



# Emergency Powers Non-Executive Decisions Agenda

Wyre Borough Council  
Date of Publication: 30.07.2020  
Please ask for: Emma Keany,  
Democratic Services Officer  
Email: emma.keany@wyre.gov.uk

## Emergency Powers Non-Executive Decisions meeting on Tuesday 4 August 2020 at 6.00 pm via Remote Access

1. **Apologies for absence**

2. **Declarations of interest**

Members and Officers will disclose any pecuniary and any other significant interests they may have in relation to the matters under consideration.

3. **Confirmation of the minutes**

(Pages 3 - 6)

To confirm as a correct record the minutes of the Emergency Powers Non-Executive Decisions meeting held on 16 June 2020.

4. **Statement of Accounts 'Training'- 2019/2020**

(Pages 7 - 64)

The Corporate Director Resources (and S151 Officer) will make a presentation.

During the course of her presentation the Corporate Director Resources will refer to a guidance document published by the Chartered Institute of Public Finance and Accountancy, which can be viewed via the following link:

[https://www.cipfa.org/~media/files/policy%20and%20guidance/boards/cipfa%20lasaac/understanding\\_lafs\\_v6.pdf?la=en](https://www.cipfa.org/~media/files/policy%20and%20guidance/boards/cipfa%20lasaac/understanding_lafs_v6.pdf?la=en)

She will also refer to information published with this agenda.

5. **Statement of Accounts (Pre-Audit)- 2019/2020**

(Pages 65 - 68)

Report of the Corporate Director Resources (and S151 Officer).

(a) Appendix One: Draft Statement of Accounts 2019-2020

(Pages 69 -  
172)

- (b) Appendix Two: Tables 1 (Capital Financing Report) and 2 (Comparison of Capital Expenditure to Budget) (Pages 173 - 178)
- (c) Appendix Three: Major Revenue Variances and Revenue Budget Savings- Slippage into Future Years (Pages 179 - 184)
- (d) Appendix Four: Reserves and Balances statement and Transfers to and from Reserves (Pages 185 - 198)



## Emergency Powers Non-Executive Decisions Minutes

The minutes of the Emergency Powers Non-Executive Decisions meeting of Wyre Borough Council held on Tuesday 16 June 2020 via Remote Access.

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### **Emergency Powers Non-Executive Decisions members and officers present:**

Clare James, Corporate Director Resources and Section 151 Officer  
Councillor Lesley McKay, Chair of Audit Committee  
Joanne Billington, Head of Governance  
Emma Keany, Democratic Services Officer

No members of the public or press attended the meeting.

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### **13        Declarations of interest**

None.

### **14        Emergency Powers Provisions for Audit Committee**

The Corporate Director Resources (and Section 151 Officer) **agreed** that Emergency Powers Provisions report relating to Audit Committee matters, **be noted**.

### **15        Review of Effectiveness of Internal Audit**

The Head of Governance submitted a report on the annual review of the effectiveness of the council's system of internal audit, as required by the Accounts and Audit Regulations 2015.

She confirmed that there had been a few changes to the layout and wording but that the substance of the report was similar to the annual review reissued in 2019.

Councillor McKay, the Head of Governance and the Corporate Director Resources discussed the report, including the views shared, electronically, by Councillor Moon regarding the length of the document, abbreviations and duplications. The Head of Governance stated that she had provided

Councillor Moon with a direct response and as there were no significant issues, would revisit them at the next annual review in 2021.

After discussion, the Corporate Director Resources (and Section 151 Officer) **agreed** that the results of the May 2020 review of the effectiveness of Internal Audit, as detailed in Appendix 1 of the report, **be noted**.

## 16 Internal Audit Annual Report 2019/20

The Head of Governance submitted a report on the Internal Audit Annual Report which provided information on internal audit work carried out during 2019/20 and enabled a chance to review the progress in relation to risk management activity, as required by the Accounts and Audit Regulations 2015.

She confirmed that there had been issues with the completion of the 17 audit reports and subsequently only 8 had been completed. The Head of Governance, however, stated that she was happy that the controls in place were adequate but there needed to be recognition of the fact that coverage had been limited. She planned to look at those reports missed and bring to the next Audit Committee.

Councillor McKay, the Head of Governance and the Corporate Director Resources discussed the report, including the views shared, electronically, by Councillor Moon regarding Fleetwood Ferry. The Head of Governance stated that she had provided Councillor Moon with a direct response regarding his concerns and there was no change to the overall opinion.

There was also discussion around the current progress made at Marine Hall and the possible impact of Covid-19.

After discussion, the Corporate Director Resources (and Section 151 Officer) **agreed** the Internal Audit Annual Report attached at Appendix 1, the Risk Management Progress Report at Appendix 2 and the Strategic Risk Review at Appendix 3, **be noted**.

## 17 Annual Governance Statement 2019/20

The Head of Governance submitted a report on the submitted a report on the draft Annual Governance Statement 2019/20.

She confirmed that the draft statement would be added to the Statement of Accounts and that all key officers had seen and had an opportunity to comment on the document.

Councillor McKay, the Head of Governance and the Corporate Director Resources discussed the report.

After discussion, the Corporate Director Resources (and Section 151 Officer) **agreed** the draft Annual Governance Statement 2019/20, which incorporated the council's Code of Corporate Governance, **be formally approved**.

**18 Risk Management Policy: Annual Review**

The Head of Governance submitted a report on the annual review of the council's risk management policy.

She confirmed that there had been slight amendments to the policy which reflected the changes of directors and Section 151 role.

Councillor McKay, the Head of Governance and the Corporate Director Resources discussed the report.

After discussion, the Corporate Director Resources (and Section 151 Officer) **agreed** the Risk Management Policy attached at Appendix 1 of the report, **be approved**.

The meeting started at 6.00 pm and finished at 6.22 pm.

**Date of Publication:** 29 June 2020

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Member Training  
2019/20  
Statement of Accounts

Audit Committee  
August 2020

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Agenda Item 4

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**wyre**  
council

# Setting the Scene

The Accounts must...

- Be prepared and approved by the responsible financial officer by 31 May (**extended to 31 August in 2020 owing to COVID-19**)
- Be published on the website, with the Auditor's Report, no later than 31 July (**extended to 30 November in 2020 owing to COVID-19**)
- Comply with Accounts and Audit Regs 2015
- Comply with the Code of Practice on Local Authority Accounting





# Setting the Scene

The Accounts must...

- Be audited by External Auditors (Deloitte)
- Be available for electors to inspect for a single period of 30 working days between 1 June and 12 July (including the first 10 working days of June) ... **Now the first 10 working days in September owing to COVID-19**
- ...Electors can question the External Auditor about the accounts but the Auditor does not have to answer questions about the Council's policies, finances, procedures or anything else that is not relevant to the accounts



# Setting the Scene

Members in their role as governors ...

- Are requested to approve and authorise the statements
- Need to reasonably understand the statements that they are approving
- Must approve the accounts as the Executive (Cabinet) and Overview and Scrutiny Committee are statutorily precluded from doing so

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# What must the Statement include?

- Narrative Report (includes an Explanatory Foreword and non-financial information about the council, performance, area etc.)
- Statement of Responsibilities
- Independent Auditor's Report
- Annual Governance Statement
- Comprehensive Income and Expenditure Statement
- Movement in Reserves Statement
- Balance Sheet



# What must the Statement include?

- Cash Flow Statement
- Notes to the Financial Statements
  - Expenditure and Funding Analysis (new in 2016/17)
- Collection Fund Account
- Notes to the Collection Fund
- Glossary of Accounting Terms
- Links to Other Financial Information (i.e. the Council's website showing council budgets and spending)





# The Narrative Report

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# The Narrative Report

- “...should offer interested parties a concise and easily understandable effective guide to the most significant matters reported in the accounts.”
- Not formally part of the Statement of Accounts
- Its content and style should be a matter of local judgement...
- ...but they recommend 12 topics and 2 principles with 11 sub-analysis points for inclusion!





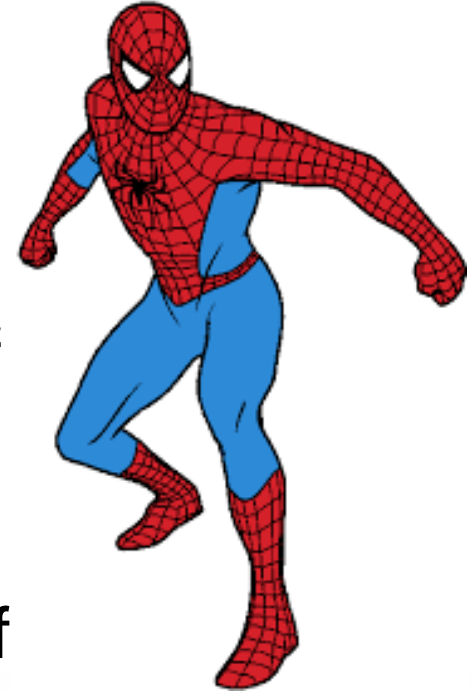
# Statement of Responsibilities



# Statement of Responsibilities

**The Authority** is required:

- To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs.  
(Corporate Director Resources – Chief Financial Officer)
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- To approve the Statement of Accounts





# Statement of Responsibilities

**The Chief Financial Officer** is required:

- To prepare the Statement of Accounts in accordance with proper practices
- To select suitable accounting policies and apply them consistently
- To make judgements and estimates that are reasonable and prudent
- To comply with the Code of Practice on Local Authority Accounting
- To keep proper accounting records that are up to date
- To take reasonable steps to prevent and detect fraud and other irregularities

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# Statement of Responsibilities

The **Chief Financial Officer** in accordance with the 2016 CIPFA publication 'The Role of the Chief Financial Officer in Local Government' is also responsible for:

- Ensuring appropriate advice is given on all financial matters, for keeping financial records and accounts and for maintaining an effective system of financial control
- Publishing annual accounts on a timely basis to communicate the organisation's financial position and performance

# Statement of Responsibilities

Accounts to be signed and dated by:

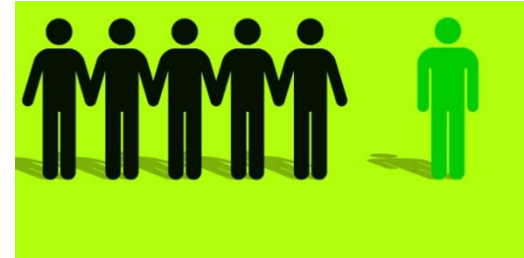
- Responsible Financial Officer to certify that the accounts present a 'true and fair view of the financial position and its income and expenditure' in May and again prior to Audit Cttee in July (deadlines extended in 2020 owing to COVID-19 to August and November)
- Presiding Member at the Committee meeting at which the accounts were approved.



# Independent Auditor's Reports

# Independent Auditor's Report

- Prepared in accordance with:
  - Local Audit and Accountability Act 2014
  - National Audit Office's Code of Audit Practice
- Evidence that the accounting statements:
  - Give a true and fair view of the financial position
  - Have been prepared properly in accordance with the Code of Practice on Local Authority Accounting
- Report to those charged with governance (the Audit Committee) thereby complying with the International Standard on Auditing (ISA260).
- Accounts production and audit process requires the Auditors to communicate their views about the significant qualitative aspects of the Authority's accounting practices and financial reporting (ISA260).



# Value for Money (VFM) Conclusion

- Good VFM is the optimal use of resources to achieve the intended outcomes. 'Optimal' means 'the most desirable possible given expressed or implied restrictions or constraints'. VFM is not about achieving the lowest initial price.
- The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.
- The Auditors have a responsibility to satisfy themselves that proper arrangements have been made having regard to relevant criteria specified by the NAO.
- They will plan their work based on consideration of the significant risks of giving a wrong conclusion; and will carry out as much work as is appropriate to enable them to give a safe conclusion on the arrangements to secure VFM.



# Annual Governance Statement

# Annual Governance Statement

- Regulation 6 of the Accounts and Audit Regulations 2015 requires the authority to carry out an annual review of the effectiveness of the system of internal control and prepare an AGS
- Page 24 The AGS should be approved in advance by Audit Committee and published alongside the Statement of Accounts
- Acknowledgement of our responsibility/purpose



# Annual Governance Statement

- Compliance with '*Delivering Good Governance in Local Government: A Framework*' published by CIPFA/SOLACE
- How we meet the core principles
- Our approach to Risk Management
- A review of effectiveness
- Value for Money Conclusion
- Significant governance issues
- How we review and report

# Comprehensive Income and Expenditure Statement

# Comprehensive Income and Expenditure 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
- It has two distinct sections showing all gains and losses/the movement in net worth...
  - Surplus/Deficit on the Provision of Services (resulting from expenditure incurred or income generated)
  - Other Comprehensive Income & Expenditure (resulting from changes in valuation of assets and gains/losses on pension assets and liabilities)



# Movement in Reserves Statement

3460  
1780  
1810  
1250  
945  
1705  
1070

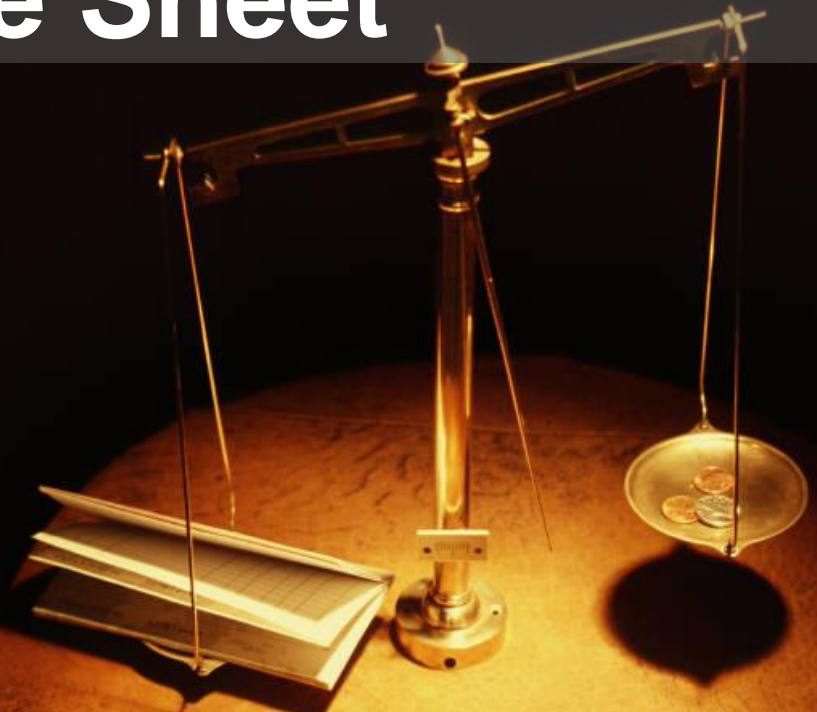
3460  
1780  
1810  
1250  
945  
1705  
1070

# Movement in Reserves Statement

- Shows the movement in the year on different reserves split between usable and unusable
- Reconciles the surplus or deficit on the Provision of Services from the CIES to the statutory amounts required to be charged for tax setting purposes.
- ‘Notional’ Surplus/Deficit adjusted for difference between accounting and funding regulations and transfers to or from Earmarked reserves = ‘True’ Surplus/Deficit for the year (book entries stripped out)



# Balance Sheet



# Balance Sheet

- Snapshot at the end of the year (31 March)
- Shows assets and liabilities of the Council (what it owns and what it owes)
- Both long term (e.g. long term borrowing) and current (e.g. cash)
- The net assets (assets less liabilities) are matched by the reserves (net worth) including:
  - Usable reserves e.g. Balances and earmarked reserves
  - Unusable reserves e.g. Unrealised gains and losses such as the Revaluation Reserve and Adjustment Accounts that absorb the difference between applying proper accounting practices and statutory arrangements for funding expenditure

# Balance Sheet

- The code specifies the minimum requirements for lines to be included on the face of the balance sheet
- There are also a number of disclosure requirements relating to the balance sheet including a note showing the movement in reserves and a requirement to disclose the nature and purpose of each reserve

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# Cash Flow Statement

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# Cash Flow Statement

- Summarises the flows of cash that have taken place into and out of the authority's bank accounts over the year. It separates the flows into:
  - Operating activities (includes interest received and paid)
  - Investing activities (includes the purchase/disposal of assets and investment income)
  - Financing activities (includes the receipts and repayments of borrowing and difference between cash collected and paid re NDR and Council Tax)
- We use the indirect method – starting with the surplus/deficit on the provision of services, adjusting for non cash items, accruals and extracting investing or financing activities

# Notes to the Financial Statements

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# Notes to the Financial Statements

Important in presenting a true and fair view with three significant aspects:

- To present information about the basis of preparation e.g. accounting policies used
- To disclose information not presented elsewhere such as breaking down lines within financial statements e.g. Property, Plant and Equipment (PPE)
- To provide information not presented elsewhere such as qualitative material including ‘transactions with related parties’

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# Statement of Accounting Policies

Expenditure and Funding Analysis – shows how annual expenditure is used and funded from Resources (Government Grants, rents, council tax and business rates) in comparison with those consumed or earned in accordance with Generally Accepted Accounting Practices (see CIES)

Accounting Policies i.e. “the specific principles, bases, conventions, rules and practices applied...”

- Accruals of Income and Expenditure – activity is accounted for in the year it takes place not based on when cash is received or paid
- Cash and Cash Equivalents – includes investments maturing no more than 3 months from date of acquisition
- Prior Period Adjustments, Changes and Errors – some applied prospectively and others retrospectively

# Statement of Accounting Policies

- Charges to Revenue for Non-Current Assets – e.g. depreciation, revaluation, impairment and amortisation.
- Employee Benefits – such as accrued holiday entitlements, termination benefits and post-employment benefits including accounting arrangements for the LGPS
- Events after the Reporting Period – but prior to 30 June (31 August in 2020 owing to COVID-19) requiring adjustment or disclosure

# Statement of Accounting Policies

- Financial Liabilities – short term loans are valued in the balance sheet using outstanding principal plus accrued interest
- Financial Assets – Investments/loans made by the council valued in the balance sheet using outstanding principal plus accrued interest
- Government Grants and Contributions – accounted for on an accruals basis when conditions have been satisfied otherwise shown as creditors
- Heritage Assets – valued as for insurance purposes and not subject to depreciation

# Statement of Accounting Policies

- Intangible Assets – amortised over economic life  
e.g. IT systems
- Interest in companies and other entities – such as joint ventures that would require the preparation of group accounts
- Inventories – accounted for at the lower of cost and net realisable value
- Investment Property – Not depreciated but revalued annually (Highest and Best Use) with rental income showing as Financing and Investment Income

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# Statement of Accounting Policies

- Leases – No finance or operating leases exist
- Overheads and Support Services – cost charged to those that benefit in proportion to the benefit received
- Property, Plant & Equipment – Measurement/basis of valuation e.g. infrastructure and community assets at depreciated historical cost and with most of the other assets at current value (existing use value – EUV) or depreciated replacement cost. Surplus assets are held at fair value.

# Statement of Accounting Policies

- Impairment – assets are reviewed for evidence of impairment loss at each year end
- Depreciation – all assets, other than investment properties, land, heritage and certain community assets, with a determinable finite life, depreciated over up to 80 years.
- Disposals – income shown in I&E statement along with gain or loss on disposal.

# Statement of Accounting Policies

- Provisions – an obligation that requires settlement where a reliable estimate of the amount can be made.
- Contingent Liabilities – possible obligation although existence and amount cannot be confirmed.
- Contingent Assets – possible asset although not yet confirmed.
- Reserves – set aside for future policy purposes or to cover contingencies...

# Earmarked Reserves

## Wyre Council - Revised Estimate 2019/20

	<b>Balance 31.03.20 £'000</b>
<b>Earmarked Reserves</b>	
Building Control	5
Capital Investment	465
Elections	0
Insurance	113
IT	381
Land Charges	20
Leisure Management	205
New Homes Bonus	1,706
Non-Domestic Rates Equalisation	3,690
Performance Reward Initiatives	27
Property Investment Fund	1,000
Value For Money	578
Vehicle Replacement/St Clsng	398
Enterprise Zone Growth - Ring-fenced	1,135
<b>TOTAL</b>	<b><u>9,723</u></b>

# Statement of Accounting Policies

- Revenue expenditure funded from capital under statute (REFCUS) – capital expenditure where no asset is created e.g. improvement grants, reflected in the Income & Expenditure Statement with associated grant.
- VAT – VAT paid is recoverable, VAT charged is paid over to HMRC.

# Notes to the Financial Statements

- Accounting Standards published prior to 01.01.20 but not adopted – must disclose the impact of an accounting change that will be required.
- Critical judgements in applying accounting policies – e.g. a decision has been made which influences the accounting treatment
- Assumptions about the future – e.g. estimation of the net liability to pay pensions and the impact of a 0.1% increase in the discount rate assumption applied
- Events after the Reporting Period – events after date authorised for issue (e.g. 31.08.20 re 2019/20) are not reflected

# Notes to the Financial Statements

- Adjustments between accounting basis and funding basis under regulations – proper accounting practice v statutory provisions
- Transfers to or from earmarked reserves
- Other operating expenditure – includes parish precepts, pension administration costs and gains/losses on disposal of non-current assets (excl. investment assets)

# Notes to the Financial Statements

- Financing and Investment income/expenditure – interest payable/receivable, gains/losses on disposal /revaluation of investment properties and pensions net interest expense
- Page 48 Taxation and non-specific grant income/expenditure – Adjusted Council Tax income (incl. parish precept), NDR income/expenditure, RSG, Transitional Funding, NHB, S31 grant and capital grants and contributions



# Notes to the Financial Statements

- Property, Plant and Equipment –
  - additions, disposals, impairment, reclassification, revaluations and depreciation
  - Depreciation – useful lives
  - Capital commitments e.g. contracts entered into
  - Revaluations – all PPE measured at current value is revalued every 5 years

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# Notes to the Financial Statements

- Heritage Assets

- additions, disposals, revaluations and impairment losses
- Eros Statue and Civic Regalia (@ valuation used for insurance purposes)

- Investment Property

- rental income no longer shown in Cost of Services
- Additions, disposals and gains/losses on revaluation
- Fair value hierarchy and valuation techniques

- Intangible Assets

e.g. software which is amortised over 5 years – identifies additions and amortisation

# Notes to the Financial Statements

- Financial Instruments
  - shows investments, debtors, borrowings and creditors
  - interest payable/receivable
  - fair value disclosures (new in 2015/16)
- Inventories – stocks reflected at lower of cost and net realisable value
- Short Term Debtors – People who owe us money
- Cash and Cash Equivalents – Cash, bank account, overdraft and short term deposits

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# Notes to the Financial Statements

- Assets Held For Sale – newly classified
- Short Term Creditors – People who we owe money to
- Provisions – Business Rate Appeals are determined by the VO and often backdated
- Usable Reserves – includes General Fund Balances, Earmarked Reserves, Capital Receipts and Capital Grants Unapplied.

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# Notes to the Financial Statements

- Unusable Reserves – includes explanations of and movements on Revaluation Reserve, Capital Adjustment A/c, Pensions Reserve, Collection Fund Adjustment A/c and Accumulated Absences A/c
- Cash Flow Statement Operating Activities – includes interest received/paid and adjustments to surplus/deficit for non cash movements and investing/financing activities

# Notes to the Financial Statements

- Cash Flow Statement Investing Activities – includes additions to asset register, purchase of short term investments, disposal of assets and capital grants/contributions received

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Cash Flow Statement Financing Activities – includes repayments of short and long term borrowing and movement in debtors for Council tax and NDR

# Notes to the Financial Statements

- Trading Operations – reflects considerations of stewardship where we are taking commercial risks and provides an assurance that the authority is not exposing itself unreasonably to loss.
- Agency Services – income and expenditure associated with the Lancashire Highway Street Services Agreement is excluded from the CI&E Statement.
- Members' Allowances – must disclose total allowances/expenses paid in the year

# Notes to the Financial Statements

- Officers' Remuneration - for those earning > £50,000 and senior employees (reflecting number of employees and amounts paid)
- External Audit Costs – for auditing the accounts, grant claims and other services.
- Grant Income – non-ringfenced revenue monies (e.g. RSG, New Homes Bonus & S31 grant) and capital grants and contributions (some of which are shown as received in advance)

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# Notes to the Financial Statements

- Related Parties – bodies or individuals who are able to control/influence or be controlled/influenced
- Capital Expenditure and Capital Financing – types of expenditure e.g. PPE, investment, intangible assets and REFCUS and how it is financed
- Leases – The council does not have any finance or operating leases

# Notes to the Financial Statements

- Impairment Losses – impairment by class of asset charged to surplus or deficit on provision of services
- Termination Benefits – number and value of compulsory redundancies or other departures agreed
- Pension Schemes (defined benefit) – benefits not paid until employees retire but accounts must recognise them as they are earned
- Contingent Liabilities – possible obligation although existence and amount cannot be confirmed e.g. legal claims and NNDR appeals

# Notes to the Financial Statements

- Nature and Extent of Risks arising from Financial Instruments –
  - Credit Risk – other parties might fail to pay amounts due to the Authority
  - Liquidity Risk – access to money market and PWLB means that cash is available as needed.
  - Market Risk – our exposure to movements in the interest rate
- Note on the Lancashire 75% Business Rates Retention Pilot Pool explaining its background and how the Pool works.

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# Collection Fund Account

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# Collection Fund Account

An agent's statement which we, as a 'billing authority', are required to maintain reflecting the following transactions:

- Council tax
- Non-domestic rates
- Distribution of central share to Central Government and to precepting bodies e.g. LCC, P&CCL, LCFA and WBC (incl. distribution of collection fund prior year balance)

## Notes to the Collection Fund

- Council Tax Base Calculation – including number of dwellings per band and relevant amount taking into account discounts
- Income from Business Rate Payers – rateable valued at year end and multiplier
- Distribution of Collection Fund prior year balance
- Closing Surplus/Deficit on the Collection Fund at year end

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# 2019/20 Updates

No major changes in 2019/20 owing to COVID-19 – changes delayed until 2020/21

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Any questions...

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Report of:	Meeting	Date	Item No.
Corporate Director Resources and s.151 Officer	Audit Committee	4 August 2020	5

<b>STATEMENT OF ACCOUNTS 2019/20, CAPITAL FINANCING AND REVENUE OUTTURN</b>
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**1. Purpose of Report**

1.1 To approve the council’s published Statement of Accounts and the final capital and revenue position for the financial year 2019/20.

**2. Outcomes**

2.1 Evidence that the council produces accounts in accordance with relevant standards and timetables, supported by comprehensive working papers and promotes external accountability.

2.2 Compliance with the requirements of the Accounts and Audit Regulations.

**3. Recommendations**

3.1 The Chair is requested to:

- i. Approve the Accounting Policies selected and applied by the Council, as required by International Accounting Standard No. 8: Accounting Policies, Changes in Accounting Estimates and Errors, which are set out as Note 2 to the Financial Statements attached;
- ii. Approve the Council’s Statement of Accounts 2019/20, subject to audit;
- iii. Note the major variations in expenditure and income, the proposed slippage and the resulting impact on the level of the Council’s reserves and balances at 31 March 2020; and
- iv. Ensure that the accounts are subject to robust member scrutiny/discussion.

**4. Background**

4.1 The Accounts and Audit Regulations 2015 require the council’s

responsible financial officer to certify that the accounts ‘present a true and fair view of the financial position’ for the 2019/20 financial year by the 31 August 2020 (the date has been extended from 31 May as a result of the COVID-19 pandemic). The Council is then formally required to approve and publish the Statement of Accounts no later than 30 November 2020 (the date has been extended from 31 July as a result of the COVID-19 pandemic). Following approval, the Statement of Accounts must be signed and dated by the member presiding at the meeting at which approval is given.

- 4.2** Training materials for the statement of accounts for the 2019/20 financial year were circulated to the Chair and the rest of the Committee prior to the meeting. The Committee are not currently meeting and emergency powers have been delegated to the Corporate Director Resources and Chair of Audit Committee as necessary.

**5. Key issues and proposals**

- 5.1** An Executive Summary setting out the main details in a format that is straightforward and easy to understand is included in the Statement of Accounts as part of the Narrative Report. The Narrative Report also includes non-financial information as part of the ‘Telling the Story’ requirement in the Code of Practice. The Statement of Accounts is attached at Appendix 1 for consideration, although this is still subject to audit.
- 5.2** The Capital Financing Report is attached at Appendix 2 (Table 1) and a comparison of actual capital expenditure to the 2019/20 updated revised budget, illustrating the nature of the variance e.g. advance spend, over spend, under spend or slippage to future years can be seen at Appendix 2 (Table 2).
- 5.3** A report identifying major variations in revenue expenditure and income compared to the levels budgeted for the year is attached at Appendix 3a and the proposed revenue slippage into 2020/21 and future years is included at Appendix 3b.
- 5.4** The resulting impact of these changes, such as additional expenditure or reduced income, on the level of the Council’s reserves and balances at 31 March 2020 is shown at Appendix 4.

<b>IMPLICATIONS</b>	
Finance	There are no immediate financial implications arising from this report. The final outturn position will be incorporated within the Medium Term Financial Plan 2020/21 to 2024/25 which aims to provide detailed proposals for corporately managing the council’s resources in the years ahead and is subject to continuous monitoring to ensure its effectiveness.
Legal	The approval of the recommendation will help ensure that

	the statutory requirements have been complied with.
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### **Other risks/implications: checklist**

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	x
climate change	x
ICT	x
data protection	x

### **Processing Personal Data**

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

Report Author	Telephone No.	Email	Date
Clare James	01253 887370	Clare.james@wyre.gov.uk	17.07.2020

<b>List of Background Papers:</b>		
Name of Document	Date	Where available for inspection
None		

### **LIST OF APPENDICES**

- Appendix 1 – Statement of Accounts for the year ended 31 March 2020
- Appendix 2 (Table 1) - Capital Financing Report
- Appendix 2 (Table 2) - Comparison of Capital Expenditure to Budget
- Appendix 3a – Major Revenue Variances
- Appendix 3b – Revenue Budget Savings - Slippage into Future Years
- Appendix 4a – Reserves and Balances Statement
- Appendix 4b – Transfers to and from Reserves

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# STATEMENT OF ACCOUNTS

For the Year Ended

31 March 2020

C James CPFA

Corporate Director Resources

(s151 Officer)

Considered and confirmed (pre audit) by:

Audit Committee 4 August 2020

Audit Committee Chairman:

Councillor L McKay

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## NARRATIVE REPORT

### Message from the Corporate Director Resources

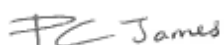
The financial year 2019/20 has been focused on driving forward the Business Plan in the context of several different elections leading to a new Government in December 2019, Brexit and the outbreak of a global pandemic which has had a significant impact on the preparation of the 2019/20 Statement of Accounts. The Financial Services team plays a key role in supporting the delivery of the Business Plan 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 August 2020 (the extended deadline, formerly 31 May, following the outbreak of COVID-19).

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' three years ago. The deadline for producing a draft set of accounts has been extended from 31 May to 31 August 2020 and the deadline for signing off the audited accounts has moved from 31 July to 30 November 2020. 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 2019/20 accounts, there is no common inspection period to allow for the fact that different councils will have been impacted in different ways. The requirement to advertise the inspection period is still in place and this was done on the council's website as in previous years. It is expected that the thirty days will commence no later than 1 September for all councils.

There is no longer a requirement for the Audit Committee to review the draft accounts and during the pandemic, emergency decision-making powers have been invoked which has meant that Audit Committee have not been formally meeting, although the Chair, Corporate Director Resources and Head of Governance met virtually in line with the scheduled committee meeting in June to approve the Annual Governance Statement. Training materials for the review of the draft Statement of Accounts were issued to Audit Committee in advance of the scheduled meeting on 4 August 2020 between the Chair, Corporate Director Resources and Head of Finance.

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 2019/20 Financial Services continued to lead and support transformational council initiatives including major capital projects, bids for external funding and the successful completion of the 75% Business Rates Retention Pilot Pool across Lancashire.

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 at 31 March 2020.



Clare James  
Corporate Director Resources (s.151 Officer) Page 71

## 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 2019 based on the Mid-Year Estimates provided by the Office for National Statistics was 112,091.

### Elected Members

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

Councillors are usually, but not always, aligned with one of the main national political parties and the position in Wyre at 31 March 2020 was as follows:

Conservative Group Councillors = 37; Labour Group Councillors = 8, and; Brexit Group Councillors = 5. Since the end of the 2019/20 financial year, the Brexit Group have reconstituted themselves as the Wyre Alliance Party.

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

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

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

### The Council’s Spending

The Council has two types of expenditure:

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

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



## Council Funding

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

2016/17 - a reduction of £0.9m or 16%

2017/18 – a reduction of £0.7m or 14%

2018/19 – a reduction of £0.4m or 9%

2019/20 – a reduction of £0.4m or 10%

For 2020/21 we have received a slight increase of £54,000 in line with inflation of 1.6% on our baseline funding compared to 2019/20.

Spending power figures, show a 1.7% increase.

Over the ten years up to and including 2020/21 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?

2020/21 is a one-year settlement deal so beyond this our funding position is uncertain. The government were planning to conduct a delayed Spending Review in 2020 as well as consulting on a Fair Funding Review and Business Rates Retention Reform. However the pandemic has delayed these and it is likely there will be little progress before 2021/22. Central government have previously committed to providing provisional funding allocations by the beginning of December and we hope that this will be achieved in order to support medium term financial planning.

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

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

We also have an excellent track record on efficiency savings which has protected residents from the full impact of reductions in funding. We've saved over **£6m** between 2010/11 and 2018/19 that's an average of **£670,000** per year and we predict future savings will take us over the £7m mark.

Wyre has never shied away from challenging how we deliver services or making difficult decisions and will continue to do so. This means continually reviewing how we operate and whether services meet the needs of our communities.

### What does the budget mean for residents?

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

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

The Cemeteries and the Waste and Recycling Service were again successfully shortlisted in the national Association of Public Service Excellence Awards in 2019/20.

The public toilets provided in Wyre continue to be of a high standard and the Authority was placed in the top five in the National Loo of the Year Awards in 2019/20 and are still considered in the Premier League for public conveniences.

Poulton's [Vicarage Park](#), [Hawthorne Park](#) and [Wyre Estuary Country Park](#) in Thornton and Fleetwood's [Memorial Park](#) all received Green Flag awards in 2019/20.

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

### Investing in Wyre

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

In 2020/21 **80%** of our capital spending will be financed by external grants and contributions. Examples to date include:

**£1.8m** to deliver Disabled Facilities Grants providing adaptations to enable people with disabilities to live at home more independently,

**£0.8m** for the restoration of the Mount, Fleetwood and;

**£0.1m** for digital signage on the coast.

The Mount in Fleetwood is currently undergoing a revival. Following a successful restoration of the seaward side of the Grade II registered gardens to their original 19th century design a further bid to the Heritage Lottery Fund to transform the landward side has also been successful. This scheme includes the iconic pavilion, rose garden and gate lodge and is expected to be completed by September 2020.

We have rolled out a new wheeled bin container to replace the current box for glass, cans and plastics and this will help us to improve the opportunities for residents to recycle more. This links to the adoption of a new Single Use Plastics policy by the Council and our commitment to tackle the impact of climate change. Wyre Council has committed to plant 25,000 new trees over the next five years and details of how residents, groups and businesses can get involved will be promoted in due course.

We're operating our venues in a more business oriented way, maximising opportunities to generate revenue and constantly looking for new ways to earn income. We are utilising our venues for weddings including the Mount Pavilion which is proving to be a popular addition to the Marine Hall, Civic Centre and Thornton Little Theatre venues. At the same time, we've ensured that all our fees and charges remain low for community use.

We have developed 220 sq metres of space over Fleetwood Market into studios to offer spaces where artists and creative people can work from, develop products and maybe even sell their pieces on the trading floor of the market itself. The new Market House Studios will be launched in the summer. The outdoor area of Fleetwood Market is also going through a redevelopment and new outdoor units are being installed for fresh food and other items which will follow soon after. These improvements and digital signage to be installed in 2020/21 have been funded primarily from Coastal Communities Funding Round 5 following a successful bid for nearly £0.8m.

## Growing Wyre's economy

Business creation and expansion is a priority at Wyre and we have an excellent track record in supporting businesses through our Wyred Up network. The aim is to bring businesses together to buy from each other and as their businesses grow, they then employ more people in the local economy who spend their wages locally.

The 6th annual Wyre Business Awards event was held in November at the Marine Hall, Fleetwood. The celebration event was attended by over 280 business people from across Wyre and was once again a great success.

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

We will continue to support the roll out of full fibre broadband along the tramline into Fleetwood.

Wyre Council recognises the importance of our High Streets and has been awarded nearly £1.8m in Heritage Action Zone funding. £150,000 has already been awarded for Future High Street Fund feasibility works and to develop a strategic regeneration framework for Fleetwood. A final bid for over £22m has been submitted in June 2020. This bid will include a request for funding towards a joint £2m feasibility study into a Fylde coast Rail/Tram link which would include a Poulton to Fleetwood link.

## Protecting vulnerable residents

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

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

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

## Significant Liabilities

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

The underlying commitment that the authority has to pay retirement benefits is reflected in the net liability of £29,185,000. The net pension liability has reduced by £1,979,800. However, statutory arrangements for funding the deficit mean that the financial position of the authority remains healthy as the deficit on the scheme will be made good by increased contributions over the remaining working life of employees as assessed by the Scheme Actuary.

## Principal Risks and Uncertainties

The Council manages its significant business risks and recognises that effective risk management is integral to the Council’s corporate governance arrangements. The Council’s Corporate Management Team meets annually to review the Council’s strategic risks as identified on the Council’s strategic risk register, and identify any new risks that may prevent the Council from achieving its long-term corporate objectives.

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 2020 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:



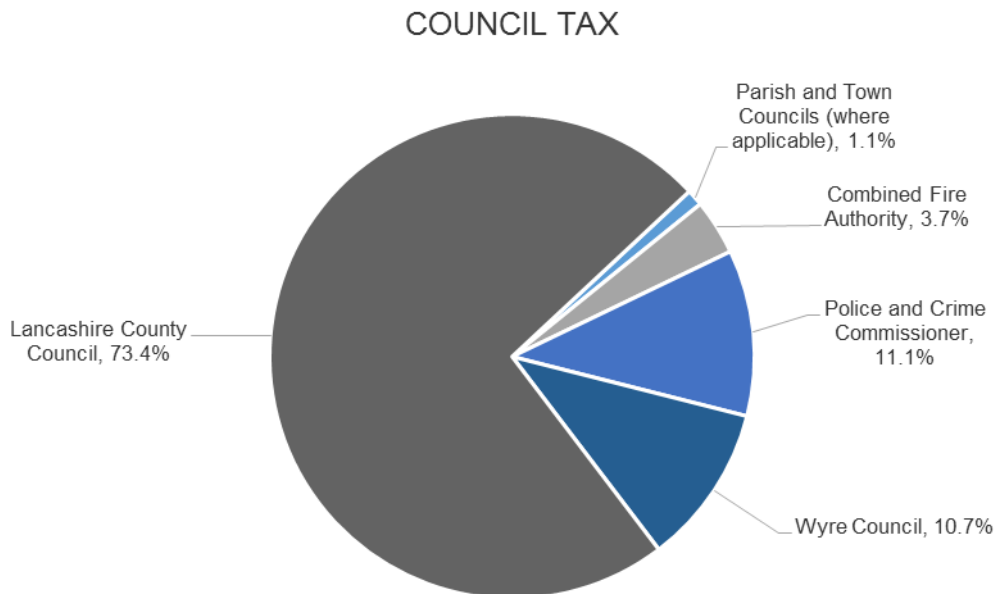
The Council is one of the largest employers in the borough employing 304 full time equivalents (49% female and 51% male). The workforce generally reflects the diversity of the resident’s in the borough.

## Council Tax 2020/21

The Government announced last year that they would 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 2020/21 assumes that districts will increase their council tax by the suggested £5.

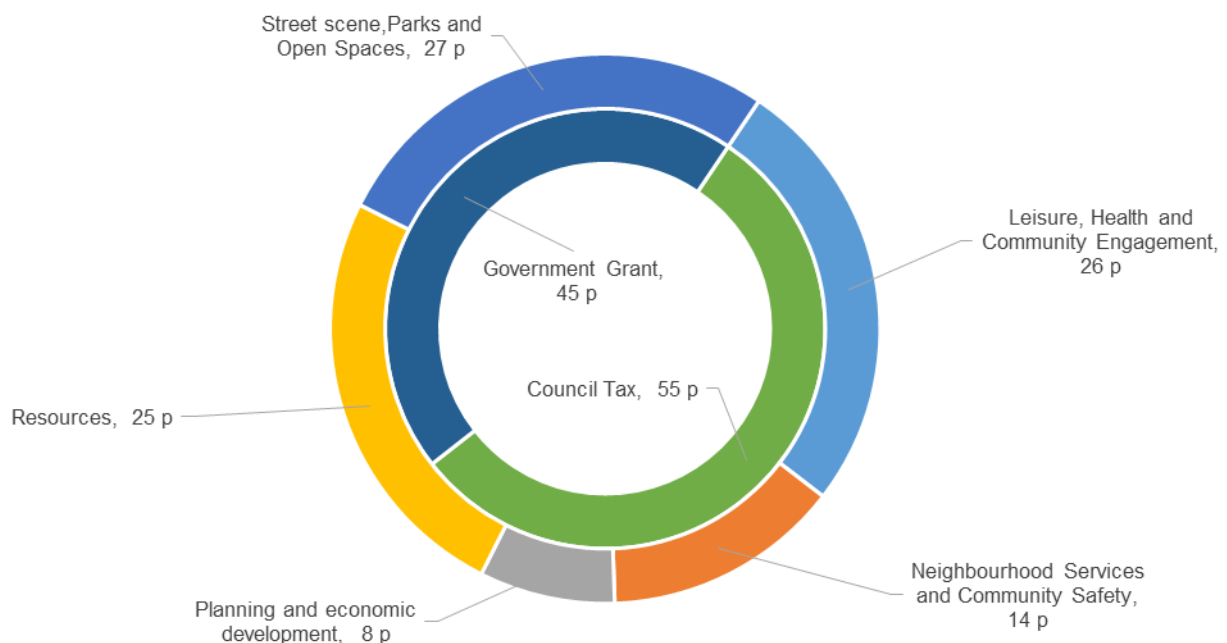
We have decided to follow the government’s lead to maximise our spending power potential whilst keeping costs low for residents and continue providing Wyre's vital front line services. This equates to a rise of £5 a year on a band D property, or just 10p a week, and means that the overall cost for all Wyre's services will be **56p per day**.

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



Wyre Council is the billing authority and collects council tax on behalf of all these agencies however Wyre's portion represents just under 11% or £204.74 (on a band D property) of the total amount of your bill. This compares to the equivalent figure of £199.74 (on a band D property) in 2019/20.

For every £1.00 the council receives in income it spends it in the following council areas (based on 2019/20 outturn):



## Business Plan 2019 to 2023 (2020 Update)

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

In addition to the Business Plan, the Council has adopted a Strategic Narrative (updated in 2020) 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

Updated January 2020

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



## Economy

### OUR AMBITION - A STRONG LOCAL ECONOMY

We will:

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

## Place

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

We will:

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



## People

### OUR AMBITION - EMPOWERED COMMUNITIES

We will:

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

# Delivering our Vision



## Economy

### How will we do this?

- Deliver the implementation plan for Hillhouse Technology Enterprise Zone
- Collaborate with partners to develop strategic economic plans such as the Greater Lancashire Plan
- Work with our partners to increase access for residents and businesses to high speed internet and wi-fi wherever possible
- Develop the Fleetwood Masterplan and facilitate external funding opportunities to support the future options to transform Fleetwood over the next 20 years
- Explore the feasibility of a Fylde Coast tramway/rail loop
- Explore investment and development opportunities for our town centres and key council assets

### How will we measure progress?

- Take up of employment land
- Number of businesses supported
- % growth in business rate base at the Enterprise Zone
- Town centre vacancy rates
- Our of work benefit claimant count
- Visitor numbers to the borough
- % of fledgling businesses surviving - 18 months



## People

### How will we do this?

- Deliver a programme of work to promote healthy choices and healthier lifestyles to keep people well
- Maximise funding opportunities and deliver initiatives to support older people and people with disabilities to maintain independence
- Work with partners to improve the aspirations and resilience of our young people through programmes such as Positive Footprints
- Develop a programme of work that improves the sustainability and resilience of our communities
- Launch the next phase of the Digital Wyre Strategy ensuring customers have easy access to our services and that we embrace the opportunities new technologies bring

### How will we measure progress?

- % of e-contacts as a % of total contacts
- Number of people helped to remain independent at home
- % of physically active adults
- Number of hours of career led learning delivered in Wyre through the Positive Footprints programme
- Number of leisure centre visits
- Number of volunteer hours
- % of resident population who consider themselves to be in good health



## Place

### How will we do this?

- Review the Wyre Local Plan 2011-2031
- Deliver the Wyre Beach Management Scheme
- Facilitate and support the improvement and use of parks and open spaces
- Implement initiatives and promote activity to help achieve a cleaner, greener Wyre
- Ensure the Wyre Community Lottery is well utilised to support good causes
- Develop and deliver action plans to reduce the effect of climate change on our borough
- Support our residents to reduce waste and increase reuse and recycling

### How will we measure progress?

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



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



## Financial Performance in 2019/20

### 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 45%) and the balance is funded by the Council tax payer (approximately 55%). 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
	£	£	£
Expenditure	15,154,609	13,202,373	(1,952,236)
(Use of)/additions to balances	(393,287)	1,718,370	2,111,657
<b>TOTAL</b>	<b>14,761,322</b>	<b>14,920,743</b>	<b>159,421</b>
<i>Resources</i>			
Government grant			
- New Homes Bonus	(1,406,242)	(1,406,242)	-
- Non-Domestic Rates Government Grant (s.31)	(2,582,326)	(2,780,795)	(198,469)
- Non-Domestic Rates Redistribution (net of tariff)	(3,119,093)	(3,119,093)	-
- Non-Domestic Rates Risk Resilience Fund	30,812	28,743	(2,069)
- Non-Domestic Rates Strategic Economic Growth and Financial Sustainability Fund	154,062	143,713	(10,349)
- Non-Domestic Rates Government Levy Account Surplus	(51,466)	-	51,466
- Non-Domestic Rates Previous year's deficit	417,850	417,850	-
Council tax			
- Precept on the Collection Fund – Wyre Council	(7,361,963)	(7,361,963)	-
- Precept on the Collection Fund – Parishes	(695,546)	(695,546)	-
- Previous year's surplus	(147,410)	(147,410)	-
<b>TOTAL</b>	<b>(14,761,322)</b>	<b>(14,920,743)</b>	<b>(159,421)</b>

The main reasons for the addition to balances of £1,718,370 are listed below:

Description	£	£
<i>Increased Spending/Reduced Income</i>		
Capital Investment Reserve – Top Up	405,781	
Postage – Council Tax	15,230	
YMCA subsidy	91,540	
Greater Lancashire Plan	21,853	
Vehicle sales	40,270	
Cemeteries- Internment Fees and Sale of Grave Space	57,230	
HMO Licences	10,080	
<b>TOTAL</b>		<b>641,984</b>
<i>Reduced Spending/Increased Income</i>		
Slippage to 2020/21 (net of reserve funding)	(1,718,370)	
Employee Costs (including training)	(327,220)	
Materials - Consumables	(28,760)	
Advertising (incl. statutory notices)	(15,750)	
Legal Fees	(12,280)	
Public Conveniences	(20,680)	

Benefits and rent allowances expenditure	(50,470)
Council Tax - Annexe Grant	(12,400)
Waste Containers – admin and delivery fees	(10,810)
Bulky Household Waste	(13,890)
Residents Parking Permits	(10,500)
Planning Application Fees	(53,500)
Interest Received	(44,690)
Other Net Savings	(41,034)
<b>TOTAL</b>	<b>(2,360,354)</b>
<b>GRAND TOTAL</b>	<b>(1,718,370)</b>

Some of the spending that was planned to take place during 2019/20 has slipped in to 2020/21 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 2019/20 includes:

Description	Amount £
<i>Revenue Slippage</i>	
Coastal Communities Fund - Revenue schemes	58,900
Sea Defences - Private Contractors	47,750
Children's Trust and Community Safety	46,380
Street Cleansing	69,180
Domestic Waste Management	39,530
Local Plan - Consultancy fees	99,130
Future High Street Fund - Revenue Schemes	56,000
Housing Advisory Programme Fund – Revenue Schemes	25,000
Off Street Car Parking	20,690
Bus Shelters	31,450
Homelessness	314,990
Employee budgets - Financial Services, Street Cleansing and Parks and Open Spaces	276,550
Legal – Case Management System	14,250
Financial Services - Consultancy fees	10,670
Internal Audit - LCC Audit Fees	25,460
Contingency Provision – Care and Repair/ Handyperson Service	190,000
Contingency Provision - Asset Mtnc	127,100
Contingency Provision – VAT adjustment	105,330
Other Minor Slippage	160,010
<b>TOTAL</b>	<b>1,718,370</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	12,187,663	12,187,663
(Withdrawals)/Additions in year	(393,287)	1,718,370
<b>Closing balance</b>	<b>11,794,376</b>	<b>13,906,033</b>

## Capital

The Council spent a total of £5,978,519 (2018/19 £8,048,072) on capital investment in the year compared with an Updated Revised Budget of £9,831,108. A summary of the main items of expenditure is shown below:

Main items of expenditure	2018/19 £	2019/20 £
Housing Grants	2,393,952	1,908,126
Flood Defences	4,790,411	1,431,574
Leisure Centres	179,172	227,959
Fleetwood Market	51,911	250,717
Other Asset Management (Inc. vehicles and digital transformation)	368,998	502,460
Parks and Open Spaces	263,628	875,152
Wheeled Bins	-	782,531
<b>TOTAL</b>	<b>8,048,072</b>	<b>5,978,519</b>

The main reasons for the variation of £3,852,589 when compared to the Updated Revised Budget are listed below:

Description	£	£
<i>Capital slippage into future years</i>	(3,875,169)	
<b>TOTAL</b>		<b>(3,875,169)</b>
<i>Increased spending/Advanced spending (see * below)</i>		
Wyre Beach Management – External Costs*	25,367	
Fleetwood Leisure Centre Heating Works	3,314	
<b>TOTAL</b>		<b>28,681</b>
<i>Reduced spending</i>		
Disabled Facilities Grants	(1)	
IT Service Management Software	(5,142)	
Kirkland Flood Defence	(360)	
MOT Test Centre	(143)	
Sensory Garden – Memorial Park, Fleetwood	(455)	
<b>TOTAL</b>		<b>(6,101)</b>
<b>GRAND TOTAL</b>		<b>(3,852,589)</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 2019/20 capital expenditure was funded as follows:

Resources	Amount £
Grants and contributions	
Better Care funding towards Disabled Facilities Grants (DFG)	1,833,126
Regenda funding towards DFGs	75,000
Environment Agency funding for Coastal Defence Works, Beach Management and Cell Eleven	1,431,935
Coastal Communities Funding Round 5	250,717
Heritage Lottery and Benefactor Funding for Mount Restoration	772,480
Other Contributions e.g. s106, Regenda, Fleetwood Town Council	92,159
Capital Receipts	10,513
Revenue	1,512,589
<b>TOTAL</b>	<b>5,978,519</b>

The Council maintains a fund of capital receipts from the disposal of non-current assets to fund capital expenditure. At 31 March 2020 the funds available were:

Description	Revised £	Actual £
Opening balance	731,568	731,568
Received in year	15,000	60,000
Applied in year	(17,195)	(10,513)
<b>Closing balance</b>	<b>729,373</b>	<b>781,055</b>

### Resources Available for Capital Investment

The table below summarises the approved resources available for the 2019/20 Capital Programme and the indicative programme to 2024/25. This level of resources ensures that overall planned spending and funding are in balance. Figures are correct for approved decisions as at 30 June 2020.

Resource	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
<i>No revenue implications</i>						
Capital Receipts	10,513	65,850	-	-	-	-
Grants and contributions	4,455,417	7,955,046	1,833,127	1,833,127	1,833,127	1,833,127
<b>SUB TOTAL</b>	<b>4,465,930</b>	<b>8,020,896</b>	<b>1,833,127</b>	<b>1,833,127</b>	<b>1,833,127</b>	<b>1,833,127</b>
<i>With revenue implications</i>						
Other revenue contributions	1,512,589	3,647,954	278,495	61,000	150,500	302,500
<b>SUB TOTAL</b>	<b>1,512,589</b>	<b>3,647,954</b>	<b>278,495</b>	<b>61,000</b>	<b>150,500</b>	<b>302,500</b>
<b>TOTAL</b>	<b>5,978,519</b>	<b>11,668,850</b>	<b>2,111,622</b>	<b>1,894,127</b>	<b>1,983,627</b>	<b>2,135,627</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 Council undertakes a biennial resident survey. Some of the key results from the Life in Wyre 2018 survey are shown in the table below:

Key comparisons	2018	2016	Movement
Very satisfied or satisfied with where they live	80%	82%	(2%)
Strongly or tend to agree that 53p a day for Wyre Council's services and facilities is value for money	51%	55%	(4%)
Very satisfied or satisfied with waste and recycling collections	73%	68%	5%
Respond to residents' needs a great deal or a fair amount	47%	52%	(5%)

### The following statistics relate to 2019/20 unless otherwise stated:

 <b>409</b> Businesses supported, with 4,707 registered to Wyred Up	 <b>1,204</b> handy person jobs completed	 <b>80%</b> of people satisfied with where they live *
 <b>51%</b> strongly or tend to agree council services are value for money *	 <b>237</b> volunteers contributing 32,584 hours	 <b>4.9m</b> visitors to Wyre **
 <b>303</b> incidents of dog fouling cleared up	 <b>264</b> Disabled Facilities Grants awarded of over £1.9m in value	 Over <b>5m</b> bins emptied
 <b>96.89%</b> of Council Tax collected	 <b>97.23%</b> of business rates collected	 <b>23,374</b> Social media followers

\* Bi annual life in Wyre survey last completed 2018/19  
 \*\* Based on 2018 visitlancashire.com data

### 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).

## OUTLOOK

### Current Economic Climate

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

### How Does the Future Look?

With an excellent track record in identifying efficiency savings and doing more for less, Wyre is in a strong financial position and we're planning ahead for potential changes in the funding allocation over the coming years. The national pandemic is likely to have an impact on the council's reserves and balances and could potentially impact on services. We are closely monitoring the situation and welcome recent announcements on COVID-19 related additional funding for councils.

Residents will continue to benefit from investment thanks to an approach of investing now to save money in the future and our track record of bringing in external funding.

As we ensure that we make best possible use of our assets, taxpayers can be certain of value for money and be reassured that we will negotiate improved community facilities where alternative options are required.

We will continue to generate investment and encourage development in the borough by providing a supportive business environment and making Wyre an attractive place to live and work.

Communities remain at the heart of everything we do and we will continue to find new ways of working, improving our services and providing excellent value for money.

We held our first launch event for the new Local Lottery in January 2020, attended by over 80 interested groups with tickets going on sale in February and the first draw taking place in March. This excellent initiative will help to support community groups and other organisations in their fundraising endeavours as well as provide a general good causes fund for worthy projects in the borough.

We will also be launching our Citizen Access Portal in Autumn 2020 which will allow Wyre residents and businesses access to services online 24 hours a day, seven days a week. This will enable those who sign up to receive electronic bills, which is better for the environment, book services, check the status of any payments due to them and report local issues and track their progress.

## EXPLANATORY FOREWORD TO THE STATEMENT OF ACCOUNTS

This Statement of Accounts covers the financial year ended 31 March 2020 (2019/20). 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 2019/20. 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:

- 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 2020 and of its income and expenditure for the year then ended.

C JAMES

CORPORATE DIRECTOR RESOURCES (CHIEF FINANCIAL OFFICER)

(Authorised for issue) 4 August 2020

## 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

(to be inserted)



## ANNUAL GOVERNANCE STATEMENT

### 1.0 INTRODUCTION TO CORPORATE GOVERNANCE

1.1 Good governance leads to good management, good performance, good stewardship of public money, good public engagement and ultimately leads to good outcomes for the residents and the service users of Wyre. Good governance also enables the council to pursue its corporate vision effectively, as well as underpinning that vision, with mechanisms for control and management of risks.

### 2.0 SCOPE OF RESPONSIBILITY

2.1 Wyre Council is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded and properly accounted for, and that funding is used economically, efficiently and effectively. Wyre Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

2.2 In discharging this overall responsibility, Wyre Council is responsible for putting in place suitable arrangements for the governance of its affairs, which facilitate the effective exercise of its functions and includes arrangements for the management of risk.

2.3 Wyre Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA / SOLACE 'Delivering Good Governance in Local Government' framework.

### 3.0 THE PURPOSE OF THE GOVERNANCE FRAMEWORK

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

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

3.3 The governance framework has been in place at Wyre Council for the year ended 31 March 2020 and up to the date of approval of the annual statement of accounts.

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

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

#### 5.0 HOW WE COMPLY WITH THE CIPFA/SOLACE FRAMEWORK

- 5.1 Set out below is how the Council has complied with the seven core principles set out in the CIPFA / SOLACE framework during 2019/20.

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

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

- Established codes of conduct define expected standards of personal behaviour for both staff and Members.
- The Council has a set of corporate values for its staff reflecting public expectations about the conduct and behaviour of individuals and these are reflected in the recruitment and selection and performance appraisal processes.
- The Council has a Member Code of Conduct in place that helps to achieve high standards of conduct for elected Members.
- Induction training is in place for both staff and newly elected Members.
- Arrangements are in place to ensure that Members and employees of the council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.
- A register of interests is maintained for Members and officers.
- An up-to-date register of gifts and hospitality is maintained and is reviewed annually by the Monitoring Officer and the Audit Committee.
- There is an efficient Standards Committee.
- Arrangements are in place for whistleblowing, to which all officers, Members and all those contracting with the council have access. The policy is reviewed annually by the Audit Committee.
- Arrangements are in place so that conflicts of interest on behalf of Members and officers are avoided.
- Effective, transparent and accessible arrangements are in place for dealing with complaints.

## Demonstrating strong commitment to ethical values

- The Head of Governance (Chief Internal Auditor) champions ethical compliance for both officers and Members.
- An Ethical Governance Survey for staff was carried out in November 2018. This will be rolled out to Elected Members in 2020.
- Protocols are in place for partnership working. These are documented in the council's Financial Regulations and Financial Procedure Rules.
- A competency framework, listing required behaviours and values, is currently used to drive recruitment and regular performance reviews are undertaken as part of the performance appraisal system.
- Policies and procedures are in place and are regularly reviewed for dealing with unacceptable behaviours.

## Respecting the rule of law.

- The authority has complied with both the Chartered Institute of Public Finance and Accountancy (CIPFA) statement on the Role of the Chief Financial Officer and the Head of Internal Audit in Local Government.
- The Constitution sets out the responsibilities of elected Members by defining the decision-making powers of the Council, Executive, Overview and Scrutiny and regulatory and other committees, providing clear terms of reference, and describing roles and functions.
- The Head of Governance (Chief Internal Auditor) has extensive internal audit experience and is professionally qualified. She is a certified and chartered auditor (CIA, CMIIA) and also holds a Qualification in Internal Audit Leadership (QIAL).
- 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.
- Up to date job descriptions and person specifications are maintained for the Chief Executive, Section 151 Officer and the Monitoring Officer.
- All staff completed training in respect of the Data Protection Act 2018 and the incorporated General Data Protection Regulations in 2018.
- 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.

- All allegations concerning breaches of the code by elected Members are thoroughly investigated.

## **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 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 complies with the Local Government Transparency Code 2015.
- Wyre Voice, an information leaflet produced by the council, is delivered to every household annually with a monthly E-newsletter being sent to those who have subscribed.
- A monthly newsletter 'core brief' is produced and cascaded to all staff.
- Periodic reports are produced on Overview and Scrutiny function activity.
- Key decisions are published in the Schedule of Executive Decisions.
- All report authors have been offered training on report writing.
- Audio recordings of Council meetings are available on the council's website.
- A property investment panel has been established which will consider proposals for investment opportunities.

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

- The leisure management partnership board meets regularly to oversee the operation of the council's leisure centres and pools.
- Key partnerships are periodically reviewed through the internal audit plan and the Financial Regulations and Financial Procedure Rules include advice and guidance which can assist officers in managing the key risks of partnership arrangements.
- Corporate guidance has been issued on consultation and public involvement mechanisms offering practical steps and advice.
- The council maintains links with the parish and town councils by regular attendance at the Lancashire Association of Local Councils (LALC) meetings.

- Clear channels of communication are in place with all sections of the community and other stakeholders including monitoring arrangements to ensure that they operate effectively, e.g. flood forums, the Fylde and Wyre Health and Wellbeing Partnership Board, the Waste Management Partnership Board and the Leisure Management Partnership Board.

### **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 runs 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.
- Every year, a State of Wyre update is produced providing local data and intelligence linked to our business plan priorities.
- A 'together we make a difference network' is in place. This informal membership network led by the council is made up of council officers, elected Members and partners from all sectors with the aim to enable local people to make a difference in their local communities.
- The Council undertakes regular consultation and all are available through the online consultation portal.

### **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 with annual reports from the Local Government Ombudsman being available on the website.
- The medium term financial plan (MTFP) / revenue estimates and capital programme are soundly based and are designed to deliver the council's strategic priorities.
- The value for money indicators are reviewed annually with the results being reported to Cabinet and Overview and Scrutiny Committee.
- The council's approach to value for money is reflected in the annual efficiency statement reported to Cabinet with targets and achievements monitored throughout the year.



- Strategic and operational risk registers are maintained and workshops are held throughout the year to review current risks and identify new risks. The risk registers are reviewed quarterly, in line with the business plan and the efficiency programme. It should be noted that owing to Covid-19, operational risk workshops did not physically take place in Feb 2020. However Heads of Service were still asked to carry out the review and identification of new risks remotely.

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

- The council embraces community engagement and involvement and encourages neighbourhood engagement and works collectively with ward councillors, parish and town councillors, community groups and other partner organisations to identify local issues and priorities.
- Our business plan states a number of ambitions which will improve the health and wellbeing of our communities.
- Relationships have been established with clinical leads from the Blackpool, Preston, Morecambe Bay and Fylde coast clinical commissioning groups with a view to influencing service provision.
- The business plan is subject to an equality impact assessment on an annual basis.
- The development and delivery of the local plan has been subject to extensive consultation.
- Individual projects are equality impact assessed promoting access to services.
- Our 'together we make a difference network' works with the community to identify priority projects, makes links with partners, develops relationships with key stakeholders and helps facilitate the delivery of community priorities.
- The Council has been awarded a number of both green and blue flag awards for our clean beaches and parks and open spaces.
- The Council's Constitution has been amended to ensure 'Social Value' is considered when procuring goods and services.
- A masterplan is being developed for Fleetwood and a bid has been submitted for Future High Street Fund to kick start the economic regeneration of Fleetwood Town Centre. Funding has already been secured through CCF5 and Heritage Action Zone to start redevelopment projects at Fleetwood Market and for shop front improvements in the heritage quarter.
- In March 2020 the Council launched a new weekly online community lottery to provide good causes and community groups with a simple way to raise funds.

### **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.
- The Section 151 Officer sits on the Digital Transformation Board.

### 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 the Life in Wyre survey and other demographic information, including locality plans, neighbourhood profiles, State of Wyre updates and public health reports.
- Service quality is regularly reviewed via the council's formal complaints system, the Waste Management Partnership Board and the Leisure Management Partnership Board.
- The business plan includes a set of measures which are reported quarterly to the Overview and Scrutiny Committee.
- The MTFP, revenue estimates and capital programme are published annually and are key documents for forecasting our budget requirements and planning ahead.
- An efficiency programme compliments the MTFP ensuring sustainability going forward.
- We explore opportunities to work with our partners and collaborate on funding applications.

### Optimising achievement of intended outcomes

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

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

#### **Developing the Entity's capacity**

- There is an agreement between the council and the YMCA identifying arrangements for the management of the council's health and fitness centres. Regular meetings are held covering operational and financial matters. In 2019/20 the YMCA reported that they would not meet the subsidy target and a contract variation was agreed. The position will continue to be monitored in 2020/21 in light of the impact of the Covid-19 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 via relevant Lancashire professional groups e.g. revenues, audit, finance etc.
- The council plays an active role in the Fylde and Wyre health and wellbeing partnership.
- The council's performance appraisal system allows for documentation of the development of the individual through their personal development plan.
- Commercial awareness training was provided for all staff in 2017.
- The council's Chief Internal Auditor is currently undertaking a similar role for Lancaster City Council on a contractual basis.
- In 2018, the Internal Audit Service received a 'full compliance' overall opinion when assessed against the Public Sector Internal Audit Standards (PSIAS).
- The council regularly benchmarks Member's allowances as part of the review undertaken by the Independent Remuneration Panel.
- The Council attends the Lancashire Waste Partnership and is current evaluating options following the release of the DEFRA Resources and Waste Strategy 2018 with advisory groups such as the Local Authority Recycling Advisory Committee (LARAC) and the 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 is required to attend regular performance appraisal meetings with the Leader of the Council.
- The Corporate Director Resources (Section 151 officer) is responsible to the council for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.
- There is an established pay and grading structure for employees referred to as the job evaluation system and a process for appeals.
- There is a clearly defined management structure and a scheme of delegation to officers, which is underpinned by the Members' Code of Conduct and a protocol for officer / Member relations.
- There are published job descriptions and established protocols, which ensure that the Leader and Chief Executive establish their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained.
- Financial Regulations and Financial Procedure Rules are reviewed annually by the Audit Committee.
- Career structures are in place for Members and officers to facilitate succession planning.

- The Council is currently supporting three individuals through an apprenticeship in Leadership and Management which ends in October 2020.
- 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 appropriate skills enabling them to deliver high quality services.
- A Corporate Management Team restructure took place in late 2019 and, from 1 December 2019, a smaller Corporate Management Team was in place. The team reduced from three Service Directors and the Head of Finance (s.151 Officer) to three Corporate Directors (including the s.151 Officer).

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

**Managing risk**

- Risk management is embedded into the culture of the council, with Members and managers at all levels recognising that risk management is part of their job.
- The risk management policy is refreshed annually and approved by the Audit Committee.
- The Council has individual BREXIT and ICT risk registers which are reviewed on a regular basis.
- Strategic and operational risk registers are maintained and workshops are held regularly to review current risks and identify any new risks. It should be noted that owing to Covid-19, operational risk workshops did not physically take place in February 2020. However Heads of Service were still asked to carry out the review and identification of new risks remotely.
- Information asset registers are in place and are reviewed by Internal Audit as part of each audit review ensuring compliance with legislation and demonstrating best practice in information governance.

## Managing performance

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

## Robust internal control

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

## Managing data

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

## Strong public financial management

- Those making decisions are provided with information that is fit for purpose, relevant, timely and gives clear explanations of technical and financial issues and their implications.
- An up to date register of gifts and hospitality is held and is annually inspected by the council's Audit Committee and the Monitoring Officer.
- There is an established pay and grading structure in place for employees.
- Financial Regulations and Financial Procedures Rules are reviewed annually and any changes are presented to the Audit Committee for approval.
- Registers of interests are maintained for both officers and elected Members.
- The External Auditors issued an unqualified value for money conclusion for the 2018/19 financial year.

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

### Implementing good practice in transparency

- The council complies with the Local Government Transparency Code 2015.
- Wyre Voice, an information leaflet produced by the council is delivered to every house in the Borough.
- An easy to read 'narrative report' accompanies the Statement of Accounts.
- The Local Government Ombudsman annual report is published on the council's website.

## Implementing good practices in reporting

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

## Assurance and effective accountability

- An effective internal audit function is resourced and maintained enabling them to deliver an annual internal audit opinion.
- The Head of Governance (Chief Internal Auditor) has reported in her Annual Audit Report that 'adequate' assurance can be given that the council has satisfactory controls in place in the areas audited to be able to maintain an adequate and effective internal control environment. However it should be noted that owing to the Covid-19 pandemic and limited resources which led to the delay in work completed at the start of the year, there has been limited coverage over the audit universe and a number of audit pieces of work have not been completed.
- In accordance with the Audit and Account Regulations 2015, an annual assessment of the effectiveness of the internal audit function is completed.
- The Audit Committee work programme provides the opportunity for the Head of Governance (Chief Internal Auditor) to have a private and confidential discussion with the Audit Committee members.
- The council participates in RIPA inspections as and when required.
- Key partnerships are periodically reviewed through the internal audit plan with delivery via third parties being included in the assurance reviews undertaken annually.
- The Financial Regulations and Financial Procedure Rules include partnership guidance which can assist officers in managing the key risks of any partnership arrangements.
- Clear terms of reference exist for the key partnerships, clarifying arrangements for accountability, for example the Waste Management Partnership, the Leisure Management Partnership, Fylde and Wyre Health and Wellbeing Board and the Community Safety Partnership.

## 6.0 RISK MANAGEMENT

- 6.1 The council has adopted a corporate risk management policy and operates a fully integrated risk management system across the organisation. Relevant officers have received training in risk management enabling the production of operational risk registers with associated risk action plans, which are reviewed on a regular basis.
- 6.2 Each year the council's Corporate Management Team (CMT) holds a strategic risk workshop, to identify and prioritise strategic risks and to produce an action plan. Significant business risks that may impact upon the council's priorities have been identified and assessed, and appropriate control measures are in place. The report and associated action plan is presented to Management Board and Audit Committee and progress is monitored on a quarterly basis through the CMT.
- 6.3 The Council has an ICT risk register which is reviewed quarterly with ICT by Internal Audit and the Service Director for Performance and Innovation.
- 6.4 In preparedness for the UK leaving the European Union in January 2020, the council populated a BREXIT risks register which is reviewed on a regular basis following updates from Central Government, CMT and Head of Services.

## 7.0 REVIEW OF EFFECTIVENESS

- 7.1 In accordance with the Accounts and Audit Regulations 2015, the council must ensure that it has a sound system of internal control which:
- a) facilitates the effective exercise of its functions and the achievement of its aims and objectives,
  - b) ensures that the financial and operational management of the council is effective; and
  - c) includes effective arrangements for the management of risk.
- 7.2 The council is also responsible for conducting a review each financial year of the effectiveness of the system of internal control.
- 7.3 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.
- 7.4 The Corporate Director Resources (Section 151 Officer) also has responsibility for:
- overseeing the implementation and monitoring the operation of the Code of Corporate Governance;
  - maintaining and updating the Code in the light of latest guidance on best practice; and
  - reporting annually to the Corporate Management Team and to Members on compliance with the Code and any changes that may be necessary to maintain it and ensure effectiveness in practice.



- 7.5 Wyre Council's internal audit service, via a specific responsibility assigned to the Head of Governance (Chief Internal Auditor) is required to provide an independent and objective opinion to the council on its risk management, governance and internal control environment. The Chief Internal Auditor's Annual report for 2019/20 concluded that 'adequate' assurance can be given that the council has satisfactory controls in place in the areas audited to be able to maintain an adequate and effective internal control environment.
- 7.6 It was also reported that there has been limited audit coverage across the organisation because a number of pieces of work have not been completed owing to the Covid-19 pandemic and limited resources at the start of the year.
- 7.7 Owing to the Covid-19 pandemic, the workshop normally carried out at the end of the year with key officers did not take place. However 'Microsoft Teams' was used to ensure all key officers were given the opportunity to provide information and key evidence to support how the organisation had complied with the principles set out in the Delivering Good Governance in Local Government guidance. Compliance to the governance framework and the core principles has also been reviewed by the Corporate Director Resources (Section 151 Officer), the Head of Governance (Chief Internal Auditor) and the Audit Committee.

## **8.0 VALUE FOR MONEY CONCLUSION**

- 8.1 The External Auditors issued an unqualified value for money conclusion in their most recent review for 2018/19. 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.

## **9.0 SIGNIFICANT GOVERNANCE ISSUES**

- 9.1 No significant governance issues have been raised that require documenting separately in the Annual Governance Statement.
- 9.2 When reviewing compliance to the guidance, a number of minor issues have been identified which have been documented in an action plan that will be monitored by Corporate Management Team and reported to the Audit Committee in November each year.

## **10.0 REVIEWING AND REPORTING ARRANGEMENTS**

- 10.1 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.
- 10.2 Each year, normally in April / May, a governance workshop is held with key officers of the council who have the most appropriate knowledge, expertise and levels of seniority to consider the extent to which the organisation complies with the principles set out in the good governance framework. The principles are discussed in length and evidence is put forward to demonstrate how the council is meeting each of the principles. It is also an opportunity to identify any issues or gaps that could lead to a weaker governance structure. Following this meeting, the AGS and an action plan of minor issues is submitted for consideration by the Leader and Chief Executive who then sign to certify they are aware of the governance issues within the Authority and of the measures that are required to improve the controls around the council's governance framework. As detailed above, owing to the Covid-19 pandemic the workshop did not take place.

However alternative arrangements were made to ensure that compliance could still be neared and documented.

## 11.0 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 2020 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 2020 is satisfactory.

G PAYNE

CHIEF EXECUTIVE



## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2018/19			Note	2019/20		
Gross Expenditure £	Gross Income £	Net Expenditure £		Gross Expenditure £	Gross Income £	Net Expenditure £
4,993,349	(1,525,416)	3,467,933	Leisure, Health and Community Engagement	6,202,231	(1,374,227)	4,828,004
36,091,989	(32,781,630)	3,310,359	Neighbourhood Services and Community Safety	31,779,954	(29,063,368)	2,716,586
3,718,376	(2,447,214)	1,271,162	Planning and Economic Development	3,982,710	(2,471,624)	1,511,086
4,353,819	(1,267,689)	3,086,130	Resources	6,493,612	(1,728,950)	4,764,662
6,379,972	(1,327,380)	5,052,592	Street Scene, Parks and Open Spaces	6,553,194	(1,451,042)	5,102,152
<b>55,537,505</b>	<b>(39,349,329)</b>	<b>16,188,176</b>	<b>Cost of Services</b>	<b>55,011,701</b>	<b>(36,089,211)</b>	<b>18,922,490</b>
685,985	-	685,985	Other Operating Income and Expenditure	736,546	(45,000)	691,546
815,875	(943,255)	(127,380)	Financing and Investment Income and Expenditure	831,849	(653,437)	178,412
-	(20,592,787)	(20,592,787)	Taxation and Non-Specific Grant Income	-	(17,407,119)	(17,407,119)
		<b>(3,846,005)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>			<b>2,385,329</b>
		(418,987)	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets	25		(1,300,280)
		(2,055,000)	Remeasurements of the Net Defined Benefit Liability/ (Asset)	39		(6,262,000)
		<b>(2,473,987)</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>(7,562,280)</b>
		<b>(6,319,992)</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>(5,176,951)</b>

## MOVEMENT IN RESERVES STATEMENT

	General Fund Balance £	Earmarked Reserves £	Capital Receipts Reserve £	Capital Grants Unapplied Reserve £	Total Usable Reserves (Note 24) £	Unusable Reserves (Note 25) £	Total Authority Reserves £
<b>Balance at 31 March 2018</b>	<b>11,792,380</b>	<b>9,513,879</b>	<b>146,731</b>	<b>701,202</b>	<b>22,154,192</b>	<b>85,927,670</b>	<b>108,081,862</b>
<b>Movement in Reserves during 2018/2019</b>							
Total Comprehensive Income and Expenditure	3,846,005	-	-	-	3,846,005	2,473,987	6,319,992
Adjustments between accounting basis and funding basis under Regulations (Note 8)	(816,114)	-	584,836	(435,448)	(666,726)	666,726	-
<b>Increase / (Decrease) Movement in 2018/2019</b>	<b>3,029,891</b>	<b>-</b>	<b>584,836</b>	<b>(435,448)</b>	<b>3,179,279</b>	<b>3,140,713</b>	<b>6,319,992</b>
Transfer to or from Earmarked Reserves	(2,634,608)	2,634,608	-	-	-	-	-
<b>Balance at 31 March 2019 carried forward (Note 24 and 25)</b>	<b>12,187,663</b>	<b>12,148,487</b>	<b>731,567</b>	<b>265,754</b>	<b>25,333,471</b>	<b>89,068,383</b>	<b>114,401,854</b>
<b>Movement in Reserves during 2019/20</b>							
Total Comprehensive Income and Expenditure	(2,385,329)	-	-	-	(2,385,329)	7,562,280	5,176,951
Adjustments between accounting basis and funding basis under Regulations (Note 8)	4,852,327	-	49,487	(95,903)	4,805,911	(4,805,911)	-
<b>Increase / (Decrease) Movement in 2019/20</b>	<b>2,466,998</b>	<b>-</b>	<b>49,487</b>	<b>(95,903)</b>	<b>2,420,582</b>	<b>2,756,369</b>	<b>5,176,951</b>
Transfer to or from Earmarked Reserves	(748,628)	748,628	-	-	-	-	-
<b>Balance at 31 March 2020 carried forward (Note 24 and 25)</b>	<b>13,906,033</b>	<b>12,897,115</b>	<b>781,054</b>	<b>169,851</b>	<b>27,754,053</b>	<b>91,824,752</b>	<b>119,578,805</b>

## BALANCE SHEET

As at 31 March 2020

31 March 2019 £	Description	Note	31 March 2020 £
125,506,724	Property, Plant and Equipment	13	125,455,681
330,950	Heritage Assets	14	330,950
6,857,755	Investment Property	15	6,772,555
227,849	Intangible Assets	16	270,654
19	Long Term Investments	17	19
<b>132,923,297</b>	<b>Long Term Assets</b>		<b>132,829,859</b>
6,000,000	Short Term Investments	17	3,000,000
40,698	Inventories	18	58,672
4,975,515	Short Term Debtors	19	6,685,725
13,228,162	Cash and Cash Equivalents	20	20,718,715
<b>24,244,375</b>	<b>Current Assets</b>		<b>30,463,112</b>
(6,617,128)	Short Term Creditors	22	(5,883,435)
(1,961,594)	Provisions	23	(3,209,710)
-	Revenue Grants received in advance	34	(2,060,518)
<b>(8,578,722)</b>	<b>Current Liabilities</b>		<b>(11,153,663)</b>
(1,552,000)	Long Term Borrowing	17	(1,552,000)
(7,756)	Deferred Liabilities		(7,291)
(31,164,800)	Liability related to Defined Benefit Pension Scheme	39	(29,185,000)
(1,462,539)	Capital Grants Received In Advance	34	(1,816,212)
<b>(34,187,095)</b>	<b>Long Term Liabilities</b>		<b>(32,560,503)</b>
<b>114,401,855</b>	<b>Net Assets</b>		<b>119,578,805</b>
(25,333,471)	Usable Reserves	24	(27,754,053)
(89,068,384)	Unusable Reserves	25	(91,824,752)
<b>(114,401,855)</b>	<b>Total Reserves</b>		<b>(119,578,805)</b>

## CASH FLOW STATEMENT

For the year ended 31 March 2020

2018/19 £		Note	2019/20 £
(3,846,006)	Net (Surplus) or Deficit on the Provision of Services		2,385,329
(7,741,960)	Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-cash Movements	26	(9,956,953)
7,641,890	Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing activities	26	4,419,514
<b>(3,946,076)</b>	<b>Net Cash Flows from Operating Activities</b>		<b>(3,152,110)</b>
5,097,622	Investing Activities	27	(4,947,322)
(130,230)	Financing Activities	28	608,879
<b>1,021,315</b>	<b>Net (Increase) or Decrease in Cash and Cash Equivalents</b>		<b>(7,490,553)</b>
(14,249,478)	Cash and Cash Equivalents at the beginning of the reporting period		(13,228,162)
<b>(13,228,162)</b>	<b>Cash and Cash Equivalents at the end of the reporting period</b>	<b>20</b>	<b>(20,718,715)</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.

2019/20

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statements amounts	Net expenditure chargeable to the General Fund balances	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total Adjustments	Net expenditure in the comprehensive income and expenditure statement
	£	£	£	£	£	£
Leisure, Health and Community Engagement	2,624,248	2,204,017	-	(261)	2,203,756	4,828,004
Neighbourhood Services and Community Safety	531,875	2,184,949	-	(238)	2,184,711	2,716,586
Planning and Economic Development	1,111,471	399,774	-	(159)	399,615	1,511,086
Resources	4,464,343	305,680	-	(5,361)	300,319	4,764,662
Street Scene, Parks and Open Spaces	4,818,225	284,490	-	(563)	283,927	5,102,152
<b>Net Cost of Services</b>	<b>13,550,162</b>	<b>5,378,910</b>	<b>-</b>	<b>(6,582)</b>	<b>5,372,328</b>	<b>18,922,490</b>
Other income and expenditure	728,346	(36,800)	-	-	(36,800)	691,546
Financing and investment income and expenditure	(858,080)	(1,546,508)	2,583,000	-	1,036,492	178,412
Taxation and non-specific grant income and expenditure	(15,887,426)	(2,451,387)	-	931,694	(1,519,693)	(17,407,119)
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services (Note 8)</b>	<b>(2,466,998)</b>	<b>1,344,215</b>	<b>2,583,000</b>	<b>925,112</b>	<b>4,852,327</b>	<b>2,385,329</b>
Transfers to/from earmarked reserves	748,628	-	-	(748,628)	(748,628)	-
<b>(Surplus)/Deficit</b>	<b>(1,718,370)</b>	<b>1,344,215</b>	<b>2,583,000</b>	<b>176,484</b>	<b>4,103,699</b>	<b>2,385,329</b>
Opening General Fund Balance at 31 March 2019	(12,187,663)					
Less (Surplus)/Deficit on General Fund Balance in Year	(1,718,370)					
<b>Closing General Fund balance at 31 March 2020</b>	<b>(13,906,033)</b>					

2018/19

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	2,190,849	1,277,328	-	(243)	1,277,085	3,467,934
Neighbourhood Services and Community Safety	751,526	2,559,064	-	(231)	2,558,833	3,310,359
Planning and Economic Development	1,022,831	248,461	-	(130)	248,331	1,271,162
Resources	2,811,796	279,080	-	(4,747)	274,334	3,086,130
Street Scene, Parks and Open Spaces	4,681,999	371,085	-	(492)	370,593	5,052,592
<b>Net Cost of Services</b>	<b>11,459,001</b>	<b>4,735,018</b>	<b>-</b>	<b>(5,843)</b>	<b>4,729,176</b>	<b>16,188,176</b>
Other income and expenditure	694,788	(8,803)	-	-	(8,803)	685,985
Financing and investment income and expenditure	(271,502)	(948,878)	1,093,000	-	144,122	(127,380)
Taxation and non-specific grant income and expenditure	(14,912,179)	(5,063,046)	-	(617,562)	(5,680,608)	(20,592,787)
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services (Note 8)</b>	<b>(3,029,892)</b>	<b>(1,285,709)</b>	<b>1,093,000</b>	<b>(623,405)</b>	<b>(816,114)</b>	<b>(3,846,006)</b>
Transfers to/from earmarked reserves	2,634,608	-	-	(2,634,608)	(2,634,608)	-
<b>(Surplus)/Deficit</b>	<b>(395,284)</b>	<b>(1,285,709)</b>	<b>1,093,000</b>	<b>(3,258,013)</b>	<b>(3,450,722)</b>	<b>(3,846,006)</b>
Opening General Fund Balance at 31 March 2018	(11,792,380)					
Less (Surplus)/Deficit on General Fund Balance in Year	(395,284)					
<b>Closing General Fund balance at 31 March 2019</b>	<b>(12,187,664)</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 receivable 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 Financing and Investment Income and Expenditure the other differences column recognises adjustments to the General Fund for the timing difference for premiums and discounts.
- The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for Council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in the future Surpluses or Deficits on the Collection Fund.

## NOTE 2 ACCOUNTING POLICIES

### General Principles

The Statement of Accounts summarises the Council's transactions in the 2019/20 financial year and its position for the year-ended 31 March 2020. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 and must comply with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and the Service Reporting Code of Practice 2019/20, supported by International Financial Reporting Standards (IFRS).

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

### Accruals of Income and Expenditure

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

- Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.

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

### Cash and Cash Equivalents

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

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

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

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

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

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

### Charges to Revenue for Non-Current Assets

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

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

- Amortisation of intangible fixed assets attributable to the service.

The Authority is not required to raise Council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement referred to as the Minimum Revenue Provision (MRP) and equal to an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the MRP contribution, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### Council Tax and Non-Domestic Rates

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

### Accounting for Council Tax and NDR

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

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

### Employee Benefits

#### Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the salary rates applicable in the following accounting year, being the period in which the employee takes the benefit.

The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

## Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service or, where applicable, to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pension Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

## Post-Employment Benefits

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

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

## The Local Government Pension Scheme

- The liabilities of the Lancashire County Council pension scheme attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 2.4% (2.4% at the beginning of the period) based on the indicative rate of return on high quality Corporate bonds.
- The assets of the Lancashire County Council pension fund attributable to the Authority are included in the Balance Sheet at their fair value:
  - Quoted securities – current bid price
  - Unquoted securities – professional estimate
  - Unitised securities – current bid price
  - Property – market value

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

- Service Cost comprising:
  - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
  - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
  - Net interest on the net defined benefit liability (asset), i.e. net interest expense for the Authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- Remeasurements comprising:
  - The return on plan assets - excluding amounts included in the net interest on the net defined benefit liability (asset) – charged to the Pension Reserve as Other Comprehensive Income and Expenditure.
  - actuarial gains and losses - changes in net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the Lancashire County Council pension fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not that amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

### **Discretionary Benefits**

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

### Events after the Reporting Period

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

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

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

### Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

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

### Financial Assets

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

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

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

## Financial Assets Measured at Amortised Costs

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

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

## Financial Assets Measured at Fair Value through Profit of Loss

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

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

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

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

## Expected Credit Loss Model

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

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

## Government Grants and Contributions

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

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

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and most capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

### Heritage Assets

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

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

#### **Eros Statue**

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

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

#### **Statue of Sir Peter Hesketh-Fleetwood**

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



## Civic Regalia

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

## Intangible Assets

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

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

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

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

## Interests in Companies and other Entities

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

## Inventories

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

## Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, Investment properties are measured at highest and best use. Investment properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

### Leases

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

### Overheads and Support Services

The cost of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2018/19 (SeRCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

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

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

### Property, Plant and Equipment

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

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

**Measurement:** assets are initially measured at cost, comprising:

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

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are carried in the Balance Sheet using the following measurement bases:

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

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

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

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. (Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a service.)

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

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

## Impairment

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

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

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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

## Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land, certain Community Assets) and assets that are not yet available for use (i.e. Assets Under Construction).

Depreciation is calculated on the following bases:

- Buildings / car parks – straight-line allocation over the useful life of the property as estimated by the valuer which can be up to 80 years.
- Vehicles, plant and equipment – straight-line allocation over the life of the asset up to 10 Years.
- Infrastructure – straight-line allocation over 50 years.

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

## Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on the Provision of Services. Depreciation is not charged on Assets Held for Sale.

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

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to the disposal of housing assets, which the Authority no longer holds, (75% for dwellings, 50% for land and other assets, net of statutory deductions and allowances) is payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against Council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

### Provisions, Contingent Liabilities and Contingent Assets

#### Provisions

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

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

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

#### Contingent Liabilities

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

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

## Contingent Assets

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

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

## Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council tax for the expenditure.

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

## Revenue Expenditure Funded from Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council tax.

In 2019/20 Wyre's REFCUS expenditure (£1,908,126) related to Disabled Facilities Grants.

## VAT

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

## Fair Value Measurement of non-financial assets

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

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

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

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

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

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

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date,

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, or

Level 3 – unobservable inputs for the asset or liability.

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

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

- **Amendments to IAS 28 Investments in Associates and Joint Ventures:** Long-term Interests in Associates and Joint Ventures.
- **Annual Improvements to IFRS Standards 2015-2017 Cycle.**
- **Amendments to IAS 19 Employee Benefits: Plan Amendment, Curtailment or Settlement:** will require the remeasurement of net pension asset/liability following plan amendments, curtailments or settlements to be used to determine current service cost and net interest for the remainder of the year after the change to the plan. The updating of these assumptions only applies to changes from 1st April 2020.
- **IFRS 16 Leases:** will require local authorities that are lessees to recognise most leases on their balance sheets as right-of-use assets with corresponding lease liabilities. CIPFA/LASAAC have deferred implementation of IFRS16 for local government to 1 April 2021.

It is anticipated that the amendments above will not have a material impact on the information provided in the financial statements.

## 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
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	<p>If the useful life of assets is reduced, depreciation increase and the carrying amount of the assets falls.</p> <p>It is estimated that the annual depreciation charge for buildings would increase for every year that useful lives has to be reduced.</p>
Fair Value Estimations	<p>When the fair values of Investment Properties, Surplus Assets and Assets Held for Sale cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using the following valuation techniques:</p> <p>Level 2: inputs that are observable for the asset or liability either directly or indirectly, such as quoted prices for identical or similar assets or liabilities in markets that are not active.</p> <p>Level 3: inputs that are unobservable, and are based on best information available in the circumstances such as the Authority's own data and indexations.</p>	<p>The significant observable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels and discount rates – adjusted for regional factors,</p> <p>Changes in assumptions used could affect the fair value of assets and liabilities. Significant changes in any of the unobservable inputs would result in lower or higher fair value measurement for these assets.</p>
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.	The effect on the net pension liability of changes in individual assumptions can be measured. For example, a 0.5% increase in the discount rate assumption would result in a decrease in the pension liability.



**Provision for credit losses** As at 31 March 2020, the Council had an outstanding balance of short term debtors. A review of the major areas of debt has led to an updated provision against credit losses. It is not certain that this provision would be sufficient as the Council cannot assess with certainty which debts will be collected or not.

An understatement of credit losses would lead to a future adjustment and impairment to be reflected. The provisions held are based on policies adapted to the nature of the debt and service area, past experience and success rates experienced in collection. If collection rates were to deteriorate then the Council would need to review its policies on the calculation of its provision for credit losses.

## NOTE 6 EVENTS AFTER THE REPORTING PERIOD

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

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

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

At the time of preparing the February 2020 Cabinet report and the Budget being agreed by full Council in early March, the full impact of the COVID-19 pandemic was not anticipated and its impact on both the operating environment and the finances of the Council could not be foreseen. Given the timing of the national lockdown and the progression of the pandemic, it only had a limited direct impact on the financial position for 2019/20. Clearly, the impact for 2020/21 and potential ongoing impact in future years is much more significant and will be addressed in the next Medium Term Financial Plan update to Cabinet (October 2020).

## NOTE 7 EXPENDITURE AND INCOME ANALYSED BY NATURE

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

Expenditure/Income	2018/19	2019/20
<i>Expenditure</i>		
Employee benefits expenses	10,828,150	11,448,313
Other services expenses	40,426,275	38,224,833
Support service recharges	12,734,546	12,724,058
Depreciation, amortisation, impairment	4,316,080	5,378,910
Interest payments	815,875	831,849
Precepts and levies	652,985	695,546
<b>Total expenditure</b>	<b>69,773,911</b>	<b>69,303,509</b>
<i>Income</i>		
Fees, charges and other service income	(21,329,771)	(23,176,711)
Interest and investment income	(783,154)	(653,437)
Income from Council tax and non-domestic rates	(11,802,767)	(10,768,695)
Government grants and contributions	(39,704,224)	(32,274,337)
Gain on the disposal of assets	-	(45,000)
<b>Total income</b>	<b>(73,619,916)</b>	<b>(66,918,180)</b>
<b>Surplus or deficit on the Provision of Services</b>	<b>(3,846,005)</b>	<b>2,385,329</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.

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

2018/19	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.	3,678,607			(3,678,607)
Revaluation losses on Property, Plant and Equipment.	614,276			(614,276)
Movements in the market value of Investment Properties.	(297,749)			297,749
Amortisation of Intangible Assets.	23,197			(23,197)
Capital grants and contributions applied.	(5,063,046)			5,063,046
Revenue expenditure funded from capital under statute.	2,393,952			(2,393,952)
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.	632,250			(632,250)
<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).	(555,570)			555,570
<b><u>Adjustment primarily involving the Capital Grants Unapplied Reserve:</u></b>				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement.	(1,975,015)		1,975,015	
Application of grants and capital financing transferred to the Capital Adjustment Account.			(2,410,463)	2,410,463
<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.	(641,054)	641,054		
Use of Capital Receipts Reserve to finance new capital expenditure.		(56,218)		56,218
<b><u>Adjustments primarily involving the Pension Reserve:</u></b>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 39).	3,109,000			(3,109,000)
Employer's pension's contributions and direct payments to pensioner's payable in the year.	(2,016,000)			2,016,000
<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.	(617,562)			617,562
<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.	(5,841)			5,841
<b>Total Adjustments</b>	<b>(816,114)</b>	<b>584,836</b>	<b>(435,448)</b>	<b>666,726</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 2019/20

General Fund	Balance at 31 March 2018 £	Transfers in 2018/19 £	Transfers out 2018/19 £	Balance at 31 March 2019 £	Transfers in 2019/20 £	Transfers out 2019/20 £	Balance at 31 March 2020 £
<i>Non ring-fenced reserves</i>							
Building Control	12,037	-	(6,928)	5,109	5,206	-	10,315
Capital Investment	1,071,259	319,447	(234,978)	1,155,728	488,771	(1,081,180)	563,319
Elections	71,276	41,217	-	112,493	41,217	(153,710)	-
Insurance	60,688	40,000	(17,043)	83,645	40,000	(17,631)	106,014
IT Strategy	299,271	117,667	(100,240)	316,698	353,977	(189,805)	480,870
Land Charges	31,924	-	(8,541)	23,383	-	(5,432)	17,951
Leisure Management	209,277	56,493	-	265,770	8,200	(67,889)	206,081
New Homes Bonus	2,843,745	-	(568,749)	2,274,996	-	(568,749)	1,706,247
Non-Domestic Rates Equalisation	1,673,515	1,527,782	(346,550)	2,854,747	2,608,339	(1,562,478)	3,900,608
Performance Reward Initiative	32,949	-	(4,350)	28,599	-	(4,035)	24,564
Property Investment Fund	-	1,000,000	-	1,000,000	-	-	1,000,000
Value for Money	718,948	97,498	(213,506)	602,940	305,679	(106,037)	802,582
Vehicle Replacement/Street Cleansing Maintenance	2,488,990	829,610	(125,895)	3,192,705	5,519	(280,567)	2,917,657
<b>Sub total</b>	<b>9,513,879</b>	<b>4,029,714</b>	<b>(1,626,780)</b>	<b>11,916,813</b>	<b>3,856,908</b>	<b>(4,037,513)</b>	<b>11,736,208</b>
<i>Ring-fenced reserves</i>							
Enterprise Zone Growth	-	340,497	(108,823)	231,674	966,682	(37,449)	1,160,907
<b>Sub total</b>	<b>0</b>	<b>340,497</b>	<b>(108,823)</b>	<b>231,674</b>	<b>966,682</b>	<b>(37,449)</b>	<b>1,160,907</b>
<b>Grand total</b>	<b>9,513,879</b>	<b>4,370,211</b>	<b>(1,735,603)</b>	<b>12,148,487</b>	<b>4,823,590</b>	<b>(4,074,962)</b>	<b>12,897,115</b>

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

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

**NOTE 10 OTHER OPERATING EXPENDITURE**

2018/19 £		2019/20 £
652,985	Parish Council Precepts	695,546
33,000	Pension administration costs	41,000
-	(Gains)/losses on disposal of non-current assets (excl. investment assets)	(45,000)
<b>685,985</b>	<b>TOTAL</b>	<b>691,546</b>

## NOTE 11 FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2018/19 £		2019/20 £
72,875	Interest payable and similar charges	68,849
743,000	Net interest on defined benefits liability / (asset)	763,000
(147,539)	Interest receivable and similar income	(222,313)
(795,716)	Income and Expenditure in relation to Investment properties and changes to their fair value (See Note 15)	(431,124)
<b>(127,380)</b>	<b>TOTAL</b>	<b>178,412</b>

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

2018/19 £		2019/20 £
(7,814,828)	Council Tax income	(8,137,889)
(3,987,937)	Non-domestic rates income and expenditure	(2,630,806)
(3,726,976)	Non-ring-fenced government grants (See Note 34)	(4,187,037)
(5,063,046)	Capital grants and contributions (See Note 34)	(2,451,387)
<b>(20,592,787)</b>	<b>TOTAL</b>	<b>(17,407,119)</b>

## NOTE 13 PROPERTY, PLANT AND EQUIPMENT

### Movements in 2019/20

	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£	£	£	£	£	£	£
<b>Cost or valuation</b>							
<b>B/fwd at 01/04/19</b>	<b>49,127,078</b>	<b>5,537,141</b>	<b>85,639,284</b>	<b>3,934,638</b>	-	-	<b>144,238,141</b>
Additions	550,393	1,215,056	1,431,574	767,332	-	-	3,964,355
Revaluation increase/decreases to the revaluation reserve	(186,387)	-	-	-	-	-	(186,387)
Revaluation increase/decreases to the Surplus or Deficit on the Provision of Services	(1,345,743)	-	(206,502)	-	-	-	(1,552,245)
Derecognition - Disposals	-	(151,539)	-	-	-	-	(151,539)
Reclassifications	-	-	-	-	-	-	-
Reclassified to Held for Sale	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>48,145,341</b>	<b>6,600,658</b>	<b>86,864,356</b>	<b>4,701,970</b>	-	-	<b>146,312,325</b>
<b>Depreciation</b>							
<b>B/fwd at 01/04/19</b>	<b>(5,253,473)</b>	<b>(3,839,150)</b>	<b>(9,638,794)</b>	-	-	-	<b>(18,731,417)</b>
Charge in year	(1,611,682)	(437,247)	(1,714,504)	-	-	-	(3,763,433)
Revaluations	1,486,667	-	-	-	-	-	1,486,667
Derecognition – Disposals	-	151,539	-	-	-	-	151,539
Reclassification	-	-	-	-	-	-	-
<b>C/fwd at 31/03/20</b>	<b>(5,378,488)</b>	<b>(4,124,858)</b>	<b>(11,353,298)</b>	-	-	-	<b>(20,856,644)</b>
<b>Net Book Value at 31/03/20</b>	<b>42,766,853</b>	<b>2,475,800</b>	<b>75,511,058</b>	<b>4,701,970</b>	-	-	<b>125,455,681</b>



## Movements in 2018/19

	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£	£	£	£	£	£	£
<b>Cost or valuation</b>							
<b>B/fwd at 01/04/18</b>	<b>49,504,252</b>	<b>5,335,605</b>	<b>81,172,668</b>	<b>3,763,601</b>	-	-	<b>139,776,126</b>
Additions	275,040	201,536	4,790,411	186,957	-	-	5,453,944
Revaluation increase/decreases to the revaluation reserve	(377,653)	-	-	-	-	-	(377,653)
Revaluation increase/decreases to the Surplus or Deficit on the Provision of Services	(274,561)	-	(323,795)	(15,920)	-	-	(614,276)
Reclassifications	-	-	-	-	-	-	-
Reclassified to Held for Sale	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>49,127,078</b>	<b>5,537,141</b>	<b>85,639,284</b>	<b>3,934,638</b>	-	-	<b>144,238,141</b>
<b>Depreciation</b>							
<b>B/fwd at 01/04/18</b>	<b>(4,442,087)</b>	<b>(3,391,917)</b>	<b>(8,015,446)</b>	-	-	-	<b>(15,849,450)</b>
Charge in year	(1,608,026)	(447,233)	(1,623,348)	-	-	-	(3,678,607)
Revaluations	796,640	-	-	-	-	-	796,640
Reclassification	-	-	-	-	-	-	-
<b>C/fwd at 31/03/19</b>	<b>(5,253,473)</b>	<b>(3,839,150)</b>	<b>(9,638,794)</b>	-	-	-	<b>(18,731,417)</b>
<b>Net Book Value at 31/03/19</b>	<b>43,873,605</b>	<b>1,697,991</b>	<b>76,000,490</b>	<b>3,934,638</b>	-	-	<b>125,506,724</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
Vehicle Replacement Programme	To replace vehicles on a rolling cycle	2,581,000	April 2020 to August 2020
Restoration of the Mount	To carry out the restoration of the pavilion, lodge and grounds	836,000	April 2020 to March 2021
Rossall Sea Wall Improvements	Improvements to coastal sea defences	243,000	April 2020 to September 2020
Wyre Beach Management Phase 1	To carry out enabling works	238,000	April 2020 to September 2020
Adelaide Street Studios	To convert existing flats into creative studios	104,000	April 2020 to July 2020
Citizen's Access Portal	To implement a new web-based customer portal	76,000	April 2020 to October 2020

## 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 2019. 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 £	Surplus assets £	Total £
Carried at Historic cost:	-	6,600,658	86,864,356	4,701,970	-	98,166,984
Valued at fair value as at 31 March:						
2020	17,276,495	-	-	-	-	17,276,495
2019	5,240,341	-	-	-	-	5,240,341
2018	7,884,136	-	-	-	-	7,884,136
2017	7,521,008	-	-	-	-	7,521,008
2016	10,223,361	-	-	-	-	10,223,361
<b>Total cost or valuation</b>	<b>48,145,341</b>	<b>6,600,658</b>	<b>86,864,356</b>	<b>4,701,970</b>	<b>-</b>	<b>146,312,325</b>

## NOTE 14 HERITAGE ASSETS

### Movements in 2019/20

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

### Movements in 2018/19

Cost or valuation	Civic Regalia £	Statues £	TOTAL £
Balance brought forward at 1 April 2018	93,725	200,000	293,725
Additions in year	850	36,375	37,225
<b>Net book value carried forward 31 March 2019</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.

	2018/19 £	2019/20 £
Rental Income from Investment property	489,163	501,324
Gain or loss on disposal of investment assets and gain or loss on revaluation	306,553	(70,200)
Direct operating expenses arising from Investment property	-	-
<b>Net gain/(loss)</b>	<b>795,716</b>	<b>431,124</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.

	2018/19 £	2019/20 £
Balance brought forward	7,192,256	6,857,755
<i>Additions:</i>		
Purchases	-	-
Construction	-	-
Subsequent expenditure	-	-
Disposals	(632,250)	(23,200)
Net gain/(losses) from fair value adjustments	297,749	(62,000)
<i>Transfers:</i>		
To/from property plant and equipment	-	-
Other changes	-	-
<b>Balance carried forward</b>	<b>6,857,755</b>	<b>6,772,555</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 £63,232 charged to revenue in 2019/20 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:

	2018/19 £	2019/20 £
<i>Balance at start of the year comprising:</i>		
Gross carrying amount	2,424,252	2,624,427
Accumulated amortisation	(2,373,381)	(2,396,578)
<b>Net carrying amount at start of the year</b>	<b>50,871</b>	<b>227,849</b>
Additions	200,175	106,037
Amortisation for the period	(23,197)	(63,232)
<b>Net carrying amount at end of period</b>	<b>227,849</b>	<b>270,654</b>
<i>Comprising:</i>		
Gross carrying amount	2,624,427	2,730,464
Accumulated amortisation	(2,396,578)	(2,459,810)
	<b>227,849</b>	<b>270,654</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 2019 £	31 March 2020 £	31 March 2019 £	31 March 2020 £
<b>Investments</b>				
<b>At amortised cost</b>				
Cash and Cash Equivalents	-	-	13,516,612	21,771,425
Short term Investments	19	19	6,000,000	3,000,000
<b>Total Investments</b>	<b>19</b>	<b>19</b>	<b>19,516,612</b>	<b>24,771,425</b>
<b>Short Term Debtors</b>				
<b>At amortised cost</b>				
Financial assets carried at contract amounts	-	-	4,975,515	6,685,725
<b>Total Short Term Debtors</b>	<b>-</b>	<b>-</b>	<b>4,975,515</b>	<b>6,685,725</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	-	-	(6,617,128)	(5,883,435)
<b>Total Short Term Creditors</b>	<b>-</b>	<b>-</b>	<b>(6,617,128)</b>	<b>(5,883,435)</b>

### Income, expense, gains and losses

	2018/19		2019/20	
	Surplus or deficit on the provisio n of services £	Other comprehensi ve income and expenditure £	Surplus or deficit on the provisio n of services £	Other comprehensi ve 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	147,539	-	222,313	-
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	(72,875)	-	(68,849)	-
<b>Total net gains/losses</b>	<b>74,664</b>	<b>-</b>	<b>153,464</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 2019		31 March 2020	
	Carrying amount £	Fair Value £	Carrying amount £	Fair Value £
Market Debt	0	0	0	0
PWLB Debt (short and long term)	1,552,000	2,278,891	1,552,000	2,168,775
<b>Total Borrowings</b>	<b>1,552,000</b>	<b>2,278,891</b>	<b>1,552,000</b>	<b>2,168,775</b>
Creditors	6,617,128	6,617,128	5,883,435	5,883,435
<b>Total Financial Liabilities</b>	<b>8,169,128</b>	<b>8,896,019</b>	<b>7,435,435</b>	<b>8,052,210</b>

The fair value of the liabilities is greater than the carrying amount in 2019/20 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 2020) arising from a commitment to pay interest to lenders above current market rates.

	31 March 2019		31 March 2020	
	Carrying amount £	Fair Value £	Carrying amount £	Fair Value £
Investments (Cash and Cash Equivalents) and short term deposits (Note 20)	19,516,612	19,516,612	24,771,425	24,771,425
Long Term Debtors	-	-	-	-
Debtors	4,975,515	4,975,515	6,685,725	6,685,725
<b>Total Financial Assets</b>	<b>24,492,127</b>	<b>24,492,127</b>	<b>31,457,150</b>	<b>31,457,150</b>

The fair value of the assets is the same as the carrying amount in 2019/20. The materiality of the less than 1 year fair value adjustments means there is very little impact on the overall figure.

## NOTE 18 INVENTORIES

2018/19 £	Analysis	2019/20 £
<b>Consumable Stores:</b>		
73,696	<b>Balance at 1 April</b>	40,698
433,908	Purchases	493,981
(466,906)	Recognised as an expense in the year	(476,007)
-	Written (off)/on balances	-
-	Reversal of write-offs in previous years	-
<b>40,698</b>	<b>Balance at 31 March</b>	<b>58,672</b>

There was no work in progress at 31 March 2020.

## NOTE 19 SHORT TERM DEBTORS

2018/19 £	Analysis	2019/20 £
<b>Amounts falling due in one year:</b>		
1,916,784	Central Government Bodies	2,755,011
977,534	Other Local Authorities	1,587,659
4,457	NHS Bodies	-
-	Public Corporations	-
2,076,740	Other Entities and Individuals	2,343,055
<b>4,975,515</b>	<b>Total</b>	<b>6,685,725</b>

## NOTE 20 CASH AND CASH EQUIVALENTS

2018/19 £		2019/20 £
2,370	Cash held by the Authority	2,370
-	Bank current accounts	-
(290,820)	Bank overdrafts	(1,055,080)
13,516,612	Short term deposits	21,771,425
<b>13,228,162</b>	<b>Total</b>	<b>20,718,715</b>

## NOTE 21 ASSETS HELD FOR SALE

The Authority had no assets held for sale as at 31 March 2019 or as at 31 March 2020.

## NOTE 22 SHORT TERM CREDITORS

2018/19 £	Analysis	2019/20 £
(2,231,251)	Central Government Bodies	(2,060,359)
(681,192)	Other Local Authorities	(1,235,090)
(138,000)	NHS Bodies	(100,000)
-	Public Corporations	-
(3,566,685)	Other Entities and Individuals	(2,487,986)
<b>(6,617,128)</b>	<b>Total</b>	<b>(5,883,435)</b>

## NOTE 23 PROVISIONS

Changes to the Business rates system came into force with effect from 1 April 2013 under the Localism Act. The Authority, County Council and Combined Fire Authority now retain 50% of rates collected, and also assume responsibility for 50% of any losses due to appeals. In 2019/20, owing to the 75% pilot pool arrangement, for one year only, this share increased to 75%. The process for lodging and processing appeals is beyond the control of the Authority and reductions can be backdated. The Business Rates provision is to cover the backdating of appeals lodged, but not yet heard. From April 2017 a new Check, Challenge, Appeal process was launched by the Valuation Office Agency (VOA); we are aware of a small number of appeals that have been lodged under the new system. The provision has been increased to reflect potential backdated appeals not yet lodged, as well as changes to the Authority's % share of any losses.

2018/19 £	Analysis	2019/20 £
(1,783,032)	<b>Balance at 1 April</b>	<b>(1,961,594)</b>
(178,562)	Additional Provisions made	(1,248,116)
-	- Amounts used	-
<b>(1,961,594)</b>	<b>Balance at 31 March</b>	<b>(3,209,710)</b>

## NOTE 24 USABLE RESERVES

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

2018/19 £	Analysis	2019/20 £
12,187,664	General Fund	13,906,033
12,148,487	Earmarked Reserves	12,897,115
731,567	Capital Receipts Reserve	781,054
265,754	Capital Grants Unapplied Reserve	169,851
<b>25,333,472</b>	<b>Total</b>	<b>27,754,053</b>

## NOTE 25 UNUSABLE RESERVES

2018/19 £	Analysis	2019/20 £
17,779,916	Revaluation Reserve	18,311,860
103,785,914	Capital Adjustment Account	103,256,452
(32,864,000)	Pensions Reserve	(29,185,000)
492,130	Collection Fund Adjustment Account	(439,564)
(125,577)	Accumulated Absences Account	(118,996)
<b>89,068,383</b>	<b>Total</b>	<b>91,824,752</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.

2018/19		£	2019/20
			£
18,119,740	<b>Balance at 1 April</b>		17,779,916
958,175	Upward revaluation of assets	3,946,350	
(539,188)	Downward revaluation of assets and impairment losses not charged to the Surplus or (Deficit) on the Provision of Services	(2,646,070)	
418,987	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or (Deficit) on the Provision of Services		1,300,280
(660,308)	Difference between fair value depreciation and historic cost depreciation	(768,336)	
(98,503)	Accumulated gains on assets sold or scrapped	-	
(758,811)	Amounts written off to the Capital Adjustment Account		(768,336)
<b>17,779,916</b>	<b>Balance at 31 March</b>		<b>18,311,860</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.

2018/19 £		£	2019/20 £
101,890,780	Balance at 1 April		103,785,914
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
(3,678,608)	- Charges for depreciation and impairment of non-current assets	(3,763,433)	
(614,276)	- Revaluation losses on Property, Plant and Equipment	(1,552,245)	
(23,197)	- Amortisation of intangible assets	(63,232)	
(2,393,952)	- Revenue expenditure funded from capital under statute	(1,908,126)	
(632,250)	- Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(23,200)	
(7,342,282)			(7,310,236)
758,811	Adjusting amounts written out of the Revaluation Reserve		768,336
(6,583,471)	Net written out amount of the cost of non-current assets consumed in the year		(6,541,900)
	Capital financing applied in the year:		
56,218	- Use of the Capital Receipts Reserve to finance new capital expenditure	10,513	
5,063,046	- Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	2,451,387	
2,410,463	- Application of grants to capital financing from the Capital Grants Unapplied Reserve	2,004,030	
95,559	- Statutory provision for the financing of capital investment charged against the General Fund	95,559	
555,570	- Capital expenditure charged against the General Fund	1,512,949	
8,180,856			6,074,438
297,749	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		(62,000)
-	Movement in the Donated Assets Account credited to the Comprehensive Income and Expenditure Statement		-
<b>103,785,914</b>	<b>Balance at 31 March</b>		<b>103,256,452</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.

2018/19 £		2019/20 £
(33,826,000)	<b>Balance at 1 April</b>	(32,864,000)
2,055,000	Remeasurement of the net defined benefit liability / (asset)	6,262,000
(3,109,000)	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	(4,552,000)
2,016,000	Employer's pensions contributions and direct payments to pensioners payable in the year	1,969,000
<b>(32,864,000)</b>	<b>Balance at 31 March</b>	<b>(29,185,000)</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.

2018/19 £		2019/20 £
(125,432)	<b>Balance at 1 April</b>	492,130
(29,974)	Council Tax	(67,031)
99,884	Non-Domestic Rates	102,019
547,652	Enterprise Zone Growth	(966,682)
<b>617,562</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>(931,694)</b>
84,532	Council Tax	17,501
(420,491)	Non-Domestic Rates	(318,472)
828,089	Enterprise Zone Growth	(138,593)
<b>492,130</b>	<b>Balance at 31 March</b>	<b>(439,564)</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.

2018/19 £		2019/20 £
(131,418)	<b>Balance at 1 April</b>	(125,577)
131,418	Settlement or cancellation of accrual made at the end of the preceding year	125,577
(125,577)	Amounts accrued at the end of the current year	(118,996)
<b>5,841</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>6,581</b>
<b>(125,577)</b>	<b>Balance at 31 March</b>	<b>(118,996)</b>

### NOTE 26 CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

2018/19 £		2019/20 £
(147,539)	Interest received	(222,213)
72,875	Interest paid	68,849
-	Dividends received	-
<b>(74,664)</b>	<b>Total</b>	<b>(153,464)</b>

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

2018/19 £		2019/20 £
3,678,607	Depreciation	3,763,433
614,276	Impairment and downward valuations	1,552,245
23,197	Amortisation	63,232
292,078	Increase / (decrease) in creditors	216,301
(204,459)	(Increase) / decrease in debtors	(1,235,800)
32,998	(Increase) / decrease in inventories	(17,974)
2,792,200	Movement in pension liability (Retirement benefits)	4,282,200
632,250	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	23,200
(297,749)	Movement in Investment Property values (Net gain/losses from fair value adjustments)	62,000
178,563	Movement in Provisions	1,248,116
<b>7,741,960</b>	<b>Total</b>	<b>9,956,953</b>

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

2018/19 £		2019/20 £
-	Proceeds from short term (not considered to be cash equivalents) and long term investments	-
(641,055)	Proceeds from the sale of property plant and equipment, investment property and intangible assets	(60,000)
(7,000,835)	Capital Grants credited to surplus or deficit on the provision of services	(4,359,514)
<b>(7,641,890)</b>	<b>Total</b>	<b>(4,419,514)</b>

## NOTE 27 CASH FLOW STATEMENT – INVESTING ACTIVITIES

2018/19 £		2019/20 £
(4,814,167)	Purchase of property, plant and equipment, investment property and intangible assets	(2,825,865)
(6,000,000)	Purchase of short term and long term investments	-
-	Other payments for investing activities	-
641,055	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	60,000
-	Proceeds from short term and long term investments	3,000,000
5,075,490	Other receipts from investing activities	4,713,187
<b>(5,097,622)</b>	<b>Total</b>	<b>4,947,322</b>

## NOTE 28 CASH FLOW STATEMENT – FINANCING ACTIVITIES

2018/19 £		2019/20 £
-	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	-
480	Repayments and Receipts from short and long term borrowing	(465)
129,750	Billing Authorities - Council Tax and NNDR adjustments	(608,414)
-	Other payments for financing activities	-
<b>130,230</b>	<b>Total</b>	<b>(608,879)</b>

## NOTE 29 TRADING OPERATIONS

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

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

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

Income £	Restated 2018/19 Expenditure £	(Surplus)/Deficit £	Trading operations	Income £	2019/20 Expenditure £	(Surplus)/Deficit £
(107,780)	130,886	23,106	Catering	(87,502)	116,074	28,572
(461,382)	414,235	(47,148)	Industrial Sites	(475,665)	448,222	(27,443)
(29,739)	13,027	(16,712)	Poulton Market	(24,926)	13,318	(11,608)
(520,441)	548,219	27,778	Fleetwood Market	(530,707)	647,424	116,717
(2,873)	80	(2,793)	Cleveleys Market	(4,065)	154	(3,911)
<b>(1,122,215)</b>	<b>1,106,446</b>	<b>(15,769)</b>	<b>Total</b>	<b>(1,122,865)</b>	<b>1,225,192</b>	<b>102,327</b>

### Catering

The Catering operation relates to the bar/catering facility at the Marine Hall which primarily operates as an events, functions and wedding venue. There has been an increase in the deficit from £23,106 in 2018/19 to £28,572 in 2019/20 relating to operational costs across the board. Running costs at Marine Hall (excluding capital charges) have increased from £209,235 in 2018/19 to £271,936 in 2019/20, an increase of £62,700 or 30% year on year. This is mainly as a result of increased staffing costs (£23,721), increased building maintenance costs (£15,154) and increased internal recharges (£16,572).

### Industrial sites

This group includes a variety of land and building holdings including Fleetwood Golf Course, the waste disposal site, Copse Road depot and industrial units. The surplus/deficit reported above is therefore shown partly in the net cost of services and partly in the financing and investment section. Whilst it appears the financial position has improved, the adjusted position excluding capital charges is that a surplus was achieved of £128,111 in 2019/20 (£146,387 in 2018/19). The reduction is largely owing to the increased building maintenance costs (£12,240).

### Markets

#### *Fleetwood Market*

Fleetwood Market is a busy traditional market with over 150 indoor and outdoor stalls. In 2019/20 the outturn deficit position increased to £116,717 (compared to a deficit in 2018/19 of £27,778). The picture is distorted by capital charges and once these have been excluded the adjusted position is a surplus of £96,134 compared to a surplus of £63,810 in 2018/19. This represents an increase in the surplus of £32,324. This is mainly a result of increased Market Service Charges (£22,516)

### *Poulton Market*

Poulton Market is a weekly market held every Monday in the historic Market Square. Stalls at the outdoor market sell a wide range of goods and local produce. The surplus for the market has decreased to £11,608 in 2019/20 (£16,712 in 2018/19). This is largely as a result of a decrease in income from market stall charges (£24,926 in 2019/20 compared to £29,739 in 2018/19).

### *Cleveleys Market*

Cleveleys Market is a weekly market held every Wednesday (weather permitting) on the Plaza area of the sea front. After an initial trial period in 2018/19, the permanent market launched in April 2019. The surplus for the market increased to £3,911 in 2019/20 (£2,793 in 2018/19) largely as a result of an increase in income from market stall charges, owing to a full year of operation.

## **NOTE 30 AGENCY SERVICES**

The Highways Partnership agency arrangement was terminated at the end of June 2006, with Lancashire County Council assuming direct responsibility for the delivery of highway related functions from 1 July 2006. There remains a residual agreement in place which covers the maintenance of highway verges and roundabouts, weed control, leaf sweeping, tree maintenance and the management of Public Rights of Way. Total reimbursement in 2019/20 was £81,418 (2018/19 £81,417). The above sums are not included in the Comprehensive Income and Expenditure Statement.

## **NOTE 31 MEMBERS' ALLOWANCES**

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

	2018/19 £	2019/20 £
Allowances	314,331	311,866
Travel and subsistence	2,688	1,867
Dependent's carers allowance	-	-
<b>Total</b>	<b>317,019</b>	<b>313,733</b>

## **NOTE 32 OFFICERS' REMUNERATION**

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

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

Remuneration Bands	Number of employees 2018/19	Number of employees 2019/20
£50,000 - £54,999	4	4
£55,000 - £59,999	1	-
£60,000 - £64,999	3	1
£65,000 - £69,999	-	3
£70,000 - £74,999	-	-
£75,000 - £79,999	-	-
£80,000 - £84,999	-	-
£85,000 - £89,999	-	-
£90,000 - £94,999	-	-
£95,000 - £99,999	-	-
£100,000 - £104,999	1	-
£105,000 - £109,999	-	1
£110,000 - £114,999	-	-
£115,000 - £119,999	-	-
£120,000 - £124,999	-	-

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

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

Post holder 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	2019/20	106,131	80	-	16,769	122,980
	2018/19	104,050	516	-	16,440	121,006
Service Director, Health and Wellbeing	2019/20	43,160	865	-	6,819	50,844
	2018/19	63,471	776	-	10,028	74,275
Service Director, Performance and Innovation/Corporate Director Communities	2019/20	65,493	274	-	10,348	76,115
	2018/19	63,471	137	-	10,028	73,636
Service Director, People and Places/Corporate Director Environment	2019/20	65,493	-	-	10,348	75,841
	2018/19	63,471	68	-	10,028	73,567
Head of Finance (s.151 Officer)/ Corporate Director Resources (s.151 Officer)	2019/20	60,740	316	-	9,597	70,653
	2018/19	55,822	201	-	8,820	64,843
Head of Planning Services	2019/20	51,216	-	-	8,092	59,308
	2018/19	50,212	-	-	7,933	58,145

A Corporate Management Team restructure took effect from 1 December 2019 to create three Corporate Director roles replacing three Service Director positions and the part year implications are reflected in the tables above. Where the same individual occupies two posts these have been aggregated. Protected pay arrangements apply to the former Service Director Health and Wellbeing for a period of 18 months.

### NOTE 33 EXTERNAL AUDIT COSTS

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

2018/19 £	Audit Fee Type	2019/20 £
37,470	Fees payable with regard to audit services carried out by the appointed external auditor	37,470
-	- Rebate from Public Sector Audit Appointments Limited (PSAA)	(4,530)
-	- Fees payable in respect of other services provided by the external auditor	-
2,300	Fees payable to the Cabinet Office in respect of the National Fraud Initiative	-
8,000	Fees payable to the external auditor for the certification of grant claims and returns	12,000
<b>47,770</b>	<b>Total</b>	<b>44,940</b>

### NOTE 34 GRANT INCOME

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

	2018/19 £	2019/20 £
<b>Credited to Tax and Non-Specific Grant Income</b>		
Revenue Support Grant	465,613	-
New Homes Bonus	1,672,728	1,406,242
NNDR Section 31 Grant	1,588,635	2,780,795
Capital Grants and Contributions		
- Environment Agency	4,767,999	1,412,907
- Heritage Lottery	151,447	676,577
- CCF5	-	250,717
- Other Contributions	94,680	111,186
- S106 Contributions	48,920	-
<b>Sub total</b>	<b>8,790,022</b>	<b>6,638,424</b>
<b>Credited to Services</b>		
Housing and Council Tax Benefits	28,685,716	25,037,105
Ministry of Housing, Communities and Local Government	233,201	499,358
Disabled Facilities Grants	1,975,015	1,908,126
Other	20,270	88,726
<b>Sub total</b>	<b>30,914,202</b>	<b>27,533,315</b>
<b>Total</b>	<b>39,704,224</b>	<b>34,171,739</b>

The Authority has received a number of capital grants and contributions that have yet to be recognised as income as they have conditions attached to them that may require monies to be returned to the awarding body. The amounts recognised in the Balance Sheet as Revenue Grants Received in Advance is £2,060,518 and Capital Grants Received in Advance is £1,816,212.



## NOTE 35 RELATED PARTIES

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

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

### Central Government

Central government has significant influence over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. Council tax bills, housing benefits). Grants received from Government departments are set out in Note 12 with Note 34 providing a further analysis.

### Members

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

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

In respect of 2019/20 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 2019/20 is shown in Note 31. During 2019/20, 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 is one transaction to disclose in 2019/20 and this was £465.00 paid to Poulton Press Printers for printing the Northern Festival of Remembrance program and Remembrance festival tickets, in which Councillor Henderson has an interest. These are recorded in the register of Members' interests.

## Officers

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

## Other Public bodies

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

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

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

## Entities Controlled or Significantly Influenced by the Authority

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

## NOTE 36 CAPITAL EXPENDITURE AND FINANCING

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

	2018/19 £	2019/20 £
<b>Opening Capital Financing Requirement</b>	<b>11,452,459</b>	<b>11,356,900</b>
<b>Capital Investment</b>		
Property, Plant and Equipment*	5,453,944	3,964,355
Investment Property*	-	-
Intangible Assets*	200,175	106,037
Heritage Assets	37,225	-
Other	-	361
Revenue Expenditure Funded from Capital under Statute	2,393,952	1,908,126
<b>Sources of Finance</b>		
Capital Receipts	(56,218)	(10,513)
Government grants and other contributions	(7,473,509)	(4,455,417)
Other contributions	-	-
<b>Sums set aside from Revenue</b>		
Direct revenue contributions	(555,570)	(1,512,949)
Minimum Revenue Provision	(95,559)	(95,559)
<b>Closing Capital Financing Requirement</b>	<b>11,356,900</b>	<b>11,261,341</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>Increase / (decrease) in Capital financing Requirement</b>	<b>(95,559)</b>	<b>(95,559)</b>

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

## NOTE 37 LEASES

### Authority as lessee

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

### Authority as lessor

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

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

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

	2018/19 £	2019/20 £
Not later than one year	428,510	577,912
Later than one year and not later than five years	1,312,178	1,570,745
Later than five years	5,109,651	5,011,680
<b>Total</b>	<b>6,850,339</b>	<b>7,160,337</b>

The authority has no finance leases.

## NOTE 38 TERMINATION BENEFITS

The Authority terminated the contracts of three employees in 2019/20 (nine employees in 2018/19), incurring liabilities of £97,851 (£203,674 in 2018/19), 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	
	2018/19 £	2019/20 £	2018/19 £	2019/20 £	2018/19 £	2019/20 £	2018/19 £	2019/20 £
£0 - £20,000	-	-	5	2	5	2	51,768	13,577
£20,001 - £40,000	1	-	1	-	2	-	53,419	-
£40,001 - £60,000	-	-	2	-	2	-	98,487	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	1	-	-	-	1	-	84,274
£100,001 - £150,000	-	-	-	-	-	-	-	-
Over £150,000	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>1</b>	<b>8</b>	<b>2</b>	<b>9</b>	<b>3</b>	<b>203,674</b>	<b>97,851</b>

## NOTE 39 DEFINED BENEFIT PENSION SCHEME

The Authority participates in one post-employment scheme, the Local Government Pension Scheme, administered by Lancashire County Council. This is a funded scheme, meaning that the Authority and employees pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. In 2019/20 the employer's contribution rate was 15.8% plus a deficit recovery contribution of 24.8% This rate was determined following the 2016 triennial actuarial review of the Pension Fund, which impacts in the 2017/18, 2018/19 and 2019/20 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:

2018/19 £	Local Government Pension Scheme	2019/20 £
	Comprehensive Income and Expenditure Statement	
	<b>Cost of Services:</b>	
	<b>Service cost comprising:</b>	
2,085,000	- Current Service Cost	2,338,000
-	- Past Service Costs	1,312,000
248,000	- (Gain)/Loss from Settlements	98,000
	<b>Other Operating Expenditure</b>	
33,000	- Administration Expenses	41,000
	<b>Financing and Investment Income and Expenditure</b>	
743,000	- Net Interest Expense	763,000
<b>3,109,000</b>	<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>	<b>4,552,000</b>
	<b>Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>	
	<b>Remeasurement of the net defined benefit liability comprising:</b>	
(7,969,000)	- Return on plan assets (excluding amount included in the net interest expense)	903,000
-	- Actuarial gains and losses arising on changes in demographic assumptions	(4,181,000)
5,914,000	- Actuarial gains and losses arising on changes in financial assumptions	(1,927,000)
-	- Other	(1,057,000)
<b>(2,055,000)</b>	<b>Total Remeasurements charged to Other Comprehensive Income and Expenditure</b>	<b>(6,262,000)</b>
<b>1,054,000</b>	<b>Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>	<b>(1,710,000)</b>
	<b>Movement in Reserves Statement</b>	
(3,109,000)	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	(4,552,000)
	<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>	
2,016,000	- Employers' contributions payable to scheme	1,969,000

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

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

	2018/19 £	2019/20 £
Fair value of plan assets	97,139,200	95,364,000
Present value of the defined benefit obligation	(128,304,000)	(124,549,000)
<b>Net liability arising from defined benefit obligation</b>	<b>(31,164,800)</b>	<b>(29,185,000)</b>

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

### Reconciliation of fair value of the scheme assets

	2018/19 £	2019/20 £
Opening fair value of scheme assets	90,471,400	95,440,000
Interest income	2,349,000	2,294,000
Remeasurements gain and (loss):		
- The return on plan assets, excluding the amount included in the net interest expense	7,969,000	(903,000)
Other Operating Expenditure - Administration	(33,000)	(41,000)
Contributions from Employer	2,016,000	1,969,000
Contributions from Employees	423,000	441,000
Benefits Paid	(4,357,000)	(3,836,000)
Lump sum pre-payment	(1,699,200)	-
<b>Closing fair value of scheme assets</b>	<b>97,139,200</b>	<b>95,364,000</b>

### Reconciliation of present value of the scheme liabilities

	2018/19 £	2019/20 £
Opening balance at 1 April	(120,899,000)	(128,304,000)
Current Service Cost	(2,085,000)	(2,338,000)
Interest Cost	(3,092,000)	(3,057,000)
Contribution by Scheme Participants	(423,000)	(441,000)
Remeasurements gain and (loss):		
- Actuarial gains/(losses) arising from changes in demographic assumptions	-	4,181,000
- Actuarial gains/(losses) arising from changes in financial assumptions	(5,914,000)	1,927,000
- Other	-	1,057,000
Past Service Cost	-	(1,312,000)
Curtailments	(248,000)	(98,000)
Benefits Paid	4,357,000	3,836,000
Settlements	-	-
<b>Closing balance at 31 March</b>	<b>(128,304,000)</b>	<b>(124,549,000)</b>

The liabilities show the underlying commitments that the Authority has in the long-run to pay retirement benefits. The net liability of £29,185,000 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:

	2018/19 £	2019/20 £
<b>Cash:</b>		
- Cash and cash equivalents	487,000	2,670,000
- Net Current Assets	65,000	(1,621,000)
<b>Sub-total cash</b>	<b>552,000</b>	<b>1,049,000</b>
<b>Equity instruments:</b>		
<b>By industry type</b>		
- Consumer	-	-
- Manufacturing	-	-
- Energy and utilities	-	-
- Financial institutions	-	-
- Health and care	-	-
- Information technology	-	-
Miscellaneous/Unclassified	-	-
<b>Sub-total equity</b>	<b>-</b>	<b>-</b>
<b>Bonds:</b>		
<b>By sector</b>		
- Corporate	1,120,000	2,385,000
- Government	3,355,000	-
<b>Sub-total bonds</b>	<b>4,475,000</b>	<b>2,385,000</b>
<b>Property:</b>		
<b>By type</b>		
- Retail	3,900,000	95,000
- Commercial	4,996,000	1,239,000
- Residential	-	-
<b>Sub-total property</b>	<b>8,896,000</b>	<b>1,334,000</b>
<b>Private equity:</b>		
- UK	-	-
- Overseas	7,335,000	7,629,000
<b>Sub-total private equity</b>	<b>7,335,000</b>	<b>7,629,000</b>
<b>Other investment funds:</b>		
- Infrastructure	13,492,000	13,160,000
- Indirect property funds	1,461,000	6,771,000
- Credit funds	6,777,000	15,068,000
- Emerging Markets ETF	-	-
- UK Pooled equity funds	10,381,000	5,054,000
- Overseas Pooled equity funds	42,071,000	42,914,000
<b>Sub-total other investment funds</b>	<b>74,182,000</b>	<b>82,967,000</b>
Lump sum pre-payment	1,699,200	-
<b>Total Assets</b>	<b>97,139,200</b>	<b>95,364,000</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 2016.

The significant assumptions used by the actuary have been:

	2018/19	2019/20
<b>Mortality assumptions</b>		
Longevity at 65 for current pensioners		
- Men	22.8 years	22.3 years
- Women	25.5 years	25.0 years
Longevity at 65 for future pensioners		
- Men	25.1 years	23.8 years
- Women	28.2 years	26.8 years
Rate of CPI inflation/CARE Benefits revaluation		
	2.2%	2.1%
Rate of increase in salaries		
	*3.7%	3.6%
Rate of increase in pensions in payment/deferment		
	2.3%	2.2%
Rate for discounting scheme liabilities		
	2.4%	2.4%

(\*An adjustment has been made for short term pay restraint in line with the most recent actuarial valuation).

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

	2018/19	2019/20
1 year increase in members life expectancy	2,589,000	3,440,000
0.1% increase in Discount Rate	(2,021,000)	(1,891,000)
0.1% increase in the Salary Increase Rate	263,000	201,000
0.1% increase in the Pension Increase Rate	2,054,000	1,921,000
1% increase in 2019/20 investment returns	n/a	(955,000)
1% decrease in 2019/20 investment returns	n/a	955,000

### 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. Following the 2016 valuation, the next triennial valuation is due to be completed 31 March 2019.



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 £0.206m contributions to the scheme in 2019/20.

The weighted average duration of the defined benefit obligation for scheme members in 2019/20 is 15 years (16 years in 2018/19).

#### NOTE 40 CONTINGENT LIABILITIES

There are no contingent liabilities at the balance sheet date

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

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

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

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

#### Credit Risk

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

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

	31/03/2020 £000 a	Historical experience of default % b	Adjustment for market conditions at 31/03/20 % C	Estimated maximum exposure to default £ a x c
Deposits with banks and financial institutions (market value):				
High rated counterparties	24,771	0.00%	0.00%	-
Trade debtors (o/s Sundry Debtors at 31/03/20)	760	0.50%	4.00%	30

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 £759,660 outstanding for trade debtors, £468,000 is overdue. The overdue amount can be analysed by age as follows:

	2019/20 £000
Less than three months	104
Three months to one year	22
More than one year	342
<b>Total</b>	<b>468</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:

	2019/20 £000
Less than one year (short term creditors and short term borrowing)	5,883
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>7,435</b>

### Market Risk

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

- borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise.

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

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

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

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

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

#### NOTE 42 LANCASHIRE BUSINESS RATES POOL

INFORMATION TO FOLLOW

INTENTIONALLY BLANK TO INSERT BUSINESS RATES POOL INFORMATION

## 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).

2018/19			2019/20			
Business Rates £	Council Tax £	Total £	Note	Business Rates £	Council Tax £	Total £
<b>INCOME</b>						
(65,271,105)	(65,271,105)	(65,271,105)	1	(68,935,047)	(68,935,047)	(68,935,047)
-	-	-		-	-	-
(26,881,729)		(26,881,729)	2	(26,643,452)		(26,643,452)
-	-	-		-	(2,429)	(2,429)
(866,376)	-	(866,376)	3	(1,044,624)	-	(1,044,624)
<b>(27,748,105)</b>	<b>(65,271,105)</b>	<b>(93,019,210)</b>		<b>(27,688,076)</b>	<b>(68,937,476)</b>	<b>(96,625,552)</b>
<b>EXPENDITURE</b>						
Precepts, Demands and Share						
12,416,257		12,416,257	-	6,196,421		6,196,421
2,234,926	46,967,124	49,202,050	-	4,337,494	49,632,251	53,969,745
	6,436,163	6,436,163	-		7,424,990	7,424,990
248,325	2,446,794	2,695,119	-	371,785	2,560,876	2,932,661
9,933,005	7,687,245	17,620,250	-	13,879,981	8,057,509	21,937,490
<b>24,832,513</b>	<b>63,537,326</b>	<b>88,369,839</b>		<b>24,785,681</b>	<b>67,675,626</b>	<b>92,461,307</b>
Charges to Collection Fund						
188,293	256,774	445,067	-	165,361	265,670	431,031
(127,477)	416,142	288,665	-	316,280	337,721	654,001
446,405		446,405	-	827,639		827,639
150,613		150,613	-	149,787		149,787
1,119,897		1,119,897	-	962,690		962,690
-	-	-	-	-	-	-
888,149		888,149	-	-		-
<b>2,665,880</b>	<b>672,916</b>	<b>3,338,796</b>		<b>2,421,757</b>	<b>603,391</b>	<b>3,025,148</b>
Contributions						
-	1,266,876	1,266,876	-	-	1,218,387	1,218,387
<b>27,498,393</b>	<b>65,477,118</b>	<b>92,975,511</b>		<b>27,207,438</b>	<b>69,497,404</b>	<b>96,704,842</b>
<b>(249,712)</b>	<b>206,013</b>	<b>(43,699)</b>		<b>(480,638)</b>	<b>559,928</b>	<b>79,290</b>
1,300,939	(911,039)	389,900		1,051,227	(705,026)	346,201
<b>1,051,227</b>	<b>(705,026)</b>	<b>346,201</b>		<b>570,589</b>	<b>(145,098)</b>	<b>425,491</b>

## NOTES TO THE COLLECTION FUND

### NOTE 1 COUNCIL TAX

The Council Tax base for 2019/20 was calculated at 36,858 and a Band D Council Tax set at £1,817.26. The tax base was calculated as follows:

Band	Total number of chargeable dwellings	**Relevant amount x number of dwellings
Additional band	30	16
A	12,149	6,800
B	12,140	8,293
C	12,485	10,023
D	7,629	6,886
E	5,233	5,823
F	2,370	3,236
G	1,014	1,612
H	59	112
	<b>53,109</b>	<b>42,801</b>
Less Council Tax Reduction		(5,191)
		37,610
Collection Rate 98% = Relevant Amount x 0.98		<b>36,858</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 2020 was £70,655,622 (31 March 2019 £70,807,076). The Government set a National Non-domestic multiplier (rate in the pound) of 50.4 pence for 2019/20 and a Small Business non-domestic multiplier of 49.1 pence (2018/19 49.3 pence and 48.0 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 £	2018/19 Council Tax £	Total £		Business Rates £	2019/20 Council Tax £	Total £
<b>Attributable to Central Government and other Local Authorities as follows:</b>						
(433,188)		(433,188)	Central Government	(522,312)		(522,312)
(77,974)	932,957	854,983	Lancashire County Council	(94,016)	900,638	806,622
	126,343	126,343	Police and Crime Commissioner for Lancashire		123,419	123,419
(8,664)	50,018	41,354	Lancashire Combined Fire Authority	(10,446)	46,920	36,474
(346,550)	157,558	(188,992)	Wyre Borough Council	(417,850)	147,410	(270,440)
<b>(866,376)</b>	<b>1,266,876</b>	<b>400,500</b>	<b>Total</b>	<b>(1,044,624)</b>	<b>1,218,387</b>	<b>173,763</b>

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

Business Rates £	2018/19 Council Tax £	Total £		Business Rates £	2019/20 Council Tax £	Total £
<b>Attributable to Central Government and other Local Authorities as follows:</b>						
525,613		525,613	Central Government	144,301		144,301
94,611	(518,845)	(424,234)	Lancashire County Council	99,291	(106,281)	(6,990)
	(74,764)	(74,764)	Police and Crime Commissioner for Lancashire		(15,669)	(15,669)
10,512	(26,884)	(16,372)	Lancashire Combined Fire Authority	8,525	(5,647)	2,878
420,491	(84,533)	335,958	Wyre Borough Council	318,472	(17,501)	300,971
<b>1,051,227</b>	<b>(705,026)</b>	<b>346,201</b>	<b>(Surplus)/Deficit as at 31 March</b>	<b>570,589</b>	<b>(145,098)</b>	<b>425,491</b>

## GLOSSARY OF ACCOUNTING TERMS

### **Accounting policies**

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

### **Accruals**

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

### **Accumulated absences**

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

### **Agency services**

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

### **Amortisation**

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

### **Assets**

An item which is measurable in monetary terms.

### **Auditor's opinion**

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

### **Balance sheet**

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

### **Budget**

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

### **Capital adjustment account**

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

### **Capital expenditure**

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

### **Capital receipts**

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

### **Cash and cash equivalents**

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

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

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

### **Collection fund**

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

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

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

### **Consistency**

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

### **Contingency**

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



**Contingent liabilities or assets**

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

**Council tax**

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

**Creditors**

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

**Current assets**

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

**Current liabilities**

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

**Curtailment cost**

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

**Debtors**

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

**Deferred liabilities**

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

**Defined benefit scheme**

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

**Depreciation**

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

**Expected rate of return on pensions assets**

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

**Expenditure**

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

**Expenditure and Funding Analysis**

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

**Fair value**

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

## Financial instruments

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

## General fund

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

## Going concern

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

## Gross expenditure

The cost of service provision before allowing for any income.

## Heritage asset

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

## International financial reporting standard (IFRS)

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

## Impairment

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

## Income

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

## Intangible assets

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

## Inventories

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

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

## Leases

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

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

## Liabilities

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

## Long term assets

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

## Long term borrowing

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

## Materiality

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

## Minimum Revenue Provision (MRP)

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

## Net assets

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

## Net expenditure

Gross expenditure less gross income.

### **Non-domestic rates**

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

### **Non-ringfenced grant**

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

### **Outturn**

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

### **Precept**

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

### **Projected unit method – pension fund valuation**

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

### **Provisions**

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

### **Prudence**

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

### **Public works loan board (PWLB)**

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

### **Related party**

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

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

### **Remuneration**

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

### **Reserves**

Amounts created for future policy purposes or to cover contingencies.

### **Retirement benefits**

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

### **Revenue expenditure**

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

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

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

### **Revenue support grant (RSG)**

Government grant to support local authority services.

### Scheme liabilities

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

### Service reporting code of practice (SeRCOP)

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

### Short term borrowing

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

### Slippage

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

### Termination benefits

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

### Unusable reserves

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

### Usable reserves

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

### Useful life

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

### Work in progress

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

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

## LINKS TO OTHER FINANCIAL INFORMATION

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

Capital Financing Report

Appendix 2 - Table 1

	Updated	To 31st	Funded By.....						Total	
	Revised	March 2020	Grants and		Revenue		Capital		Funded	
	2019/20	Actuals	Contributions			Receipts	Loan			
Budget	£	£	£	p	£	p	£	p	£	p
<b><u>LEISURE, HEALTH AND COMMUNITY ENGAGEMENT PORTFOLIO</u></b>										
<b><u>Communities Directorate</u></b>										
Garstang Leisure Fitness Equipment	29,381.00	29,380.67	0.00		29,380.67		0.00		0.00	29,380.67
Fleetwood Leisure Centre Heating Works	158,200.00	161,514.01	0.00		161,514.01		0.00		0.00	161,514.01
<b>Portfolio Total</b>	<b>187,581.00</b>	<b>190,894.68</b>	<b>0.00</b>		<b>190,894.68</b>		<b>0.00</b>		<b>0.00</b>	<b>190,894.68</b>
<b><u>NEIGHBOURHOOD SERVICES AND COMMUNITY SAFETY PORTFOLIO</u></b>										
<b><u>Communities Directorate</u></b>										
<b><u>Housing</u></b>										
Disabled Facilities Mandatory Grants	1,908,127.00	1,908,126.17	1,908,126.17		0.00		0.00		0.00	1,908,126.17
<b><u>Environment Directorate</u></b>										
<b><u>Coast Protection</u></b>										
Cell 11 Monitoring (Yr 4 of 5 year programme approved annually):External Costs	3,000.00	0.00	0.00		0.00		0.00		0.00	0.00
Cell 11 Monitoring (Yr 4 of 5 year programme approved annually):In House Costs	28,805.00	19,028.16	19,028.16		0.00		0.00		0.00	19,028.16
Rossall Seawall Improvement Works External Costs	1,707,184.00	1,225,072.00	1,225,072.00		0.00		0.00		0.00	1,225,072.00
Wyre Beach Management External Costs	58,630.00	130,636.99	130,636.99		0.00		0.00		0.00	130,636.99
Wyre Beach Management In House Fees	103,838.00	57,197.54	57,197.54		0.00		0.00		0.00	57,197.54
Kirkland Flood Defence Embankment	0.00	-360.23	0.00		-360.23		0.00		0.00	-360.23
<b>Portfolio Total</b>	<b>3,809,584.00</b>	<b>3,339,700.63</b>	<b>3,340,060.86</b>		<b>-360.23</b>		<b>0.00</b>		<b>0.00</b>	<b>3,339,700.63</b>
<b><u>PLANNING AND ECONOMIC DEVELOPMENT PORTFOLIO</u></b>										
<b><u>Communities Directorate</u></b>										
CCF5 Fleetwood Market Outdoor Area	334,210.00	81,734.50	81,734.50		0.00		0.00		0.00	81,734.50
CCF5 Adelaide Street Studios	309,520.00	168,982.76	168,982.76		0.00		0.00		0.00	168,982.76
<b>Portfolio Total</b>	<b>643,730.00</b>	<b>250,717.26</b>	<b>250,717.26</b>		<b>0.00</b>		<b>0.00</b>		<b>0.00</b>	<b>250,717.26</b>
<b><u>RESOURCES PORTFOLIO</u></b>										
<b><u>Communities Directorate</u></b>										
Reception Refurbishment Works Garstang Pool	37,065.00	37,064.66	0.00		37,064.66		0.00		0.00	37,064.66
IT Service Management Software	5,140.00	0.00	0.00		0.00		0.00		0.00	0.00
Civic Centre Roofing Works	91,300.00	91,300.00	0.00		91,300.00		0.00		0.00	91,300.00
<b><u>Resources Directorate</u></b>										
Citizen Access Portal	173,510.00	96,643.00	0.00		96,643.00		0.00		0.00	96,643.00
Cash Receipting System Upgrade	34,140.00	9,393.95	0.00		9,393.95		0.00		0.00	9,393.95
Tablet Devices for Councillors	22,330.00	15,785.33	0.00		15,785.33		0.00		0.00	15,785.33
<b><u>Environment Directorate</u></b>										
Vehicle Fleet Replacement Programme	2,823,500.00	279,539.67	0.00		279,539.67		0.00		0.00	279,539.67
Copse Road VMU Roofing Works	8,770.00	8,770.00	0.00		8,770.00		0.00		0.00	8,770.00
MOT Test Centre	1,170.00	1,026.89	0.00		1,026.89		0.00		0.00	1,026.89
<b>Portfolio Total</b>	<b>3,196,925.00</b>	<b>539,523.50</b>	<b>0.00</b>		<b>539,523.50</b>		<b>0.00</b>		<b>0.00</b>	<b>539,523.50</b>

	Updated	To 31st		Funded By.....						Total			
	Revised	March 2020		Grants and		Revenue		Capital		Loan		Funded	
	2019/20	Actuals		Contributions				Receipts					
	Budget												
	£	£	p	£	p	£	p	£	p	£	p	£	p
<b><u>STREET SCENE, PARKS AND OPEN SPACES PORTFOLIO</u></b>													
<b><u>Environment Directorate</u></b>													
Restoration of the Mount	1,021,687.00	772,480.43		772,480.43		0.00		0.00		0.00		772,480.43	
Mariners Close Playground Removal/Relandscaping	19,995.00	19,995.17		12,781.80		0.00		7,213.37		0.00		19,995.17	
King George's Playing Field Thornton	18,369.00	18,369.00		18,369.00		0.00		0.00		0.00		18,369.00	
Refurbishment of Childrens Playground Jean Stansfield Park	29,487.00	28,012.21		28,012.21		0.00		0.00		0.00		28,012.21	
Wheeled Bins	825,000.00	782,530.90		0		782,530.90		0.00		0.00		782,530.90	
King George V Playing Field Exercise Equipment Fleetwood	5,000.00	5,000.00		5,000.00		0.00		0.00		0.00		5,000.00	
Sensory Garden - Memorial Park, Fleetwood	28,450.00	27,995.04		27,995.04		0.00		0.00		0.00		27,995.04	
Jubilee Gardens Refurbishment	45,300.00	3,300.00		0.00		0.00		3,300.00		0.00		3,300.00	
<b>Portfolio Total</b>	<b>1,993,288.00</b>	<b>1,657,682.75</b>		<b>864,638.48</b>		<b>782,530.90</b>		<b>10,513.37</b>		<b>0.00</b>		<b>1,657,682.75</b>	
<b>GRAND TOTAL</b>	<b>9,831,108.00</b>	<b>5,978,518.82</b>		<b>4,455,416.60</b>		<b>1,512,588.85</b>		<b>10,513.37</b>		<b>0.00</b>		<b>5,978,518.82</b>	

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<u>Reconciliation</u>		<u>Summary Impact on Capital Programme and Funding 2020/21 of 2019/20 outturn and slippage to 2020/21</u>					
Capital Budget - 2020/21	2020/21	Funded by .....					Total
	Budget	Grants and	Revenue	Capital	Loan	Funded	
	£	Contributions	£	Receipts	£	£	
As approved at Council 12/2/2020	3,367,386	2,700,856	641,200	25,330	0	3,367,386	
Subsequent changes in aggregate agreed to date	4,451,662	4,105,675	312,167	33,820	0	4,451,662	
Current 2020/21 approval	7,819,048	6,806,531	953,367	59,150	0	7,819,048	
<b>2019/20 Year End slippage to 2020/21</b>	<b>3,875,169</b>	<b>1,173,882</b>	<b>2,694,587</b>	<b>6,700</b>	<b>0</b>	<b>3,875,169</b>	
<b>2019/20 Year End advance use of 2020/21 budget</b>	<b>-25,367</b>	<b>-25,367</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-25,367</b>	
<b>Latest 2020/21 Capital Budget</b>	<b>11,668,850</b>	<b>7,955,046</b>	<b>3,647,954</b>	<b>65,850</b>	<b>0</b>	<b>11,668,850</b>	

<u>Reconciliation</u>		<u>Summary Impact on Capital Programme and Funding 2021/22 of 2019/20 outturn</u>					
Capital Budget - 2021/22	2021/22	Funded by .....					Total
	Budget	Grants and	Revenue	Capital	Loan	Funded	
	£	Contributions	£	Receipts	£	£	
As approved at Council 12/2/2020	2,111,622	1,833,127	278,495	0	0	2,111,622	
<b>Current and latest 2021/22 Capital Budget approval</b>	<b>2,111,622</b>	<b>1,833,127</b>	<b>278,495</b>	<b>0</b>	<b>0</b>	<b>2,111,622</b>	

<u>Reconciliation</u>		<u>Summary Impact on Capital Programme and Funding 2022/23 of 2019/20 outturn</u>				
Capital Budget - 2022/23	2022/23 Budget £	Funded by .....				Total Funded £
		Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	
As approved at Council 12/2/2020	1,894,127	1,833,127	61,000	0	0	1,894,127
<b>Current and latest 2022/23 Capital Budget approval</b>	<b>1,894,127</b>	<b>1,833,127</b>	<b>61,000</b>	<b>0</b>	<b>0</b>	<b>1,894,127</b>

<u>Reconciliation</u>		<u>Summary Impact on Capital Programme and Funding 2023/24 of 2019/20 outturn</u>				
Capital Budget - 2023/24	2023/24 Budget £	Funded by .....				Total Funded £
		Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	
As approved at Council 12/2/2020	1,983,627	1,833,127	150,500	0	0	1,983,627
<b>Current and latest 2023/24 Capital Budget approval</b>	<b>1,983,627</b>	<b>1,833,127</b>	<b>150,500</b>	<b>0</b>	<b>0</b>	<b>1,983,627</b>

<u>Reconciliation</u>		<u>Summary Impact on Capital Programme and Funding 2024/25 of 2019/20 outturn</u>				
Capital Budget - 2024/25	2024/25 Budget £	Funded by .....				Total Funded £
		Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	
As approved at Council 12/2/2020	2,135,627	1,833,127	302,500	0	0	2,135,627
<b>Current and latest 2024/25 Capital Budget approval</b>	<b>2,135,627</b>	<b>1,833,127</b>	<b>302,500</b>	<b>0</b>	<b>0</b>	<b>2,135,627</b>

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Comparison of Capital Expenditure to Budget

Appendix 2 - Table 2

	Updated Revised 2019/20 Budget	To 31st March 2020 Actuals	Variance	Advance spend of 20/21 Budget	Overspend	Underspend	Slippage	Comments
	£	£	£	£	£	£	£	
<b><u>LEISURE, HEALTH AND COMMUNITY ENGAGEMENT PORTFOLIO</u></b>								
<b><u>Committees Directorate</u></b>								
Garstang Leisure Fitness Equipment	29,381.00	29,380.67	0	0	0	0	0	Scheme complete
Fleetwood Leisure Centre Heating Works	158,200.00	161,514.01	3,314	0	3,314	0	0	Complete with overspend
<b>Portfolio Total</b>	<b>187,581.00</b>	<b>190,894.68</b>	<b>3,314</b>	<b>0</b>	<b>3,314</b>	<b>0</b>	<b>0</b>	
<b><u>NEIGHBOURHOOD SERVICES AND COMMUNITY SAFETY PORTFOLIO</u></b>								
<b><u>Committees Directorate</u></b>								
<b><u>Housing</u></b>								
Disabled Facilities Mandatory Grants	1,908,127.00	1,908,126.17	-1	0	0	-1	0	
<b><u>Environment Directorate</u></b>								
<b><u>Coast Protection</u></b>								
Cell 11 Monitoring (Yr 4 of 5 year programme approved annually):External Costs	3,000.00	0.00	-3,000	0	0	0	-3,000	Slippage for the purchasing of surveying equipment
Cell 11 Monitoring (Yr 4 of 5 year programme approved annually):In House Costs	28,805.00	19,028.16	-9,777	0	0	0	-9,777	Scheduled surveys planned for February / March could not be undertaken due to lockdown. The surveys will commence as soon as permitted.
Rossall Seawall Improvement Works External Costs	1,707,184.00	1,225,072.00	-482,112	0	0	0	-482,112	Scheduled surveys planned for February / March could not be undertaken due to lockdown. The surveys will commence as soon as permitted.
Wyre Beach Management External Costs	58,630.00	130,636.99	72,007	25,367	0	0	46,640	Overspend to be included as part of the FCERM 4 funding application (externally funded)
Wyre Beach Management In House Fees	103,838.00	57,197.54	-46,640	0	0	0	-46,640	
Kirkland Flood Defence Embankment	0.00	-360.23	-360	0	0	-360	0	Scheme complete
<b>Portfolio Total</b>	<b>3,809,584.00</b>	<b>3,339,700.63</b>	<b>-469,883</b>	<b>25,367</b>	<b>0</b>	<b>-361</b>	<b>-494,889</b>	
<b><u>PLANNING AND ECONOMIC DEVELOPMENT PORTFOLIO</u></b>								
<b><u>Committees Directorate</u></b>								
CCF5 Fleetwood Market Outdoor Area	334,210.00	81,734.50	-252,475	0	0	0	-252,475	Slippage due to a more complex procurement process
CCF5 Adelaide Street Studios	309,520.00	168,982.76	-140,537	0	0	0	-140,537	Slippage to pay contractor's invoices as contract not completed in the timescale anticipated
<b>Portfolio Total</b>	<b>643,730.00</b>	<b>250,717.26</b>	<b>-393,012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-393,012</b>	
<b><u>RESOURCES PORTFOLIO</u></b>								
<b><u>Committees Directorate</u></b>								
Reception Refurbishment Works Garstang Pool	37,065.00	37,064.66	0	0	0	0	0	Scheme complete
IT Service Management Software	5,140.00	0.00	-5,140	0	0	-5,140	0	Scheme complete
Civic Centre Roofing Works	91,300.00	91,300.00	0	0	0	0	0	Scheme complete
<b><u>Resources Directorate</u></b>								
Citizen Access Portal	173,510.00	96,643.00	-76,867	0	0	0	-76,867	Slippage project ongoing
Cash Receipting System Upgrade	34,140.00	9,393.95	-24,746	0	0	0	-24,746	Slippage
Tablet Devices for Councillors	22,330.00	15,785.33	-6,545	0	0	0	-6,545	Slippage project ongoing
<b><u>Environment Directorate</u></b>								
Vehicle Fleet Replacement Programme	2,823,500.00	279,539.67	-2,543,960	0	0	0	-2,543,960	Slippage for RCVs
Copse Road VMU Roofing Works	8,770.00	8,770.00	0	0	0	0	0	Scheme complete
MOT Test Centre	1,170.00	1,026.89	-143	0	0	-143	0	Scheme complete
<b>Portfolio Total</b>	<b>3,196,925.00</b>	<b>539,523.50</b>	<b>-2,657,401</b>	<b>0</b>	<b>0</b>	<b>-5,283</b>	<b>-2,652,118</b>	

Comparison of Capital Expenditure to Budget - Continued

Appendix 2 - Table 2 continued

	Updated Revised 2019/20 Budget	To 31st March 2020 Actuals	Variance	Advance spend of 19/20 Budget	Overspend	Underspend	Slippage	Comments
	£	£ p £		£	£	£	£	
<b><u>STREET SCENE, PARKS AND OPEN SPACES PORTFOLIO</u></b>								
<b><u>Environment Directorate</u></b>								
Restoration of the Mount	1,021,687.00	772,480.43	-249,206	0	0	0	-249,206	Slippage due adjustments in work sequencing, Electricity North West delays and the weather
Mariners Close Playground Removal/Relandscaping	19,995.00	19,995.17	0	0	0	0	0	Scheme complete
King George's Playing Field Thornton	18,369.00	18,369.00	0	0	0	0	0	Scheme complete
Refurbishment of Children's Playground Jean Stansfield Park	29,487.00	28,012.21	-1,475	0	0	0	-1,475	Retention monies held back for 12 months from completion
Wheeled Bins	825,000.00	782,530.90	-42,469	0	0	0	-42,469	Slippage scheme ongoing
King George V Playing Field Exercise Equipment Fleetwood	5,000.00	5,000.00	0	0	0	0	0	Scheme complete
Sensory Garden - Memorial Park, Fleetwood	28,450.00	27,995.04	-455	0	0	-455	0	Scheme complete
Jubilee Gardens Refurbishment	45,300.00	3,300.00	-42,000	0	0	0	-42,000	Slippage due to the appointment of the contractor delayed due to a revision of scheme design. Revised designs now received and are currently due to be evaluated but further delays have occurred due to coronavirus
<b>Portfolio Total</b>	<b>1,993,288.00</b>	<b>1,657,682.75</b>	<b>-335,605</b>	<b>0</b>	<b>0</b>	<b>-455</b>	<b>-335,150</b>	
<b>GRAND TOTAL</b>	<b>9,831,108.00</b>	<b>5,978,518.82</b>	<b>-3,852,588</b>	<b>25,367</b>	<b>3,314</b>	<b>-6,099</b>	<b>-3,875,169</b>	

<b>Total Revenue Reserve and Balance Movements</b>				
	<b>19/20 Revised Estimate</b>	<b>19/20 Actuals</b>	<b>Variance</b>	
			<b>Favourable (Higher than Anticipated Balances)</b>	<b>Unfavourable (Lower than Anticipated Balances)</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Revenue Reserves as at 31 March 2020 (see Appendix 4a)	9,722,575	12,897,115	(3,174,540)	
Revenue Balances as at 31 March 2020 (see Appendix 4a)	11,794,376	13,906,033	(2,111,657)	
<b>TOTAL Revenue Reserves and Balances</b>	<b>21,516,951</b>	<b>26,803,148</b>	<b>(5,286,197)</b>	-

<b>Major Variances Impacting on Revenue Reserves</b>				
<b>Earmarked Reserves</b>	<b>19/20 Revised Estimate as at 31 March 20</b>	<b>19/20 Actuals as at 31 March 20</b>	<b>Variance</b>	
			<b>Favourable (Increased Transfer In / Reduced Transfer Out)</b>	<b>Unfavourable (Reduced Transfer In / Increased Transfer Out)</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Building Control:</b> higher net surplus achieved	5,239	10,315	(5,076)	
<b>Capital Investment:</b> reduced top up to fund Capital Asset Improvement Programme	464,826	563,319	(98,493)	
<b>Elections</b>	-	-		
<b>Insurance:</b> increased draw down to cover cost of claims	112,585	106,014		6,571
<b>Investment - IT Strategy:</b> savings from IT higher than expected	381,158	480,870	(99,712)	
<b>Land Charges:</b> higher net deficit achieved	20,063	17,951		2,112
<b>Leisure Management</b>	205,093	206,081	(988)	
<b>New Homes Bonus</b>	1,706,247	1,706,247		
<b>Non-Domestic Rates Equalisation:</b> level of 19/20 s31 grants increased and contributions to funds lower than anticipated	3,689,721	3,900,608	(210,887)	
<b>Performance Reward Initiatives:</b> increased draw down	26,639	24,564		2,075
<b>Property Investment Fund</b>	1,000,000	1,000,000		
<b>Value for Money:</b> additional DWP funding received and reduced draw down due to delays with projects and recruitment to posts	578,130	802,582	(224,452)	
<b>Vehicle Replacement/Street Cleansing Maintenance:</b> reduced contributions made and reduced draw downs due to timings of purchases of vehicles (impacting in 20/21)	398,098	2,917,657	(2,519,559)	
<b>Enterprise Zone Growth (Ring-fenced):</b> lower than anticipated draw down to cover costs	1,134,776	1,160,907	(26,131)	
	<b>9,722,575</b>	<b>12,897,115</b>	<b>(3,185,298)</b>	<b>10,758</b>
			<b>(3,174,540)</b>	

<b>Major Variances Impacting on Revenue Balances</b>					
	<b>19/20 Revised Estimate</b>	<b>19/20 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>19/20 Slippage to Future Years (see Appendix 3b)</b>			<b>(1,718,370)</b>	<b>(1,718,370)</b>	
<b>Service Specific Major Variances (adjusted for slippage)</b>					
<b>Employee costs:</b>					
<u>Salaries and Agency Costs (incl Training):</u> vacancies across various service areas and delays in recruitment to posts	10,318,970	9,774,973	179,496	<b>(364,501)</b>	
<b>Supplies and services:</b>					
<u>Materials and Consumables:</u> underspends across various service areas; some delays to works caused by bad weather and Covid-19	209,560	179,215	1,580	<b>(28,765)</b>	
<u>Consultancy:</u> underspends across various service areas - main contributors are ICT and Digital Team and Economic Devt and Promotion, off-set by overspend in Development Control	582,420	359,974	205,424	<b>(17,022)</b>	
<u>Postage - Council Tax:</u> annual billing and mail outs during the year	38,000	53,233			<b>15,233</b>
<u>Advertising (incl. statutory notices):</u> underspends across various service areas	59,830	44,083		<b>(15,747)</b>	
<u>Legal Fees:</u> underspends across various service areas; largely attributable to Council Tax Collection	41,050	28,773		<b>(12,277)</b>	
<u>Benefits and Rent Allowances:</u> reduction in caseloads following the introduction of Universal Credit	<b>(164,260)</b>	<b>(211,547)</b>		<b>(47,287)</b>	
<b>Third party payments:</b>					
<u>Public Conveniences:</u> one-off benefit - correction of historic transaction	253,090	232,407		<b>(20,683)</b>	
<u>Greater Lancashire Plan:</u> unbudgeted costs in 19/20, however refund received in 20/21	-	21,853			<b>21,853</b>
<u>YMCA Subsidy:</u>	272,500	364,036			<b>91,536</b>
<b>Income:</b>					
<u>Cemeteries - Interment Fees and Sale of Grave Space:</u> lower than anticipated income levels across the cemeteries	<b>(228,150)</b>	<b>(170,921)</b>			<b>57,229</b>
<u>HMO Licences:</u> low number of licence renewals; licences are issued for a number of years resulting in fluctuations in income levels	<b>(10,600)</b>	<b>(520)</b>			<b>10,080</b>
<u>Waste Containers - Admin and Delivery Fees:</u> fees payable by residents/developers for new bins issued	<b>(40,800)</b>	<b>(51,610)</b>		<b>(10,810)</b>	
<u>Bulky Household Waste Collection:</u> income exceeded anticipated levels	<b>(48,650)</b>	<b>(62,544)</b>		<b>(13,894)</b>	
<u>Residents Parking Permits:</u> increased number of permit renewals; changes to resident parking scheme from 1 April 2020	<b>(8,500)</b>	<b>(19,004)</b>		<b>(10,504)</b>	
<u>Planning Application Fees:</u> a small number of larger value applications received during the year	<b>(750,000)</b>	<b>(803,500)</b>		<b>(53,500)</b>	
<b>Non Service Specific Major Variances</b>					
<b>Income:</b>					
<u>Interest Received:</u> cash flow management resulted in additional funds being invested during the year until required	<b>(175,400)</b>	<b>(220,094)</b>		<b>(44,694)</b>	
<b>Other Variations (in aggregate)</b>					<b>50,466</b>
				<b>(2,358,054)</b>	<b>246,397</b>
				<b>(2,111,657)</b>	

Portfolio	19/20 Slippage Request £
Leisure, Health and Community Engagement	73,720
Neighbourhood Services and Community Safety	459,560
Planning and Economic Development	249,700
Resources	806,680
Street Scene, Parks and Open Spaces	128,710
<b>TOTAL</b>	<b>1,718,370</b>

<b><u>Leisure, Health and Community Engagement</u></b>	<b>73,720</b>
<u>Coastal Communities Fund Revenue Schemes</u>	
Promotions & Consultants Fees	58,900
<u>Marine Lake</u>	
Special Works: to fund desilting works	4,940
<u>Skippool Berths</u>	
General and Electrical Repairs: to carry out works in 2020/21	2,500
<u>Countryside General</u>	
Purchase of Tools or Equipment: for grounds maintenance and site management	2,000
Amenity and Information Signs: installation of signage for the urban and coastal sites	1,500
Protective Clothing: volunteer PPE for a wide variety of roles	1,030
Materials and Consumables: first aid kit replenishment and repairs to sites	1,580
<u>Noise Control</u>	
Maintenance of Tools or Equipment: contribution towards purchase and calibration of equipment	1,270
<b><u>Neighbourhood Services and Community Safety</u></b>	<b>459,560</b>
<u>Sea Defences</u>	
Private Contractors: delays due to severe weather and Covid-19 response	47,750
<u>Community Safety Operations</u>	
Volunteer Expenses: to contribute to works to CCTV system	960
Community Development Initiatives: to contribute works to CCTV system	13,640
Community Development Initiatives - CCTV Costs: to contribute to works to CCTV system	6,780
Community Development Initiatives - Mobile Cameras: to fund purchase of mobile cameras (funding from PCC)	1,650
Community Development Initiatives - Rural Crime Campaign: to fund purchase of Rural DNA kits (funding from PCC)	410
Community Development Initiatives - Genga: to enable commissioning of knife crime / violence prevention workshops within local schools (funding from PCC)	500
Community Development Initiatives - CCTV Improvements: to contribute to works to CCTV system	6,940
Community Development Initiatives - ACT Awareness: to fund admin costs associated with the ACT Aware campaign (funding from PCC)	2,480
CCTV Running Costs: to contribute to works to CCTV system	1,800
<u>Childrens Trust</u>	
Other Contributions: to be used on projects for the needs of children and young people across Wyre	32,740
<u>Off Street Car Parking</u>	
Paths, Roads and Car Park Maintenance: works planned for March 2020 not undertaken due to companies furloughing staff during Covid-19 pandemic	4,940
Purchase of Tools or Equipment: works planned for March 2020 postponed due to Covid-19 pandemic	20,690
<u>Car Parks Unmetered</u>	
Paths, Roads and Car Park Maintenance: works planned for March 2020 not undertaken due to companies furloughing staff during Covid-19 pandemic	3,290
<u>Homelessness</u>	
New Burdens Grant: to cover emergency and temporary support and furnishings due to increased demand during the Covid-19 pandemic	10,930
Housing Options: funding committed to support the service in future years	304,060

<b>Planning and Economic Development</b>	<b>249,700</b>
<u>Local Plan</u>	
Consultants Fees: underspends due to change in workloads (more work on Masterplanning and Appeals rather than Local Plan)	78,130
Consultants Fees - Community Infrastructure Levy: underspends due to change in workloads (more work on Masterplanning and Appeals rather than Local Plan)	21,000
<u>Copse Rd Depot</u>	
CCTV Running Costs: to contribute to the future Copse Road CCTV replacement works	8,750
<u>Business Support</u>	
Other Contributions: delay to the commissioning of Thinking Place (re: identity branding work)	7,600
<u>Future High Street Fund Revenue Schemes</u>	
Future High Street Fund: work is still underway on the Councils bid and supporting evidence; final bid submitted June 2020	56,000
<u>Economic Development</u>	
Consultants Fees: HAP funding bid not yet spent - deadline extended to 31 Dec 2020	25,000
<u>Cleveleys Coastal Community Project</u>	
Miscellaneous Expenses: delays due to Covid-19	5,470
<u>WBC Highways - Non Agency</u>	
Maint. of Unadopted Assets - Engineers - Street Lighting: delays due to Covid-19	2,800
Maint. of Unadopted Assets - Engineers - Regenda Housing Association: delays due to Covid-19	4,690
<u>Fleetwood/Knott End Ferry</u>	
Ferry Dock Maintenance: works postponed due to Covid-19 pandemic and contractors furloughing staff	4,080
Landing Stage Maintenance: works postponed due to Covid-19 pandemic and contractors furloughing staff	3,130
Dredging: works postponed due to ferry service not operating due to Covid-19 pandemic and contractors furloughing staff	1,600
<u>Bus Shelters and Turn Round</u>	
Repairs to Non-WBC Buildings: works planned for late 2019/20 were postponed due to Covid-19 and contractors not operating during lockdown	31,450
<b>Resources</b>	<b>806,680</b>
<u>Members Expenses Support and Advice</u>	
Training: to be used for a training course in summer 2020 on mobile devices	2,100
<u>Civic and Ceremonial</u>	
Special Events: events deferred due to Covid-19 pandemic	9,910
<u>Pollution and Commercial Safety Team</u>	
Staffing: delays to recruiting to post	8,710
<u>Legal Services</u>	
Purchase of Tools or Equipment: to consider the option of an electronic legal case management system; decision delayed due to Covid-19	14,250
<u>HR and General Training Team</u>	
Post Entry/Professional Training: to fund the purchase of an online e-learning platform during 2020/21	4,510
<u>Financial Services Team</u>	
Staffing: to be used for additional agency staffing requirements to assist with workloads due to vacant posts	62,330
Training: refund of training costs and underspends will be used for future training requirements	3,050
Consultants Fees: CivicaPay project on-going and additional requirement for support due to vacancies within the team	10,670
<u>Audit Risk Management</u>	
LCC Audit Fees: to be utilised to assist the Democratic Services team and to fund solicitor costs	25,460
<u>Civic Centre (and Bungalow)</u>	
Purchase Furniture: to fund future works/upgrades to meeting rooms	8,030
<u>Community Safety Team</u>	
Amenity and Information Signs: to enable the purchase and replacement of CCTV signage	9,530
<u>Parks and Open Spaces Team</u>	
Staffing: service restructure delayed to 2020/21	40,000
Routine Maintenance: contractor unable to start works in 19/20	4,000
Playground Equipment: earmarked for the supply of sand and bark to top up playgrounds; ordering materials postponed due to bad weather and further postponed due to Covid-19	3,220
<u>Contingency</u>	
Provision for Agency staff to cover vacant posts and training following a planned restructure in 2020/21	159,220
Provision for Electrical Testing	2,000
Provision for Legionella Assessment Survey	25,100
Provision for Replacement of Car Parking Machines	2,890
Provision for Additional Costs relating to VAT Error Correction Notice	105,330
Provision for Asset Maintenance Costs	50,000
Provision for Repairs to Marsh Mill	50,000
Provision for Severe Weather	8,500
Provision for Cessation of Care and Repair/Handyperson Service	190,000
Provision for Funding Projects/New Contracts	7,870

<b>Street Scene, Parks and Open Spaces</b>	<b>128,710</b>
<u>Street Cleansing</u>	
Staffing: service restructure delayed to 2020/21	15,000
Special Events: to enable the purchase of some new and replacement bins to support events	3,000
Provision of Bins, Boxes and Sacks: to enable the purchase of some new and replacement bins to support events	2,000
Community Development Initiatives: to support larger scale cleaner / greener projects	52,000
Street Cleansing Projects: to enhance litter bin provision and support additional working at events	17,180
<u>Domestic Waste Management</u>	
Service Development Board Contribution: ongoing development projects with Veolia	23,530
Promotions - General: to support the change of the box to bins schemes; some delays due to Covid-19	16,000

<u>Reconciliation</u>	
Summary Impact on Balances after accounting for Slippage from 2019/20	
	£
Actual Balances at 31/3/20 (see Appendix 4a)	13,906,033
<b>Less:</b>	
Net Directorate slippage requests from 2019/20 to 2020/21 (see above)	(1,718,370)
Income slippage from 2019/20 to 2020/21	0
Advanced spend in 2019/20 of 2020/21 revenue budget	0
Financing of slipped capital expenditure by revenue	0
Financing of advanced spend in 2019/20 of 2020/21 capital budget by revenue	0
Net additional use of reserves in respect of slipped expenditure	0
Original Balances movement 2020/21 as approved at Council 5/3/20	573,256
<b>Latest Estimated Balances as at 31 March 2021 (see Appendix 4a)</b>	<b>12,760,919</b>
Balances at 31/3/21 (per Council 5/3/20)	12,367,632
Less estimated 19/20 balance movements (per Council 5/3/20)	393,287
Add actual 19/20 balance movements as at 31 /3/20	1,718,370
Less net use of balances as a consequence of slippage to 2020/21	(1,718,370)
<b>Latest Estimated Balances as at 31 March 2021 (see Appendix 4a)</b>	<b>12,760,919</b>

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**2019/20 Revised Estimate Position**

	Opening Balance as at 01/04/2019 £	Transfers in (‘top-up’) £	Transfers out (to fund expenditure) £	Closing Balance as at 31/03/2020 £
<b><u>Earmarked Reserves</u></b>				
Building Control	5,109	130	-	5,239
Capital Investment	1,155,728	642,990	(1,333,892)	464,826
Elections	112,493	41,217	(153,710)	-
Insurance	83,645	40,000	(11,060)	112,585
Investment - I.T. Strategy	316,698	260,810	(196,350)	381,158
Land Charges	23,383	-	(3,320)	20,063
Leisure Management	265,770	6,150	(66,827)	205,093
New Homes Bonus	2,274,996	-	(568,749)	1,706,247
Non-Domestic Rates Equalisation	2,854,747	2,397,452	(1,562,478)	3,689,721
Performance Reward Initiatives	28,599	-	(1,960)	26,639
Property Investment Fund	1,000,000	-	-	1,000,000
Value for Money	602,940	261,120	(285,930)	578,130
Vehicle Replacement/Street Cleansing Maintenance	3,192,704	261,564	(3,056,170)	398,098
<b>TOTAL Earmarked Reserves</b>	<b>11,916,812</b>	<b>3,911,433</b>	<b>(7,240,446)</b>	<b>8,587,799</b>
<b><u>Ring-fenced Reserves</u></b>				
Enterprise Zone Growth	231,674	966,682	(63,580)	1,134,776
<b>TOTAL Ring-fenced Reserves</b>	<b>231,674</b>	<b>966,682</b>	<b>(63,580)</b>	<b>1,134,776</b>
<b>TOTAL Reserves</b>	<b>12,148,486</b>	<b>4,878,115</b>	<b>(7,304,026)</b>	<b>9,722,575</b>
<b><u>Balances</u></b>				
General Fund	12,187,663	975,773	(1,369,060)	11,794,376
<b>TOTAL Balances</b>	<b>12,187,663</b>	<b>975,773</b>	<b>(1,369,060)</b>	<b>11,794,376</b>
<b>TOTAL Reserves and Balances</b>	<b>24,336,149</b>	<b>5,853,888</b>	<b>(8,673,086)</b>	<b>21,516,951</b>

**2019/20 Outturn Position**

	Opening Balance as at 01/04/2019 £	Transfers in (‘top-up’) £	Transfers out (to fund expenditure) £	Closing Balance as at 31/03/2020 £
<b><u>Earmarked Reserves</u></b>				
Building Control	5,109	5,206	-	10,315
Capital Investment	1,155,728	488,771	(1,081,180)	563,319
Elections	112,493	41,217	(153,710)	-
Insurance	83,645	40,000	(17,631)	106,014
Investment - I.T. Strategy	316,698	353,977	(189,805)	480,870
Land Charges	23,383	-	(5,432)	17,951
Leisure Management	265,770	8,200	(67,889)	206,081
New Homes Bonus	2,274,996	-	(568,749)	1,706,247
Non-Domestic Rates Equalisation	2,854,747	2,608,339	(1,562,478)	3,900,608
Performance Reward Initiatives	28,599	-	(4,035)	24,564
Property Investment Fund	1,000,000	-	-	1,000,000
Value for Money	602,940	305,679	(106,037)	802,582
Vehicle Replacement/Street Cleansing Maintenance	3,192,705	5,519	(280,567)	2,917,657
<b>TOTAL Earmarked Reserves</b>	<b>11,916,813</b>	<b>3,856,908</b>	<b>(4,037,513)</b>	<b>11,736,208</b>
<b><u>Ring-fenced Reserves</u></b>				
Enterprise Zone Growth	231,674	966,682	(37,449)	1,160,907
<b>TOTAL Ring-fenced Reserves</b>	<b>231,674</b>	<b>966,682</b>	<b>(37,449)</b>	<b>1,160,907</b>
<b>TOTAL Reserves</b>	<b>12,148,487</b>	<b>4,823,590</b>	<b>(4,074,962)</b>	<b>12,897,115</b>
<b><u>Balances</u></b>				
General Fund	12,187,663	1,718,370	-	13,906,033
<b>TOTAL Balances</b>	<b>12,187,663</b>	<b>1,718,370</b>	<b>-</b>	<b>13,906,033</b>
<b>TOTAL Reserves and Balances</b>	<b>24,336,150</b>	<b>6,541,960</b>	<b>(4,074,962)</b>	<b>26,803,148</b>

**2020/21 Estimated Position**

	Opening Balance as at 01/04/2020 £	Transfers in (‘top-up’) £	Transfers out (to fund expenditure) £	Closing Balance as at 31/03/2021 £
<b><u>Earmarked Reserves</u></b>				
Building Control	10,315	-	-	10,315
Capital Investment	563,319	-	(62,910)	500,409
Elections	-	41,217	-	41,217
Insurance	106,014	40,000	-	146,014
Investment - I.T. Strategy	480,870	411,425	(335,257)	557,038
Land Charges	17,951	-	-	17,951
Leisure Management	206,081	7,380	-	213,461
New Homes Bonus	1,706,247	-	(568,749)	1,137,498
Non-Domestic Rates Equalisation	3,900,608	1,984,015	(1,292,269)	4,592,354
Performance Reward Initiatives	24,564	-	-	24,564
Property Investment Fund	1,000,000	-	-	1,000,000
Value for Money	802,582	47,143	(51,840)	797,885
Vehicle Replacement/Street Cleansing Maintenance	2,917,657	578,838	(641,700)	2,854,795
<b>TOTAL Earmarked Reserves</b>	<b>11,736,208</b>	<b>3,110,018</b>	<b>(2,952,725)</b>	<b>11,893,501</b>
<b><u>Ring-fenced Reserves</u></b>				
Enterprise Zone Growth	1,160,907	46,989	(49,950)	1,157,946
<b>TOTAL Ring-fenced Reserves</b>	<b>1,160,907</b>	<b>46,989</b>	<b>(49,950)</b>	<b>1,157,946</b>
<b>TOTAL Reserves</b>	<b>12,897,115</b>	<b>3,157,007</b>	<b>(3,002,675)</b>	<b>13,051,447</b>
<b><u>Balances</u></b>				
General Fund	13,906,033	573,256	(1,718,370)	12,760,919
<b>TOTAL Balances</b>	<b>13,906,033</b>	<b>573,256</b>	<b>(1,718,370)</b>	<b>12,760,919</b>
<b>TOTAL Reserves and Balances</b>	<b>26,803,148</b>	<b>3,730,263</b>	<b>(4,721,045)</b>	<b>25,812,366</b>

**2021/22 Estimated 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	10,315	-	-	10,315
Capital Investment	500,409	-	-	500,409
Elections	41,217	41,217	-	82,434
Insurance	146,014	40,000	-	186,014
Investment - I.T. Strategy	557,038	33,630	(86,000)	504,668
Land Charges	17,951	-	-	17,951
Leisure Management	213,461	7,380	-	220,841
New Homes Bonus	1,137,498	-	(568,749)	568,749
Non-Domestic Rates Equalisation	4,592,354	-	-	4,592,354
Performance Reward Initiatives	24,564	-	-	24,564
Property Investment Fund	1,000,000	-	-	1,000,000
Value for Money	797,885	-	(50,500)	747,385
Vehicle Replacement/Street Cleansing Maintenance	2,854,795	580,149	(278,995)	3,155,949
<b>TOTAL Earmarked Reserves</b>	<b>11,893,501</b>	<b>702,376</b>	<b>(984,244)</b>	<b>11,611,633</b>
<b><u>Ring-fenced Reserves</u></b>				
Enterprise Zone Growth	1,157,946	-	(49,950)	1,107,996
<b>TOTAL Ring-fenced Reserves</b>	<b>1,157,946</b>	<b>-</b>	<b>(49,950)</b>	<b>1,107,996</b>
<b>TOTAL Reserves</b>	<b>13,051,447</b>	<b>702,376</b>	<b>(1,034,194)</b>	<b>12,719,629</b>
<b><u>Balances</u></b>				
General Fund	12,760,919	-	(636,764)	12,124,155
<b>TOTAL Balances</b>	<b>12,760,919</b>	<b>-</b>	<b>(636,764)</b>	<b>12,124,155</b>
<b>TOTAL Reserves and Balances</b>	<b>25,812,366</b>	<b>702,376</b>	<b>(1,670,958)</b>	<b>24,843,784</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><u>Earmarked Reserves</u></b>				
Building Control	10,315	-	-	10,315
Capital Investment	500,409	-	-	500,409
Elections	82,434	41,217	-	123,651
Insurance	186,014	40,000	-	226,014
Investment - I.T. Strategy	504,668	51,425	(86,000)	470,093
Land Charges	17,951	-	-	17,951
Leisure Management	220,841	7,380	-	228,221
New Homes Bonus	568,749	-	(568,749)	-
Non-Domestic Rates Equalisation	4,592,354	-	-	4,592,354
Performance Reward Initiatives	24,564	-	-	24,564
Property Investment Fund	1,000,000	-	-	1,000,000
Value for Money	747,385	-	(50,500)	696,885
Vehicle Replacement/Street Cleansing Maintenance	3,155,949	578,679	(61,000)	3,673,628
<b>TOTAL Earmarked Reserves</b>	<b>11,611,633</b>	<b>718,701</b>	<b>(766,249)</b>	<b>11,564,085</b>
<b><u>Ring-fenced Reserves</u></b>				
Enterprise Zone Growth	1,107,996	-	(49,950)	1,058,046
<b>TOTAL Ring-fenced Reserves</b>	<b>1,107,996</b>	<b>-</b>	<b>(49,950)</b>	<b>1,058,046</b>
<b>TOTAL Reserves</b>	<b>12,719,629</b>	<b>718,701</b>	<b>(816,199)</b>	<b>12,622,131</b>
<b><u>Balances</u></b>				
General Fund	12,124,155	-	(1,151,472)	10,972,683
<b>TOTAL Balances</b>	<b>12,124,155</b>	<b>-</b>	<b>(1,151,472)</b>	<b>10,972,683</b>
<b>TOTAL Reserves and Balances</b>	<b>24,843,784</b>	<b>718,701</b>	<b>(1,967,671)</b>	<b>23,594,814</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><u>Earmarked Reserves</u></b>				
Building Control	10,315	-	-	10,315
Capital Investment	500,409	-	-	500,409
Elections	123,651	41,217	(164,868)	-
Insurance	226,014	40,000	-	266,014
Investment - I.T. Strategy	470,093	49,930	(86,000)	434,023
Land Charges	17,951	-	-	17,951
Leisure Management	228,221	1,240	-	229,461
New Homes Bonus	-	-	-	-
Non-Domestic Rates Equalisation	4,592,354	-	-	4,592,354
Performance Reward Initiatives	24,564	-	-	24,564
Property Investment Fund	1,000,000	-	-	1,000,000
Value for Money	696,885	-	-	696,885
Vehicle Replacement/Street Cleansing Maintenance	3,673,628	575,685	(150,500)	4,098,813
<b>TOTAL Earmarked Reserves</b>	<b>11,564,085</b>	<b>708,072</b>	<b>(401,368)</b>	<b>11,870,789</b>
<b><u>Ring-fenced Reserves</u></b>				
Enterprise Zone Growth	1,058,046	-	(49,950)	1,008,096
<b>TOTAL Ring-fenced Reserves</b>	<b>1,058,046</b>	<b>-</b>	<b>(49,950)</b>	<b>1,008,096</b>
<b>TOTAL Reserves</b>	<b>12,622,131</b>	<b>708,072</b>	<b>(451,318)</b>	<b>12,878,885</b>
<b><u>Balances</u></b>				
General Fund	10,972,683	-	(2,286,522)	8,686,161
<b>TOTAL Balances</b>	<b>10,972,683</b>	<b>-</b>	<b>(2,286,522)</b>	<b>8,686,161</b>
<b>TOTAL Reserves and Balances</b>	<b>23,594,814</b>	<b>708,072</b>	<b>(2,737,840)</b>	<b>21,565,046</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	10,315	-	-	10,315
Capital Investment	500,409	-	-	500,409
Elections	-	41,217	-	41,217
Insurance	266,014	40,000	-	306,014
Investment - I.T. Strategy	434,023	49,930	(86,000)	397,953
Land Charges	17,951	-	-	17,951
Leisure Management	229,461	-	-	229,461
New Homes Bonus	-	-	-	-
Non-Domestic Rates Equalisation	4,592,354	-	-	4,592,354
Performance Reward Initiatives	24,564	-	-	24,564
Property Investment Fund	1,000,000	-	-	1,000,000
Value for Money	696,885	-	-	696,885
Vehicle Replacement/Street Cleansing Maintenance	4,098,813	575,685	(150,500)	4,523,998
<b>TOTAL Earmarked Reserves</b>	<b>11,870,789</b>	<b>706,832</b>	<b>(236,500)</b>	<b>12,341,121</b>
<b><u>Ring-fenced Reserves</u></b>				
Enterprise Zone Growth	1,008,096	-	(49,950)	958,146
<b>TOTAL Ring-fenced Reserves</b>	<b>1,008,096</b>	<b>-</b>	<b>(49,950)</b>	<b>958,146</b>
<b>TOTAL Reserves</b>	<b>12,878,885</b>	<b>706,832</b>	<b>(286,450)</b>	<b>13,299,267</b>
<b><u>Balances</u></b>				
General Fund	8,686,161	-	(2,590,904)	6,095,257
<b>TOTAL Balances</b>	<b>8,686,161</b>	<b>-</b>	<b>(2,590,904)</b>	<b>6,095,257</b>
<b>TOTAL Reserves and Balances</b>	<b>21,565,046</b>	<b>706,832</b>	<b>(2,877,354)</b>	<b>19,394,524</b>

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**2019/20 Revised Estimate and Actuals**

\* as approved by Council 5th March 2020 (Cabinet meeting 12/2/20 - Appx 5)

	2019/20 Revised Estimate *		2019/20 Actual	
	£	£	£	£
<b>BUILDING CONTROL</b>				
Chargeable work 2019/20 net surplus.		130		5,206
<b>CAPITAL INVESTMENT</b>				
Top Up - YMCA equipment contribution, Cab.22/10/14 (final part year 2019/20).		82,990		82,990
Top Up - to fund Capital Asset Improvement Programme.		560,000		405,781
Purchase of wheeled bins. Cabinet 11/7/18.		(825,000)		(782,531)
Reception refurb Works Garstang Swim Pool - Resources PH Report 21/03/19		(45,947)		(37,065)
Roofing Works to the Civic Centre, Poulton-le-Fylde - PH 9/8/19		(100,000)		(91,300)
Roofing Works to Copse Road Depot, Vehicle Maintenance Unit - PH 9/8/19		(15,785)		(8,770)
Reclassification of Reserves - re 2018/19 Capital Slippage		(188,960)		-
Boiler Replacement Fwd Leis Centre - PH 1/11/19		(158,200)		(161,514)
		<b>(690,902)</b>		<b>(592,409)</b>
<b>ELECTIONS</b>				
Reduced Annual provision May 2019 Borough Elections.		41,217		41,217
Use of Reserve for Borough Elections in 2019.		(153,710)		(153,710)
		<b>(112,493)</b>		<b>(112,493)</b>
<b>INSURANCE</b>				
Annual set aside for possible claims.		40,000		40,000
Use - to cover new claims.		(11,060)		(17,631)
		<b>28,940</b>		<b>22,369</b>
<b>INVESTMENT - I.T. STRATEGY</b>				
Top Up from IT general savings per latest review.		28,970		128,682
Top Up re CCTV investment net Fylde contribution. Cabinet 3/12/14.		9,510		9,510
Top Up to fund rolling replacement programme.		200,000		200,000
Top Up from General Balances to fund Tablet Devices for Councillors.		22,330		15,785
Use of Reserves to fund purchase of Tablet Devices.		(22,330)		(15,785)
CCTV Investment.		(38,020)		(38,020)
Additional Rolling Replacement Hardware Programme.		(136,000)		(136,000)
		<b>64,460</b>		<b>164,172</b>
<b>LAND CHARGES</b>				
Chargeable work 2019/20 net deficit.		<b>(3,320)</b>		<b>(5,432)</b>
<b>LEISURE MANAGEMENT</b>				
Annual Top Up for Exercise Equipment at Garstang Leisure Centre (Year 1 of 4)		6,150		8,200
Exercise Equipment - Garstang Leisure Centre - Cabinet 26/6/19		(29,527)		(29,380)
Essential Equipment - Garstang Pool - PH 14/11/19		(5,790)		(6,999)
Essential Repairs - Thornton Leisure Centre - PH 4/12/19		(31,510)		(31,510)
		<b>(60,677)</b>		<b>(59,689)</b>
<b>NEW HOMES BONUS</b>				
Fund Council Taxpayer income foregone from 11/12 freeze.		(176,689)		(176,689)
Fund Council Taxpayer income foregone from 12/13 freeze.		(176,166)		(176,166)
Fund Council Taxpayer income foregone from 13/14 freeze.		(71,250)		(71,250)
Fund Council Taxpayer income foregone from 14/15 freeze.		(72,037)		(72,037)
Fund Council Taxpayer income foregone from 15/16 freeze.		(72,607)		(72,607)
		<b>(568,749)</b>		<b>(568,749)</b>
<b>NON-DOMESTIC RATES EQUALISATION</b>				
Top-Up - s31 Local Government Act 2003 Grant net of related NDR Levy.		2,397,452		2,608,339
Transfer to General Fund, NDR Income less than Baseline Funding Level.		(235,513)		(235,513)
Transfer to General Fund, 2017/18 part Reserve Top Up.		(1,326,965)		(1,326,965)
		<b>834,974</b>		<b>1,045,861</b>
<b>PERFORMANCE REWARD INITIATIVES</b>				
Volunteer Wyre Project, Cab.19/6/13, incl. slippage from 16/17 and to future years.		<b>(1,960)</b>		<b>(4,035)</b>
<b>PROPERTY INVESTMENT FUND</b>				
		<b>0</b>		<b>0</b>
<b>VALUE FOR MONEY</b>				
Universal Credit Delivery (UC) Partnership Agreement with DWP.		40,740		40,736
New Burden Support for Additional Costs DWP grant.		32,590		32,590
Reclassification of Reserves - re 2018/19 Capital Slippage		187,790		187,790
Procurement and Implementation of a Citizen Access Portal.		(210,440)		(96,643)
Cash Receipting System Upgrade		(34,140)		(9,394)
Procurement of new IT Service Management Software		(5,140)		-
Restructure of IT and Telephony Services to create new ICT and digital department.		(36,210)		-
Other DWP grants		-		44,563
		<b>(24,810)</b>		<b>199,642</b>
<b>VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE</b>				
Aggregate set-aside after 2018/19 outturn.		249,157		-
Aggregate set-aside for replacement of vehicles, Period 5 review, Cabinet 17/10/18.		8,466		-
Aggregate set-aside for replacement of vehicles, Qtr3 review, Cabinet 16/1/19.		511		-
Reclassification of Reserves - re 2018/19 Capital Slippage		1,170		-
Use of Reserve 2017/18 Outturn, to fund replacement of refuse collection vehicles.		(1,915,000)		-
Use of Reserve 2018/19 Outturn, to fund replacement of refuse collection vehicles.		(585,000)		-
Use of Reserve to fund vehicle replacements/adaptations.		(344,500)		(280,567)
Use of Reserve to fund MOT Test Centre Copse Road.		(1,170)		-
Additional Income MOT Centre Top Up Reserve to replace equipment.		2,260		-
2018/19 Year end - Vehicle Fleet Replacement Programme ongoing latest review		(210,500)		-
Top up street cleansing maintenance		-		5,519
		<b>(2,794,606)</b>		<b>(275,048)</b>
<b>RINGFENCED - ENTERPRISE ZONE GROWTH</b>				
Top Up from Growth identified in NNDR1/NNDR3 Returns		966,682		966,682
Use of Growth monies to fund expenditure		(63,580)		(37,449)
		<b>903,102</b>		<b>929,233</b>
<b>2019/20 TOTAL NET TRANSFER TO / (FROM) RESERVES</b>		<b>(2,425,911)</b>		<b>748,628</b>

**Updated 2020/21 Estimate**

\* as approved by Council 5th March 2020 (Cabinet meeting 12/2/20 - Appx 5)

	Current *		Latest	
	2020/21 Estimate		2020/21 Estimate	
	£	£	£	£
<b><u>BUILDING CONTROL</u></b>				
Chargeable work 2020/21 net nil.		-		-
<b><u>CAPITAL INVESTMENT</u></b>				
Boundary Wall Works to St Chad's Church (PH decision 28/5/20)		-		(62,910)
<b><u>ELECTIONS</u></b>				
Reduced Annual provision May 2023 Borough Elections.		41,217		41,217
<b><u>INSURANCE</u></b>				
Annual set aside for possible claims.		40,000		40,000
<b><u>INVESTMENT - I.T. STRATEGY</u></b>				
Top Up from IT general savings per latest review.		51,425		51,425
Top Up to fund rolling replacement programme.		360,000		360,000
Additional Rolling Replacement Hardware Programme.		(86,000)		(86,000)
Replacing core IT network (PH decision 25/6/20)		-		(249,257)
		<b>325,425</b>		<b>76,168</b>
<b><u>LAND CHARGES</u></b>				
Chargeable work 2020/21 net nil.		-		-
<b><u>LEISURE MANAGEMENT</u></b>				
Annual Top Up for Exercise Equipment at Garstang Leisure Centre (Year 2 of 4)		7,380		7,380
<b><u>NEW HOMES BONUS</u></b>				
Fund Council Taxpayer income foregone from 11/12 freeze.		(176,689)		(176,689)
Fund Council Taxpayer income foregone from 12/13 freeze.		(176,166)		(176,166)
Fund Council Taxpayer income foregone from 13/14 freeze.		(71,250)		(71,250)
Fund Council Taxpayer income foregone from 14/15 freeze.		(72,037)		(72,037)
Fund Council Taxpayer income foregone from 15/16 freeze.		(72,607)		(72,607)
		<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.		1,984,015		1,984,015
Use of 17/18 Non-Domestic Rates Equalisation Reserve Top Up		(2,641)		(2,641)
Use of 18/19 Non-Domestic Rates Equalisation Reserve Top Up		(1,289,628)		(1,289,628)
		<b>691,746</b>		<b>691,746</b>
<b><u>PERFORMANCE REWARD INITIATIVES</u></b>		-		-
<b><u>PROPERTY INVESTMENT FUND</u></b>		-		-
<b><u>VALUE FOR MONEY</u></b>				
New Burdens - Universal Credit		16,537		16,537
New Burdens - Support for Other Benefits Costs		30,606		30,606
Procurement and Implementation of a Citizen Access Portal.		(18,840)		(18,840)
Migration to hosted Revs & Bens software system (PH decision 28/7/20)		-		(33,000)
		<b>28,303</b>		<b>(4,697)</b>
<b><u>VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE</u></b>				
Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 1 of 8).		239,375		239,375
Aggregate set-aside after 2017/18 outturn.		255,096		255,096
Aggregate set-aside for replacement of vehicles, Period 5 review, Cabinet 17/10/18.		8,466		8,466
Aggregate set-aside for replacement of vehicles, Qtr3 review, Cabinet 16/1/19.		511		511
Aggregate set-aside after 2018/19 outturn (Year 1 of 8)		73,130		73,130
Use of Reserve to fund vehicle replacements/adaptations.		(641,700)		(641,700)
Additional Income MOT Centre Top Up Reserve to replace equipment.		2,260		2,260
		<b>(62,862)</b>		<b>(62,862)</b>
<b><u>RINGFENCED - ENTERPRISE ZONE GROWTH</u></b>				
Top Up from Growth identified in NNDR1/NNDR3 Returns		46,989		46,989
Use of Growth monies to fund expenditure		(49,950)		(49,950)
		<b>(2,961)</b>		<b>(2,961)</b>
<b>2020/21 TOTAL NET TRANSFER TO RESERVES</b>		<b>499,499</b>		<b>154,332</b>

**Updated 2021/22 Estimate**

\* as approved by Council 5th March 2020 (Cabinet meeting 12/2/20 - Appx 5)

	Current *		Latest	
	2021/22 Estimate		2021/22 Estimate	
	£	£	£	£
<b><u>BUILDING CONTROL</u></b>				
Chargeable work 2021/22 net nil.		-		-
<b><u>CAPITAL INVESTMENT</u></b>		-		-
<b><u>ELECTIONS</u></b>				
Reduced Annual provision May 2023 Borough Elections.		41,217		41,217
<b><u>INSURANCE</u></b>				
Annual set aside for possible claims.		40,000		40,000
<b><u>INVESTMENT - I.T. STRATEGY</u></b>				
Top Up from IT general savings per latest review.		33,630		33,630
Additional Rolling Replacement Hardware Programme.		(86,000)		(86,000)
		(52,370)		(52,370)
<b><u>LAND CHARGES</u></b>				
Chargeable work 2021/22 net nil.		-		-
<b><u>LEISURE MANAGEMENT</u></b>				
Annual Top Up for Exercise Equipment at Garstang Leisure Centre (Year 3 of 4)		7,380		7,380
<b><u>NEW HOMES BONUS</u></b>				
Fund Council Taxpayer income foregone from 11/12 freeze.		(176,689)		(176,689)
Fund Council Taxpayer income foregone from 12/13 freeze.		(176,166)		(176,166)
Fund Council Taxpayer income foregone from 13/14 freeze.		(71,250)		(71,250)
Fund Council Taxpayer income foregone from 14/15 freeze.		(72,037)		(72,037)
Fund Council Taxpayer income foregone from 15/16 freeze.		(72,607)		(72,607)
		(568,749)		(568,749)
<b><u>NON-DOMESTIC RATES EQUALISATION</u></b>		-		-
<b><u>PERFORMANCE REWARD INITIATIVES</u></b>		-		-
<b><u>PROPERTY INVESTMENT FUND</u></b>		-		-
<b><u>VALUE FOR MONEY</u></b>				
Migration to hosted Revs & Bens software system (PH decision 28/7/20)		-		(50,500)
<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
Aggregate set-aside after 2017/18 outturn.		255,668		255,668
Aggregate set-aside for replacement of vehicles, Period 5 review, Cabinet 17/10/18.		8,466		8,466
Aggregate set-aside for replacement of vehicles, Qtr3 review, Cabinet 16/1/19.		510		510
Aggregate set-aside after 2018/19 outturn (Year 2 of 8)		73,130		73,130
Use of Reserve to fund vehicle replacements/adaptations.		(276,000)		(276,000)
Use of Reserve to fund vehicle replacement/adaptations, P5 review, Cabinet 17/10/18.		(2,995)		(2,995)
Additional Income MOT Centre Top Up Reserve to replace equipment.		3,000		3,000
		301,154		301,154
<b><u>RINGFENCED - ENTERPRISE ZONE GROWTH</u></b>				
Top Up from Growth identified in NNDR1/NNDR3 Returns		-		-
Use of Growth monies to fund expenditure		(49,950)		(49,950)
		(49,950)		(49,950)
<b>2021/22 TOTAL NET TRANSFER (FROM) RESERVES</b>		<b>(281,318)</b>		<b>(331,818)</b>

**Updated 2022/23 Estimate**

\* as approved by Council 5th March 2020 (Cabinet meeting 12/2/20 - Appx 5)

	Current *		Latest	
	2022/23 Estimate		2022/23 Estimate	
	£	£	£	£
<b><u>BUILDING CONTROL</u></b>				
Chargeable work 2022/23 net nil.		-		-
<b><u>CAPITAL INVESTMENT</u></b>		-		-
<b><u>ELECTIONS</u></b>				
Reduced Annual provision May 2023 Borough Elections.		41,217		41,217
<b><u>INSURANCE</u></b>				
Annual set aside for possible claims.		40,000		40,000
<b><u>INVESTMENT - I.T. STRATEGY</u></b>				
Top Up from IT general savings per latest review.	51,425		51,425	
Additional Rolling Replacement Hardware Programme.	(86,000)		(86,000)	
		(34,575)		(34,575)
<b><u>LAND CHARGES</u></b>				
Chargeable work 2022/23 net nil.		-		-
<b><u>LEISURE MANAGEMENT</u></b>				
Annual Top Up for Exercise Equipment at Garstang Leisure Centre (Year 4 of 4)		7,380		7,380
<b><u>NEW HOMES BONUS</u></b>				
Fund Council Taxpayer income foregone from 11/12 freeze.	(176,689)		(176,689)	
Fund Council Taxpayer income foregone from 12/13 freeze.	(176,166)		(176,166)	
Fund Council Taxpayer income foregone from 13/14 freeze.	(71,250)		(71,250)	
Fund Council Taxpayer income foregone from 14/15 freeze.	(72,037)		(72,037)	
Fund Council Taxpayer income foregone from 15/16 freeze.	(72,607)		(72,607)	
		(568,749)		(568,749)
<b><u>NON-DOMESTIC RATES EQUALISATION</u></b>		-		-
<b><u>PERFORMANCE REWARD INITIATIVES</u></b>		-		-
<b><u>PROPERTY INVESTMENT FUND</u></b>		-		-
<b><u>VALUE FOR MONEY</u></b>				
Migration to hosted Revs & Bens software system (PH decision 28/7/20)		-		(50,500)
<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	
Adjusted set-aside after 2017/18 outturn.	254,198		254,198	
Aggregate set-aside for replacement of vehicles, Period 5 review, Cabinet 17/10/18.	8,466		8,466	
Aggregate set-aside for replacement of vehicles, Qtr3 review, Cabinet 16/1/19.	510		510	
Aggregate set-aside after 2018/19 outturn (Year 3 of 8)	73,130		73,130	
Use of Reserve to fund vehicle replacements/adaptations.	(61,000)		(61,000)	
Additional Income MOT Centre Top Up Reserve to replace equipment.	3,000		3,000	
		517,679		517,679
<b><u>RINGFENCED - ENTERPRISE ZONE GROWTH</u></b>				
Top Up from Growth identified in NNDR1/NNDR3 Returns		-		-
Use of Growth monies to fund expenditure	(49,950)		(49,950)	
		(49,950)		(49,950)
<b>2022/23 TOTAL NET TRANSFER (FROM) RESERVES</b>		<b>(46,998)</b>		<b>(97,498)</b>

**Updated 2023/24 Estimate**

\* as approved by Council 5th March 2020 (Cabinet meeting 12/2/20 - Appx 5)

	Current *		Latest	
	2023/24 Estimate		2023/24 Estimate	
	£	£	£	£
<b><u>BUILDING CONTROL</u></b>				
Chargeable work 2023/24 net nil.		-		-
<b><u>CAPITAL INVESTMENT</u></b>		-		-
<b><u>ELECTIONS</u></b>				
Reduced Annual provision May 2023 Borough Elections.	41,217		41,217	
Use of Reserve for Borough Elections in 2023.	(164,868)		(164,868)	
		(123,651)		(123,651)
<b><u>INSURANCE</u></b>				
Annual set aside for possible claims.		40,000		40,000
<b><u>INVESTMENT - I.T. STRATEGY</u></b>				
Top Up from IT general savings per latest review.	49,930		49,930	
Additional Rolling Replacement Hardware Programme.	(86,000)		(86,000)	
		(36,070)		(36,070)
<b><u>LAND CHARGES</u></b>				
Chargeable work 2023/24 net nil.		-		-
<b><u>LEISURE MANAGEMENT</u></b>				
Annual Top Up for Exercise Equipment at Garstang Leisure Centre (Final part year transfer)		1,240		1,240
<b><u>NEW HOMES BONUS</u></b>		-		-
<b><u>NON-DOMESTIC RATES EQUALISATION</u></b>		-		-
<b><u>PERFORMANCE REWARD INITIATIVES</u></b>		-		-
<b><u>PROPERTY INVESTMENT FUND</u></b>		-		-
<b><u>VALUE FOR MONEY</u></b>		-		-
<b><u>VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE</u></b>				
Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 4 of 8).	239,375		239,375	
Aggregate set-aside for replacement of vehicles, Qtr3 review, Cabinet 16/1/19.	260,180		260,180	
Aggregate set-aside after 2018/19 outturn (Year 4 of 8)	73,130		73,130	
Use of Reserve to fund vehicle replacements/adaptations.	(150,500)		(150,500)	
Additional Income MOT Centre Top Up Reserve to replace equipment.	3,000		3,000	
		425,185		425,185
<b><u>RINGFENCED - ENTERPRISE ZONE GROWTH</u></b>				
Top Up from Growth identified in NNDR1/NNDR3 Returns	-		-	
Use of Growth monies to fund expenditure	(49,950)		(49,950)	
		(49,950)		(49,950)
<b>2023/24 TOTAL NET TRANSFER TO RESERVES</b>		<b>256,754</b>		<b>256,754</b>

**Updated 2024/25 Estimate**

\* as approved by Council 5th March 2020 (Cabinet meeting 12/2/20 - Appx 5)

	Current *		Latest	
	2024/25 Estimate		2024/25 Estimate	
	£	£	£	£
<b><u>BUILDING CONTROL</u></b>				
Chargeable work 2024/25 net nil.		-		-
<b><u>CAPITAL INVESTMENT</u></b>		-		-
<b><u>ELECTIONS</u></b>				
Reduced Annual provision May 2027 Borough Elections.		41,217		41,217
<b><u>INSURANCE</u></b>				
Annual set aside for possible claims.		40,000		40,000
<b><u>INVESTMENT - I.T. STRATEGY</u></b>				
Top Up from IT general savings per latest review.	49,930		49,930	
Additional Rolling Replacement Hardware Programme.	(86,000)		(86,000)	
		(36,070)		(36,070)
<b><u>LAND CHARGES</u></b>				
Chargeable work 2024/25 net nil.		-		-
<b><u>LEISURE MANAGEMENT</u></b>		-		-
<b><u>NEW HOMES BONUS</u></b>		-		-
<b><u>NON-DOMESTIC RATES EQUALISATION</u></b>		-		-
<b><u>PERFORMANCE REWARD INITIATIVES</u></b>		-		-
<b><u>PROPERTY INVESTMENT FUND</u></b>		-		-
<b><u>VALUE FOR MONEY</u></b>		-		-
<b><u>VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE</u></b>				
Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 5 of 8).	239,375		239,375	
Aggregate set-aside for replacement of vehicles, Qtr3 review, Cabinet 16/1/19.	260,180		260,180	
Aggregate set-aside after 2018/19 outturn (Year 5 of 8)	73,130		73,130	
Use of Reserve to fund vehicle replacements/adaptations.	(150,500)		(150,500)	
Additional Income MOT Centre Top Up Reserve to replace equipment.	3,000		3,000	
		425,185		425,185
<b><u>RINGFENCED - ENTERPRISE ZONE GROWTH</u></b>				
Top Up from Growth identified in NNDR1/NNDR3 Returns	0		0	
Use of Growth monies to fund expenditure	(49,950)		(49,950)	
		(49,950)		(49,950)
<b>2024/25 TOTAL NET TRANSFER TO RESERVES</b>		<b>420,382</b>		<b>420,382</b>