk management processes across the council. The council's operational, strategic and ICT risks are now populated within GRACE and action plans have been added to assist with the mitigation of the risks identified. Whilst the Audit Committee do not have access to GRACE, strategic risk reports are produced and presented to the Committee on a regular basis. The council's ICT risk register continues to be monitored quarterly by the Corporate Director Resources, Head of Contact Centre and ICT and the Audit and Risk Manager (Chief Internal Auditor).
- 7.5 Following the pandemic, staff have welcomed the return of face-to-face risk workshops and have participated well. The council's risk management and assurance framework continues to be well supported by CMT, the Audit Committee and across the organisation. All risk owners attended training for the new GRACE system, and so far, it seems to have been well received. The changes to the risk management process were documented in a 'refreshed' Risk Management Policy and Procedure and was approved by Audit Committee in November 2021.

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

- 8.1 In accordance with the Accounts and Audit Regulations 2015, the council must ensure that it has a sound system of internal control which:
- facilitates the effective exercise of its functions and the achievement of its aims and objectives,
  - ensures that the financial and operational management of the council is effective; and
  - includes effective arrangements for the management of risk.
- 8.2 The council is also responsible for conducting a review each financial year of the effectiveness of the system of internal control.

- 8.3 The Corporate Director Resources (Section 151 Officer) is responsible for the proper administration of the council's financial affairs. This includes responsibility for maintaining and reviewing Financial Regulations and Financial Procedure Rules, to ensure they remain fit for purpose, submitting any additions or changes necessary to the Audit 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 Audit and Risk Manager (Chief Internal Auditor) is required to provide an independent and objective opinion to the council on its risk management, governance and internal control environment. The Chief Internal Auditor's Annual report for 2021/22 concluded that 'reasonable assurances can be given on the overall adequacy and effectiveness of the council's governance, risk management, and control processes (i.e. the system of internal control)'. This means that 'generally' there is a sound system of internal control, governance and risk management and that controls are in place and are generally being applied consistently. Whilst some issues, non-compliance or scope for improvement were identified recommendations have been made and if implemented will improve the control environment. It goes further and states that council's risk management and assurance framework and overall governance processes continue to be well supported and operate effectively across the organisation with key officers participating in face-to-face risk workshops and in the formulation of the Annual Governance Statement.

## **9.0 VALUE FOR MONEY CONCLUSION**

- 9.1 The External Auditors issued an unqualified value for money conclusion in their last and 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. It should be noted that owing to delays on the part of the external auditor in the signing off of the 2020/21 accounts, no more recent VFM conclusion has been received although no issues have been raised with the Section 151 Officer to date.

## **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 2021/22. However, when reviewing compliance to the guidance, a number of minor issues have been identified which have been documented in an action plan and will be monitored by Corporate Management Team and reported to the Audit Committee prior to sign off then again in November each year. In addition, it has been identified that internal controls have not been followed in relation to a contract procurement and steps are being taken to resolve the matter.
- 10.2 There were no significant governance issues raised in the 2020/21 Annual Governance Statement that were required to be followed-up and the minor issues identified at that time have been monitored throughout the year and were last reported to the Audit Committee in November 2021. These issues have either been implemented or have been carried forward to the 2021/22 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 Similar to 2020/21, social distancing measures continued to have an impact on the council's decision-making procedures, particularly in 2021. 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. The majority of the meetings in 2021/22 took place after this legislation expired and were face to face, although some were held in quorate in order to preserve social distancing during the rise of the Omicron variant. All of our formal virtual meetings have been broadcast live and made available on our website and on our YouTube Channel. During the period to September 2020 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 Home working was facilitated for the majority of office-based council staff during the pandemic and this remains in place as an option for hybrid workers. The norm for full time hybrid workers is to work an average of two days per week from home and this is kept under review as part of staff 1-2-1 discussions with managers.
- 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 continued as normal.
- 11.5 The Communications Team have used the council's website, Facebook 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. We have retained limited opening hours for our reception counter at the Civic Centre and we encourage customers to sign up for a 'MyWyre' account which allows for greater self-service 24/7. Ultimately, business as normal largely returned during 2021/22 with the gradual, stepped lifting of Covid-19 restrictions.

Funding consequences during the local government response

- 11.6 The ongoing Covid-19 pandemic has had a financial impact on the council, which is still being felt. 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 going forward. This will be particularly important in light of the 'cost of living crisis' caused by high inflation and rising energy prices partly caused by the conflict in Ukraine.

Longer-term disruption and consequences arising from the coronavirus pandemic

- 11.7 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 and residents are struggling to cope with the increased cost of living.

This means that the assumptions underlying later years in the MTFP will almost certainly need to change, making the ‘funding gap’ for 2022/23 and beyond larger. A more detailed review will be undertaken as part of the MTFP update to Cabinet in October.

Positive outcomes for the council

11.8 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 Section 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 for further development. 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 ongoing pandemic.



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 councils have reduced their Medium Term Financial Plan (MTFP) period to one or two years owing to the uncertainty of government funding, Wyre's MTFP period has been increased to a five year plan (current year plus four years). This was deemed prudent by the Section 151 Officer despite the lack of a multi-year settlement and is intended as a bridge to when more clarity is delivered about the 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.

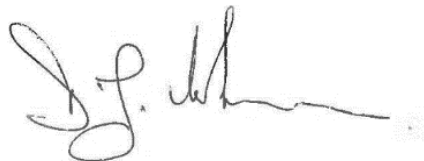
12.4 Whilst longer term forecasting is fraught with uncertainty, there are approaches the council can take to undertaking more horizon scanning around the impact of factors such as increasing demand, aging population, climate change and hybrid working to name a few. An exercise will be undertaken to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

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

13.1 As reported in the Annual Internal Audit report for 2021/22 it is again pleasing to report that governance processes and the overall framework across the organisation have been well supported and have continued to operate effectively.

**14.0 CERTIFICATION**

*As the Leader of the Council, I am aware of the governance issues within this Authority and of the measures that are needed to improve the control environment. Overall, my assessment of the control environment as at 31 March 2022 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 2022 is satisfactory.***



**G PAYNE**  
**CHIEF EXECUTIVE**

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2020/21				2021/22		
Gross Expenditure	Gross Income	Net Expenditure	Note	Gross Expenditure	Gross Income	Net Expenditure
£	£	£		£	£	£
5,047,945	(1,639,576)	3,408,369		5,264,932	(1,775,919)	3,489,013
29,199,956	(26,424,145)	2,775,811		27,936,049	(25,402,075)	2,533,974
5,907,027	(4,343,847)	1,563,180		8,066,767	(6,097,208)	1,969,559
5,122,241	(3,295,118)	1,827,123		5,563,454	(2,696,287)	2,867,167
6,470,647	(1,434,229)	5,036,418		7,204,360	(1,686,625)	5,517,735
<b>51,747,816</b>	<b>(37,136,915)</b>	<b>14,610,901</b>		<b>54,035,562</b>	<b>(37,658,114)</b>	<b>16,377,448</b>
808,213	(84,310)	723,903	10	855,153	-	855,153
685,327	(718,012)	(32,685)	11	828,830	(4,067,387)	(3,238,557)
-	(17,308,550)	(17,308,550)	12	-	(16,739,502)	(16,739,502)
		<b>(2,006,431)</b>				<b>(2,745,458)</b>
		(3,960,095)	24			(6,389,886)
		7,703,000	37			(13,457,000)
		<b>3,742,905</b>				<b>(19,846,886)</b>
		<b>1,736,474</b>				<b>(22,592,344)</b>

## MOVEMENT IN RESERVES STATEMENT

	General Fund Balance £	Earmarked Reserves £	Capital Receipts Reserve £	Capital Grants Unapplied Reserve £	Total Usable Reserves (Note 23) £	Unusable Reserves (Note 24) £	Total Authority Reserves £
<b>Balance at 31 March 2020</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 2020/2021</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)	-
<b>Increase / (Decrease) Movement in 2020/2021</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 23 and 24)</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>
<b>Movement in Reserves during 2021/22</b>							
Total Comprehensive Income and Expenditure	2,745,458	-	-	-	2,745,458	19,846,886	22,592,344
Adjustments between accounting basis and funding basis under Regulations (Note 8)	(1,586,833)	-	46,110	(2,999)	(1,543,722)	1,543,722	-
<b>Increase / (Decrease) Movement in 2021/22</b>	<b>1,158,625</b>	<b>-</b>	<b>46,110</b>	<b>(2,999)</b>	<b>1,201,736</b>	<b>21,390,608</b>	<b>22,592,344</b>
Transfer to or from Earmarked Reserves	(922,130)	922,130					
<b>Balance at 31 March 2022 carried forward (Note 23 and 24)</b>	<b>13,329,220</b>	<b>21,990,363</b>	<b>869,121</b>	<b>58,485</b>	<b>36,247,189</b>	<b>104,187,486</b>	<b>140,434,675</b>

## BALANCE SHEET

As at 31 March 2022

31 March 2021 £	Description	Note	31 March 2022 £
127,003,250	Property, Plant and Equipment	13	130,269,864
330,950	Heritage Assets	14	330,950
11,049,955	Investment Property	15	11,617,455
214,083	Intangible Assets	16	178,918
19	Long Term Investments	17	19
<b>138,598,257</b>	<b>Long Term Assets</b>		<b>142,397,206</b>
6,000,000	Short Term Investments	17	8,000,000
62,637	Inventories		93,786
12,460,381	Short Term Debtors	18	18,920,911
27,221,421	Cash and Cash Equivalents	19	43,851,286
-	Assets classified as held for sale	20	3,640,000
<b>45,744,439</b>	<b>Current Assets</b>		<b>74,505,983</b>
(17,551,657)	Short Term Creditors	21	(19,797,892)
(2,001,818)	Provisions	22	(2,363,535)
(3,498,083)	Revenue Grants Received in Advance	32	(8,121,043)
<b>(23,051,558)</b>	<b>Current Liabilities</b>		<b>(30,282,470)</b>
(1,552,000)	Long Term Borrowing	17	(1,552,000)
(11,283)	Deferred Liabilities		(10,439)
(36,315,100)	Liability related to Defined Benefit Pension Scheme	37	(26,311,100)
(5,570,424)	Capital Grants and Contributions	32	(18,312,505)
<b>(43,448,807)</b>	<b>Long Term Liabilities</b>		<b>(46,186,044)</b>
<b>117,842,331</b>	<b>Net Assets</b>		<b>140,434,675</b>
(35,045,453)	Usable Reserves	23	(36,247,189)
(82,796,878)	Unusable Reserves	24	(104,187,486)
<b>(117,842,331)</b>	<b>Total Reserves</b>		<b>(140,434,675)</b>

## CASH FLOW STATEMENT

For the year ended 31 March 2022

2020/21 £		Note	2021/22 £
(2,006,431)	Net (Surplus) or Deficit on the Provision of Services		(2,745,458)
(11,554,715)	Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-cash Movements	25	301,408
3,516,691	Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing activities	25	4,183,535
<b>(10,044,455)</b>	<b>Net Cash Flows from Operating Activities</b>		<b>1,739,485</b>
(1,911,124)	Investing Activities	26	(12,663,622)
452,873	Financing Activities	27	(5,705,728)
<b>(11,502,706)</b>	<b>Net (Increase) or Decrease in Cash and Cash Equivalents</b>		<b>(16,629,865)</b>
(15,718,715)	Cash and Cash Equivalents at the beginning of the reporting period		(27,221,421)
<b>(27,221,421)</b>	<b>Cash and Cash Equivalents at the end of the reporting period</b>	19	<b>(43,851,286)</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.

2021/22

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statements amounts	Net expenditure chargeable to the General Fund balances	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total Adjustments	Net expenditure in the comprehensive income and expenditure statement
	£	£	£	£	£	£
Leisure, Health and Community Engagement	2,556,136	877,052	55,869	(44)	932,877	3,489,013
Neighbourhood Services and Community Safety	554,789	1,929,738	49,479	(32)	1,979,185	2,533,974
Planning Policy and Economic Development	1,778,645	152,095	38,868	(49)	190,914	1,969,559
Resources	1,202,428	366,469	1,299,309	(1,039)	1,664,739	2,867,167
Street Scene, Parks and Open Spaces	4,668,712	780,637	68,475	(89)	849,023	5,517,735
<b>Net Cost of Services</b>	<b>10,760,710</b>	<b>4,105,991</b>	<b>1,512,000</b>	<b>(1,253)</b>	<b>5,616,738</b>	<b>16,377,448</b>
Other income and expenditure	783,971	26,182	45,000	-	71,182	855,153
Financing and investment income and expenditure	(286,965)	(3,711,592)	760,000	-	(2,951,592)	(3,238,557)
Taxation and non-specific grant income and expenditure	(12,416,341)	(1,542,413)	-	(2,780,748)	(4,323,161)	(16,739,502)
<b>Difference between General Fund surplus or deficit and CIES Surplus or Deficit on the Provision of Services (Note 8)</b>	<b>(1,158,625)</b>	<b>(1,121,832)</b>	<b>2,317,000</b>	<b>(2,782,001)</b>	<b>(1,586,833)</b>	<b>(2,745,458)</b>
Transfers to/from earmarked reserves	922,130	-	-	(922,130)	(922,130)	-
<b>(Surplus)/Deficit</b>	<b>(236,495)</b>	<b>(1,121,832)</b>	<b>2,317,000</b>	<b>(3,704,131)</b>	<b>(2,508,963)</b>	<b>(2,745,458)</b>
Opening General Fund Balance at 31 March 2021	<b>(13,092,725)</b>					
Less (Surplus)/Deficit on General Fund Balance in Year	<b>(236,495)</b>					
<b>Closing General Fund balance at 31 March 2022</b>	<b>(13,329,220)</b>					

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 Policy 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 CIES 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	<b>(13,906,033)</b>					
Less (Surplus)/Deficit on General Fund Balance in Year	<b>813,308</b>					
<b>Closing General Fund balance at 31 March 2021</b>	<b>(13,092,725)</b>					

### 1) Adjustments for Capital Purposes

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

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



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

## 2) Net change for the Pensions Adjustments

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

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

## 3) Other Differences

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

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

## NOTE 2 ACCOUNTING POLICIES

### i. General principles

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

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

### ii. Accruals of income and expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

### iii. Cash and cash equivalents

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

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

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

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

#### v. Charges to revenue for non-current assets

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

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

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

#### vi. Council tax and non-domestic rates

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

## Accounting for council tax and NDR

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

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

### vii. Employee benefits

#### Benefits payable during employment

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

#### Termination benefits

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

#### Post-employment benefits

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

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

## The Local Government Pension Scheme

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

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

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

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

In relation to retirement benefits, statutory provisions require the general fund balance to be charged with the amount payable by the council to the pension fund or directly to pensioners in the year, not that amount calculated according to the relevant accounting standards. In the movement in reserves statement, this means that there are transfers to and from the pensions reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the pensions reserve thereby measures the beneficial impact to the general fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

### **Discretionary benefits**

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

#### **viii. Events after the reporting period**

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

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

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

#### **ix. Financial instruments**

### **Financial liabilities**

Financial liabilities are recognised on the balance sheet when the council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the financing and investment income and expenditure line in the comprehensive income and expenditure statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For the borrowings that the council has, this means that the amount presented in the balance sheet is the outstanding principal repayable and interest charged to the CIES is the amount payable for the year according to the loan agreement.

## Financial assets

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

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

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

### Financial assets measured at amortised costs

Financial assets measured at amortised cost are recognised on the balance sheet when the council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the financing and investment income and expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the council, this means that the amount presented in the balance sheet is the outstanding principal receivable and interest credited to the CIES is the amount receivable for the year in the loan agreement.

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

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

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

Financial assets that are measured at FVPL are recognised on the balance sheet when the council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the surplus or deficit on the provision of services.

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

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

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

## Fair value measurements of financial assets

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

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

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

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

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

## Expected credit loss model

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

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

### x. Government grants and contributions

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

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

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



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

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

xi. **Heritage assets**

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

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

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

**Eros statue**

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

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

**Statue of Sir Peter Hesketh-Fleetwood**

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

**Civic regalia**

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

## xii. Intangible assets

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

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

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

## xiii. Inventories

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

## xiv. Investment property

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

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Investment properties are not depreciated but are subject to an annual desktop review with full revaluation every three years according to market conditions at each year-end. Owing to Covid-19 the three year full valuation was delayed with a desktop exercise being undertaken in 2020/21; a full revaluation was carried out in 2021/22. Gains and losses on revaluation are posted to the financing and investment income and expenditure line in the comprehensive income and expenditure statement. The same treatment is applied to gains and losses on disposal.

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

## xv. Leases

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

### **The council as lessee**

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

### **The council as a lessor**

The council does not have any finance leases.

### **Operating leases**

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

## xvi. Overheads and support services

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

## xvii. Property, plant and equipment

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

### **Recognition**

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

### **Measurement**

Assets are initially measured at cost, comprising:

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

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

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

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

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

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

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

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

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

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

### **Impairment**

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

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

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

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

## **Depreciation**

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

Depreciation is calculated on the following bases:

- Buildings / car parks – straight-line allocation over the useful life of the property as estimated by the valuer, which can be up to 80 years.
- Vehicles, plant, furniture and equipment – straight-line allocation over the life of the asset as advised by a suitably qualified officer, which can be up to 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 before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other operating expenditure line in the CIES. Gains in fair value are recognised only up to the amount of any previously recognised losses in the surplus or deficit on the provision of services. Depreciation is not charged on assets held for sale.

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

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

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

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

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

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

xviii. Provisions, contingent liabilities and contingent assets

**Provisions**

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

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

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

## Contingent Liabilities

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

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

## Contingent Assets

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

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

### xix. Reserves

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

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

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

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the comprehensive income and expenditure statement in the year. Where the council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the movement in reserves statement from the general fund balance to the capital adjustment account then reverses out the amounts charged so that there is no impact on the level of council tax.

In 2021/22 Wyre's REFCUS expenditure (£2,595,012) related to disabled facilities grants, heritage action zone grants, and projects linking in with town/parish councils and community groups .

### xxi. VAT

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

xxii. Fair value measurement of non-financial assets

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

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

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

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

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

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

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

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

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

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

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



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

**NOTE 4 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

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

**Funding**

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

**Investment Properties**

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

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

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

Item	Uncertainties	Effect if actual results differ from assumptions
Depreciation of Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	<p>If the useful life of assets is reduced, depreciation increase and the carrying amount of the assets falls.</p> <p>It is estimated that the annual depreciation charge for buildings would increase for every year that useful lives has to be reduced.</p>
Fair Value Estimations	<p>When the fair values of Investment Properties, Surplus Assets and Assets Held for Sale cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using the following valuation techniques:</p> <p>Level 2: inputs that are observable for the asset or liability either directly or indirectly, such as quoted prices for identical or similar assets or liabilities in markets that are not active.</p> <p>Level 3: inputs that are unobservable, and are based on best information available in the circumstances such as the Authority's own data and indexations.</p>	<p>The significant observable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels and discount rates – adjusted for regional factors,</p> <p>Changes in assumptions used could affect the fair value of assets and liabilities. Significant changes in any of the unobservable inputs would result in lower or higher fair value measurement for these assets.</p>

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.	The effect on the net pension liability of changes in individual assumptions can be measured. See note 37 for details of sensitivity analysis.
Provision for credit losses	As at 31 March 2022, 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

### Sale of Land at Bourne Hill, Thornton

During 2021/22 the council approved the disposal of land at Bourne Hill; the asset was transferred to Assets Held for Sale in the 2021/22 Balance Sheet at a value of £3.64m. The completion of the sale took place on 27 May 2022, for a sale price totalling £5.715m. As the completion took place after the balance sheet date, there have been no amendments made to the 2021/22 accounts. The gain on the disposal will be reflected in the 2022/23 statement of accounts.

## NOTE 7 EXPENDITURE AND INCOME ANALYSED BY NATURE

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

Expenditure/Income	2020/21	2021/22
<i>Expenditure</i>		
Employee benefits expenses	11,635,567	12,490,650
Other services expenses	36,379,003	37,441,766
Support service recharges	14,044,085	15,732,183
Depreciation, amortisation, impairment	3,777,041	4,105,990
Interest payments	685,327	828,830
Expenses relating to disposal of assets	-	65,900
Precepts and levies	764,213	783,971
<b>Total expenditure</b>	<b>67,285,236</b>	<b>71,449,290</b>
<i>Income</i>		
Fees, charges and other service income	(21,058,363)	(25,164,843)
Interest and investment income	(718,012)	(4,067,387)
Income from Council tax and non-domestic rates	(5,843,465)	(9,224,009)
Government grants and contributions	(41,587,517)	(35,698,791)
Gain on the disposal of assets	(84,310)	(39,718)
<b>Total income</b>	<b>(69,291,667)</b>	<b>(74,194,748)</b>
<b>(Surplus) or deficit on the Provision of Services</b>	<b>(2,006,431)</b>	<b>(2,745,458)</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.

2021/22	Unusable Reserves			
	General Fund Balance £	Capital Receipts Reserve £	Capital Grants Unapplied Reserve £	Movement in Unusable Reserves £
<b><u>Adjustments primarily involving the Capital Adjustment Account:</u></b>				
<b>1. Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
Charges for depreciation and impairment of non-current assets.	3,965,670			(3,965,670)
Revaluation losses on Property, Plant and Equipment.	69,995			(69,995)
Movements in the market value of Investment Properties.	(3,485,748)			3,485,748
Amortisation of Intangible Assets.	70,326			(70,326)
Capital grants and contributions applied.	(4,137,425)			4,137,425
Revenue expenditure funded from capital under statute.	2,595,012			(2,595,012)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.	72,292			(72,292)
<b>2. Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
Statutory provision for the financing of capital investment.	(95,559)			95,559
Capital expenditure charged against the General Fund (Direct Revenue Contributions).	(130,285)			130,285
<b><u>Adjustment primarily involving the Capital Grants Unapplied Reserve:</u></b>				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement.	-		-	
Application of grants and capital financing transferred to the Capital Adjustment Account.			(2,999)	2,999
<b><u>Adjustment primarily involving the Capital Receipts Reserve:</u></b>				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.	(46,110)	46,110		
Use of Capital Receipts Reserve to finance new capital expenditure.		-		-
<b><u>Adjustments primarily involving the Pension Reserve:</u></b>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 37).	3,740,000			(3,740,000)
Employer's pension's contributions and direct payments to pensioner's payable in the year.	(1,423,000)			1,423,000
<b><u>Adjustments primarily involving the Collection Fund Adjustment Account:</u></b>				
Amount by which Council tax income and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from Council tax income calculated for the year in accordance with statutory requirements.	(2,780,748)			2,780,748
<b><u>Adjustments primarily involving the Accumulated Absences Account:</u></b>				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	(1,253)			1,253
<b>Total Adjustments</b>	<b>(1,586,833)</b>	<b>46,110</b>	<b>(2,999)</b>	<b>1,543,722</b>

2020/21	Unusable Reserves			
	General Fund Balance £	Capital Receipts Reserve £	Capital Grants Unapplied Reserve £	Movement in Unusable Reserves £
<b><u>Adjustments primarily involving the Capital Adjustment Account:</u></b>				
<b>1. Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
Charges for depreciation and impairment of non-current assets.	3,678,334			(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 37).	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>

## 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 2021/22.

General Fund	Balance at 31 March 2020 £	Transfers in 2020/21 £	Transfers out 2020/21 £	Balance at 31 March 2021 £	Transfers in 2021/22 £	Transfers out 2021/22 £	Balance at 31 March 2022 £
<i>Non ring-fenced reserves</i>							
Building Control	10,315	44,200	-	54,515	2,509	-	57,024
Capital Investment	563,319	1,116,066	(51,129)	1,628,256	22,800	(73,794)	1,577,262
Elections	-	41,217	-	41,217	41,217	-	82,434
Homelessness	-	459,622	-	459,622	55,395	(107,248)	407,769
Insurance	106,014	40,000	(47,777)	98,237	40,000	(788)	137,449
IT Strategy	480,870	715,585	(245,740)	950,715	647,727	(156,180)	1,442,262
Land Charges	17,951	-	(5,389)	12,562	-	(12,562)	-
Leisure Management	206,081	260,935	-	467,016	257,382	-	724,398
Council Tax Equalisation	1,706,247	1,137,498	(568,749)	2,274,996	1,137,498	(568,749)	2,843,745
Non-Domestic Rates Equalisation	3,900,608	8,254,239	(2,269,299)	9,885,548	4,410,973	(5,183,907)	9,112,614
Performance Reward Initiative	24,564	-	(2,050)	22,514	-	(22,514)	-
Property Investment Fund	1,000,000	1,906,900	-	2,906,900	-	(29,732)	2,877,168
Value for Money	802,582	75,540	(14,450)	863,672	59,064	(144,921)	777,815
Vehicle Replacement/Street Cleansing Maintenance	2,917,657	643,500	(3,005,818)	555,339	586,266	(53,817)	1,087,788
<b>Sub total</b>	<b>11,736,208</b>	<b>14,695,302</b>	<b>(6,210,401)</b>	<b>20,221,109</b>	<b>7,260,831</b>	<b>(6,354,212)</b>	<b>21,127,728</b>
<i>Ring-fenced reserves</i>							
Enterprise Zone Growth	1,160,907	39,005	(352,788)	847,124	72,808	(57,297)	862,635
<b>Sub total</b>	<b>1,160,907</b>	<b>39,005</b>	<b>(352,788)</b>	<b>847,124</b>	<b>72,808</b>	<b>(57,297)</b>	<b>862,635</b>
<b>Grand total</b>	<b>12,897,115</b>	<b>14,734,307</b>	<b>(6,563,189)</b>	<b>21,068,233</b>	<b>7,333,639</b>	<b>(6,411,509)</b>	<b>21,990,363</b>

Earmarked Reserves are held for the following purposes:

- **Building Control** – a fundamental principle of the Building Regulations Scheme, introduced 1 April 1999 and subsequently amended by the 2010 Regulations, is that there is a three to five year rolling accounting period over which costs should equate with charge income. This reserve assists with achieving that aim in future periods or fund expenditure promoting increased efficiency and reduced costs.
- **Capital Investment** – established in 2009/10 to fund capital investment, thereby avoiding the need to borrow in the future.
- **Elections** – established in 2008/09 to fund Borough Elections, which occur every four years.
- **Homelessness** – established in 2020/21 to hold a number of Homelessness related external funding streams and one off grants. Used to fund initiatives to support homelessness prevention, mitigate the problem of rough sleeping and contribute to the general provision of Housing Options services.
- **Insurance** – established in 2016/17 to fund the increased level of excesses following a review of the Council's insurance arrangements and related risk management costs.

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

## NOTE 10 OTHER OPERATING EXPENDITURE

2020/21 £		2021/22 £
764,213	Parish Council Precepts	783,971
44,000	Pension administration costs	45,000
(84,310)	(Gains)/losses on disposal of non-current assets and administrative costs linked to disposal of assets (excl. investment assets)	26,182
<b>723,903</b>	<b>TOTAL</b>	<b>855,153</b>

## NOTE 11 FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2020/21 £		2021/22 £
69,327	Interest payable and similar charges	68,830
616,000	Net interest on defined benefits liability / (asset)	760,000
(63,730)	Interest receivable and similar income	(68,001)
(654,282)	Income and Expenditure in relation to Investment properties and changes to their fair value (See Note 15)	(3,999,386)
<b>(32,685)</b>	<b>TOTAL</b>	<b>(3,238,557)</b>

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

2020/21 £		2021/22 £
(8,256,198)	Council Tax (income) and expenditure	(8,862,114)
2,412,733	Non-domestic rates (income) and expenditure	(361,895)
(9,402,290)	Non-ring-fenced government grants (See Note 32)	(5,973,080)
(2,062,795)	Capital grants and contributions (See Note 32)	(1,542,413)
<b>(17,308,550)</b>	<b>TOTAL</b>	<b>(16,739,502)</b>



**NOTE 13 PROPERTY, PLANT AND EQUIPMENT**

Movements in 2021/22

	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£	£	£	£	£	£	£
<b><u>Cost or valuation</u></b>							
<b>B/fwd at 01/04/21</b>	<b>45,190,349</b>	<b>9,715,218</b>	<b>86,864,356</b>	<b>5,631,830</b>	<b>672,555</b>	<b>-</b>	<b>148,074,308</b>
Additions	-	87,773	25,059	24,955	1,459,397	-	1,597,184
Revaluation increase/decreases to the revaluation reserve	4,922,691	-	-	-	-	-	4,922,691
Revaluation increase/(decrease) to the Surplus or Deficit on the Provision of Services	(44,936)	-	(25,059)	-	-	-	(69,995)
Derecognition - Disposals	(1)	(126,352)	-	-	-	-	(126,353)
Reclassifications	(678,400)	-	-	-	-	-	(678,400)
Reclassified to Held for Sale	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>49,389,703</b>	<b>9,676,639</b>	<b>86,864,356</b>	<b>5,656,785</b>	<b>2,131,952</b>	<b>-</b>	<b>153,719,435</b>
<b><u>Depreciation</u></b>							
<b>B/fwd at 01/04/21</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>
Charge in year	(1,286,386)	(938,572)	(1,740,712)	-	-	-	(3,965,670)
Revaluations	1,467,195	-	-	-	-	-	1,467,195
Derecognition – Disposals	-	119,962	-	-	-	-	119,962
Reclassification	-	-	-	-	-	-	-
<b>C/fwd at 31/03/22</b>	<b>(3,554,333)</b>	<b>(5,060,516)</b>	<b>(14,834,722)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,449,571</b>
<b>Net Book Value at 31/03/22</b>	<b>45,835,370</b>	<b>4,616,123</b>	<b>72,029,634</b>	<b>5,656,785</b>	<b>2,131,952</b>	<b>-</b>	<b>130,269,864</b>

## Movements in 2020/21

	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£	£	£	£	£	£	£
<b><u>Cost or valuation</u></b>							
<b>B/fwd at 01/04/20</b>	<b>47,299,443</b>	<b>6,600,658</b>	<b>86,864,356</b>	<b>4,701,970</b>	-	-	<b>145,466,427</b>
Additions	123,002	3,553,156	27,686	929,860	672,555	-	5,306,259
Revaluation increase/decreases to the revaluation reserve	1,769,808	-	-	-	-	-	1,769,808
Revaluation increase/(decrease) to the Surplus or Deficit on the 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>45,190,349</b>	<b>9,715,218</b>	<b>86,864,356</b>	<b>5,631,830</b>	<b>672,555</b>	-	<b>148,074,308</b>
<b><u>Depreciation</u></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>(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>(21,071,058)</b>
<b>Net Book Value at 31/03/21</b>	<b>41,455,207</b>	<b>5,473,312</b>	<b>73,770,346</b>	<b>5,631,830</b>	<b>672,555</b>	-	<b>127,003,250</b>

## Commitments on the Capital Programme

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

Scheme	Purpose	Approx. Value £	Period over which investment will take place
Fleetwood Heritage Action Zone	To carry out landscape engineering works	£120,000	February 2022 to August 2022
Citizens' Access Portal	To implement a new web-based customer portal	£58,000	April 2022 to March 2023

## 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 2021. Valuations of vehicles, plant, furniture and equipment are based on current prices where there is an active second-hand market or latest list prices adjusted for the condition of the asset.

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

Valued	Other land and buildings £	Vehicle, plant, furniture and equipment £	Infrastructure assets £	Community assets £	Assets Under Construction £	Surplus assets £	Total £
Carried at Historic cost:	-	9,676,639	86,864,356	5,656,785	2,131,952	-	104,329,732
Valued at fair value as at 31 March:							
2022	11,720,363	-	-	-	-	-	11,720,363
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
<b>Total cost or valuation</b>	<b>49,389,703</b>	<b>9,676,639</b>	<b>86,864,356</b>	<b>5,656,785</b>	<b>2,131,952</b>	<b>-</b>	<b>153,719,435</b>

## NOTE 14 HERITAGE ASSETS

### Movements in 2021/22

Cost or valuation	Civic Regalia £	Statues £	TOTAL £
Balance brought forward at 1 April 2021	94,575	236,375	330,950
Additions in year	-	-	-
<b>Net book value carried forward 31 March 2022</b>	<b>94,575</b>	<b>236,375</b>	<b>330,950</b>

### Movements in 2020/21

Cost or valuation	Civic Regalia £	Statues £	TOTAL £
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>

## 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.

2020/21 £		2021/22 £
488,003	Rental Income from Investment property	513,638
166,279	Gain or (loss) on disposal of investment assets and gain or loss on revaluation	3,485,748
	<ul style="list-style-type: none"> <li>• Direct operating expenses arising from Investment property</li> </ul>	
<b>654,282</b>	<b>Net gain/(loss)</b>	<b>3,999,386</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.

2020/21 £		2021/22 £
6,772,555	Balance brought forward	11,049,955
	<i>Additions:</i>	
-	Purchases	-
-	Construction	-
121,121	Subsequent expenditure	43,352
-	Disposals	-
166,279	Net gain/(losses) from fair value adjustments	3,485,748
	<i>Transfers:</i>	
3,990,000	To/from property, plant and equipment	678,400
-	To/from held for sale	(3,640,000)
-	Other changes	-
<b>11,049,955</b>	<b>Balance carried forward</b>	<b>11,617,455</b>

### Fair Value Hierarchy

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

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

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

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

### NOTE 16 INTANGIBLE ASSETS

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

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

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £70,325 charged to revenue in 2021/22 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:

2020/21 £		2021/22 £
<i>Balance at start of the year comprising:</i>		
2,730,464	Gross carrying amount	2,744,914
(2,459,810)	Accumulated amortisation	(2,530,832)
<b>270,654</b>	<b>Net carrying amount at start of the year</b>	<b>214,082</b>
14,450	Additions	35,161
(71,022)	Amortisation for the period	(70,325)
<b>214,082</b>	<b>Net carrying amount at end of period</b>	<b>178,918</b>
<i>Comprising:</i>		
2,744,914	Gross carrying amount	2,780,075
(2,530,832)	Accumulated amortisation	(2,601,157)
<b>214,082</b>		<b>178,918</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 2021 £	31 March 2022 £	31 March 2021 £	31 March 2022 £
<b>Investments</b>				
<b>At amortised cost</b>				
Cash and Cash Equivalents	-		27,123,909	43,783,907
Short term Investments	19	19	6,000,000	8,000,000
<b>Total Investments</b>	<b>19</b>	<b>19</b>	<b>33,123,909</b>	<b>51,783,907</b>
<b>Short Term Debtors</b>				
<b>At amortised cost</b>				
Financial assets carried at contract amounts	-	-	717,072	1,166,113
<b>Total Short Term Debtors</b>	<b>-</b>	<b>-</b>	<b>717,072</b>	<b>1,166,113</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	-	-	(1,552,614)	(1,696,885)
<b>Total Short Term Creditors</b>	<b>-</b>	<b>-</b>	<b>(1,552,614)</b>	<b>(1,696,885)</b>

### Income, expense, gains and losses

	2020/21		2021/22	
	Surplus or deficit on the provision of services £	Other comprehensive income and expenditure £	Surplus or deficit on the provision of services £	Other comprehensive income and expenditure £
<b>Net gains/losses on:</b>				
Financial assets measured at fair value through profit or loss	-		-	
Financial assets measured at amortised cost	63,730		68,001	
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	(69,326)		(68,830)	
<b>Total net gains/losses</b>	<b>(5,596)</b>	<b>-</b>	<b>(829)</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 2021		31 March 2022	
	Carrying amount £	Fair Value £	Carrying amount £	Fair Value £
Market Debt	0	0	0	0
PWLB Debt (short and long term)	1,552,000	2,321,435	1,552,000	2,126,819
<b>Total Borrowings</b>	<b>1,552,000</b>	<b>2,321,435</b>	<b>1,552,000</b>	<b>2,126,819</b>
Creditors	1,552,614	1,552,614	1,696,885	1,696,885
<b>Total Financial Liabilities</b>	<b>3,104,614</b>	<b>3,874,049</b>	<b>3,248,885</b>	<b>3,823,704</b>

The fair value of the liabilities is greater than the carrying amount in 2021/22 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 2022) arising from a commitment to pay interest to lenders above current market rates.

	31 March 2021		31 March 2022	
	Carrying amount £	Fair Value £	Carrying amount £	Fair Value £
Investments (Cash and Cash Equivalents) and short term deposits	33,123,909	33,123,909	51,783,907	51,783,907
Long Term Debtors	-	-	-	-
Debtors	717,072	717,072	1,166,113	1,166,113
<b>Total Financial Assets</b>	<b>33,840,981</b>	<b>33,840,981</b>	<b>52,950,020</b>	<b>52,950,020</b>

The fair value of the assets is the same as the carrying amount in 2021/22. The materiality of the less than one year fair value adjustments means there is very little impact on the overall figure.

## NOTE 18 SHORT TERM DEBTORS

2020/21 £	Analysis	2021/22 £
<b>Amounts falling due in one year:</b>		
6,283,774	Central Government Bodies	5,815,678
3,888,969	Other Local Authorities	5,893,838
48,356	NHS Bodies	46,120
-	Public Corporations	6
2,239,282	Other Entities and Individuals	7,165,269
<b>12,460,381</b>	<b>Total</b>	<b>18,920,911</b>

## NOTE 19 CASH AND CASH EQUIVALENTS

2020/21 £	Analysis	2021/22 £
2,370	Cash held by the Authority	2,300
95,202	Bank current accounts	65,079
-	Bank overdrafts	-
27,123,849	Short term deposits	43,783,907
<b>27,221,421</b>	<b>Total</b>	<b>43,851,286</b>

## NOTE 20 ASSETS HELD FOR SALE

	Current	
	2020/21 £	2021/22 £
<b>Balance outstanding at start of year</b>	-	-
Assets newly classified as Held for Sale:		
• Investment properties	-	3,640,000
Asset Sold	-	-
<b>Balance outstanding at year-end</b>	-	<b>3,640,000</b>

## NOTE 21 SHORT TERM CREDITORS

2020/21 £	Analysis	2021/22 £
(14,833,809)	Central Government Bodies	(11,206,974)
(331,773)	Other Local Authorities	(6,005,049)
(220,121)	NHS Bodies	(164,639)
-	Public Corporations	-
(2,165,954)	Other Entities and Individuals	(2,421,230)
<b>(17,551,657)</b>	<b>Total</b>	<b>(19,797,892)</b>



## NOTE 22 PROVISIONS

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

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

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

2020/21 £	Analysis	2021/22 £
<b>(3,209,710)</b>	<b>Balance at 1 April</b>	<b>(2,001,818)</b>
-	Additional Provisions made	(361,717)
1,207,892	Amounts used / released	-
<b>(2,001,818)</b>	<b>Balance at 31 March</b>	<b>(2,363,535)</b>

## NOTE 23 USABLE RESERVES

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

2020/21 £	Analysis	2021/22 £
13,092,725	General Fund	13,329,220
21,068,233	Earmarked Reserves	21,990,363
823,011	Capital Receipts Reserve	869,121
61,484	Capital Grants Unapplied Reserve	58,485
<b>35,045,453</b>	<b>Total</b>	<b>36,247,189</b>

## NOTE 24 UNUSABLE RESERVES

2020/21 £	Analysis	2021/22 £
21,556,905	Revaluation Reserve	27,301,921
105,875,362	Capital Adjustment Account	107,598,953
(38,588,000)	Pensions Reserve	(27,448,000)
(5,922,893)	Collection Fund Adjustment Account	(3,142,145)
(124,496)	Accumulated Absences Account	(123,243)
<b>82,796,878</b>	<b>Total</b>	<b>104,187,486</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.

2020/21 £		£	2021/22 £
<b>18,311,860</b>	<b>Balance at 1 April</b>		<b>21,556,905</b>
3,960,095	Upward revaluation of assets	6,389,886	
	Downward revaluation of assets and impairment losses not charged to the Surplus or (Deficit) on the Provision of Services		
3,960,095	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or (Deficit) on the Provision of Services		6,389,886
(715,050)	Difference between fair value depreciation and historic cost depreciation	(644,870)	
-	Accumulated gains on assets sold or scrapped		
(715,050)	Amounts written off to the Capital Adjustment Account		(644,870)
<b>21,556,905</b>	<b>Balance at 31 March</b>		<b>27,301,921</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.

2020/21 £		£	2021/22 £
<b>103,256,452</b>	<b>Balance at 1 April</b>		<b>105,875,362</b>
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
(3,678,334)	- Charges for depreciation and impairment of non-current assets	(3,965,670)	
(27,686)	- Revaluation losses on Property, Plant and Equipment	(69,995)	
(71,022)	- Amortisation of intangible assets	(70,326)	
(1,346,820)	- Revenue expenditure funded from capital under statute	(2,595,012)	
(22,765)	- Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(72,292)	
(5,146,627)			(6,773,295)
715,050	Adjusting amounts written out of the Revaluation Reserve		644,870
(4,431,577)	Net written out amount of the cost of non-current assets consumed in the year		(6,128,425)
	Capital financing applied in the year:		
65,118	- Use of the Capital Receipts Reserve to finance new capital expenditure		-
3,409,615	- Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	4,137,425	
108,367	- Application of grants to capital financing from the Capital Grants Unapplied Reserve	2,999	
95,559	- Statutory provision for the financing of capital investment charged against the General Fund	95,559	
3,205,549	- Capital expenditure charged against the General Fund	130,285	
6,884,208			4,366,268
166,279	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		3,485,748
-	Movement in the Donated Assets Account credited to the Comprehensive Income and Expenditure Statement		-
<b>105,875,362</b>	<b>Balance at 31 March</b>		<b>107,598,953</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.

2020/21 £		£	2021/22 £
<b>(29,185,000)</b>	<b>Balance at 1 April</b>		<b>(38,588,000)</b>
(7,703,000)	Remeasurement of the net defined benefit liability / (asset)		13,457,000
(3,110,000)	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		(3,740,000)
1,410,000	Employer's pensions contributions and direct payments to pensioners payable in the year		1,423,000
<b>(38,588,000)</b>	<b>Balance at 31 March</b>		<b>(27,448,000)</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.

2020/21 £		£	2021/22 £
<b>(439,564)</b>	<b>Balance at 1 April</b>		<b>(5,922,893)</b>
(70,623)	Council Tax	473,346	
(5,543,315)	Non-Domestic Rates	2,380,210	
130,609	Enterprise Zone Growth	(72,808)	
<b>(5,483,329)</b>	<b>Amount by which Council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from Council tax and non-domestic rates income calculated for the year in accordance with statutory requirements</b>		<b>(2,780,748)</b>
(53,121)	Council Tax		420,225
(5,861,788)	Non-Domestic Rates		(3,481,578)
(7,984)	Enterprise Zone Growth		(80,792)
<b>(5,922,893)</b>	<b>Balance at 31 March</b>		<b>(3,142,145)</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.

2020/21 £		£	2021/22 £
<b>(118,996)</b>	<b>Balance at 1 April</b>		<b>(124,496)</b>
118,996	Settlement or cancellation of accrual made at the end of the preceding year	124,496	
(124,496)	Amounts accrued at the end of the current year	(123,243)	
<b>(5,500)</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>1,253</b>
<b>(124,496)</b>	<b>Balance at 31 March</b>		<b>(123,243)</b>

### NOTE 25 CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

2020/21 £		2021/22 £
(63,730)	Interest received	(68,001)
69,327	Interest paid	68,830
-	Dividends received	-
<b>5,597</b>	<b>Total</b>	<b>829</b>

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

2020/21 £		2021/22 £
3,678,334	Depreciation	3,965,670
27,686	Impairment and downward valuations	69,995
71,022	Amortisation	70,326
5,390,005	Increase / (decrease) in creditors	(4,676,104)
3,498,083	Increase / (decrease) in revenue grant receipt in advance	4,622,960
(1,455,044)	(Increase) / decrease in debtors	(4,658,466)
(3,965)	(Increase) / decrease in inventories	(31,149)
(572,900)	Movement in pension liability (Retirement benefits)	3,453,000
22,765	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	6,392
(1,374,171)	Other non-cash items charged to the net surplus or deficit on the provision of services	(3,124,032)
<b>11,554,715</b>	<b>Total</b>	<b>(301,408)</b>

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

2020/21 £		2021/22 £
-	Proceeds from short term (not considered to be cash equivalents) and long term investments	-
(107,075)	Proceeds from the sale of property plant and equipment, investment property and intangible assets	(46,110)
(3,409,616)	Capital Grants credited to surplus or deficit on the provision of services	(4,137,425)
<b>(3,516,691)</b>	<b>Total</b>	<b>(4,183,535)</b>

## NOTE 26 CASH FLOW STATEMENT – INVESTING ACTIVITIES

2020/21 £		2021/22 £
(7,359,779)	Purchase of property, plant and equipment, investment property and intangible assets	(2,261,994)
(9,000,000)	Purchase of short term and long term investments	(22,000,000)
-	Other payments for investing activities	-
107,075	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	46,110
11,000,000	Proceeds from short term and long term investments	20,000,000
7,163,828	Other receipts from investing activities	16,879,506
<b>1,911,124</b>	<b>Total</b>	<b>12,663,622</b>

## NOTE 27 CASH FLOW STATEMENT – FINANCING ACTIVITIES

2020/21 £		2021/22 £
-	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	-
3,992	Repayments and Receipts from short and long term borrowing	(844)
(456,865)	Billing Authorities - Council Tax and NNDR adjustments	5,706,572
-	Other payments for financing activities	-
<b>(452,873)</b>	<b>Total</b>	<b>5,705,728</b>

**NOTE 28 AGENCY SERVICES**

**Lancashire County Council – Highway Related Functions**

The Highways Partnership agency arrangement was terminated at the end of June 2006, with Lancashire County Council assuming direct responsibility for the delivery of highway related functions from 1 July 2006. There remains a residual agreement in place which covers the maintenance of highway verges and roundabouts, weed control, leaf sweeping, tree maintenance and the management of Public Rights of Way. Total reimbursement in 2021/22 was £97,895 (2020/21 £94,488); these sums are not included in the Comprehensive Income and Expenditure Statement.

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

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

During 2021/22 the council administered the following COVID-19 and Cost of Living related grants as an agent of government bodies:

Grant Scheme	Grant Amount Carried Forward from 2020/21 or Received in 2021/22 £	Grant Amount Distributed to Third Parties / Repaid in Year £	Balance To Be Repaid £	Balance Held to Distribute in Future Years £
Christmas Support Payment (Wet-Led Pubs)	8,800	8,800	-	-
Closed Business Support Payment	1,886,000	1,886,000	-	-
LRSO Closed (including Sector)	955,970	955,970	-	-
LRSO Closed Addendum	2,264,165	2,264,165	-	-
LRSO Open	76	76	-	-
Omicron Hospitality and Leisure Grant	1,212,084	769,381	442,703	-
Retail Hospitality and Leisure Grants	25,000	25,000	-	-
Restart Grant	7,020,288	7,020,288	-	-
Small Business Grant Funds	10,000	-	10,000	-
Test and Trace Support Payment Scheme	203,500	196,500	7,000	-
Council Tax Energy Rebate	6,592,050	-	-	6,592,050
<b>TOTAL</b>	<b>20,177,933</b>	<b>13,126,180</b>	<b>459,703</b>	<b>6,592,050</b>

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

**Lancashire Enterprise Partnership – ‘Project Neptune’**

In 2020, the Government announced a £900million Getting Building Fund to deliver jobs, skills and infrastructure across the country. This fund was begin targeted in areas facing the biggest economic challenges as a result of the COVID-19 pandemic. It was supporting the delivery of shovel-ready infrastructure projects, agreed with Lancashire Enterprise Partnerships to boost economic growth and fuel local recovery and jobs.

The 'Project Neptune' bid related to the building of a new, modern commercial food processing facility on Fleetwood Docks. The site, currently owned by Associated British Ports (ABP), will be the new home for some of the current fish processing businesses in the port.

'Project Neptune' will create a 40,500 sq ft modern commercial food processing facility providing space for 11 businesses housed in two buildings. The successful bid secured a grant totalling £4,030,385 from the Getting Building Fund. Wyre Council administered the grant payments to ABP on behalf of the Lancashire Enterprise Partnership during 2021/22. These costs have not been reflected in the Comprehensive Income and Expenditure Statement.

### NOTE 29 MEMBERS' ALLOWANCES

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

2020/21 £		2021/22 £
312,220	Allowances	325,122
498	Travel and subsistence	863
-	Dependent's carers allowance	-
<b>312,718</b>	<b>Total</b>	<b>325,985</b>

### NOTE 30 OFFICERS' REMUNERATION

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

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

Remuneration Bands	Number of employees 2020/21	Number of employees 2021/22
£50,000 - £54,999	6	5
£55,000 - £59,999	3	3
£60,000 - £64,999	-	-
£65,000 - £69,999	1	-
£70,000 - £74,999	3	-
£75,000 - £79,999	-	3
£80,000 - £84,999	-	-
£85,000 - £89,999	-	-
£90,000 - £94,999	-	-
£95,000 - £99,999	-	-
£100,000 - £104,999	-	-
£105,000 - £109,999	1	-
£110,000 - £114,999	-	-
£115,000 - £119,999	-	1
£120,000 - £124,999	-	-

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

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

Post holder information (Post title)	Year	Salary (Including fees and Allowances) £	Expenses Allowances £	Compensation for loss of office (Redundancy payments) £	Pension contributions (Incl. strain / augmented costs) £	Total Remuneration £
Chief Executive	2021/22	117,322	234	-	20,255	137,811
	2020/21	109,050	-	-	19,956	129,006
Corporate Director Communities	2021/22	75,090	-	-	13,741	88,831
	2020/21	73,124	-	-	13,382	86,506
Corporate Director Environment	2021/22	75,090	41	-	13,471	88,872
	2020/21	73,124	-	-	13,382	86,505
Corporate Director Resources (s.151 Officer)	2021/22	75,090	-	-	13,741	88,831
	2020/21	73,980	50	-	13,538	87,568

**NOTE 31 EXTERNAL AUDIT COSTS**

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

2020/21 £	Audit Fee	2021/22 £
37,470	Fees payable with regard to audit services carried out by the appointed external auditor	56,786
12,000	Fees payable to the external auditor for the certification of grant claims and returns	-
-	Redmond Review Local Audit Fees Grant	(19,316)
<b>49,470</b>	<b>Total</b>	<b>37,470</b>

2020/21 £	Other Inspection Fees	2021/22 £
-	Rebate from Public Sector Audit Appointments Limited (PSAA)	(7,390)
2,450	Fees payable to the Cabinet Office in respect of the National Fraud Initiative	286
-	Fees payable to the external auditor for the certification of grant claims and returns	5,556
<b>2,450</b>	<b>Total</b>	<b>(1,548)</b>



### NOTE 32 GRANT INCOME AND OTHER CONTRIBUTIONS

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

	2020/21 £	2021/22 £
<b>Credited to Tax and Non-Specific Grant Income</b>		
New Homes Bonus	1,279,648	1,072,948
Local Services Support Grant	-	145,232
NNDR Section 31 Grant	8,083,637	4,569,661
Council Tax Section 31 Grant	1,069,807	185,239
Capital Grants and Contributions		
- Environment Agency	702,555	1,417,241
- Historic England	-	42,156
- CCF5	412,962	34,053
- Other Contributions	181,726	25,059
- National Lottery Heritage	835,026	21,956
- S106 Contributions	7,470	1,948
<b>Sub total</b>	<b>12,572,831</b>	<b>7,515,493</b>
<b>Credited to Services</b>		
Housing and Council Tax Benefits	23,416,833	21,198,041
Covid-19 Pandemic Funding	4,921,057	4,912,574
Disabled Facilities Grants	1,346,820	2,201,318
Other Local Authorities	-	513,849
Department for Levelling Up, Housing and Communities*	697,059	443,094
Heritage Action Zone	-	297,014
Other Misc Contributions	62,630	818,726
<b>Sub total</b>	<b>30,444,399</b>	<b>30,384,616</b>
<b>Total</b>	<b>43,017,230</b>	<b>37,900,109</b>

\* previously Ministry of Housing, Communities and Local Government

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 £8,121,043 (see note 28) and Capital Grants and Contributions is £18,312,504; of this balance, grants from the Environment Agency total £15,794,731.

### NOTE 33 RELATED PARTIES

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

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

## **Central Government**

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

## **Members**

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

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

In respect of 2021/22 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 2021/22 is shown in Note 29. During 2021/22, 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 2021/22.

## **Officers**

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

## **Other Public bodies**

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

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

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

## Entities Controlled or Significantly Influenced by the Authority

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

## NOTE 34 CAPITAL EXPENDITURE AND FINANCING

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

	2020/21 £	2021/22 £
<b>Opening Capital Financing Requirement</b>	<b>11,261,341</b>	<b>11,165,782</b>
<b>Capital Investment</b>		
Property, Plant and Equipment*	5,306,259	1,597,184
Investment Property*	121,121	43,352
Intangible Assets*	14,450	35,161
Heritage Assets	-	-
Other	-	-
Revenue Expenditure Funded from Capital under Statute	1,346,820	2,595,012
<b>Sources of Finance</b>		
Capital Receipts	(65,119)	-
Government grants and other contributions	(3,517,982)	(4,140,424)
Other contributions	-	-
<b>Sums set aside from Revenue</b>		
Direct revenue contributions	(3,205,549)	(130,285)
Minimum Revenue Provision	(95,559)	(95,559)
<b>Closing Capital Financing Requirement</b>	<b>11,165,782</b>	<b>11,070,223</b>
<b>Explanation of movement in the year</b>		
Increase in underlying need to borrow (unsupported by government financial assistance)	-	-
Minimum Revenue Provision set aside to repay debt	(95,559)	(95,559)
<b>(Decrease) / increase in Capital financing Requirement</b>	<b>(95,559)</b>	<b>(95,559)</b>

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

## NOTE 35 LEASES

### Authority as lessee

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

### Authority as lessor

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

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

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

	2020/21 £	2021/22 £
Not later than one year	550,660	407,417
Later than one year and not later than five years	1,273,641	1,099,075
Later than five years	4,763,830	4,542,025
<b>Total</b>	<b>6,588,131</b>	<b>6,048,517</b>

The authority has no finance leases.

### NOTE 36 TERMINATION BENEFITS

The Authority terminated the contracts of three employees in 2021/22 (one employee in 2020/21), incurring liabilities of £40,999 (£99,028 in 2020/21), 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	
	2020/21 £	2021/22 £	2020/21 £	2021/22 £	2020/21 £	2021/22 £	2020/21 £	2021/22 £
£0 - £20,000	-	1	-	1	-	2	-	12,071
£20,001 - £40,000	-	-	-	1	-	1	-	28,928
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	1	-	1	-	99,028	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
Over £150,000	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>99,028</b>	<b>40,999</b>

### NOTE 37 DEFINED BENEFIT PENSION SCHEME

The Authority participates in one post-employment scheme, the Local Government Pension Scheme, administered by Lancashire County Council. This is a funded scheme, meaning that the Authority and employees pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. In 2021/22 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:

2020/21 £	Local Government Pension Scheme		2021/22 £
	Comprehensive Income and Expenditure Statement		
	<b>Cost of Services:</b>		
	<b>Service cost comprising:</b>		
2,323,000	-	Current Service Cost	2,935,000
-	-	Past Service Costs	-
127,000	-	(Gain)/Loss from Settlements	-
	<b>Other Operating Expenditure</b>		
44,000	-	Administration Expenses	45,000
	<b>Financing and Investment Income and Expenditure</b>		
616,000	-	Net Interest Expense	760,000
3,110,000		<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>	3,740,000

2020/21 £	Local Government Pension Scheme	2021/22 £
<b>Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>		
<b>Remeasurement of the net defined benefit liability comprising:</b>		
(8,265,000)	- Return on plan assets (excluding amount included in the net interest expense)	(12,745,000)
-	- Actuarial gains and losses arising on changes in demographic assumptions	(1,089,000)
18,641,000	- Actuarial gains and losses arising on changes in financial assumptions	-
(2,673,000)	- Other	377,000
<b>7,703,000</b>	<b>Total Remeasurements charged to Other Comprehensive Income and Expenditure</b>	<b>(13,457,000)</b>
<b>10,813,000</b>	<b>Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>	<b>(9,717,000)</b>
<b>Movement in Reserves Statement</b>		
(3,110,000)	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	(3,740,000)
<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>		
1,410,000	- Employers' contributions payable to scheme*	1,423,000

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

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

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

	2020/21 £	2021/22 £
Fair value of plan assets	106,036,000	117,734,000
Present value of the defined benefit obligation	(142,351,000)	(144,045,000)
<b>Net liability arising from defined benefit obligation</b>	<b>(36,315,000)</b>	<b>(26,311,000)</b>

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

#### Reconciliation of fair value of the scheme assets

	2020/21 £	2021/22 £
Opening fair value of scheme assets	95,364,000	106,036,000
Interest income	2,331,000	2,193,000
Remeasurements gain and (loss):		
- The return on plan assets, excluding the amount included in the net interest expense	8,265,000	12,745,000
Other Operating Expenditure - Administration	(44,000)	(45,000)
Contributions from Employer	3,683,000	287,000
Contributions from Employees	479,000	487,000
Benefits Paid	(4,042,000)	(3,969,000)
<b>Closing fair value of scheme assets</b>	<b>106,036,000</b>	<b>117,734,000</b>

### Reconciliation of present value of the scheme liabilities

	2020/21 £	2021/22 £
Opening balance at 1 April	(124,549,000)	(142,351,000)
Current Service Cost	(2,323,000)	(2,935,000)
Interest Cost	(2,947,000)	(2,953,000)
Contribution by Scheme Participants	(479,000)	(487,000)
Remeasurements gain and (loss):		
- Actuarial gains/(losses) arising from changes in demographic assumptions	-	1,089,000
- Actuarial gains/(losses) arising from changes in financial assumptions	(18,641,000)	-
- Other	2,673,000	(377,000)
Past Service Cost	-	-
Curtailments	(127,000)	-
Benefits Paid	4,042,000	3,969,000
Settlements	-	-
<b>Closing balance at 31 March</b>	<b>(142,351,000)</b>	<b>(144,045,000)</b>

The liabilities show the underlying commitments that the Authority has in the long-run to pay retirement benefits. The net liability of £26,311,000 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:

	2020/21 £	2021/22 £
Cash:		
- Cash and cash equivalents	2,618,000	3,265,000
- Net Current Assets	(277,000)	(302,000)
Sub-total cash	<b>2,341,000</b>	<b>2,963,000</b>
Equity instruments:		
- Financial institutions	-	140,000
Sub-total equity	-	<b>140,000</b>
Bonds:		
- UK Corporate	-	484,000
- Overseas Corporate	-	435,000
Sub-total bonds	-	<b>919,000</b>
Property:		
- Offices	47,000	55,000
- Industrial / Warehouse	883,000	878,000
- Shops	104,000	104,000
- Multi let Commercial Building	783,000	843,000
Sub-total property	<b>1,817,000</b>	<b>1,880,000</b>

	2020/21 £	2021/22 £
<b>Alternatives:</b>		
- UK private equity	-	2,604,000
- Overseas private equity	8,507,000	7,098,000
- Infrastructure	12,716,000	13,412,000
- Credit Funds	14,174,000	15,757,000
- Pooled Fixed Income	3,535,000	5,119,000
- Indirect Property Funds	13,284,000	10,266,000
- UK Pooled Equity Funds	1,084,000	1,109,000
- Overseas Pooled Equity Funds	48,576,000	56,467,000
Sub-total other investment funds	<b>101,876,000</b>	<b>111,832,000</b>
Other adjustments	<b>2,000</b>	-
<b>Total Assets</b>	<b>106,036,000</b>	<b>117,734,000</b>

### Basis for Estimating Assets and Liabilities

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

The significant assumptions used by the actuary have been:

	2020/21	2021/22
<b>Mortality assumptions</b>		
Longevity at 65 for current pensioners		
- Men	22.4 years	22.3 years
- Women	25.1 years	25.0 years
Longevity at 65 for future pensioners		
- Men	23.9 years	23.7 years
- Women	26.9 years	26.8 years
Rate of CPI inflation/CARE Benefits revaluation	2.7%	3.4%
Rate of increase in salaries	4.2%	4.9%
Rate of increase in pensions in payment/deferment	2.8%	3.5%
Rate for discounting scheme liabilities	2.1%	2.8%

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

	2020/21 £	2021/22 £
1 year increase in members life expectancy	4,385,000	4,392,000
0.1% increase in Discount Rate	(2,162,000)	(2,187,000)
0.1% increase in the Salary Increase Rate	210,000	191,000
0.1% increase in the Inflation Rate	2,195,000	2,221,000
1% increase in investment returns	(1,078,000)	(1,161,000)
1% decrease in investment returns	1,078,000	1,161,000

### 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 £0.330m in employer contributions to the scheme in 2022/23. This figure reflects that the council has already made a prepayment of employer contributions to the pension fund in 2020/21.

The weighted average duration of the defined benefit obligation for scheme members in 2021/22 is 15 years (15 years in 2020/21).

### NOTE 38 CONTINGENT LIABILITIES

There are no contingent liabilities at the balance sheet date.

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

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

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

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

**Credit Risk**

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

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

	31/03/2022 £000 a	Historical experience of default % b	Adjustment for market conditions at 31/03/22 % c	Estimated maximum exposure to default £000 a x c
Deposits with banks and financial institutions (market value):				
High rated counterparties	50,232	0.00%	0.00%	0
Trade debtors (o/s Sundry Debtors at 31/03/22)	1,011	0.50%	4.00%	40

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

The Authority does not generally allow credit for its trade debtors. Of the £1,011,083 outstanding for trade debtors, £796,070 is overdue. The overdue amount can be analysed by age as follows:

	2021/22 £000
Less than 90 days	120
90 days to 150 days	157
More than 150 days	519
<b>Total</b>	<b>796</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:

	2021/22 £000
Less than one year (short term creditors and short term borrowing)	19,798
Between one and two years	-
Between two and five years	-
Between five and ten years	
More than ten years (long term borrowing)	1,552
<b>Total</b>	<b>21,350</b>

### Market Risk

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

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

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

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

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

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

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

**NOTE 40 LANCASHIRE BUSINESS RATES POOL**

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

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

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

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

Business rates income allocations in 2020/21 and 2021/22 are shown in the table below:

2020/21	Lancashire Business Rates Pool	2021/22
40%	District Authorities	40%
9%	Lancashire County Council	9%
1%	Lancashire Combined Fire Authority	1%
<b>50%</b>	<b>Lancashire Business Rates Pool Total</b>	<b>50%</b>
50%	Central Government	50%
<b>100%</b>	<b>Total</b>	<b>100%</b>

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

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

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

Lancashire Business Rates	Authority	Tariffs and Top-Ups in Respect of 2021/22	Retained Levy on Growth 2021/22	10% Retained Levy Payable to/Received by Lancashire County Council	Net Retained Levy 2021/22
Pool Members 2021/22	Type	£	£	£	£
Burnley Borough Council	Tariff	6,043,499	(1,274,399)	127,440	(1,146,959)
Chorley Borough Council	Tariff	6,503,220	(958,378)	95,838	(862,540)
Fylde Borough Council	Tariff	8,101,273	(285,737)	28,574	(257,163)
Hyndburn Borough Council	Tariff	3,969,106	(1,216,541)	121,654	(1,094,887)
Pendle Borough Council	Tariff	3,388,618	(569,005)	56,901	(512,104)
Ribble Valley Borough Council	Tariff	4,311,424	(839,130)	83,913	(755,217)
Rossendale Borough Council	Tariff	2,713,519	(576,607)	57,661	(518,946)
South Ribble Borough Council	Tariff	10,327,203	(1,587,163)	158,716	(1,428,447)
West Lancashire Borough Council	Tariff	8,698,358	(688,578)	68,858	(619,720)
Wyre Borough Council	Tariff	6,837,509	(693,833)	69,383	(624,450)
Lancashire County Council	Top-Up	(158,098,681)	-	(868,938)	(868,938)
Central Government	-	97,204,952	-	-	0
<b>Total</b>		<b>-</b>	<b>(8,689,371)</b>	<b>-</b>	<b>(8,689,371)</b>

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

## COLLECTION FUND ACCOUNT

### Foreword

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

2020/21			2021/22			
Business Rates £	Council Tax £	Total £	Note	Business Rates £	Council Tax £	Total £
<b>INCOME</b>						
	(71,184,782)	(71,184,782)			(76,557,669)	(76,557,669)
	-	-			-	-
(11,275,299)		(11,275,299)	2	(20,408,971)		(20,408,971)
	(841,356)	(841,356)			(129,330)	(129,330)
(301,663)	-	(301,663)	3	(12,852,197)	(182,188)	(13,034,385)
<b>(11,576,962)</b>	<b>(72,026,138)</b>	<b>(83,603,100)</b>		<b>(33,261,168)</b>	<b>(76,869,187)</b>	<b>(110,130,355)</b>
<b>EXPENDITURE</b>						
Precepts, Demands and Share						
12,456,705		12,456,705	-	12,702,236		12,702,236
2,242,207	52,232,580	54,474,787	-	2,286,403	53,850,867	56,137,270
	7,887,182	7,887,182	-		8,374,270	8,374,270
249,134	2,643,111	2,892,245	-	254,045	2,672,593	2,926,638
9,965,364	8,401,109	18,366,473	-	10,161,789	8,540,295	18,702,084
<b>24,913,410</b>	<b>71,163,982</b>	<b>96,077,392</b>		<b>25,404,473</b>	<b>73,438,025</b>	<b>98,842,498</b>
Charges to Collection Fund						
39,278	200,059	239,337	-			-
366,131	891,902	1,258,033	-	(479,352)	(656,439)	(1,135,791)
(727,081)		(727,081)	-	904,291		904,291
147,810		147,810	-	147,818		147,818
774,722		774,722	-	1,440,986		1,440,986
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<b>600,860</b>	<b>1,091,961</b>	<b>1,692,821</b>		<b>2,013,743</b>	<b>(656,439)</b>	<b>1,357,304</b>
Contributions						
-	369,322	369,322	-	-	-	-
39,005		39,005	-	-		-
<b>25,553,275</b>	<b>72,625,265</b>	<b>98,178,540</b>		<b>27,418,216</b>	<b>72,781,586</b>	<b>100,199,802</b>
<b>13,976,313</b>	<b>599,127</b>	<b>14,575,440</b>		<b>(5,842,952)</b>	<b>(4,087,601)</b>	<b>(9,930,553)</b>
570,589	(145,098)	425,491		14,546,902	454,029	15,000,931
<b>14,546,902</b>	<b>454,029</b>	<b>15,000,931</b>		<b>8,703,950</b>	<b>(3,633,572)</b>	<b>5,070,378</b>

## NOTES TO THE COLLECTION FUND

### NOTE 1 COUNCIL TAX

The Council Tax base for 2021/22 was calculated at 36,981 and a Band D Council Tax set at £1,964.65. The tax base was calculated as follows:

Band	Total number of chargeable dwellings	**Relevant amount x number of dwellings
Additional band	32	16
A	11,589	6,691
B	11,958	8,318
C	12,550	10,156
D	7,529	7,001
E	5,348	6,184
F	2,523	3,454
G	1,043	1,670
H	62	113
	<b>52,634</b>	<b>43,603</b>
Less Council Tax Reduction		(5,479)
		38,124
Collection Rate 97% = Relevant Amount x 0.97		<b>36,981</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 2022 was £69,530,431 (31 March 2021 £70,240,703). The Government set a National Non-domestic multiplier (rate in the pound) of 51.2 pence for 2021/22 and a Small Business non-domestic multiplier of 49.9 pence (2020/21 51.2 pence and 49.9 pence). This rateable value figure is different from the figure in the accounts due to various relief awards.

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

Business Rates £	2020/21 Council Tax £	Total £		Business Rates £	2021/22 Council Tax £	Total £
			<b>Attributable to Central Government and other Local Authorities as follows:</b>			
(77,066)		(77,066)	Central Government	(6,358,867)		(6,358,867)
(52,230)	270,861	218,631	Lancashire County Council	(1,179,556)	(133,721)	(1,313,277)
	40,515	40,515	Police and Crime Commissioner for Lancashire		(20,192)	(20,192)
(4,492)	13,960	9,468	Lancashire Combined Fire Authority	(129,867)	(6,767)	(136,634)
(167,875)	43,986	(123,889)	Wyre Borough Council	(5,183,907)	(21,508)	(5,205,415)
<b>(301,663)</b>	<b>369,322</b>	<b>67,659</b>	<b>Total</b>	<b>(12,852,197)</b>	<b>(182,188)</b>	<b>(13,034,385)</b>

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

Business Rates £	2020/21 Council Tax £	Total £		Business Rates £	2021/22 Council Tax £	Total £
<b>Attributable to Central Government and other Local Authorities as follows:</b>						
7,206,222		7,206,222	Central Government	4,351,978		4,351,978
1,332,079	333,058	1,665,137	Lancashire County Council	783,355	(2,664,181)	(1,880,826)
	51,191	51,191	Police and Crime Commissioner for Lancashire		(415,130)	(415,130)
146,813	16,659	163,472	Lancashire Combined Fire Authority	87,039	(134,036)	(46,997)
5,861,788	53,121	5,914,909	Wyre Borough Council	3,481,578	(420,225)	3,061,353
<b>14,546,902</b>	<b>454,029</b>	<b>15,000,931</b>	<b>(Surplus) / Deficit as at 31 March</b>	<b>8,703,950</b>	<b>(3,633,572)</b>	<b>5,070,378</b>



## GLOSSARY OF ACCOUNTING TERMS

### **Accounting policies**

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

### **Accruals**

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

### **Accumulated absences**

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

### **Agency services**

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

### **Amortisation**

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

### **Assets**

An item which is measurable in monetary terms.

### **Auditor's opinion**

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

### **Balance sheet**

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

### **Budget**

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

### **Capital adjustment account**

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

### **Capital expenditure**

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

### **Capital receipts**

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

### **Cash and cash equivalents**

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

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

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

### **Collection fund**

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

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

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

**Consistency**

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

**Contingency**

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

**Contingent liabilities or assets**

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

**Council tax**

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

**Creditors**

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

**Current assets**

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

**Current liabilities**

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

**Curtailement cost**

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

**Debtors**

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

**Deferred liabilities**

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

**Defined benefit scheme**

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

## Depreciation

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

## Expected rate of return on pensions assets

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

## Expenditure

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

## Expenditure and Funding Analysis

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

## Fair value

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

## Financial instruments

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

## General fund

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

## Going concern

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

## Gross expenditure

The cost of service provision before allowing for any income.

## Heritage asset

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

## International financial reporting standard (IFRS)

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

## Impairment

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

## Income

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

## Intangible assets

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

## Inventories

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

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

## Leases

*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)

Capital Financing Report

Appendix 2 - Table 1

Portfolio	Director	Capital Project	Funded By	Revised Budget 2021/22	Actual Capital Expenditure To 31 March 2022	Budget 2022/23 *	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	TOTAL 2021/22 - 2026/27
				£	£	£	£	£	£	£	£
SSP&OS	MB	Jubilee Gardens Refurbishment	Capital Receipts	7,000		7,000					7,000
SSP&OS	MB	Tebay Playground Refurbishment	Capital Receipts	7,000		7,000					7,000
SSP&OS	MB	Preesall Playing Fields Environmental Improvements	Grants and Contributions	71,307	1,948	69,359					71,307
SSP&OS	MB	King Georges Playing Field Phase 3	Grants and Contributions	10,678		10,678					10,678
SSP&OS	MB	Forton Village Hall & Recreation Ground Play Area Improvements	Grants and Contributions	50,769		50,769					50,769
SSP&OS	MB	Queen Elizabeth II Playing Field, Catterall Improvements	Grants and Contributions	65,748	65,748						65,748
SSP&OS	MB	Restoration of the Mount	Grants and Contributions	78,493	24,955	53,538					78,493
SSP&OS	MB	Hawthorne Park, Thornton-Playground improvements	Capital Receipts	13,258		13,258					13,258
SSP&OS	MB	Scotts Green, Winmarleigh - Playground improvements	Capital Receipts	10,242		10,242					10,242
NS&CS	MB	Cell Eleven Monitoring	Grants and Contributions	23,410	25,059	23,410	23,410	23,410	23,410		118,699
NS&CS	MB	Rossall Sea Wall Improvement Works	Grants and Contributions	208,432		208,432					208,432
NS&CS	MB	Wyre Beach Management Business Case	Grants and Contributions	1,440,781	1,417,242	3,679,800	13,195,576	11,891,451	11,684,943		41,869,012
NS&CS	MB	Innovative Resilience Fund ECO-CoBS*	Grants and Contributions	493,000	85,414	829,586	2,191,000	1,613,000	1,045,000	1,066,000	6,830,000
NS&CS	MH	Disabled Facilities Mandatory Grants	Grants and Contributions	2,963,108	2,201,318	2,841,753	2,079,964	2,079,964	2,079,964	2,079,964	13,362,927
NS&CS	MH	Empty Homes Delivery	Grants and Contributions	17,049		17,049					17,049
R	MB	Vehicle Replacement/Str. Cleansing Mtnce	Revenue -Vehicle Replacement Reserve	411,519	53,817	512,902	149,500	302,500	215,000	404,500	1,638,219
R	CJ	Citizen Access Portal	Revenue -Value For Money Reserve	62,417	4,457	57,960					62,417
R	CJ	Cash Receipting System Upgrade	Revenue -Value For Money Reserve	24,746							0
R	CJ	Replacement of Core IT Network Infrastructure	Revenue -IT Strategy Reserve	38,800							0
R	MH	Virtual Desktop Infrastructure Storage Area Network	Revenue -IT Strategy Reserve	30,704	30,704						30,704
R	MB	St Chad's Churchyard Boundary Wall Works	Revenue -Capital Investment Reserve	27,280							0
R	MH	Fleetwood Market Security Improvements	Revenue -Capital Investment Reserve	55,440	15,390	40,050					55,440
R	MH	Project Neptune - Getting Building Fund LEP Grant	Grants and Contributions	4,030,385							0
R	MH	Acquisition of fish and food processing commercial units	Grants and Contributions / Revenue -Property Investment Reserve	4,194,917		4,194,917					4,194,917
R	MH	Cable replacement - Beach Bungalows Phase 1	Revenue -Capital Investment Reserve	21,450	21,450						21,450
R	MB	Public Sector Decarbonisation at Fleetwood Market	Grants and Contributions/Capital Receipts			1,102,829					1,102,829
R	MB	Copse Road Depot VMU Roller Shutter doors	Capital Receipts			53,340					53,340
R	MB	Changing Places Facilities - Central Car Park - Fleetwood	Grants and Contributions/Capital Receipts			65,304					65,304
R	MB	Changing Places Facilities - Wyre Estuary Country Park	Grants and Contributions/Capital Receipts				98,878				98,878
R	MB	Thornton Cleveleys Duck Pond Shelter	Revenue -Insurance Reserve			23,118					23,118
P&ED	MH	CCF5 Fleetwood Market Outdoor Area/Digital Signage	Grants and Contributions /Capital Investment Reserve	48,553	38,520						38,520
P&ED	MH	Fleetwood HAZ	Grants and Contributions	638,350	284,687	975,347	214,656				1,474,690
<b>TOTAL</b>				<b>15,044,816</b>	<b>4,270,709</b>	<b>14,847,641</b>	<b>17,952,984</b>	<b>15,910,325</b>	<b>15,048,317</b>	<b>3,550,464</b>	<b>71,580,440</b>

\* The Innovative Resilience Fund ECO-CoBS budget is based upon initial allocations for the project announced by Government  
Please note:- Purple text indicates externally funded schemes

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Funding Sources	Revised Budget 2021/22	Actual Capital Expenditure To 31 March 2022	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	TOTAL 2021/22 - 2026/27
	£	£	£	£	£	£	£	£
Grants and Contributions	11,525,563	4,140,424	11,212,709	17,789,086	15,607,825	14,833,317	3,145,964	66,729,325
Revenue -Capital Investment Reserve	118,650	41,307	40,050	0	0	0	0	81,357
Revenue -IT Strategy Reserve	69,504	30,704	0	0	0	0	0	30,704
Revenue -Vehicle Replacement Reserve	411,519	53,817	512,902	149,500	302,500	215,000	404,500	1,638,219
Revenue -Value For Money Reserve	87,163	4,457	57,960	0	0	0	0	62,417
Revenue -Property Investment Reserve	2,794,917	0	2,794,917	0	0	0	0	2,794,917
Revenue -Insurance Reserve	0	0	23,118	0	0	0	0	23,118
Capital Receipts	37,500	0	205,985	14,398	0	0	0	220,383
Loan	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>15,044,816</b>	<b>4,270,709</b>	<b>14,847,641</b>	<b>17,952,984</b>	<b>15,910,325</b>	<b>15,048,317</b>	<b>3,550,464</b>	<b>71,580,440</b>

Slippage from 2021/22 is included in 2022/23 balances above; breakdown provided in Appx 2 Table 2

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## Comparison of 2021/22 Capital Expenditure to Budget

Appendix 2 - Table 2

Portfolio	Director	Capital Project	Revised Budget 2021/22 £	Actual Capital Expenditure To 31st March 2022 £	Actual Revenue Expenditure To 31st March 2022 £	Agency Arrangements (reclassified) to 31st March 2022 £	Variance £	Overspend £	Underspend £	Slippage to 2022/23* £	Comments
SSP&OS	MB	Jubilee Gardens Refurbishment	7,000				-7,000			-7,000	Slippage - project ongoing
SSP&OS	MB	Tebay Playground Refurbishment	7,000				-7,000			-7,000	Slippage
SSP&OS	MB	Preesall Playing Fields Environmental Improvements	71,307	1,948			-69,359			-69,359	Slippage - project ongoing
SSP&OS	MB	King Georges Playing Field Phase 3	10,678				-10,678			-10,678	Slippage
SSP&OS	MB	Forton Village Hall & Recreation Ground Play Area Improvements	50,769				-50,769			-50,769	Slippage - project ongoing
SSP&OS	MB	Queen Elizabeth II Playing Field, Catterall Improvements	65,748	65,748			0			0	Project complete
SSP&OS	MB	Restoration of the Mount	78,493	24,955			-53,538			-53,538	Slippage - project ongoing
SSP&OS	MB	Hawthorne Park, Thornton-Playground improvements	13,258				-13,258			-13,258	Slippage
SSP&OS	MB	Scotts Green, Winmarleigh- Playground improvements	10,242				-10,242			-10,242	Slippage
NS&CS	MB	Cell Eleven Monitoring	23,410	25,059			1,649	1,649		0	Year 1 of Project complete
NS&CS	MB	Rossall Sea Wall Improvement Works	208,432				-208,432			-208,432	Slippage - information signage and street furniture design to be agreed
NS&CS	MB	Wyre Beach Management Business Case	1,440,781	1,417,241			-23,540			-23,540	Slippage - project ongoing
NS&CS	MB	Innovative Resilience Fund ECO-CoBS	493,000	85,414			-407,586			-407,586	Slippage - project ongoing
NS&CS	MH	Disabled Facilities Mandatory Grants	2,963,108	2,201,319			-761,789			-761,789	Slippage - installation delays due to Covid 19 still behind schedule
NS&CS	MH	Empty Homes Delivery	17,049				-17,049			-17,049	Slippage
R	MB	Vehicle Replacement/Str. Cleansing Mtnce	411,519	53,817			-357,702			-357,702	Slippage - delay on purchasing vehicles due to manufacturer electronic chip availability
R	CJ	Citizen Access Portal	62,417	4,457			-57,960			-57,960	Slippage - project ongoing.
R	CJ	Cash Receipting System Upgrade	24,746		24,746		0			0	Project complete
R	CJ	Replacement of Core IT Network Infrastructure	38,800		38,800		0			0	Slippage* - the full balance to be transferred to revenue schemes in 2021/22
R	MH	Virtual Desktop Infrastructure Storage Area Network	30,704	30,704			0			0	Project complete
R	MB	St Chad's Churchyard Boundary Wall Works	27,260		27,260		0			0	Project complete
R	MH	Fleetwood Market Security Improvements	55,440	15,390			-40,050			-40,050	Slippage - project ongoing
R	MH	Project Neptune - Getting Building Fund LEP Grant	4,030,385			4,030,385	0			0	Agency arrangement - grant administered on behalf of Lancashire LEP and passed over to ABP in full by end of 2021/22
R	MH	Acquisition of fish and food processing commercial units	4,194,917				-4,194,917			-4,194,917	Slippage - acquisition of units delayed until August 2022
R	MH	Cable replacement - Beach Bungalows Phase 1	21,450	21,450			0			0	Project complete
P&ED	MH	CCF5 Fleetwood Market Outdoor Area/Digital Signage	48,553	38,520			-10,033		-10,033	0	Project complete
P&ED	MH	Fleetwood HAZ	638,350	284,687	233,316		-120,347			-120,347	Slippage - project ongoing
			<b>15,044,816</b>	<b>4,270,709</b>	<b>324,122</b>	<b>4,030,385</b>	<b>-6,419,600</b>	<b>1,649</b>	<b>-10,033</b>	<b>-6,411,216</b>	

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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>				
	2021/22 Revised Estimate	2021/22 Actuals	Variance	
			Favourable (Higher than Anticipated Balances) £	Unfavourable (Lower than Anticipated Balances) £
Revenue Reserves as at 31 March 2022 (see Appendix 4a)	15,185,499	21,990,363	(6,804,864)	
Revenue Balances as at 31 March 2022 (see Appendix 4a)	12,133,507	13,329,217	(1,195,710)	
<b>TOTAL Revenue Reserves and Balances</b>	<b>27,319,006</b>	<b>35,319,580</b>	<b>(8,000,574)</b>	-

<b>Major Variances Impacting on Revenue Reserves</b>				
Earmarked Reserves	2021/22 Revised Estimate as at 31 March 22	2021/22 Actuals as at 31 March 22	Variance	
			Favourable (Increased Transfer In / Reduced Transfer Out) £	Unfavourable (Reduced Transfer In / Increased Transfer Out) £
<b>Building Control:</b> higher net surplus achieved	0	2,509	(2,509)	
<b>Capital Investment:</b> capital project slippage resulted in reduced draw down, top up from balances to provide for future capital schemes	(129,690)	(50,994)	(78,696)	
<b>Elections:</b> no change	41,217	41,217		
<b>Homelessness:</b> increased top up from in year project underspends	(188,390)	(51,853)	(136,537)	
<b>Insurance:</b> reduced draw down to cover cost of claims	40,000	39,212		788
<b>Investment - IT Strategy:</b> savings from IT higher than expected, some slippage resulted in reduced draw down, top up from balances for future investment	(153,048)	491,546	(644,594)	
<b>Land Charges:</b> higher net deficit realised in 2021/22	0	(12,562)		12,562
<b>Leisure Management:</b> top up from balances to provide for future requirements	7,380	257,382	(250,002)	
<b>Council Tax Equalisation:</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 21/22 s31 grants higher than anticipated	(1,889,720)	(772,934)	(1,116,786)	
<b>Performance Reward Initiatives: Not utilised</b> - to be transferred to the Value For Money Reserve	(22,514)	(22,514)	0	
<b>Property Investment Fund:</b> delayed completion has resulted in slippage	(2,863,127)	(29,732)	(2,833,395)	
<b>Value for Money:</b> additional DWP funding received during 2021/22 and reduced draw down owing to delays with projects	(206,293)	(85,858)	(120,435)	
<b>Vehicle Replacement/Street Cleansing Maintenance:</b> increased contribution from street cleansing in addition to slippage owing to lack of available vehicles caused by global chip shortage	168,628	532,448	(363,820)	
<b>Enterprise Zone Growth (Ring-fenced):</b> delays to projects resulted in reduced draw down from the reserve during 2021/22	(118,430)	15,511	(133,941)	
	<b>(5,882,736)</b>	<b>922,127</b>	<b>(6,818,213)</b>	<b>13,350</b>
			<b>(6,804,863)</b>	

<b>Major Variances Impacting on Revenue Balances</b>					
	<b>2021/22 Revised Estimate</b>	<b>2021/22 Actuals</b>	<b>Slippage</b>	<b>Variance</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>Favourable (Underspend / additional income)</b>	<b>Unfavourable (Overspend / reduced income)</b>
				<b>£</b>	<b>£</b>
<b>2021/22 Slippage to Future Years (excluding Reserve Funded)(see Appendix 3b)</b>			<b>(1,195,710)</b>	<b>(1,195,710)</b>	
<b>Council Tax Equalisation Reserve - Top Up</b>					<b>1,137,498</b>
<b>ICT Strategy Reserve - Top Up</b>					<b>498,898</b>
<b>Leisure Management Reserve - Top Up</b>					<b>250,000</b>
<b>Capital Investment Reserve - Top Up</b>					<b>22,800</b>
<b>Value For Money (VFM) Reserve - Top Up</b>					<b>22,514</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	11,402,170	10,790,205	79,330	<b>(532,635)</b>	
<b>Premises Costs</b>					
<u>Non Domestic Rates:</u> public conveniences now attract business rate relief	452,130	431,408	0	<b>(20,722)</b>	
<u>Water Charges (incl. surface and waste)</u>	166,440	192,633	0		<b>26,193</b>
<u>Special Works (incl. Coastal Communities Funding)</u>	27,550	17,250	0	<b>(10,300)</b>	
<u>Maintenance of Unadopted Assets</u>	45,900	26,751	0	<b>(19,149)</b>	
<b>Supplies and services:</b>					
<u>Hire and Maintenance of Tools/Equipment:</u>	64,870	35,858	0	<b>(29,012)</b>	
<u>Materials and Consumables:</u> underspends across various service areas; some delays to works caused Covid-19	226,820	171,230	31,220	<b>(24,370)</b>	
<u>Postage:</u> underspends across various service areas - main contributors are Electoral Registration, Council Tax Collection and Compliance Team	140,800	122,017	0	<b>(18,783)</b>	
<u>Mayor's Attendant:</u> Reduced events owing to Covid-19	18,850	8,504	0	<b>(10,346)</b>	
<u>Bank Charges</u>	45,830	29,699	0	<b>(16,131)</b>	
<u>Advertising (incl. Statutory Notices)</u>	47,170	29,424	1,700	<b>(16,046)</b>	
<u>Legal Costs:</u> External Counsel and support	139,820	159,518	2,900		<b>22,598</b>
<u>External Coaching</u>	192,660	149,796	31,750	<b>(11,114)</b>	
<u>Impairment Allowances for Outstanding Debt:</u> movement in impairment allowances higher than budget owing to backlog of debt recovery action undertaken during 2021/22	15,000	66,594	0		<b>51,594</b>
<b>Third party payments:</b>					
<u>YMCA Subsidy</u>	719,780	3,713	0	<b>(716,067)</b>	
<u>Private Contractors: Community Payback Scheme and Land Drainage</u>	399,890	266,116	108,420	<b>(25,354)</b>	
<b>Income:</b>					
<u>Rental Income:</u> actual income lower than budget	<b>(1,243,890)</b>	<b>(1,224,626)</b>	0		<b>19,264</b>
<u>Benefits and Rent Allowances:</u> benefit subsidy levels and recovery of historic benefit overpayments lower than budget	<b>(274,050)</b>	<b>(302,463)</b>	0	<b>(28,413)</b>	
<u>Council Tax Annex Grant:</u> 2021/22 unbudgeted grant allocation	0	<b>(18,159)</b>	0	<b>(18,159)</b>	
<u>Sales, Fees and Charges: Legal Fees</u>	<b>(1,564,330)</b>	<b>(1,870,242)</b>	0	<b>(305,912)</b>	
<u>Housing Benefit Admin Grants:</u> additional grant allocations received during 2021/22	<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> high cash balances during the year and rising interest rates	<b>(50,000)</b>	<b>(67,676)</b>	0	<b>(17,676)</b>	
<b>Other Minor Variations (in aggregate)</b>				<b>(177,909)</b>	
				<b>(3,255,075)</b>	<b>2,051,359</b>
				<b>(1,203,716)</b>	

Portfolio	2021/22 Revenue Slippage (Non- Reserve Funded) £
	165,810
Neighbourhood Services and Community Safety	199,260
Planning and Economic Development	201,250
Resources	414,070
Street Scene, Parks and Open Spaces	215,320
<b>TOTAL</b>	<b>1,195,710</b>

<b><u>Leisure, Health and Community Engagement</u></b>	<b>165,810</b>
<u>Arts Development / Promotion</u>	
Healthier Fleetwood Events and Activities	10,000
<u>Coastal Communities Fund Revenue Schemes</u>	
Promotions	10,000
<u>Sports Development</u>	
External Coaching	31,750
<u>Health and Wellbeing Programmes</u>	
Weight Management Programme	53,740
Project costs	38,260
<u>Food Safety</u>	
Brexit EHC Costs	19,080
<u>Tourism</u>	
Exhibitions and Events	2,980
<b><u>Neighbourhood Services and Community Safety</u></b>	<b>199,260</b>
<u>Sea Defences</u>	
Private Contractors	99,450
Materials and Consumables	31,220
<u>Community Safety Operations</u>	
Community Development Initiatives - CCTV Improvements	30,800
Community Development Initiatives - ACT Awareness	2,480
Community Development Initiatives - Rural Crime Campaign	410
Community Development Initiatives - Genga	3,000
<u>Childrens Trust</u>	
Other Contributions	31,900
<b><u>Planning Policy and Economic Development</u></b>	<b>201,250</b>
<u>Development Control</u>	
Consultants Fees	45,000
<u>Miscellaneous Land and Buildings</u>	
External Filming Expenses	22,530
<u>Future High Street Fund Revenue Schemes</u>	
Consultants Fees	15,430
<u>Town Centre Recovery Fund</u>	
Town Centre Strategies	115,590
<u>Fleetwood High Street</u>	
Development Initiatives	2,700
<b><u>Resources</u></b>	<b>414,070</b>
<u>Financial Services Team</u>	
Salaries	71,250
<u>Civic Centre (and Bungalow)</u>	
Purchase Furniture	18,180
<u>Communications and Visitor Economy Team</u>	
Public Relations	2,350
<u>Contingency</u>	
Provision for Staffing	17,910
Provision for Electrical Testing	4,000
Provision for Legionella Assessment Survey	25,100
Provision for Asbestos Surveys	25,000
Provision for Additional Legal Costs and Court Fee Refunds	120,130
Provision for Asset Maintenance Costs	80,890
Provision for Car Park Meter Upgrades	2,890
Provision for Project Support	7,870
Provision for Civil Contingencies	18,500
<u>Climate Change</u>	
Project support	20,000
<b><u>Street Scene, Parks and Open Spaces</u></b>	<b>215,320</b>

<u>Mount Pavillion, Cottages and Grounds</u>	
Planned Lottery Projects	40,950
<u>Street Cleansing</u>	
Provision of Bins, Boxes and Sacks	17,010
Private Contractors	8,970
Community Development Initiatives	91,860
<u>Domestic Waste Management</u>	
Service Development Board Contribution	42,530
Promotions	14,000

Portfolio	2021/22 Reserve Funded Slippage £
Planning and Economic Development	48,000
Neighbourhood Services and Community Safety	0
Planning and Economic Development Resources	0
Street Scene, Parks and Open Spaces	0
<b>TOTAL</b>	<b>48,000</b>

**Planning Policy and Economic Development - Reserve Funded****48,000**

<u>Butts Close Industrial Estate</u>	
Insurance Excess (Reserve Funded)	10,000
<u>Fleetwood Fish and Food Park</u>	
Amenity and Information Signs (Reserve Funded)	9,850
Legal Fees (Reserve Funded)	2,900
Consultants Fees (Reserve Funded)	25,250

**Reconciliation****Summary Impact on Balances after accounting for Slippage from 2021/22**

	£
Actual Balances at 31/03/22 (see Appendix 4a)	13,329,217
<b>Less:</b>	
Net Directorate slippage requests from 2021/22 to 2022/23 (see above)	(1,243,710)
Income slippage from 2021/22 to 2022/23	0
Advanced spend in 2021/22 of 2022/23 revenue budget	0
Financing of slipped capital expenditure by revenue	0
Financing of advanced spend in 2021/22 of 2022/23 capital budget by revenue	0
Net reduced use of reserves in 2021/22 in respect of slipped expenditure	48,000
Original Balances movement 2022/23 as approved at Council 10/03/22 (updated for subsequent approvals)	558,670
<b>Latest Estimated Balances as at 31 March 2023 (see Appendix 4a)</b>	<b>12,692,177</b>
Balances at 31/03/23 (per Council 10/03/22)	12,692,177
Add estimated 2021/22 balance movements (per Council 10/03/22 but updated for subsequent approvals)	959,218
Add actual 2021/22 balance movements as at 31/03/22	236,492
Less net use of balances as a consequence of slippage to 2022/23	(1,195,710)
<b>Latest Estimated Balances as at 31 March 2023 (see Appendix 4a)</b>	<b>12,692,177</b>

**2021/22 Revised Estimate**

	Opening Balance as at 01/04/2021 £	Transfers in ('top-up') £	Transfers out (to fund expenditure) £	Closing Balance as at 31/03/2022 £
<b><u>Earmarked Reserves</u></b>				
Building Control	54,515	-	-	54,515
Capital Investment	1,628,256	-	(151,140)	1,477,116
Elections	41,217	41,217	-	82,434
Homelessness	459,622	-	(188,390)	271,232
Insurance	98,237	40,000	-	138,237
Investment - I.T. Strategy	950,715	33,630	(186,678)	797,667
Land Charges	12,562	-	-	12,562
Leisure Management	467,016	7,380	-	474,396
Council Tax Equalisation	2,274,996	-	(568,749)	1,706,247
Non-Domestic Rates Equalisation	9,885,548	3,294,190	(5,183,910)	7,995,828
Performance Reward Initiatives	22,514	-	(22,514)	-
Property Investment Fund	2,906,900	-	(2,863,127)	43,773
Value for Money	863,672	-	(295,003)	568,669
Vehicle Replacement/Street Cleansing Maintenance	555,339	580,149	(411,519)	723,969
<b>TOTAL Earmarked Reserves</b>	<b>20,221,109</b>	<b>3,996,566</b>	<b>(9,871,030)</b>	<b>14,346,645</b>
<b><u>Ring-fenced Reserves</u></b>				
Enterprise Zone Growth	847,124	-	(118,430)	728,694
<b>TOTAL Ring-fenced Reserves</b>	<b>847,124</b>	<b>-</b>	<b>(118,430)</b>	<b>728,694</b>
<b>TOTAL Reserves</b>	<b>21,068,233</b>	<b>3,996,566</b>	<b>(9,989,460)</b>	<b>15,075,339</b>
<b><u>Balances</u></b>				
General Fund	13,092,723	-	(959,216)	12,133,507
<b>TOTAL Balances</b>	<b>13,092,723</b>	<b>-</b>	<b>(959,216)</b>	<b>12,133,507</b>
<b>TOTAL Reserves and Balances</b>	<b>34,160,956</b>	<b>3,996,566</b>	<b>(10,948,676)</b>	<b>27,208,846</b>

**2021/22 Outturn Position**

	Opening Balance as at 01/04/2021 £	Transfers in ('top-up') £	Transfers out (to fund expenditure) £	Closing Balance as at 31/03/2022 £
<b><u>Earmarked Reserves</u></b>				
Building Control	54,515	2,509	-	57,024
Capital Investment	1,628,256	22,800	(73,794)	1,577,262
Elections	41,217	41,217	-	82,434
Homelessness	459,622	55,395	(107,248)	407,769
Insurance	98,237	40,000	(788)	137,449
Investment - I.T. Strategy	950,715	647,727	(156,180)	1,442,262
Land Charges	12,562	-	(12,562)	-
Leisure Management	467,016	257,382	-	724,398
Council Tax Equalisation	2,274,996	1,137,498	(568,749)	2,843,745
Non-Domestic Rates Equalisation	9,885,548	4,410,973	(5,183,907)	9,112,614
Performance Reward Initiatives	22,514	-	(22,514)	-
Property Investment Fund	2,906,900	-	(29,732)	2,877,168
Value for Money	863,672	59,064	(144,921)	777,815
Vehicle Replacement/Street Cleansing Maintenance	555,339	586,266	(53,817)	1,087,788
<b>TOTAL Earmarked Reserves</b>	<b>20,221,109</b>	<b>7,260,831</b>	<b>(6,354,212)</b>	<b>21,127,728</b>
<b><u>Ring-fenced Reserves</u></b>				
Enterprise Zone Growth	847,124	72,808	(57,297)	862,635
<b>TOTAL Ring-fenced Reserves</b>	<b>847,124</b>	<b>72,808</b>	<b>(57,297)</b>	<b>862,635</b>
<b>TOTAL Reserves</b>	<b>21,068,233</b>	<b>7,333,639</b>	<b>(6,411,509)</b>	<b>21,990,363</b>
<b><u>Balances</u></b>				
General Fund	13,092,723	1,195,710	(959,216)	13,329,217
<b>TOTAL Balances</b>	<b>13,092,723</b>	<b>1,195,710</b>	<b>(959,216)</b>	<b>13,329,217</b>
<b>TOTAL Reserves and Balances</b>	<b>34,160,956</b>	<b>7,333,639</b>	<b>(7,370,725)</b>	<b>35,319,580</b>

**2022/23 Estimated Position**

	Opening Balance as at 01/04/2022 £	Transfers in (‘top-up’) £	Transfers out (to fund expenditure) £	Closing Balance as at 31/03/2023 £
<b>Earmarked Reserves</b>				
Building Control	57,024	-	-	57,024
Capital Investment	1,577,262	-	(40,050)	1,537,212
Elections	82,434	41,217	-	123,651
Homelessness	407,769	-	(88,290)	319,479
Insurance	137,449	40,000	(33,118)	144,331
Investment - I.T. Strategy	1,442,262	51,425	(511,184)	982,503
Leisure Management	724,398	7,380	(316,610)	415,168
Council Tax Equalisation	2,843,745	-	(568,749)	2,274,996
Non-Domestic Rates Equalisation	9,112,614	4,506,060	(4,894,900)	8,723,774
Property Investment Fund	2,877,168	-	(2,876,690)	478
Value for Money	777,815	-	(153,110)	624,705
Vehicle Replacement/Street Cleansing Maintenance	1,087,788	578,679	(512,902)	1,153,565
<b>TOTAL Earmarked Reserves</b>	<b>21,127,728</b>	<b>5,224,761</b>	<b>(9,995,603)</b>	<b>16,356,886</b>
<b>Ring-fenced Reserves</b>				
Enterprise Zone Growth	862,635	-	(49,950)	812,685
<b>TOTAL Ring-fenced Reserves</b>	<b>862,635</b>	<b>-</b>	<b>(49,950)</b>	<b>812,685</b>
<b>TOTAL Reserves</b>	<b>21,990,363</b>	<b>5,224,761</b>	<b>(10,045,553)</b>	<b>17,169,571</b>
<b>Balances</b>				
General Fund	13,329,217	559,185	(1,218,720)	12,669,682
<b>TOTAL Balances</b>	<b>13,329,217</b>	<b>559,185</b>	<b>-</b>	<b>12,669,682</b>
<b>TOTAL Reserves and Balances</b>	<b>35,319,580</b>	<b>5,783,946</b>	<b>(10,045,553)</b>	<b>29,839,253</b>

**2023/24 Estimated Position**

	Opening Balance as at 01/04/2023 £	Transfers in (‘top-up’) £	Transfers out (to fund expenditure) £	Closing Balance as at 31/03/2024 £
<b>Earmarked Reserves</b>				
Building Control	57,024	-	-	57,024
Capital Investment	1,537,212	-	-	1,537,212
Elections	123,651	41,217	(164,868)	-
Homelessness	319,479	-	-	319,479
Insurance	144,331	40,000	-	184,331
Investment - I.T. Strategy	982,503	49,930	(190,500)	841,933
Leisure Management	415,168	1,240	-	416,408
Council Tax Equalisation	2,274,996	-	(568,749)	1,706,247
Non-Domestic Rates Equalisation	8,723,774	-	-	8,723,774
Property Investment Fund	478	-	-	478
Value for Money	624,705	-	(14,180)	610,525
Vehicle Replacement/Street Cleansing Maintenance	1,153,565	575,685	(149,500)	1,579,750
<b>TOTAL Earmarked Reserves</b>	<b>16,356,886</b>	<b>708,072</b>	<b>(1,087,797)</b>	<b>15,977,161</b>
<b>Ring-fenced Reserves</b>				
Enterprise Zone Growth	812,685	-	(49,950)	762,735
<b>TOTAL Ring-fenced Reserves</b>	<b>812,685</b>	<b>-</b>	<b>(49,950)</b>	<b>762,735</b>
<b>TOTAL Reserves</b>	<b>17,169,571</b>	<b>708,072</b>	<b>(1,137,747)</b>	<b>16,739,896</b>
<b>Balances</b>				
General Fund	12,669,682	-	(2,340,010)	10,329,672
<b>TOTAL Balances</b>	<b>12,669,682</b>	<b>-</b>	<b>(2,340,010)</b>	<b>10,329,672</b>
<b>TOTAL Reserves and Balances</b>	<b>29,839,253</b>	<b>708,072</b>	<b>(3,477,757)</b>	<b>27,069,568</b>



**2024/25 Estimated Position**

	Opening Balance as at 01/04/2024 £	Transfers in (‘top-up’) £	Transfers out (to fund expenditure) £	Closing Balance as at 31/03/2025 £
<b><u>Earmarked Reserves</u></b>				
Building Control	57,024	-	-	57,024
Capital Investment	1,537,212	-	-	1,537,212
Elections	-	41,217	-	41,217
Homelessness	319,479	-	-	319,479
Insurance	184,331	40,000	-	224,331
Investment - I.T. Strategy	841,933	49,930	(86,000)	805,863
Leisure Management	416,408	-	-	416,408
Council Tax Equalisation	1,706,247	-	(568,749)	1,137,498
Non-Domestic Rates Equalisation	8,723,774	-	-	8,723,774
Property Investment Fund	478	-	-	478
Value for Money	610,525	-	(14,180)	596,345
Vehicle Replacement/Street Cleansing Maintenance	1,579,750	575,685	(302,500)	1,852,935
<b>TOTAL Earmarked Reserves</b>	<b>15,977,161</b>	<b>706,832</b>	<b>(971,429)</b>	<b>15,712,564</b>
<b><u>Ring-fenced Reserves</u></b>				
Enterprise Zone Growth	762,735	-	(49,950)	712,785
<b>TOTAL Ring-fenced Reserves</b>	<b>762,735</b>	<b>-</b>	<b>(49,950)</b>	<b>712,785</b>
<b>TOTAL Reserves</b>	<b>16,739,896</b>	<b>706,832</b>	<b>(1,021,379)</b>	<b>16,425,349</b>
<b><u>Balances</u></b>				
General Fund	10,329,672	-	(2,398,010)	7,931,662
<b>TOTAL Balances</b>	<b>10,329,672</b>	<b>-</b>	<b>(2,398,010)</b>	<b>7,931,662</b>
<b>TOTAL Reserves and Balances</b>	<b>27,069,568</b>	<b>706,832</b>	<b>(3,419,389)</b>	<b>24,357,011</b>

**2025/26 Estimated Position**

	Opening Balance as at 01/04/2025 £	Transfers in (‘top-up’) £	Transfers out (to fund expenditure) £	Closing Balance as at 31/03/2026 £
<b><u>Earmarked Reserves</u></b>				
Building Control	57,024	-	-	57,024
Capital Investment	1,537,212	-	-	1,537,212
Elections	41,217	41,217	-	82,434
Homelessness	319,479	-	-	319,479
Insurance	224,331	40,000	-	264,331
Investment - I.T. Strategy	805,863	49,930	(121,000)	734,793
Leisure Management	416,408	-	-	416,408
Council Tax Equalisation	1,137,498	-	(568,749)	568,749
Non-Domestic Rates Equalisation	8,723,774	-	-	8,723,774
Property Investment Fund	478	-	-	478
Value for Money	596,345	-	(14,180)	582,165
Vehicle Replacement/Street Cleansing Maintenance	1,852,935	575,685	(215,000)	2,213,620
<b>TOTAL Earmarked Reserves</b>	<b>15,712,564</b>	<b>706,832</b>	<b>(918,929)</b>	<b>15,500,467</b>
<b><u>Ring-fenced Reserves</u></b>				
Enterprise Zone Growth	712,785	-	(49,950)	662,835
<b>TOTAL Ring-fenced Reserves</b>	<b>712,785</b>	<b>-</b>	<b>(49,950)</b>	<b>662,835</b>
<b>TOTAL Reserves</b>	<b>16,425,349</b>	<b>706,832</b>	<b>(968,879)</b>	<b>16,163,302</b>
<b><u>Balances</u></b>				
General Fund	7,931,662	-	(2,444,251)	5,487,411
<b>TOTAL Balances</b>	<b>7,931,662</b>	<b>-</b>	<b>(2,444,251)</b>	<b>5,487,411</b>
<b>TOTAL Reserves and Balances</b>	<b>24,357,011</b>	<b>706,832</b>	<b>(3,413,130)</b>	<b>21,650,713</b>

2026/27 Estimated Position

	Opening Balance as at 01/04/2026 £	Transfers in (‘top-up’) £	Transfers out (to fund expenditure) £	Closing Balance as at 31/03/2027 £
<b><u>Earmarked Reserves</u></b>				
Building Control	57,024	-	-	57,024
Capital Investment	1,537,212	-	-	1,537,212
Elections	82,434	41,217	-	123,651
Homelessness	319,479	-	-	319,479
Insurance	264,331	40,000	-	304,331
Investment - I.T. Strategy	734,793	49,930	(86,000)	698,723
Leisure Management	416,408	-	-	416,408
Council Tax Equalisation	568,749	-	(568,749)	-
Non-Domestic Rates Equalisation	8,723,774	-	-	8,723,774
Property Investment Fund	478	-	-	478
Value for Money	582,165	-	(14,180)	567,985
Vehicle Replacement/Street Cleansing Maintenance	2,213,620	575,685	(404,500)	2,384,805
<b>TOTAL Earmarked Reserves</b>	<b>15,500,467</b>	<b>706,832</b>	<b>(1,073,429)</b>	<b>15,133,870</b>
<b><u>Ring-fenced Reserves</u></b>				
Enterprise Zone Growth	662,835	-	(49,950)	612,885
<b>TOTAL Ring-fenced Reserves</b>	<b>662,835</b>	<b>-</b>	<b>(49,950)</b>	<b>612,885</b>
<b>TOTAL Reserves</b>	<b>16,163,302</b>	<b>706,832</b>	<b>(1,123,379)</b>	<b>15,746,755</b>
<b><u>Balances</u></b>				
General Fund	5,487,411	-	(2,650,251)	2,837,160
<b>TOTAL Balances</b>	<b>5,487,411</b>	<b>-</b>	<b>(2,650,251)</b>	<b>2,837,160</b>
<b>TOTAL Reserves and Balances</b>	<b>21,650,713</b>	<b>706,832</b>	<b>(3,773,630)</b>	<b>18,583,915</b>

2021/22 Revised Estimate

	2021/22 Revised Estimate		2021/22 Outturn	
	£	£	£	£
<b><u>BUILDING CONTROL</u></b>				
Chargeable work 2021/22 net nil		-		2,509
<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)		(32,487)	
Use of Reserve to fund works to Fleetwood Market Outdoor Area	(14,500)		(4,467)	
Security Improvements at Fleetwood Market (PH decision 23/12/21)	(55,440)		(15,390)	
Cable replacement Beach Bungalow Phase 1 Works (PH decision 17/02/22)	(21,450)		(21,450)	
2021/22 Top Up to fund Fleetwood Market Decarbonisation Project Manager	-		22,800	
		<b>(151,140)</b>		<b>(50,994)</b>
<b><u>ELECTIONS</u></b>				
Annual provision May 2023 Borough Elections		41,217		41,217
<b><u>HOMELESSNESS</u></b>				
Temp Housing First Engagement Officer (ODR 26/5/21)	(29,080)		-	
Lead Rapid Rehousing Officer (ODR 28/6/21)	(970)		-	
Additional Temp Housing Options Advisor (ODR 29/6/21)	(23,860)		-	
2021/22 top up to fund future expenditure (5140)	-		55,395	
2021/22 draw down to fund homelessness expenditure (5140)	(94,480)		(79,248)	
2021/22 draw down to fund care and repair expenditure (5221)	(40,000)		(28,000)	
		<b>(188,390)</b>		<b>(51,853)</b>
<b><u>INSURANCE</u></b>				
Annual set aside for possible claims	40,000		40,000	
Use of reserve to cover new claims	-		(788)	
		<b>40,000</b>		<b>39,212</b>
<b><u>INVESTMENT - I.T. STRATEGY</u></b>				
Top Up from IT general savings per latest review	33,630		148,832	
Replacing core IT network (PH decision 25/6/20) - 20/21 capital & revenue slippage	(64,885)		(39,476)	
Tablet devices for Councillors (19/20 slippage)	(5,093)		-	
Additional Rolling Replacement Hardware Programme	(86,000)		(86,000)	
Virtual Desktop Infrastructure Storage Area Network Replacement (PH decision 08/09/21)	(30,700)		(30,704)	
2021/22 Top Up to Investment - IT Strategy Reserve	-		498,895	
		<b>(153,048)</b>		<b>491,547</b>
<b><u>LAND CHARGES</u></b>				
Chargeable work 2021/22 net nil		-		(12,562)
<b><u>LEISURE MANAGEMENT</u></b>				
Annual Top Up for Exercise Equipment at Garstang Leisure Centre (Year 3 of 4)	7,380		7,382	
2021/22 Top Up to Leisure Management Reserve	-		250,000	
		<b>7,380</b>		<b>257,382</b>
<b><u>COUNCIL TAX EQUALISATION</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)	
2021/22 Top Up to Council Tax Equalisation Reserve	-		1,137,498	
		<b>(568,749)</b>		<b>568,749</b>
<b><u>NON-DOMESTIC RATES EQUALISATION</u></b>				
Top Up - s31 Local Government Act 2003 Grant net of related NDR Levy	3,294,190		4,410,973	
Use of Reserve to fund Collection Fund Deficit	(5,183,910)		(5,183,907)	
		<b>(1,889,720)</b>		<b>(772,934)</b>
<b><u>PERFORMANCE REWARD INITIATIVES</u></b>				
Fleetwood Beach Wheelchair (PH decision 3/8/20) - 20/21 slippage	(950)		-	
Draw down of funds - transfer to Value For Money Reserve	(21,564)		(22,514)	
		<b>(22,514)</b>		<b>(22,514)</b>
<b><u>PROPERTY INVESTMENT FUND</u></b>				
Use of reserve to fund property acquisition (Cabinet decision Dec 2021)		<b>(2,863,127)</b>		<b>(29,732)</b>
<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)		(4,457)	
Cash Receiving System Upgrade (19/20 capital slippage)	(24,746)		(24,746)	
Financial Management System (PH decision 24/06/21)	(61,820)		(46,075)	
HR back scanning (20/21 slippage)	(6,810)		(6,810)	
Fully hosted EDMS system (PH decision 23/12/21)	(88,710)		(12,333)	
New Burdens funding	-		36,550	
Transfer from Performance Reward Initiative Reserve	-		22,514	
		<b>(295,003)</b>		<b>(85,857)</b>
<b><u>VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE</u></b>				
Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 2 of 8)	239,375		239,375	
Top Up to fund replacement vehicles	337,774		337,774	
Use of Reserve to fund vehicle replacements/adaptations.	(411,519)		(53,817)	
Additional Income MOT Centre Top Up Reserve to replace equipment	3,000		9,117	
		<b>168,630</b>		<b>532,449</b>
<b><u>RINGFENCED - ENTERPRISE ZONE GROWTH</u></b>				
Use of Growth monies to fund expenditure	(49,950)		(24)	
Hillhouse EZ infrastructure funding (PH decision 20/8/20) - 20/21 slippage	(68,480)		(57,273)	
Top Up from Growth identified in NNDR1/NNDR3 Returns	-		72,808	
		<b>(118,430)</b>		<b>15,511</b>
<b>2021/22 TOTAL NET TRANSFER TO/(FROM) RESERVES</b>		<b>(5,992,894)</b>		<b>922,130</b>

**2022/23 Estimated Position**

	2022/23 Original Estimate		2022/23 Updated Estimate	
	£	£	£	£
<b><u>BUILDING CONTROL</u></b>				
Chargeable work 2022/23 net nil		-		-
<b><u>CAPITAL INVESTMENT</u></b>				
Security Improvements at Fleetwood Market (PH decision 23/12/21 - 21/22 capital slippage)		-		(40,050)
<b><u>ELECTIONS</u></b>				
Annual provision May 2023 Borough Elections.		41,217		41,217
<b><u>HOMELESSNESS</u></b>				
2022/23 draw down to fund homelessness expenditure (5140)		(48,290)		(48,290)
2022/23 draw down to fund care and repair expenditure (5221)		(40,000)		(40,000)
		<b>(88,290)</b>		<b>(88,290)</b>
<b><u>INSURANCE</u></b>				
Annual set aside for possible claims	40,000		40,000	
Thornton Cleveleys duck pond shelter reconstruction works (PH decision 18/08/22)	-		(23,118)	
Butts Close Industrial Estate insurance excess (21/22 slippage)	-		(10,000)	
		<b>40,000</b>		<b>6,882</b>
<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)		(26,084)	
Additional Rolling Replacement Hardware Programme	(86,000)		(86,000)	
Use of reserve to fund ICT developments	(369,100)		(369,100)	
Purchase of new ICT equipment to facilitate hybrid working (PH decision 04/04/22)	-		(30,000)	
		<b>(429,759)</b>		<b>(459,759)</b>
<b><u>LEISURE MANAGEMENT</u></b>				
Annual Top Up for Exercise Equipment at Garstang Leisure Centre (Year 4 of 4)	7,380		7,380	
Increased subsidy estimated to be required in 2022/23	(250,000)		(250,000)	
Green infrastructure audit and related strategy development (PH decision 04/04/22)	-		(32,000)	
Replacement surfacing at the splash pad at Fleetwood Leisure Centre (PH decision 27/04/22)	-		(25,950)	
Fleetwood Leisure Centre procurement of essential equipment (hoist) (PH decision 29/07/22)	-		(8,660)	
		<b>(242,620)</b>		<b>(309,230)</b>
<b><u>COUNCIL TAX EQUALISATION</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)	
		<b>(568,749)</b>		<b>(568,749)</b>
<b><u>NON-DOMESTIC RATES EQUALISATION</u></b>				
Top Up - s31 Local Government Act 2003 Grant net of related NDR Levy	4,506,060		4,506,060	
Use of Reserve to fund Collection Fund Deficit & Baseline Funding Deficit	(4,894,900)		(4,894,900)	
		<b>(388,840)</b>		<b>(388,840)</b>
<b><u>PROPERTY INVESTMENT FUND</u></b>				
Use of reserve to fund property acquisition (Cabinet decision Dec 2021 - 21/22 revenue & capital slippage)		(43,773)		(2,876,690)
<b><u>VALUE FOR MONEY</u></b>				
Migration to hosted Revs & Bens software system (PH decision 28/7/20)	(50,500)		(50,500)	
Investment in Digital Transformation Software and Equipment (PH decision 29/07/22)	-		(44,650)	
Implementation of a Citizen Access Portal (21/22 capital slippage)			(57,960)	
		<b>(50,500)</b>		<b>(153,110)</b>
<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 (incl 2021/22 capital slippage)	(155,200)		(512,902)	
Additional Income MOT Centre Top Up Reserve to replace equipment	3,000		3,000	
		<b>423,479</b>		<b>65,777</b>
<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>(1,357,785)</b>		<b>(4,820,792)</b>

**2023/24 Estimated Position**

	2023/24 Original Estimate		2023/24 Updated Estimate	
	£	£	£	£
<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)	
		<b>(123,651)</b>		<b>(123,651)</b>
<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)	
Use of reserve to fund ICT developments	(104,500)		(104,500)	
		<b>(140,570)</b>		<b>(140,570)</b>
<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>COUNCIL TAX EQUALISATION</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)	
		<b>(568,749)</b>		<b>(568,749)</b>
<b><u>NON-DOMESTIC RATES EQUALISATION</u></b>		-		-
<b><u>PROPERTY INVESTMENT FUND</u></b>		-		-
<b><u>VALUE FOR MONEY</u></b>				
Investment in Digital Transformation Software and Equipment (PH decision 29/07/22)		-		(14,180)
<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	
		<b>426,185</b>		<b>426,185</b>
<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>(415,495)</b>		<b>(429,675)</b>

2024/25 Estimated Position

	2024/25 Original Estimate		2024/25 Updated Estimate	
	£	£	£	£
<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)	
		<b>(36,070)</b>		<b>(36,070)</b>
<b><u>LEISURE MANAGEMENT</u></b>				
<b><u>COUNCIL TAX EQUALISATION</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)	
		<b>(568,749)</b>		<b>(568,749)</b>
<b><u>NON-DOMESTIC RATES EQUALISATION</u></b>				
<b><u>PROPERTY INVESTMENT FUND</u></b>				
<b><u>VALUE FOR MONEY</u></b>				
Investment in Digital Transformation Software and Equipment (PH decision 29/07/22)				(14,180)
<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	
		<b>273,185</b>		<b>273,185</b>
<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 (FROM) RESERVES</b>		<b>(300,367)</b>		<b>(314,547)</b>

**2025/26 Estimated Position**

	2025/26 Original Estimate		2025/26 Updated Estimate	
	£	£	£	£
<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)	
Use of reserve to fund ICT developments	(35,000)		(35,000)	
		<b>(71,070)</b>		<b>(71,070)</b>
<b><u>LEISURE MANAGEMENT</u></b>				
<b><u>COUNCIL TAX EQUALISATION</u></b>				
Fund Council Taxpayer income foregone from 11/12 freeze	-		(176,689)	
Fund Council Taxpayer income foregone from 12/13 freeze	-		(176,166)	
Fund Council Taxpayer income foregone from 13/14 freeze	-		(71,250)	
Fund Council Taxpayer income foregone from 14/15 freeze	-		(72,037)	
Fund Council Taxpayer income foregone from 15/16 freeze	-		(72,607)	
				<b>(568,749)</b>
<b><u>NON-DOMESTIC RATES EQUALISATION</u></b>				
<b><u>PROPERTY INVESTMENT FUND</u></b>				
<b><u>VALUE FOR MONEY</u></b>				
Investment in Digital Transformation Software and Equipment (PH decision 29/07/22)				<b>(14,180)</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	
		<b>360,685</b>		<b>360,685</b>
<b><u>RINGFENCED - ENTERPRISE ZONE GROWTH</u></b>				
Use of Growth monies to fund expenditure		<b>(49,950)</b>		<b>(49,950)</b>
<b>2025/26 TOTAL NET TRANSFER TO/(FROM) RESERVES</b>		<b>320,882</b>		<b>(262,047)</b>

2026/27 Estimated Position

	2026/27 Original Estimate		2026/27 Updated Estimate	
	£	£	£	£
<b><u>BUILDING CONTROL</u></b>				
Chargeable work 2026/27 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)	
		<u>(36,070)</u>		<u>(36,070)</u>
<b><u>LEISURE MANAGEMENT</u></b>				
		-		-
<b><u>COUNCIL TAX EQUALISATION</u></b>				
Fund Council Taxpayer income foregone from 11/12 freeze	-		(176,689)	
Fund Council Taxpayer income foregone from 12/13 freeze	-		(176,166)	
Fund Council Taxpayer income foregone from 13/14 freeze	-		(71,250)	
Fund Council Taxpayer income foregone from 14/15 freeze	-		(72,037)	
Fund Council Taxpayer income foregone from 15/16 freeze	-		(72,607)	
		-	<u>(568,749)</u>	
<b><u>NON-DOMESTIC RATES EQUALISATION</u></b>				
		-		-
<b><u>PROPERTY INVESTMENT FUND</u></b>				
		-		-
<b><u>VALUE FOR MONEY</u></b>				
Investment in Digital Transformation Software and Equipment (PH decision 29/07/22)		-		(14,180)
<b><u>VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE</u></b>				
Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 7 of 8)	239,375		239,375	
Top Up to fund vehicle replacement	333,310		333,310	
Use of Reserve to fund vehicle replacements/adaptations	(404,500)		(404,500)	
Additional Income MOT Centre Top Up Reserve to replace equipment	3,000		3,000	
		<u>171,185</u>		<u>171,185</u>
<b><u>RINGFENCED - ENTERPRISE ZONE GROWTH</u></b>				
Use of Growth monies to fund expenditure		(49,950)		(49,950)
<b>2026/27 TOTAL NET TRANSFER TO/(FROM) RESERVES</b>		<u><b>166,382</b></u>		<u><b>(416,547)</b></u>