

Report of:	Meeting	Date	Item No.
Head of Finance	Audit Committee	25 July 2017	4

Statement of Accounts 2016/17 (Post Audit)

1. Purpose of report

- 1.1 To approve the Council's published Statement of Accounts, following the completion of the audit, for the financial year 2016/17.

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. Recommendation

- 3.1 Members are requested to approve the Council's Statement of Accounts 2016/17.

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 2016/17 financial year by the 30 June 2017. The Council is then formally required to approve and publish the Statement of Accounts no later than 30 September 2017. 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 The Audit Committee received training on the unaudited accounts for the 2016/17 financial year at their meeting on the 20 June 2017.

5. Key issues and proposals

- 5.1 Issues raised as a result of the audit have now been reflected in a revised Statement of Accounts that will be published by the Council no later than 30 September 2017 and can be accessed via the website using the following link:

- 5.2 Details of the issues raised can be seen in the External Auditor's Report to those charged with governance (ISA 260) 2016/17, which is considered later on the agenda.

Financial and legal implications	
Finance	There are no immediate financial implications arising from this report. The final outturn position has been incorporated within the Medium Term Financial Plan 2017/18 to 2020/21 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.

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.

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

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

report author	telephone no.	email	date
Clare James	01253 887370	Clare.james@wyre.gov.uk	07.07.2017

List of background papers:		
name of document	date	where available for inspection
None		

List of appendices

- Appendix 1 – Statement of Accounts for the year ended 31 March 2017
- 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

STATEMENT OF ACCOUNTS

For the Year Ended

31 March 2017

C James CPFA

Head of Finance

(s151 Officer)

Considered/Confirmed (post audit) by: Audit Committee 25 July 2017

Chairman of Audit Committee: Councillor L McKay

wyre
council

Together we make a difference....

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NARRATIVE REPORT

Message from the Head of Finance

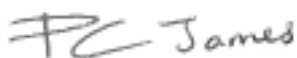
The financial year 2016/17 has been a time of change for Wyre Council both at a strategic level with a Senior Management restructure taking place in the first quarter and closer to home with several changes being made to the Financial Services team. What hasn't changed is the new team's commitment to 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 on 19th June 2017.

Whilst the legislation requires that an Authority's audited Statement of Accounts is submitted to the appropriate body (in Wyre, the Audit Committee) for approval by 30th September after the end of the financial year, in order to aid transparency, it also requires all Local Authorities to have a common thirty day public inspection period which includes the first ten working days in July. As a result, the council's 2016/17 accounts cannot be formally approved until after the tenth working day in July. There is also no longer a requirement for the Audit Committee to review the draft accounts; however, training took place with the Audit Committee on 20th June, using the draft 2016/17 accounts, to facilitate their ability to review the draft accounts prior to formally receiving the final audited version at its meeting on 25th July.

The preparation of the accounts in a timely manner provides the council with the opportunity to report its financial position and then move on to address the challenges arising from the continued reduction in Government funding. We have established good financial management discipline, processes and procedures and, recognising that we operate in an environment of continuous change, we will pursue our efforts to deliver on-going improvement and maintain excellence.

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 but in all aspects of the work that the service undertakes. During 2016/17 Financial Services continued to lead and support transformational council initiatives including major capital projects.

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 2017.



Clare James

Head of Finance (s.151 Officer)

ORGANISATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT

An introduction to Wyre

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

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.

Enterprising Wyre

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

The council’s role in the successful bid for Hillhouse Business Park, Thornton to become an Enterprise Zone means it will now benefit from investment worth millions of pounds and government support to create a thriving economic area, potentially creating many jobs in the area. Working with our partners we have been awarded a £50,000 Commercial Support Grant from central government to help build and strengthen our plans for this important venture.

We also helped secure £10,000 to create a Cleveleys Coastal Communities Team, to develop a plan for improvements within the town. Meanwhile, Fleetwood’s Coastal Community Team has been busy improving shop fronts and providing business support to over 20 businesses in the town.

Our business support service helps not only existing and start-up businesses but also those looking to relocate to Wyre. Last year we held our second Wyre Expo Business Exhibition to showcase the diversity of businesses in the area and generate opportunities and we celebrated the best of business in the now annual Wyre Business Awards.

Following the opening in 2015 of the Booths Supermarket in Poulton’s Teanlowe Centre, and the advent of free parking on the associated car park, residents can now enjoy a wider shopping experience at Aldi on the former Booths site and newly opened Lidl on the Poulton Industrial Estate. These developments further the rejuvenation of the town centre, and we continue to support Wyre’s markets (including Fleetwood) to draw shoppers to our towns.

Healthier Wyre

We have committed, for the fifth 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 and we continue to provide a free debt advice service, which helps those affected by welfare reform, and a care and repair service which offers free advice and support to both the over 60s and disabled people.

Wyre has invested over £300,000 in Garstang Leisure Centre and Swimming Pool to improve the layout and quality of facilities at these centres for our residents and ensure a better financial outlook for the future.

Engaging Wyre

The Together We Make a Difference Network has been launched to help deliver community projects around sustainable local priorities.

Our refuse collection service won the nationally recognised Association of Public Sector Excellence (APSE) performance network award for *Best Performer in Refuse Collection*, competing against the best performing local authorities in the country.

Five parks in Wyre have Green Flag Awards in recognition of how well they are cared for, with Memorial Park winning a special Green Heritage Award as an acknowledgement of the heritage value of the site and Wyre Estuary Country Park also winning a special award for innovation in relation to a 'Bioblitz' event. Three of Wyre's beaches have achieved Seaside Awards acknowledging them as being among the best in the country.

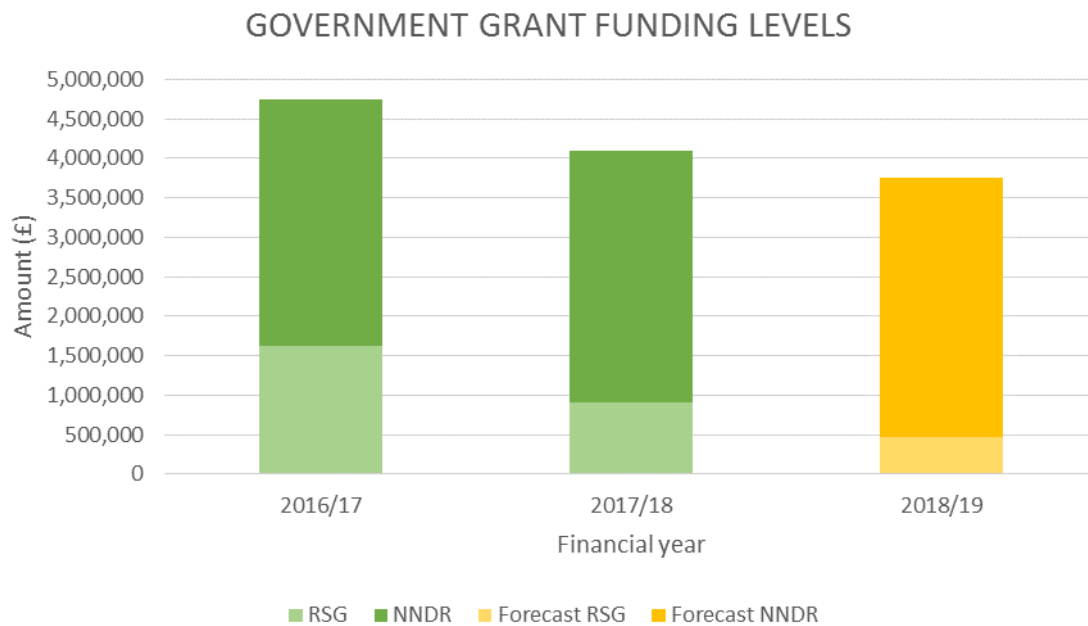
Our latest 'Life in Wyre Survey 2016' results show that 82% of our residents are satisfied or very satisfied with where they live which is consistent with our results in 2014.

Council funding

For 2017/18 we have experienced a further reduction in funding of £655,000 or 14% compared to 2016/17, which is in line with the Government's multi-year settlement offer.

Spending power figures, which show a 4% reduction for 2017/18, include Council Tax receipts and New Homes Bonus grant, masking a 14% reduction in revenue support grant and baseline funding.

There will be a reduction in council funding (Revenue Support Grant (RSG) and Non Domestic Rate (NDR)) of over 20% from £4.7m in 2016/17 to £3.7m in 2018/19 represented by the graph below:



The Council has prepared for these reductions over the years by reducing spending, not increasing the level of borrowing and balancing the books through efficiency savings and prudent financial management.

We have an excellent track record for achieving efficiency savings which has protected residents from the full impact of reductions in funding. We've saved over £7.6m during the last 10 years - an average of £762,000 per year - and we predict future savings will exceed £8.0m.

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.

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 £37,892,000. However, statutory arrangements for funding the deficit mean that the financial position of the authority remains healthy as the deficit on the scheme will be made good by increased contributions over the remaining working life of employees as assessed by the Scheme Actuary.

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.

The Council is overseen by the Chief Executive who is supported by the three Service Directors:



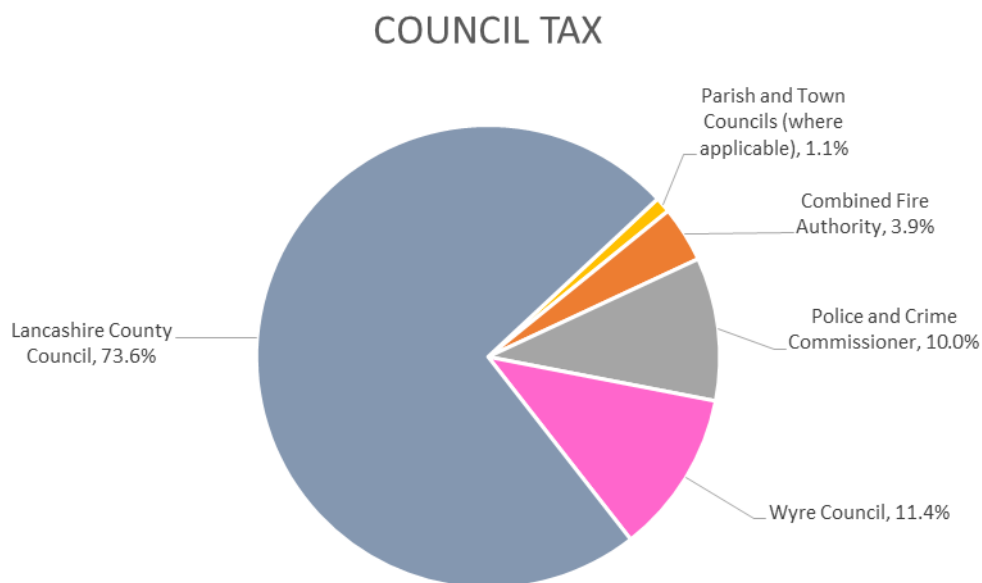
The Council is one of the largest employers in the borough employing 334.14 full time equivalents. The workforce generally reflects the diversity of residents in the borough.

Council tax

The Government announced last year that they would allow districts to increase council tax by £5 a year on a Band D equivalent property without triggering a referendum (if £5 was greater than 2%). Their spending power calculation for 2017/18 assumes that districts will increase their council tax by the suggested £5.

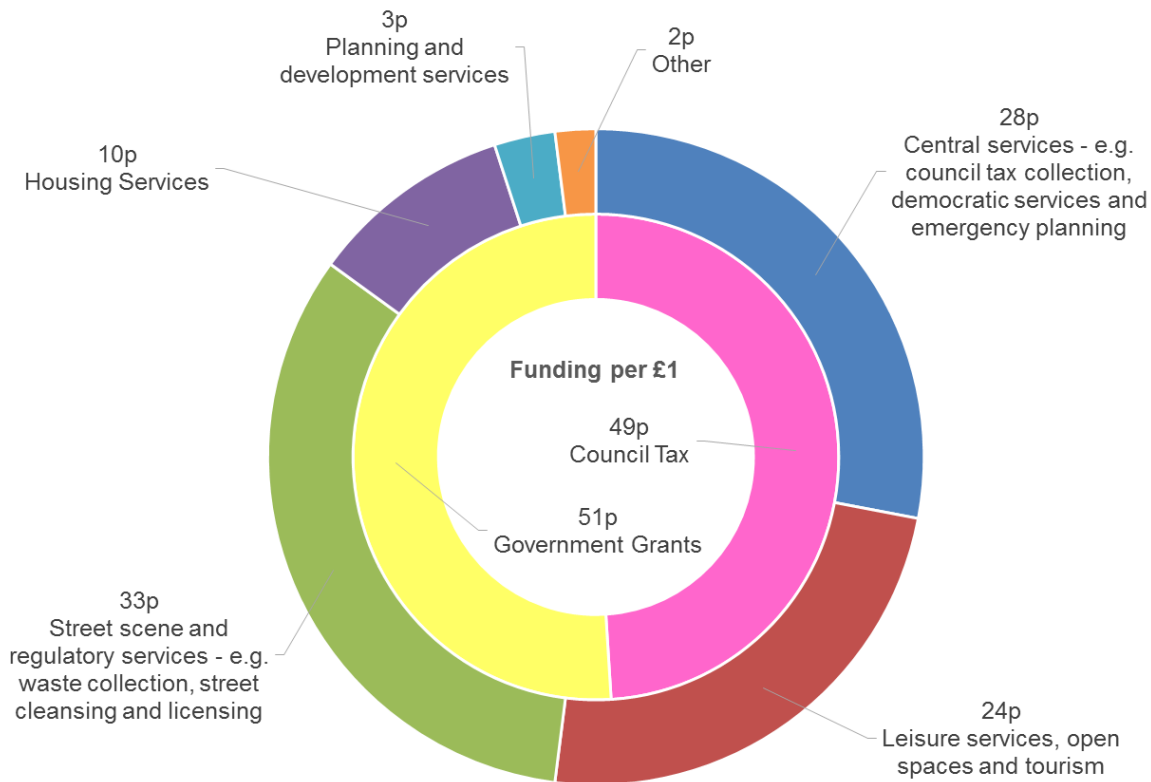
We have decided to follow the government’s lead to maximise our spending power potential whilst keeping costs low for residents and continue providing Wyre's vital front line services. This equates to a rise of £5 a year on a band D property, or just under 10p a week, and means that the overall cost for all Wyre's services will be just under 52p 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 less than 12% or £188.31 (on a band D property) of the total amount of your bill.

For every £1.00 the council receives in income it spends it in the following council areas:



Business Plan 2015 to 2019 (2017 update)

The Council's Business Plan sets out its vision, objectives and actions for a four year period, highlighting the issues upon which we have decided to focus in order to ensure that our vision is realised. Our vision is 'Together we make a difference' and the core priorities in the Business Plan are shown on the following page...

Business Plan 2015 to 2019 (2017 update) - continued

TOGETHER WE MAKE A DIFFERENCE
 "Our vision is to be a Collaborative Council that works together with local communities and partners to make a difference and improve the lives of those who live in, work in or visit the Borough"

ENTERPRISING WYRE HEALTHIER WYRE ENGAGING WYRE

- Priorities**
- ENTERPRISING WYRE**
 - We will promote economic, housing and employment growth
 - We will attract investment to Wyre and support businesses to survive, grow and prosper
 - We will maximise commercial opportunities
 - We will work with our partners to reduce the risk of flooding and build community resilience
 - We will facilitate new energy generation opportunities
 - HEALTHIER WYRE**
 - We will improve the health and wellbeing of our communities
 - We will support older people to remain independent
 - We will work with our partners (Health, Police, Voluntary Community and Faith Sector, LCC) to support prevention and early help
 - ENGAGING WYRE**
 - We will collaborate with our partners (including Parish and Town Councils) to better design and integrate our services to enable communities to do more for themselves
 - We will improve the return from our assets
 - We will invest in our employees to develop a flexible and change-ready workforce
 - We will deliver cost effective, quality services

- Key projects**
- ENTERPRISING WYRE**
 - Adopt a new Local Plan to manage and deliver development through to 2031
 - Develop a Local Economic Development Strategy which includes working with partners and local businesses to improve the local economy
 - Restore the Mount and its Gardens in Fleetwood
 - Complete the Rossall Sea Defence Scheme
 - Support and promote the Enterprise Zone at Hillhouse International Business Park at Thornton
 - Develop and deliver a commercial strategy
 - Develop the Wyre Flood Forum and support local flood action groups
 - HEALTHIER WYRE**
 - Deliver a programme of work to promote healthy choices and healthier lifestyles to keep people well through better use of our leisure centres, recreational facilities, parks and open spaces
 - Play an active role in the Healthier Fleetwood initiative
 - Develop neighbourhood health initiatives for Garstang and Over Wyre
 - Explore opportunities offered by the Better Care Fund to better support older people and people with disabilities to stay in their own homes
 - Support the delivery of the Wyre Early Action project
 - ENGAGING WYRE**
 - Deliver community priority projects through the Together We Make a Difference Network
 - Progress our programme of efficiency savings to ensure a balanced budget
 - Deliver the Asset Management Plan actions and priorities to maximise the return from our assets
 - Facilitate a staff development programme to support our vision and goals
 - Implement #DigitalWyre, our digital strategy to facilitate digital transformation of services

- Measures**
- ENTERPRISING WYRE**
 - Number of houses built
 - Number of affordable dwellings built
 - Number of businesses supported
 - Number of businesses registered on the Wyred Up database
 - Out of work benefit claimant count
 - Town Centre vacancy rates
 - HEALTHIER WYRE**
 - Adult and Childhood obesity levels
 - % clients enabled to remain living in their own home (Care & Repair)
 - Number of leisure centre customers
 - % of people satisfied with sport and leisure facilities #
 - % of people satisfied with parks and open spaces #

#Life in Wyre Survey – Bi-annually
 - ENGAGING WYRE**
 - % of people satisfied with where they live #
 - % of people satisfied that the Council provides value for money #
 - % of residents very or fairly well informed #
 - Annual Efficiency Savings Delivered
 - % of e-contacts as a % of total contacts

#Life in Wyre Survey – Bi-annually

Financial Performance

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 51%) and the balance is funded by the council tax payer (approximately 49%).

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	13,338,731	12,343,021	(995,710)
(Use of)/additions to balances	1,510,078	2,509,468	999,390
TOTAL	14,848,809	14,852,489	3,680
<i>Resources</i>			
Government grant			
- Revenue Support Grant	(1,631,266)	(1,631,266)	0
- Transitional Relief Grant	(5,142)	(5,142)	0
- New Homes Bonus	(2,295,955)	(2,295,955)	0
- New Homes Bonus adjustment	(7,173)	(7,173)	0
- Non Domestic Rate Redistribution (net of tariff)	(3,435,964)	(3,435,964)	0
- Other Government Grants	(262,855)	(266,535)	(3,680)
Council tax			
- Precept on the Collection Fund – Wyre Council	(6,466,720)	(6,466,720)	0
- Precept on the Collection Fund – Parishes	(603,430)	(603,430)	0
- Previous years' surplus	(140,304)	(140,304)	0
TOTAL	(14,848,809)	(14,852,489)	0

The main reasons for additions to balances of £999,930 are listed below:

Description	£	£
<i>Increased Spending/Reduced Income</i>		
Capital Investment Reserve - Top Up	495,545	
New Homes Bonus Reserve – Top Up	401,873	
Housing Renovation Grant Admin Fee income	52,246	
Off Street Parking – Pay and Display and Enforcement	40,715	
TOTAL		990,379
<i>Reduced Spending/Increased Income</i>		
Slippage to 17/18 (net of reserve funding)	(999,390)	
Community Development	(10,000)	
Air Pollution	(11,270)	
Sports Development	(20,032)	
Car Park Maintenance	(22,799)	
Housing Benefits	(70,292)	
Planning Application Fees	(91,943)	
Planning Policy	(14,645)	
Electoral Registration	(11,150)	
Insurance	(35,969)	
Training Costs	(18,621)	
Council Tax Collection – Summons Fee Income	(77,681)	
Payment Card Processing Fees	(10,055)	
Waste Costs (Bulky Household/Hazardous/Clinical)	(25,260)	
Employee Costs (including car allowances)	(347,984)	
Utilities - Electricity and Gas	(29,309)	
Fuel Costs	(16,843)	
Printing and Stationery	(13,287)	
Vehicle Costs and Sale Income	(10,576)	
Interest Received	(17,791)	
Other Net Savings	(134,872)	
TOTAL		(1,989,769)
GRAND TOTAL		(999,390)

Some of the spending that was planned to take place during 2016/17 has slipped in to 2017/18 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 2016/17 includes:

Description	Amount £
Revenue Slippage	
Development Control – Consultancy fees and agency staffing	36,520
Local Plan - Consultancy fees	236,170
Contingency Provision – Building Maintenance	62,500
Contingency Provision – Planning Enforcement	150,000
Contingency Provision – VAT adjustment	231,180
Financial Services – Employee costs, publications and consultancy	24,530
Sea Defences	24,200
Street Scene Team – Various	16,000
Business Support	20,230
Domestic Waste Management – Various	35,760
Car Park Machines	23,580
Revenue Funding for Capital Schemes	38,596
Other Minor Slippage	138,720
Less Reserve Funded Items	(38,596)
TOTAL	999,390

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	8,022,012	8,022,012
Additions/(Withdrawals) in year	1,510,078	2,509,468
Closing balance	9,532,090	10,531,480

Capital

The council spent a total of £21,928,843 (2015/16 £19,452,631) on capital investment in the year compared with an Updated Revised Budget of £24,274,820. A summary of the main items of expenditure is shown below:

Main items of expenditure	2015/16 £	2016/17 £
Housing Grants	957,313	1,012,516
Environmental Improvements	100,000	38,720
Sea Defences	15,029,088	18,975,445
Cultural and Leisure Facilities	1,028,426	763,303
Business Improvement Programme	59,452	0
Asset Management	1,264,826	527,195
Parks and Open Spaces	1,003,526	416,129
Flood Grants	10,000	195,535
TOTAL	19,452,631	21,928,843

The main reasons for the variation of £2,345,977 when compared to the Updated Revised Budget are listed below:

Description	£	£
<i>Capital slippage into future years</i>	(2,337,293)	
TOTAL		(2,337,293)
<i>Increased spending</i>		
Garstang Leisure Centre	17,179	
Disabled Facilities Grants	78	
Cell Eleven Monitoring	9	
Rossall Sea Wall Improvement Works – In-house fees	281	
Skate Park CCF2	85	
Beach Bungalows	156	
Wyreside Cafe	421	
TOTAL		18,209
<i>Reduced spending</i>		
Garstang Pool	(21,131)	
Fleetwood Leisure Centre Heating	(530)	
Cell Eleven Monitoring – In-house fees	(9)	
Rossall Sea Wall Improvement Works	(281)	
Flood Grants	(4,465)	
Euston Park CCF2	(476)	
North Drive Play Area	(1)	
TOTAL		(26,893)
GRAND TOTAL		(2,345,977)

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 2016/17 capital expenditure was funded as follows:

Resources	Amount £
Grants and contributions	
DEFRA - Air Quality	4,000
Better Care funding towards Disabled Facilities Grants	940,438
Regenda funding towards Disabled Facilities Grants	70,078
EA funding for Coastal Defence Works and Cell Eleven	18,950,445
Flood Grant	195,535
CCF funding for Five-for-Fleetwood and Marine Hall Dome Restoration	156,656
Heritage Lottery Funding for Fleetwood Memorial Park	10,975
Heritage Lottery and Benefactor Funding for Mount Restoration	342,483
Other Contributions e.g. s106, Regenda, Fleetwood Town Council, Great Places	53,798
Capital Receipts	345,399
Revenue	859,036
TOTAL	21,928,843

The council maintains a fund of capital receipts from the disposal of non-current assets to fund capital expenditure. At 31 March 2017 the funds available were:

Description	Revised £	Actual £
Opening balance	251,474	251,474
Received in year	330,000	318,235
Applied in year	(383,519)	(345,399)
Closing balance	197,955	224,310

Resources available for capital investment

The table below summarises the approved resources available for the 2016/17 Capital Programme and the indicative programme to 2020/21. This level of resources ensures that overall planned spending and funding are in balance.

Resource	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
<i>No revenue implications</i>					
Capital Receipts	345,399	143,688	0	0	0
Grants and contributions	20,724,408	22,404,854	1,518,119	1,518,119	1,518,119
SUB TOTAL	21,069,807	22,548,542	1,518,119	1,518,119	1,518,119
<i>With revenue implications</i>					
Other revenue contributions	859,036	261,000	216,500	344,500	426,700
SUB TOTAL	859,036	261,000	216,500	344,500	426,700
TOTAL	21,928,843	22,809,542	1,734,619	1,862,619	1,944,819

Levels of borrowing

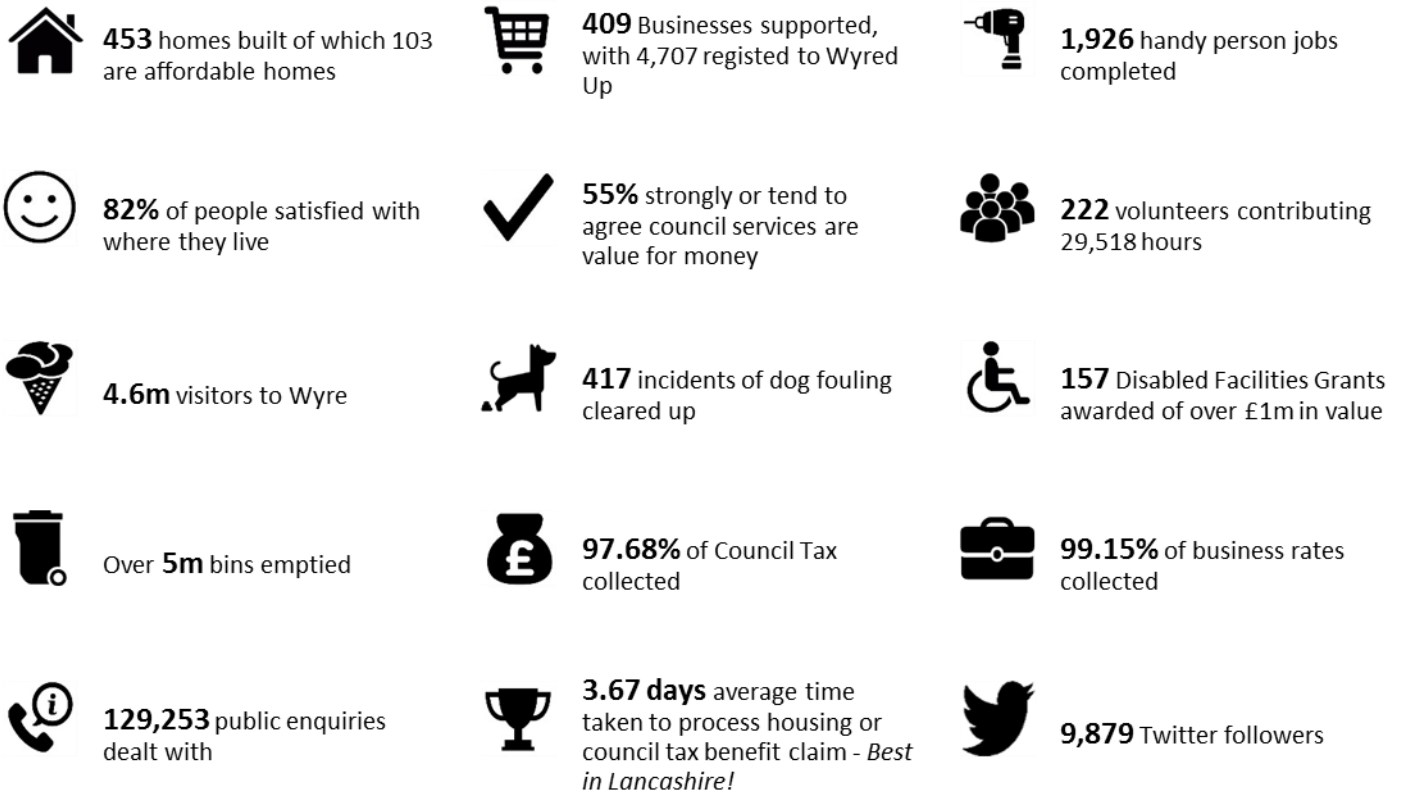
In an effort to reduce the Council's reliance on borrowing and following concerns about the sustainability of continuing to borrow in the current economic climate, a Capital Investment Reserve was created as part of the 2009/10 closure of accounts. The council has the following outstanding long term 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
Total		1,552,000			

Non-financial performance indicators

The Council undertakes a biennial resident survey. Some of the key results from the Life in Wyre 2016 survey are shown in the table below:

Key comparisons	2016	2014	Movement
Very satisfied or satisfied with where they live	82%	82%	0%
Strongly or tend to agree that 50p a day for Wyre Council's services and facilities is value for money	55%	46%	+ 9%
Wyre Council keeps residents very or fairly well informed	63%	59%	+ 4%
Residents who access the internet at least weekly	88%	84%	+ 4%



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 September.

How does the future look?

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.

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.

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 continued reductions in funding over the coming years.

This is not to say that there will not be challenges ahead and despite reducing our costs and generating new income streams we still have significant savings to make. Our forecast funding gap in 2020/21 is £2.1m and we must all work together, Members, council officers, businesses and residents to achieve a sustainable financial future.

EXPLANATORY FOREWORD TO THE STATEMENT OF ACCOUNTS

This Statement of Accounts covers the financial year ended 31st March 2017 (2016/17). 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 2016/17. 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:

- a) **Statement of Responsibilities** - this sets out the responsibilities of the Authority and the Head of Finance (Chief Financial 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.

FURTHER INFORMATION

Further information about the accounts is available from:

- Financial Services, Wyre Council, Civic Centre, Breck Road, Poulton-le-Fylde, Lancashire, FY6 7PU
- Via the Council's website at www.wyre.gov.uk
- If you would like this information in another language or format please contact our Contact Centre –
Email: mailroom@wyre.gov.uk

STATEMENT OF RESPONSIBILITIES

The Authority's Responsibilities

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, from 1st July 2016, that officer is the Head of Finance (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.

The Chief Financial Officer's Responsibilities

The Head of Finance (Chief Financial Officer) is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy / Local Authority (Scotland) Accounts Advisory Committee (CIPFA/LASAAC) Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice').

In preparing this Statement of Accounts, the Head of Finance (Chief Financial Officer) has:

- selected suitable accounting policies and applied them consistently.
- made judgements and estimates that were reasonable and prudent.
- complied with the local authority Code of Practice.
- kept proper accounting records which are up to date.
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Chief Financial Officer's Certification

I certify that the Statement of Accounts presents a true and fair view of the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March 2017.

C JAMES

HEAD OF FINANCE (CHIEF FINANCIAL OFFICER)

(Authorised for issue) 25 July 2017

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of Wyre Borough Council for the year ended 31 March 2017 on pages 26 to 85. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

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

Respective responsibilities of the Chief Financial Officer and auditor

As explained more fully in the Statement of 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, and for being satisfied that the financial statements give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Financial Officer; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Narrative Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2017 and of the Authority's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

Matters on which we are required to report by exception

The Code of Audit Practice requires us to report to you if:

- the Annual Governance Statement which accompanies the financial statements does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007; or
- the information given in the Narrative Report for the financial year for which the financial statements are prepared is not consistent with the financial statements; or
- any matters have been reported in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of, the audit; or
- any recommendations have been made under Section 24 of the Local Audit and Accountability Act 2014; or
- any other special powers of the auditor have been exercised under the Local Audit and Accountability Act 2014.

We have nothing to report in respect of these matters.

Conclusion on Wyre Borough Council's arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority's responsibilities

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities

We are required under Section 20(1) (c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Comptroller and Auditor General (C&AG) requires us to report to you our conclusion relating to proper arrangements.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by C&AG in November 2016, as to whether Wyre Borough Council had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The C&AG determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves

whether Wyre Borough Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, Wyre Borough Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance issued by the C&AG in November 2016, we are satisfied that, in all significant respects, Wyre Borough Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

Delay in certification of completion of the audit

Due to work on the WGA Return not being completed by the date of the audit report

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Authority's Whole of Government Accounts consolidation pack. We are satisfied that this work does not have a material effect on the financial statements or on our value for money conclusion.

Amanda Latham

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 St Peter's Square

Manchester

M2 3AE

ANNUAL GOVERNANCE STATEMENT

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 citizens 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.

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.

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 2017 and up to the date of approval of the annual statement of accounts.

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.

How we comply with the CIPFA/SOLACE framework

5.1 Set out below is how the council has complied with the seven principles set out in the CIPFA/SOLACE framework during 2016/17.

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 values for its staff reflecting public expectations about the conduct and behaviour of individuals.

Effective arrangements are in place to ensure that high standards of conduct for elected members are firmly embedded within the culture.

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.

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 commitments to ethical values

The Head of Governance (Chief Internal Auditor) champions ethical compliance for both officers and members.

Ethical governance surveys are used to ensure staff are regularly reminded of the council's policies and procedures in place to manage ethical governance.

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 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 The Chartered Institute of Public Finance and Accountancy (CIPFA) statement on the Role of the Chief Financial Officer 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 over 16 years internal audit experience and is professional 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.

The council uses an on-line e-learning package to promote information security and the Data Protection Act.

Regular training is provided to elected members who sit on regulatory committees such as planning or licensing.

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 recorded in advance of decision-making and used appropriately.

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 vision, 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 Head of Finance (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 has been awarded a 4 star rating (highest possible rating) in the last annual SOCITM (Society of Information Technology Management) review.

The council complies with the Local Government Transparency Code 2015 and a recent audit review gave 'substantial assurance' that the council was complying with the Code.

Wyre Voice, an information leaflet produced by the council, is delivered to every household twice a year. The autumn edition includes an annual report highlighting achievements.

Periodic reports are produced on Overview and Scrutiny function activity.

Key decisions are published in the schedule of executive decisions.

Engaging comprehensively with institutional stakeholders

The leisure management partnership board meets regularly to oversee the operation of the council's leisure centres and pools.

Staff consider those institutional stakeholders to whom they are accountable and assess the effectiveness of the relationships and any changes required.

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.; the health and wellbeing partnership.

Engaging with individual citizens and service users effectively

The council's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and are clearly articulated and disseminated.

Arrangements are in place to enable the council to engage with all sections of the community effectively. These arrangements recognise that different sections of the community have different priorities and there are explicit processes for dealing with these competing demands.

The council has undertaken significant stakeholder engagement as part of the preparation of the local plan.

The 'life in Wyre' survey was refreshed during 2016.

An action in the business plan for 2016/17 is to 'support elected members and parish and town councils to improve neighbourhoods' thorough empowering communities and encouraging active citizenship.

The 'together we make a difference network' has recently been formed which is essentially asset based community development. 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.

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 in its business plan (2015 – 2019) and uses this as a basis for corporate and service planning.

The business plan includes a set of measures defining outcomes which are reported quarterly to the Overview and Scrutiny Committee.

There is an annual review of performance which is publically reported.

There are effective arrangements to deal with failure in service delivery.

There is a corporate complaints procedure with annual reports 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.

The council's approach to value for money is reflected in the annual efficiency statement reported to Cabinet with targets and achievements being regularly reported.

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.

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.

There is a health plan for Wyre reflecting the priorities of the Fylde and Wyre clinical commissioning groups and the Fylde and Wyre health and wellbeing partnership.

Relationships have been established with clinical leads from the Blackpool, Preston, Morecambe Bay and Fylde and Wyre clinical commissioning groups with a view to influencing service provision.

The business plan is subject to an equality impact assessment on an annual basis and equality objectives are established and published on the website.

The development of the local plan has been subject to extensive consultation.

Individual capital projects are equality impact assessed promoting access to services.

Procedures are in place to address conflicting interests e.g. the call-in-procedure.

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

Determining interventions

There are effective mechanisms 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 recorded well in advance of decision making and used appropriately.

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. The business plan is published annually.

Business plan actions are managed by officers and monitored by Cabinet and Overview and Scrutiny.

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 reports 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.

Optimising achievement of intended outcomes

The MTFP is agreed annually in September 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. A recent internal audit review gave an overall opinion of 'good'.

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.

A full review of the council's performance appraisal system is currently in progress.

An on-going third-tier management training programme 'aspiring leaders for the future' is in place which ensures managers have the required skills and support to carry out their roles and allows the council to plan for succession.

The council attends the Lancashire waste partnership group and is currently evaluating options following the WRAP report commissioned by LCC.

The council regularly benchmarks member's allowances as part of the review undertaken by the independent remuneration panel.

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

In 2016/17 a Senior Management Restructure took place which saw the two Corporate Directors replaced by three Service Directors. The restructure also moved the role of the Section 151 officer to the Head of Finance and the role of the Monitoring Officer to the Head of Business Support. The risk following the loss of knowledge and skills and the increased expectation on newly appointed officers was included on the Strategic Risk Register. Development of the new roles has been ongoing throughout the year and will continue and at the most recent review of the Strategic Risk Register, this risk was acknowledged to have reduced below the council's risk appetite level.

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 Head of Finance (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 also 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 councillor development programme and councillor development strategy is regularly reviewed and includes a skills framework for all elected member roles and responsibilities.

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 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 members and officers to update their knowledge on a regular basis.

All elected members and staff have personal development plans.

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 top quality services.

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

Managing risk

Risk management is embedded into the culture of the council, with members and managers at all levels recognising that risk management is part of their job.

The risk management policy is agreed annually by the Audit Committee in September.

Strategic and operational risk registers are maintained and workshops are held regularly to review current risks and identify any new risks.

Information asset registers are being developed ensuring compliance with legislation and demonstrating best practice in information governance

Managing performance

The council has an Overview and Scrutiny function which encourages 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.

Performance measures are published within the autumn edition of Wyre Voice.

Robust internal control

An effective internal audit function is 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 each year using the PSIAS and the checklist provided in the Local Government Application Note published by CIPFA.

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.

The Head of Governance (Chief Internal Auditor) has over 16 years internal audit experience and is professionally qualified. They are a certified and chartered auditor (CIA, CMIIA) and also hold a Qualification in Internal Audit Leadership (QIAL).

The implementation of internal audit report recommendations is monitored by the Head of Governance (Chief Internal Auditor) and the Audit Committee.

Counter-fraud policies are in place and reviewed annually. The effectiveness of these policies is reviewed on a regular basis.

A review of the council's information governance arrangements was completed in 2017. An action plan is now in place to address any weaknesses in compliance.

Robust whistleblowing arrangements are in place.

Managing data

The council uses an on-line e-learning package to promote information security and the Data Protection Act.

The council complies with the Data Protection Act and regular security sweeps take place to test compliance. The council has also appointed a Senior Information Risk Owner (SIRO) who is responsible for the council's data.

Secure arrangements are in place for the transfer of sensitive data.

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 in September 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 2015/16 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. A recent internal audit review provided substantial assurance that controls were in place and working as intended.

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.

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.

An annual review of performance is publically reported.

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 to view using the TEN system.

Executive update reports are prepared and delivered by portfolio holders to Full Council.

Assurance and effective accountability

The council ensures that all priority one audit recommendations and a sample of priority two and three recommendation are subject to a follow-up audit ensuring that recommendations are acted upon.

An effective internal audit function is resourced and maintained enabling them to deliver an annual internal audit opinion.

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 participated in a LGA peer challenge in March 2017.

The council's last RIPA inspection was undertaken on the 4 November 2015 and all recommendations made have subsequently been implemented.

The recent SOCITM inspection of the authority's website resulted in a 4 star rating.

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.

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 regular basis through the CMT.

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:

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

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

7.3 The Head of Finance (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 Head of Finance (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;
- 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 2016/17 concluded that the council has in place satisfactory controls to be able to maintain an adequate and effective internal control environment.

7.6 The review of compliance with the governance framework has involved a review of the latest position on the core principles by the Head of Finance (Section 151 Officer), the Head of Governance (Chief Internal Auditor) and the Audit Committee.

Value for money conclusion

8.1 The External Auditors issued an unqualified value for money conclusion in their most recent review for 2015/16. This means that they are satisfied that the council has proper arrangements for securing financial resilience and challenging how it secures economy, efficiency and effectiveness. To arrive at that conclusion they looked at the council's financial governance, financial planning and financial control processes, as well as reviewing how the council prioritises its resources, improves efficiency and productivity.

Significant governance issues

9.1 Given that the council does not have a full time dedicated information governance resource, limited progress has been made in implementing the information governance recommendations first issued in June 2014. The new General Data Protection Regulations come into force in May 2018 and it is highly likely that if more resources are not allocated to information governance the council will not be compliant.

9.2 Following the workshop with the council's key officers, minor issues have also been identified which will be documented in an action plan that will be monitored by Corporate Management Team and reported to the Audit Committee in November each year.

9.3 We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

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, 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.

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 31st March 2017 is satisfactory.



COUNCILLOR P GIBSON

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 31st March 2017 is satisfactory.



G PAYNE

CHIEF EXECUTIVE

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2015/16 (Restated)				2016/17			
Gross Expenditure	Gross Income	Net Expenditure	Note	Gross Expenditure	Gross Income	Net Expenditure	
£	£	£		£	£	£	
883,623	(292,639)	590,984	Health and Community Engagement	841,957	(293,795)	548,162	
4,379,868	(1,064,233)	3,315,635	Leisure and Culture	3,513,730	(978,188)	2,535,542	
37,141,380	(35,276,562)	1,864,818	Neighborhood Services and Community Safety	35,962,146	(34,572,746)	1,389,400	
3,768,592	(1,957,896)	1,810,696	Planning and Economic Development	3,306,234	(1,950,483)	1,355,751	
4,850,776	(1,644,647)	3,206,129	Resources	4,308,660	(1,646,558)	2,662,102	
6,181,670	(1,543,448)	4,638,222	Street Scene, Parks and Open Spaces	5,864,578	(2,227,660)	3,636,918	
274,000	0	274,000	Pension curtailments	102,000	0	102,000	
*57,479,909	*(41,779,425)	15,700,484	Cost of Services	53,899,305	(41,669,430)	12,229,875	
810,690	0	810,690	Other Operating Expenditure	10	635,430	(263,497)	371,933
1,270,665	(664,456)	606,209	Financing and Investment Income and Expenditure	11	1,196,905	(1,569,105)	(372,200)
		0	(Surplus) or Deficit on discontinued operations			0	
0	(30,721,507)	(30,721,507)	Taxation and Non-Specific Grant Income	12	0	34,187,993	(34,187,993)
		(13,604,124)	(Surplus) or Deficit on the Provision of Services			(21,958,385)	
		(1,315,727)	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets	25		(3,326,648)	
		0	(Surplus) or Deficit on Revaluation of Available for Sale Financial Assets			0	
		(6,496,000)	Remeasurements of the Net Defined Benefit Liability/ (Asset)	39		3,888,000	
		(7,811,727)	Other Comprehensive Income and Expenditure			561,352	
		(21,415,851)	Total Comprehensive Income and Expenditure			(21,397,033)	

**Following a change to the 2016/17 Code the Comprehensive Income and Expenditure Statement requires Local Authorities to report performance on the basis of how they are structured and how they operate, monitor and manage financial performance. Therefore, Local Authorities are no longer required to report within the format specified within SeRCOP. This means that the restated Gross Expenditure and Income for 2015/16 has increased by £372,232 which shows the true income for support services.*

MOVEMENT IN RESERVES STATEMENT

	General Fund Balance (incl. Earmarked Reserves) £	Capital Receipts Reserve £	Capital Grants Unapplied Reserve £	Total Usable Reserves (Note 24) £	Unusable Reserves (Note 25) £	Total Authority Reserves £
Balance at 31 March 2015	11,737,328	504,214	1,002,863	13,244,405	32,697,372	45,941,777
Movement in Reserves during 2015/2016						
Total Comprehensive Income and Expenditure	13,604,124	0	0	13,604,124	7,811,727	21,415,851
Adjustments between accounting basis and funding basis under Regulations (Note 8)	(10,958,300)	(252,740)	(368,537)	(11,579,577)	11,579,577	0
Increase / (Decrease) Movement in 2015/2016	2,645,824	(252,740)	(368,537)	2,024,547	19,391,304	21,415,851
Balance at 31 March 2016 carried forward (Note 24 and 25)	14,383,152	251,474	634,326	15,268,952	52,088,676	67,357,628
Movement in Reserves during 2016/2017						
Total Comprehensive Income and Expenditure	21,958,385	0	0	21,958,385	(561,352)	21,397,033
Adjustments between accounting basis and funding basis under Regulations (Note 8)	(18,340,709)	(27,164)	156,559	(18,211,314)	18,211,314	0
Increase / (Decrease) Movement in 2016/2017	3,617,676	(27,164)	156,559	3,747,071	17,649,962	21,397,033
Balance at 31 March 2017 carried forward (Note 24 and 25)	18,000,828	224,310	790,885	19,016,023	69,738,638	88,754,661

BALANCE SHEET

For the year ended 31 March 2017

31st March 2016 £	Description	Note	31st March 2017 £
93,310,588	Property, Plant and Equipment	13	113,004,152
293,725	Heritage Assets	14	293,725
4,765,630	Investment Property	15	7,192,257
121,751	Intangible Assets	16	80,611
19	Long Term Investments	17	19
0	Long Term Debtors	17	0
98,491,713	Long Term Assets		120,570,764
0	Assets Held for Sale	21	0
0	Short Term Investments	17	0
65,117	Inventories	18	59,963
2,853,883	Short Term Debtors	19	3,007,815
16,188,202	Cash and Cash Equivalents	20	19,014,222
19,107,202	Current Assets		22,082,000
0	Bank Overdrafts	20	0
0	Short Term Borrowing	17	0
(7,210,349)	Short Term Creditors	22	(5,703,482)
(1,248,763)	Provisions	23	(1,390,371)
(8,459,112)	Current Liabilities		(7,093,853)
0	Long Term Creditors		0
0	Provisions		0
(1,552,000)	Long Term Borrowing	17	(1,552,000)
(8,656)	Deferred Liabilities		(7,996)
(33,212,000)	Liability related to Defined Benefit Pension Scheme	39	(37,892,000)
(7,009,519)	Capital Grants Received In Advance	34	(7,352,254)
(41,782,175)	Long Term Liabilities		(46,804,250)
67,357,628	Net Assets		88,754,661
(15,268,952)	Usable Reserves	24	(19,016,023)
(52,088,676)	Unusable Reserves	25	(69,738,638)
(67,357,628)	Total Reserves		(88,754,661)

CASH FLOW STATEMENT

As at 31 March 2017

2015/16 £		Note	2016/17 £
(13,604,124)	Net (Surplus) or Deficit on the Provision of Services		(21,958,384)
(7,601,854)	Adjustments to Net Surplus or Deficit on the Provision of Services for Non-cash Movements	26	(823,782)
17,163,165	Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing activities	26	21,199,201
(4,042,813)	Net Cash Flows from Operating Activities		(1,582,965)
4,282,725	Investing Activities	27	(2,061,098)
309,797	Financing Activities	28	818,043
549,709	Net (Increase) or Decrease in Cash and Cash Equivalents		(2,826,020)
(16,737,911)	Cash and Cash Equivalents at the beginning of the reporting period		(16,188,202)
(16,188,202)	Cash and Cash Equivalents at the end of the reporting period	20	(19,014,222)

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 directorates/services/departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2015/16			2016/17			
Net expenditure chargeable to the General Fund balances £	Adjustments between the funding and accounting basis £	Net expenditure in the comprehensive income and expenditure statement £	Net expenditure chargeable to the General Fund balances £	Adjustments between the funding and accounting basis £	Net expenditure in the comprehensive income and expenditure statement £	
591,073	(89)	590,984	Health and Community Engagement	548,176	(14)	548,162
1,757,454	1,558,181	3,315,635	Leisure and Culture	1,586,462	949,080	2,535,542
51,355	1,813,462	1,864,817	Neighborhood Services and Community Safety	(780,549)	2,169,949	1,389,400
1,346,869	463,827	1,810,696	Planning and Economic Development	1,129,175	226,576	1,355,751
2,937,283	268,847	3,206,130	Resources	2,409,164	252,938	2,662,102
4,027,254	610,968	4,638,222	Street Scene, Parks and Open Spaces	3,367,028	269,890	3,636,918
274,000	0	274,000	Pension Curtailments	102,000	0	102,000
10,985,288	4,715,196	15,700,484	Net Cost of Services	8,361,456	3,868,419	12,229,875
515,193	295,497	810,690	Other Income and Expenditure	633,180	(261,247)	371,933
830,243	(224,034)	606,209	Financing and investment income and expenditure	544,446	(916,646)	(372,200)
(14,976,548)	(15,744,959)	(30,721,507)	Taxation and non-specific grant income and expenditure	(13,156,758)	(21,031,235)	(34,187,993)
1,087,805	(1,087,805)	0	Transfer to/from earmarked reserves	1,108,207	(1,108,207)	0
(1,558,019)	(12,046,105)	(13,604,124)	(Surplus)/Deficit	(2,509,469)	(19,448,916)	(21,958,385)
(6,493,992)			Opening General Fund balance at 31 March 2016	(8,022,011)		
(1,558,019)			Less (surplus)/deficit on General Fund balance in year	(2,509,469)		
(8,022,011)			Closing General Fund balance at 31 March 2017	(10,531,480)		

NOTE 1a NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

Adjustments between Funding and Accounting Basis 2016/17

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total Adjustments
	£	£	£	£
Health and Community Engagement	0	0	(14)	(14)
Leisure and Culture	949,254	0	(174)	949,080
Neighborhood Services and Community Safety	2,170,112	0	(163)	2,169,949
Planning and Economic Development	226,656	0	(80)	226,576
Resources	257,284	0	(4,346)	252,938
Street Scene, Parks and Open Spaces	270,198	0	(308)	269,890
Pension Curtailments	0	0	0	0
Net Cost of Services	3,873,504	0	(5,085)	3,868,419
Other Income and Expenditure from the Expenditure and Funding Analysis	(22,850,859)	792,000	(150,269)	(22,209,128)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services (Note 8)	(18,977,355)	792,000	(155,354)	(18,340,709)

Adjustments between Funding and Accounting Basis 2015/16

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total Adjustments
	£	£	£	£
Health and Community Engagement	0	0	(89)	(89)
Leisure and Culture	1,559,379	0	(1,198)	1,558,181
Neighborhood Services and Community Safety	1,814,593	0	(1,130)	1,813,463
Planning and Economic Development	464,357	0	(530)	463,827
Resources	297,308	0	(28,462)	268,846
Street Scene, Parks and Open Spaces	612,924	0	(1,956)	610,968
Pension Curtailments	0		0	0
Net Cost of Services	4,748,561	0	(33,365)	4,715,196
Other Income and Expenditure from the Expenditure and Funding Analysis	(18,557,504)	1,045,000	1,839,008	(15,673,496)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services (Note 8)	(13,808,943)	1,045,000	1,805,643	(10,958,300)

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 2016/17 financial year and its position for the year-ended 31 March 2017. 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 2016/17 and the Service Reporting Code of Practice 2016/17, 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 not 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 amortisation. 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 2.5% (based on the indicative rate of return on high quality Corporate bond).
- 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 pensions liability is analysed into the following components:

- Service Cost comprising:
 - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
 - past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of 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 into two types:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market.
- available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments.

Loans and Receivables

Loans and receivables 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 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 loans that the Authority has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement 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).

Available-for-sale Assets

The Authority has no available for sale assets, which includes instruments with quoted market prices, other instruments with fixed and determinable payments or equity share with no quoted market prices.

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-ringfenced 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 insurance valuation is updated on an annual basis. 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.

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 2015/16 (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.
- 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. The council operates a number of different reserves, the purpose of each is summarised below:-

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 note to the statement of accounts.

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 2016/17 Wyre's REFCUS spend related to Disabled Facilities Grants and Flood Resilience 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.

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

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires authorities to disclose information relating to the impact of an accounting change that will be required by a new standard that has been published but not yet adopted. This requirement applies to accounting standards that come into effect for financial years commencing on or before 1 January of the financial year in question (i.e. on or before 1 January 2017 for 2016/17). The changes include:

- Amendment to the reporting of pension fund scheme transaction costs
- Amendment to the reporting of investment concentration

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.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.
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, an increase in the discount rate assumption would result in a decrease in the pension liability.
Provision for doubtful debts	As at 31 March 2017, the council had an outstanding balance of short term debtors totalling £4.6m. A review of the major areas of debt has led to an updated provision against doubtful debts of £1.6m. 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 doubtful debts 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 by 5% then the council would need to review its policies on the calculation of its doubtful debt provisions.

NOTE 6 EVENTS AFTER THE REPORTING PERIOD

On the 23 June 2016 the UK voted to leave the European Union (EU) and on 29 March 2017 the Prime Minister triggered Article 50 to formally begin the process of leaving the EU. The full impact of this is unknown and inevitably the country is now in a period of uncertainty. There are potential impacts on the following areas of the council's financial statements, in particular:

- Asset valuations, such as those over property, may be more difficult to estimate and may be more volatile where the view of market participants may have changed following the referendum result.
- Defined benefit pension valuations are inherently very sensitive to the selection of an appropriate discount rate. Actuarial views around discount rates and other assumptions may be impacted in the decision to leave the EU.

NOTE 7 EXPENDITURE ANALYSED BY NATURE

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

Expenditure/Income	2015/16	2016/17
<i>Expenditure</i>		
Employee benefits expenses	10,559,461	10,335,415
Other services expenses	44,663,748	41,224,112
Support service recharges	12,799,974	11,972,979
Depreciation, amortisation, impairment	3,791,246	2,665,452
Interest payments	1,270,665	1,196,905
Precepts and levies	488,193	635,382
(Gain)/Loss on the disposal of assets	295,497	(261,247)
Total expenditure	73,868,784	67,768,998
<i>Income</i>		
Fees, charges and other service income	(21,910,974)	(22,405,568)
Interest and investment income	(664,456)	(1,571,355)
Income from council tax and non-domestic rates	(10,308,161)	(10,699,056)
Government grants and contributions	(54,589,317)	(55,051,404)
Total income	(87,472,908)	(89,727,383)
(Surplus) or deficit on the Provision of Services	(13,604,124)	(21,958,385)

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.

2016/17	Unusable Reserves			
	General Fund Balance £	Capital Receipts Reserve £	Capital Grants Unapplied Reserve £	Movement in Unusable Reserves £
<u>Adjustments primarily involving the Capital Adjustment Account:</u>				
1. Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for depreciation and impairment of non-current assets.	2,491,676			(2,491,676)
Revaluation losses on Property, Plant and Equipment.	132,638			(132,638)
Movements in the market value of Investment Properties.	(754,050)			754,050
Amortisation of Intangible Assets.	41,138			(41,138)
Capital grants and contributions applied.	(19,452,847)			19,452,847
Movement in the Donated Assets Account.	0			0
Revenue expenditure funded from capital under statute.	1,208,051			(1,208,051)
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.	56,988			(56,988)
2. Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:				
Statutory provision for the financing of capital investment.	(95,559)			95,559
Capital expenditure charged against the General Fund (Direct Revenue Contributions).	(859,036)			859,036
<u>Adjustment primarily involving the Capital Grants Unapplied Reserve:</u>				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement.	(1,428,119)		1,428,119	
Application of grants and capital financing transferred to the Capital Adjustment Account.			(1,271,560)	1,271,560
<u>Adjustment primarily involving the Capital Receipts Reserve:</u>				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.	(318,235)	318,235		
Use of Capital Receipts Reserve to finance new capital expenditure.		(345,399)		345,399
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposal.	0	0		
Contribution from the Capital Receipts Reserve to finance the payment to the Government capital receipts pool.	0	0		
Transfer from the Deferred Capital Receipts Reserve upon receipt of cash.		0		0

Unusable Reserves continued				
2016/17	General Fund Balance £	Capital Receipts Reserve £	Capital Grants Unapplied Reserve £	Movement in Unusable Reserves £
<u>Adjustment primarily involving the Deferred Capital Receipts Reserve:</u>				
Transfer of deferred sale proceeds credited as part of the gains/loss on disposal to the Comprehensive Income and Expenditure Statement.	0			0
<u>Adjustments primarily involving the Financial Instruments Adjustment Account:</u>				
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements.	0			0
<u>Adjustments primarily involving the Pension Reserve:</u>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 39).	792,000			(792,000)
Employer's pension's contributions and direct payments to pensioner's payable in the year.	0			0
<u>Adjustments primarily involving the Collection Fund Adjustment Account:</u>				
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.	(150,269)			150,269
<u>Adjustments primarily involving the Accumulated Absences Account:</u>				
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.	(5,085)			5,085
Total Adjustments	(18,340,709)	(27,164)	156,559	18,211,314

2015/16	Unusable Reserves			
	General Fund Balance £	Capital Receipts Reserve £	Capital Grants Unapplied Reserve £	Movement in Unusable Reserves £
Adjustments primarily involving the Capital Adjustment Account:				
1. Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for depreciation and impairment of non-current assets.	3,722,477			(3,722,477)
Revaluation losses on Property, Plant and Equipment.	0			0
Movements in the market value of Investment Properties.	(65,286)			65,286
Amortisation of Intangible Assets.	68,769			(68,769)
Capital grants and contributions applied.	(16,792,355)			16,792,355
Movement in the Donated Assets Account.	0			0
Revenue expenditure funded from capital under statute.	957,313			(957,313)
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.	434,697			(434,697)
2. Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:				
Statutory provision for the financing of capital investment.	(95,559)			95,559
Capital expenditure charged against the General Fund (Direct Revenue Contributions).	(1,108,189)			1,108,189
Adjustment primarily involving the Capital Grants Unapplied Reserve:				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement.	(791,610)		791,610	
Application of grants and capital financing transferred to the Capital Adjustment Account.			(1,160,147)	1,160,147
Adjustment primarily involving the Capital Receipts Reserve:				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.	(139,200)	139,200		
Use of Capital Receipts Reserve to finance new capital expenditure.		(391,940)		391,940
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposal.	0	0		
Contribution from the Capital Receipts Reserve to finance the payment to the Government capital receipts pool.	0	0		
Transfer from the Deferred Capital Receipts Reserve upon receipt of cash.		0		0

Unusable Reserves continued				
2015/16	General Fund Balance £	Capital Receipts Reserve £	Capital Grants Unapplied Reserve £	Movement in Unusable Reserves £
<u>Adjustment primarily involving the Deferred Capital Receipts Reserve:</u>				
Transfer of deferred sale proceeds credited as part of the gains/loss on disposal to the Comprehensive Income and Expenditure Statement.	0			0
<u>Adjustments primarily involving the Financial Instruments Adjustment Account:</u>				
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements.	0			0
<u>Adjustments primarily involving the Pension Reserve:</u>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 39).	1,045,000			(1,045,000)
Employer's pension's contributions and direct payments to pensioner's payable in the year.	0			0
<u>Adjustments primarily involving the Collection Fund Adjustment Account:</u>				
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.	1,839,008			(1,839,008)
<u>Adjustments primarily involving the Accumulated Absences Account:</u>				
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.	(33,365)			33,365
Total Adjustments	(10,958,300)	(252,740)	(368,537)	11,579,577

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 2016/17:

General Fund	Balance at 1 April 2015 £	Transfers in 2015/16 £	Transfers out 2015/16 £	Balance at 31 March 2016 £	Transfers in 2016/17 £	Transfers out 2016/17 £	Balance at 31 March 2017 £
Building Control	3,689	3,631	0	7,320	4,879	0	12,199
Business Growth Incentive	14,728	0	(5,304)	9,424	0	0	9,424
Capital Investment	1,014,489	485,069	(703,378)	796,180	595,135	(574,785)	816,530
Elections	117,750	0	(98,908)	18,842	41,217	(30,000)	30,059
Insurance Reserve	0	0	0	0	40,000	(11,270)	28,730
IT Strategy	398,863	183,053	(257,130)	324,786	230,024	(218,210)	336,600
Land Charges	24,443	0	(2,835)	21,608	7,522	(78)	29,052
Leisure Management	120,998	129,125	(98,581)	151,542	73,344	(38,828)	186,058
New Homes Bonus	1,894,028	760,158	(176,166)	2,478,020	1,162,031	(568,749)	3,071,302
Non-Domestic Rates Equalisation	540,623	1,103,659	(204,353)	1,439,929	657,840	(331,828)	1,765,941
Performance Reward Initiative	104,976	0	(55,003)	49,973	0	(13,606)	36,367
Value for Money	577,206	83,003	(89,563)	570,646	89,621	(26,747)	633,520
Vehicle Replacement/Street Cleansing Maintenance	461,543	237,217	(205,889)	492,871	225,159	(204,464)	513,566
TOTAL	5,273,336	2,984,915	(1,897,110)	6,361,141	3,126,772	(2,018,565)	7,469,348

- **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.
- **Business Growth Incentive** – established in 2005/06 to raise the prosperity of all communities and release the economic potential of the area, funded from increased income from National Non-Domestic Rates on new developments.
- **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 Reserve** – 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.
- **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, NDR 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.

NOTE 10 OTHER OPERATING EXPENDITURE

2015/16 £		2016/17 £
488,193	Parish Council Precepts	603,430
27,000	Pension administration costs	32,000
295,497	(Gains)/losses on disposal of non-current assets (excl. investment assets)	(263,497)
810,690	TOTAL	371,933

NOTE 11 FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2015/16 £		2016/17 £
68,665	Interest payable and similar charges	68,905
1,202,000	Net interest on defined benefits liability / (asset)	1,128,000
(105,784)	Interest receivable and similar income	(95,871)
(558,672)	Income and Expenditure in relation to Investment properties and changes to their fair value (See Note 15)	(1,473,234)
606,209	TOTAL	(372,200)

NOTE 12 TAXATION AND NON-SPECIFIC GRANT INCOME AND EXPENDITURE

2015/16 £		2016/17 £
(6,842,460)	Council Tax income	(7,207,803)
(1,958,156)	Non-domestic rates income and expenditure	(3,165,627)
(5,293,182)	Non-ringfenced government grants (See Note 34)	(4,629,328)
(16,627,709)	Capital grants and contributions (See Note 34)	(19,185,235)
(30,721,507)	TOTAL	(34,187,993)

NOTE 13 PROPERTY, PLANT AND EQUIPMENT

Movements in 2016/17

	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£	£	£	£	£	£	£
Cost or valuation							
B/fwd at 01/04/16	57,067,989	4,691,156	30,870,665	3,273,313	21,384,335	0	117,287,458
Additions	954,352	298,957	10,092	381,205	18,965,353	0	20,609,959
Revaluation increase/decreases to the revaluation reserve	3,326,648	0	0	0	0	0	3,326,648
Revaluation increase/decreases to the Surplus or Deficit on the Provision of Services	(85,340)	(4,137)	(10,092)	(26,322)	0	0	(125,891)
Derecognition – Disposals	(25,000)	0	0	0	0	0	(25,000)
Derecognition – Other	0	0	0	0	0	0	0
Reclassifications	(1,600,738)	0	0	0	0	0	(1,600,738)
Reclassified to Held for Sale	0	0	0	0	0	0	0
Sub-Total	59,637,911	4,985,976	30,870,665	3,628,196	40,349,688	0	139,472,436
Depreciation							
B/fwd at 01/04/16	(14,585,404)	(2,611,438)	(6,780,028)	0	0	0	(23,976,870)
Charge in year	(1,515,362)	(358,605)	(617,709)	0	0	0	(2,491,676)
Revaluations	0	0	0	0	0	0	0
Derecognition disposals	262	0	0	0	0	0	262
Reclassification	0	0	0	0	0	0	0
C/fwd at 31/03/17	(16,100,504)	(2,970,043)	(7,397,737)	0	0	0	(26,468,284)
Net Book Value at 31/03/17	43,537,407	2,015,933	23,472,928	3,628,196	40,349,688	0	113,004,152

Movements in 2015/16

	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£	£	£	£	£	£	£
Cost or valuation							
B/fwd at 01/04/15	55,343,264	4,451,276	30,813,700	2,125,245	6,371,508	300,000	99,404,993
Additions	1,673,939	318,522	186,261	1,148,917	15,012,827	0	18,340,466
Revaluation increase/decreases to the revaluation reserve	1,315,727	0	0	0	0	0	1,315,727
Revaluation increase/decreases to the Surplus or Deficit on the Provision of Services	(1,209,206)	320	(129,296)	(849)	0	0	(1,339,031)
Derecognition – Disposals	(434,697)	0	0	0	0	0	(434,697)
Derecognition – Other	0	0	0	0	0	0	0
Reclassifications	378,962	(78,962)	0	0	0	(300,000)	0
Reclassified to Held for Sale	0	0	0	0	0	0	0
Sub-Total	57,067,989	4,691,156	30,870,665	3,273,313	21,384,335	0	117,287,458
Depreciation							
B/fwd at 01/04/15	(13,168,898)	(2,240,911)	(6,162,315)	0	0	(21,300)	(21,593,424)
Charge in year	(1,395,206)	(370,527)	(617,713)	0	0	0	(2,383,446)
Revaluations	0	0	0	0	0	0	0
Reclassification	(21,300)	0	0	0	0	21,300	0
C/fwd at 31/03/16	(14,585,404)	(2,611,438)	(6,780,028)	0	0	0	(23,976,870)
Net Book Value at 31/03/16	42,482,585	2,079,718	24,090,637	3,273,313	21,384,335	0	93,310,588

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation;

- Other Land and Buildings - up to 80 years.
- Vehicles, Plant, Furniture and Equipment - straight-line allocation over the life of the asset.
- Infrastructure - 50 years.

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
Rossall Seawall Improvement Works	Improvement to coastal sea defences at Rossall	12,711,973	April '17 - April '18
IT Storage and Server	New IT Infrastructure	117,054	April '17 - May '17
Mount Grounds Phase 2	Improvement works at Mount Grounds	100,980	July '17 – March '18
Garstang Pool	Sand filters	52,750	July '17 - August '17

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. 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 £000	Vehicle, plant, furniture and equipment £000	Infrastructure assets £000	Community assets £000	Surplus assets £000	Total £000
Valued in:						
2016/17	3,241	(4)	(10)	(26)	0	3,201
2015/16	107	0	(129)	(1)	0	(23)
2014/15	4,295	0	0	0	(561)	3,734
2013/14	(94)	0	0	0	0	(94)
2012/13	696	0	0	0	0	696
Total	8,245	(4)	(139)	(27)	(561)	7,514

NOTE 14 HERITAGE ASSETS

Movements in 2016/17

Cost or valuation	Civic Regalia £	Sculptures £	TOTAL £
Balance brought forward at 1 st April 2016	93,275	200,000	293,725
Movements in year	0	0	0
Net book value carried forward 31st March 2017	93,275	200,000	293,725

Movements in 2015/16

Cost or valuation	Civic Regalia £	Sculptures £	TOTAL £
Balance brought forward at 1 st April 2015	93,725	200,000	293,725
Movements in year	0	0	0
Net book value carried forward 31st March 2016	93,725	200,000	293,725

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 Eros Statue 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 and together with the gain or loss on disposal of investment assets and gain or loss on revaluation total £1,473,234 at 31 March 2017 as reported in Note 11.

	2015/16 £	2016/17 £
Rental Income from Investment property	493,386	721,433
Direct operating expenses arising from Investment property	0	0
Net gain/(loss)	493,386	721,433

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.

	2015/16 £	2016/17 £
Balance brought forward	4,604,944	4,765,630
<i>Additions:</i>		
Purchases	0	0
Construction	0	0
Subsequent expenditure	95,400	104,088
Disposals	0	(32,250)
Net gain/(losses) from fair value adjustments	65,286	754,050
<i>Transfers:</i>		
To/from property, plant and equipment	0	1,600,738
Other changes	0	0
Balance carried forward	4,765,630	7,192,256

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 £41,139 charged to revenue in 2016/17 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:

	2015/16 £	2016/17 £
<i>Balance at start of the year comprising:</i>		
Gross carrying amount	2,364,800	2,424,252
Accumulated amortisation	(2,233,732)	(2,302,501)
Net carrying amount at start of the year	131,068	121,751
Additions	59,452	6,746
Revaluations increases or decreases	0	(6,746)
Amortisation for the period	(68,769)	(41,139)
Net carrying amount at end of period	121,751	80,612
<i>Comprising:</i>		
Gross carrying amount	2,424,252	2,424,252
Accumulated amortisation	(2,302,501)	(2,343,640)
	121,751	80,612

NOTE 17 FINANCIAL INSTRUMENTS

Categories of Financial Instruments

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

	Long term		Current	
	31 March 2016 £	31 March 2017 £	31 March 2016 £	31 March 2017 £
Investments				
Loans and receivables (including short and long term investments and short term deposits Note 20)	19	19	16,366,442	19,191,041
Total Investments	19	19	16,366,442	19,191,041
Short Term Debtors				
Financial assets carried at contract amounts	0	0	2,853,883	3,007,815
Total Short Term Debtors	0	0	2,853,883	3,007,815
Borrowings				
Financial liabilities at amortised cost	(1,552,000)	(1,552,000)	0	0
Total Borrowings	(1,552,000)	(1,552,000)	0	0
Short Term Creditors				
Financial liabilities carried at contract amounts	0	0	(7,210,349)	(5,703,482)
Total Short Term Creditors	0	0	(7,210,349)	(5,703,482)

Income, expense, gains and losses

2016/17

	Financial Liabilities measured at amortised cost £	Financial Assets Loans and receivables £	Financial Assets Available for sale £	Assets and Liabilities at Fair Value through Profit and Loss £	Total £
Interest Expense	(68,905)	0	0	0	(68,905)
Total expense in Surplus or Deficit on the Provision of Service	(68,905)	0	0	0	(68,905)
Interest Income	0	95,871	0	0	95,871
Total income in Surplus or Deficit on the Provision of Service	0	95,871	0	0	95,871
Gains on revaluation	0	0	0	0	0
Losses on revaluation	0	0	0	0	0
Amounts recycled to the Surplus or Deficit on the Provision of Services after impairment	0	0	0	0	0
Surplus/Deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	0	0	0	0	0
Net gain/(loss) for the year	(68,905)	95,871	0	0	26,966

2015/16

	Financial Liabilities measured at amortised cost £	Financial Assets Loans and receivables £	Financial Assets Available for sale £	Assets and Liabilities at Fair Value through Profit and Loss £	Total £
Interest Expense	(68,665)	0	0	0	(68,665)
Total expense in Surplus or Deficit on the Provision of Service	(68,665)	0	0	0	(68,665)
Interest Income	0	105,784	0	0	105,784
Total income in Surplus or Deficit on the Provision of Service	0	105,784	0	0	105,784
Gains on revaluation	0	0	0	0	0
Losses on revaluation	0	0	0	0	0
Amounts recycled to the Surplus or Deficit on the Provision of Services after impairment	0	0	0	0	0
Surplus/Deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	0	0	0	0	0
Net gain/(loss) for the year	(68,665)	105,784	0	0	37,119

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 2016		31 March 2017	
	Carrying amount £	Fair Value £	Carrying amount £	Fair Value £
Market Debt	0	0	0	0
PWLB Debt (short and long term)	1,552,000	2,025,904	1,552,000	2,246,189
Total Borrowings	1,552,000	2,025,904	1,552,000	2,246,189
Creditors	7,210,349	7,210,349	5,703,482	5,703,482
Total Financial Liabilities	8,762,349	9,236,253	7,255,482	7,949,671

The fair value of the liabilities is greater than the carrying amount in 2016/17 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 2017) arising from a commitment to pay interest to lenders above current market rates.

Alternatively if the financial liabilities fair value was measured using the premature repayment rate the carrying amount of £1,552,000 would be valued at £2,730,901.

	31 March 2016		31 March 2017	
	Carrying amount £	Fair Value £	Carrying amount £	Fair Value £
Investments (short term investments and short term deposits Note 20)	16,366,442	16,373,793	19,191,041	19,208,140
Long Term Debtors	0	0	0	0
Debtors	2,853,883	2,853,883	3,007,815	3,007,815
Total Loans and Receivables	19,220,325	19,227,676	22,198,856	22,215,955

The fair value of the loans and receivables is greater than the carrying amount in 2016/17 because the Authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the balance sheet date. This shows a notional future gain (based on economic conditions at 31 March 2017) attributable to the commitment to receive interest above current market rates.

NOTE 18 INVENTORIES

2015/16 £	Analysis	2016/17 £
Consumable Stores:		
45,883	Balance at 1 April	65,117
404,083	Purchases	436,865
(384,849)	Recognised as an expense in the year	(442,019)
0	Written (off)/on balances	0
0	Reversal of write-offs in previous years	0
65,117	Balance at 31 March	59,963

There was no work in progress at 31 March 2017.

NOTE 19 SHORT TERM DEBTORS

2015/16 £	Analysis	2016/17 £
Amounts falling due in one year:		
532,139	Central Government Bodies	575,915
505,092	Other Local Authorities	513,460
9,500	NHS Bodies	0
0	Public Corporations	0
1,807,152	Other Entities and Individuals	1,918,440
2,853,883	Total	3,007,815

NOTE 20 CASH AND CASH EQUIVALENTS

2015/16 £	Analysis	2016/17 £
2,634	Cash held by the Authority	2,547
0	Bank current accounts	0
(180,874)	Bank overdrafts	(179,366)
16,366,442	Short term deposits	19,191,041
16,188,202	Total	19,014,222

NOTE 21 ASSETS HELD FOR SALE

The Authority had no assets held for sale either as at 31st March 2016 or as at 31st March 2017.

NOTE 22 SHORT TERM CREDITORS

2015/16 £	Analysis	2016/17 £
(1,140,948)	Central Government Bodies	(793,767)
(684,258)	Other Local Authorities	(690,342)
(221,389)	NHS Bodies	0
0	Public Corporations	0
(5,163,754)	Other Entities and Individuals	(4,219,373)
(7,210,349)	Total	(5,703,482)

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. 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.

2015/16 £	Analysis	2016/17 £
(772,035)	Balance at 1 April 2016	(1,248,763)
(476,728)	Additional Provisions made 2016/17	(141,608)
0	Amounts used in 2016/17	0
(1,248,763)	Balance at 31 March 2017	(1,390,371)

NOTE 24 USABLE RESERVES

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

2015/16 £	Analysis	2016/17 £
8,022,011	General Fund	10,531,480
6,361,141	Earmarked Reserves	7,469,348
251,474	Capital Receipts Reserve	224,310
634,326	Capital Grants Unapplied Reserve	790,885
15,268,952	Total	19,016,023

NOTE 25 UNUSABLE RESERVES

2015/16 £	Analysis	2016/17 £
12,847,690	Revaluation Reserve	15,616,091
73,999,888	Capital Adjustment Account	93,406,096
(33,212,000)	Pensions Reserve	(37,892,000)
(1,404,474)	Collection Fund Adjustment Account	(1,254,206)
(142,428)	Accumulated Absences Account	(137,343)
52,088,676	Total	69,738,638

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.

2015/16 £		£	2016/17 £
12,073,682	Balance at 1 April		12,847,690
2,399,904	Upward revaluation of assets	3,380,258	
(1,084,177)	Downward revaluation of assets and impairment losses not charged to the Surplus or (Deficit) on the Provision of Services	(53,610)	
1,315,727	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or (Deficit) on the Provision of Services		3,326,648
(445,134)	Difference between fair value depreciation and historic cost depreciation	(553,531)	
(96,585)	Accumulated gains on assets sold or scrapped	(4,716)	
(541,719)	Amounts written off to the Capital Adjustment Account		(558,247)
12,847,690	Balance at 31 March		15,616,091

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.

2015/16		2016/17
£		£
59,027,950	Balance at 1 April	73,999,888
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(3,722,478)	- Charges for depreciation and impairment of non-current assets	(2,491,676)
0	- Revaluation losses on Property, Plant and Equipment	(132,637)
(68,769)	- Amortisation of intangible assets	(41,138)
(957,313)	- Revenue expenditure funded from capital under statute	(1,208,051)
(338,112)	- 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	(56,988)
(5,086,672)		(3,930,490)
445,134	Adjusting amounts written out of the Revaluation Reserve	558,247
(4,641,538)	Net written out amount of the cost of non-current assets consumed in the year	(3,372,243)
	Capital financing applied in the year:	
391,940	- Use of the Capital Receipts Reserve to finance new capital expenditure	345,399
16,792,355	- Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	19,452,847
1,160,147	- Application of grants to capital financing from the Capital Grants Unapplied Reserve	1,271,560
95,559	- Statutory provision for the financing of capital investment charged against the General Fund	95,559
1,108,189	- Capital expenditure charged against the General Fund	859,036
19,548,190		22,024,401
65,286	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	754,050
0	Movement in the Donated Assets Account credited to the Comprehensive Income and Expenditure Statement	0
73,999,888	Balance at 31 March	93,406,096

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.

2015/16 £		2016/17 £
(38,663,000)	Balance at 1 April	(33,212,000)
6,496,000	Remeasurement of the net defined benefit liability / (asset)	(3,888,000)
(1,045,000)	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	(792,000)
0	Employer’s pensions contributions and direct payments to pensioners payable in the year	0
(33,212,000)	Balance at 31 March	(37,892,000)

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.

2015/16 £		2016/17 £
434,533	Balance at 1 April	(1,404,474)
(1,839,007)	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	150,268
(1,404,474)	Balance at 31 March	(1,254,206)

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.

2015/16 £		£	2016/17 £
(175,793)	Balance at 1 April		(142,428)
175,793	Settlement or cancellation of accrual made at the end of the preceding year	142,428	
(142,428)	Amounts accrued at the end of the current year	(137,343)	
33,365	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		5,085
(142,428)	Balance at 31 March		(137,343)

NOTE 26 CASHFLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

2015/16 £		2016/17 £
(105,784)	Interest received	(95,871)
68,665	Interest paid	68,905
0	Dividends received	0
(37,119)	Total	(26,966)

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

2015/16 £		2016/17 £
2,383,446	Depreciation	2,491,676
1,339,031	Impairment and downward valuations	132,637
68,769	Amortisation	41,140
0	Increase / (decrease) in impairment of bad debts	0
1,685,653	Increase / (decrease) in creditors	(1,929,438)
253,050	(Increase) / decrease in debtors	(153,932)
(19,234)	(Increase) / decrease in inventories	5,154
1,045,000	Movement in pension liability (Retirement benefits)	792,000
434,697	Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	56,988
411,442	Movement in Investment Property values (Net gain/losses from fair value adjustments) and Provisions	(612,443)
7,601,854	Total	823,782

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

2015/16 £		2016/17 £
560,000	Proceeds from short term (not considered to be cash equivalents) and long term investments	0
(139,200)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(318,235)
(17,583,965)	Capital Grants credited to surplus or deficit on the provision of services	(20,880,966)
(17,163,165)	Total	(21,199,201)

NOTE 27 CASHFLOW STATEMENT – INVESTING ACTIVITIES

2015/16 £		2016/17 £
(19,480,632)	Purchase of property, plant and equipment, investment property and intangible assets	(19,480,838)
0	Purchase of short term and long term investments	0
0	Other payments for investing activities	0
139,200	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	318,235
0	Proceeds from short term and long term investments	0
15,058,707	Other receipts from investing activities	21,223,701
(4,282,725)	Total	2,061,098

NOTE 28 CASHFLOW STATEMENT – FINANCING ACTIVITIES

2015/16 £		2016/17 £
0	Cash receipts of short and long term borrowing	0
0	Other receipts from financing activities	0
0	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	0
4,196	Repayments and Receipts from short and long term borrowing	(660)
(313,993)	Billing Authorities - Council Tax and NDR adjustments	(817,383)
0	Other payments for financing activities	0
(309,797)	Total	(818,043)

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 £	2015/16 Expenditure £	(Surplus)/Deficit £	Trading operations	Income £	2016/17 Expenditure £	(Surplus)/Deficit £
(64,116)	92,970	28,854	Catering	(70,735)	99,259	28,524
(473,922)	505,838	31,916	Industrial Sites	(666,890)	279,913	(386,977)
(27,035)	13,817	(13,218)	Poulton Market	(30,992)	21,712	(9,280)
(575,884)	628,019	52,135	Fleetwood Market	(538,891)	472,429	(66,462)
(1,140,957)	1,240,644	99,687	Total	(1,307,508)	873,313	(434,195)

Catering

The Catering operation relates to the bar/catering facility at the Marine Hall and shows a slight decrease in the deficit from £28,854 in 2015/16 to £28,524 in 2016/17. Running costs at Marine Hall (excluding capital charges) have reduced from £553,737 in 2007/08 to £252,918 in 2016/17, a reduction of £300,819 or 54% over 9 years.

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. Compliance with International Financial Reporting Standards (IFRS) means that any revaluation gains or losses on investment properties together with any rental income is now shown in the financing and investment income and expenditure section of the Comprehensive Income and Expenditure Statement as opposed to net cost of Services. 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 that the financial position has significantly improved, the true position excluding notional charges has improved from a surplus of £249,247 in 2015/16 to a surplus of £440,663 in 2016/17. The increased profitability in respect of the industrial sites of £191,416 reflects reduced premises costs at Butts Close (£16,129) and increased income (£18,812), increased income at Jameson Road (£120,311), reduced costs (£25,766) and increased income (£8,768) on miscellaneous land and buildings.

Markets

It is correct to state that on the surface this looks like an improving picture. However, once we strip out the notional accounting entries the true position is a surplus in 2015/16 of £210,696 and a surplus in 2016/17 of £152,197, which is a reduction of £58,499. Increased premises costs account for the main change on direct expenditure (£23,782), followed by staffing (£6,507) and supplies and services (£5,119). Recharges have reduced by £14,288 but income overall has also reduced by £36,993 with service charges down by £15,247 and general stall charges down by £16,766.

The surplus at Poulton Market has reduced by £3,938 from £13,218 in 2015/16 to £9,280 in 2016/17.

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 2016/17 was £54,000 (2015/16 £72,413). 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. Basic Allowance is an annual sum payable to all Members and a Special Responsibility Allowance is paid to certain Members with specific additional responsibilities. The Authority paid the following amounts to Members of the Council during the year:

	2015/16	2016/17
	£	£
Allowances	312,710	317,053
Travel and subsistence	6,293	5,219
Dependent's carers allowance	192	0
Total	319,195	322,272

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 2015/16	Number of employees 2016/17
£50,000 - £54,999	1	1
£55,000 - £59,999	0	3
£60,000 - £64,999	0	1
£65,000 - £69,999	0	0
£70,000 - £74,999	0	0
£75,000 - £79,999	0	0
£80,000 - £84,999	0	0
£85,000 - £89,999	0	0
£90,000 - £94,999	0	0
£95,000 - £99,999	0	0
£100,000 - £104,999	1	1
£105,000 - £109,999	0	0
£110,000 - £114,999	1	0
£115,000 - £119,999	0	0
£120,000 - £124,999	1	0

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.

2016/17

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	2016/17	103,945	438	0	13,145	117,528
	2015/16	103,076	765	0	13,589	117,430
Corporate Director People & Places	2016/17	0	0	0	0	0
	2015/16	81,917	55	40,008	228,940	350,920
Service Director Health & Wellbeing	2016/17	58,176	760	0	7,956	66,892
	2015/16	0	0	0	0	0
Service Director Performance & Innovation	2016/17	54,914	162	0	7,508	62,584
	2015/16	0	0	0	0	0
Service Director People and Places	2016/17	58,287	276	0	7,956	66,519
	2015/16	0	0	0	0	0
*Corporate Director of Resources	2016/17	24,046	38	0	2,673	26,757
	2015/16	78,213	337	35,170	10,585	124,305

*The Corporate Director of Resources took voluntary redundancy in June 2016.

NOTE 33 EXTERNAL AUDIT COSTS

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

2015/16 £	Audit Fee Type	2016/17 £
48,662	Fees payable to KPMG with regard to external audit services carried out by the appointed auditor	48,662
0	Fees payable to the Cabinet Office in respect of the National Fraud Initiative	2,300
0	Fees payable in respect of other services provided by KPMG	0
5,676	Fees payable to KPMG for the certification of grant claims and returns	5,580
54,338	Total	56,542

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:

	2015/16 £	2016/17 £
Non-ringfenced Government Grants		
Revenue Support Grant	2,455,974	1,631,266
Council Tax Freeze Grant	72,607	0
New Homes Bonus	1,823,719	2,303,128
NDR Section 31 Grant	940,882	689,792
Transitional Grant	0	5,142
	5,293,182	4,629,328
Capital Grants and Contributions		
Environment Agency	14,978,584	18,933,449
DCLG Coastal Communities Fund	1,006,933	156,656
Heritage Lottery	564,334	10,975
S106 Contributions	0	26,798
Other contributions	77,858	57,357
	16,627,709	19,185,235

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 balance at year-end is £7,352,254 and has been recognised in the Balance Sheet as Capital Grants Received in Advance.

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 2016/17 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 2016/17 is shown in Note 31. During 2016/17, some Councillors of Wyre Borough acted in a number of other capacities for related parties, namely being either employed by other local organisations or serving on the management boards of companies, schools and voluntary bodies.

There are two transactions to disclose in 2016/17 relating to payments of £462.50 to Pams Kitchen for catering provided at three events hosted at the Civic Centre, in which Councillor Murphy has an interest and £475.00 to Poulton Press Printers for printing programmes and tickets for a local festival, 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.

	2015/16 £	2016/17 £
Opening Capital Financing Requirement	2,235,136	2,139,577
Capital Investment		
Property, Plant and Equipment*	18,340,466	20,609,959
Investment Property*	95,400	104,088
Intangible Assets*	59,452	6,746
Revenue Expenditure Funded from Capital under Statute	957,313	1,208,050
Sources of Finance		
Capital Receipts	(391,940)	(345,399)
Government grants and other contributions	(17,952,502)	(20,724,408)
Sums set aside from Revenue		
Direct revenue contributions	(1,108,189)	(859,036)
Minimum Revenue Provision	(95,559)	(95,559)
Closing Capital Financing Requirement	2,139,577	2,044,018
Explanation of movement in the year		
Increase in underlying need to borrow (unsupported by government financial assistance)	0	0
Minimum Revenue Provision set aside to repay debt	(95,559)	(95,559)
Increase / (decrease) in Capital financing Requirement	(95,559)	(95,559)

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

NOTE 37 LEASES

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

NOTE 38 TERMINATION BENEFITS

The Authority terminated the contracts of 14 employees in 2016/17 (8 employees in 2015/16), incurring liabilities of £181,186 (£349,301 in 2015/16), who left the Authority following a review of service delivery arrangements. These figures include an under provision of £348 in respect of 2015/16.

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	
	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
	£	£	£	£	£	£	£	£
£0 - £20,000	1	1	4	10	5	11	28,310	73,329
£20,001 - £40,000	0	0	2	2	2	2	62,629	64,413
£40,001 - £60,000	0	0	0	1	0	1	0	43,096
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
Over £150,000	0	0	1	0	1	0	258,362	0
Total	1	1	7	13	8	14	349,301	180,838

NOTE 39 DEFINED PENSION BENEFIT 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 2016/17 the employer's contribution rate was 13.7% plus a deficit recovery contribution of £828,900, an equated rate of 25.9%. This rate was determined following the 2013 triennial actuarial review of the Pension Fund, which impacts in the 2014/15, 2015/16 and 2016/17 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:

2015/16 £	Local Government Pension Scheme	2016/17 £
Comprehensive Income and Expenditure Statement		
Cost of Services		
Service cost comprising:		
1,717,000	- Current Service Cost	1,529,000
0	- Past Service Cost	0
274,000	- (Gain)/Loss from Settlements and Curtailments	102,000
Other Operating Expenditure		
27,000	- Administration Expenses	32,000
Financing and Investment Income and Expenditure		
1,202,000	- Net Interest Expense	1,128,000
3,220,000	Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services	2,791,000
Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement		
Remeasurement of the net defined benefit liability comprising:		
(1,139,000)	- Return on plan assets (excluding amount included in the net interest expense)	(12,493,000)
0	- Actuarial gains and losses arising on changes in demographic assumptions	(862,000)
(5,357,000)	- Actuarial gains and losses arising on changes in financial assumptions	21,505,000
0	- Other	(4,262,000)
(6,496,000)	Total Remeasurements charged to Other Comprehensive Income and Expenditure	3,888,000
(3,276,000)	Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement	6,679,000
Movement in Reserves Statement		
(1,045,000)	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	(792,000)
Actual amount charged against the General Fund Balance for pensions in the year		
2,175,000	- Employer's contributions payable to scheme	1,999,000

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:

	2015/16 £	2016/17 £
Fair value of plan assets	72,653,000	86,107,000
Present value of the defined benefit obligation	(105,865,000)	(123,999,000)
Net liability arising from defined benefit obligation	(33,212,000)	(37,892,000)

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

Reconciliation of fair value of the scheme assets

	2015/16 £	2016/17 £
Opening fair value of scheme assets	70,802,000	72,653,000
Interest income	2,242,000	2,516,000
Remeasurements gain and (loss):		
- The return on plan assets, excluding the amount included in the net interest expense	1,139,000	12,493,000
Other Operating Expenditure - Administration	(27,000)	(32,000)
Contributions from Employer	2,175,000	1,999,000
Contributions from Employees	436,000	417,000
Benefits Paid	(4,114,000)	(3,939,000)
Closing fair value of scheme assets	72,653,000	86,107,000

Reconciliation of present value of the scheme liabilities

	2015/16 £	2016/17 £
Opening balance at 1 April	(109,465,000)	(105,865,000)
Current Service Cost	(1,717,000)	(1,529,000)
Interest Cost	(3,444,000)	(3,644,000)
Contribution by Scheme Participants	(436,000)	(417,000)
Remeasurements gain and (loss):		
- Actuarial gains/losses arising from changes in demographic assumptions	0	862,000
- Actuarial gains/losses arising from changes in financial assumptions	5,357,000	(21,505,000)
- Other	0	4,262,000
Past Service Cost	0	0
Curtailments	(274,000)	(102,000)
Benefits Paid	4,114,000	3,939,000
Settlements	0	0
Closing balance at 31 March	(105,865,000)	(123,999,000)

The liabilities show the underlying commitments that the Authority has in the long-run to pay retirement benefits. The net liability of £37,892,000 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:

	2015/16 £	2016/17 £
Cash:		
- Cash and cash equivalents	2,455,000	894,000
- Net Current Assets	43,000	0
Sub-total cash	2,498,000	894,000
Equity instruments:		
By industry type		
- Consumer	7,893,000	0
- Manufacturing	4,048,000	0
- Energy and utilities	1,517,000	0
- Financial institutions	4,407,000	0
- Health and care	2,636,000	0
- Information technology	4,471,000	0
Miscellaneous/Unclassified	0	0
Sub-total equity	24,972,000	0
Bonds:		
By sector		
- Corporate	1,480,000	1,414,000
- Government	1,460,000	1,704,000
Sub-total bonds	2,940,000	3,118,000
Property:		
By type		
- Retail	2,489,000	2,344,000
- Commercial	4,495,000	5,242,000
- Residential	0	0
Sub-total property	6,984,000	7,586,000
Private equity:		
- UK	1,185,000	976,000
- Overseas	3,190,000	4,566,000
Sub-total private equity	4,375,000	5,542,000
Other investment funds:		
- Infrastructure	5,805,000	10,390,000
- Indirect property funds	1,003,000	1,214,000
- Credit funds	18,282,000	19,295,000
- Emerging Markets ETF	0	0
- UK Pooled equity funds	0	0
- Overseas Pooled equity funds	5,794,000	38,068,000
Sub-total other investment funds	30,884,000	68,967,000
Total Assets	72,653,000	86,107,000

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 2013.

The significant assumptions used by the actuary have been:

	2015/16	2016/17
Mortality assumptions		
Longevity at 65 for current pensioners		
- Men	23.0 years	22.6 years
- Women	25.6 years	25.2 years
Longevity at 65 for future pensioners		
- Men	25.2 years	24.9 years
- Women	27.9 years	27.9 years
Rate of CPI inflation	2.0%	2.3%
Rate of increase in salaries	3.5%	*3.8%
Rate of increase in pensions	2.0%	2.3%
Rate for discounting scheme liabilities	3.5%	2.5%

(*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

	2015/16 £	2016/17 £
1 year increase in members life expectancy	2,117,000	2,502,000
0.1% increase in Discount Rate	(1,732,000)	(1,954,000)
0.1% increase in the Salary Increase Rate	324,000	345,000
0.1% increase in the Pension Increase Rate	1,761,000	1,985,000

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 19 years. Funding levels are monitored on an annual basis. Following the 2013 valuation, the next triennial valuation is due to be completed 31 March 2016.

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.

The Actuary anticipates that the Authority will pay £1.940m contributions to the scheme in 2016/17.

The weighted average duration of the defined benefit obligation for scheme members in 2016/17 is 16 years (17 years in 2015/16).

NOTE 40 CONTINGENT LIABILITIES

The council has no contingent liabilities as at 31 March 2017.

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.

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.

	31/03/2017 £000 a	Historical experience of default % b	Adjustment for market conditions at 31/03/17 % c	Estimated maximum exposure to default £ a x c
Deposits with banks and financial institutions (market value):				
High rated counterparties	19,191	0.00	0.00	0.00
Trade debtors (o/s Sundry Debtors at 31/03/17)	959	0.50	4.00	38

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 £959,018 outstanding for trade debtors, £502,889 is overdue. The overdue amount can be analysed by age as follows:

	2016/17 £000
Less than three months	115
Three months to one year	274
More than one year	114
Total	503

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:

	2016/17 £000
Less than one year (short term creditors and short term borrowing)	5,703
Between one and two years	0
Between two and five years	0
More than five year	1,552
Total	7,255

Market Risk

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

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

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

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

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

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

NOTE 42 LANCASHIRE BUSINESS RATES POOL

Wyre council is part of the Lancashire Business Rates Pool which began on 1 April 2016. In a Business Rate Pool, tariffs, top-ups, levies and safety nets can be combined. This can result in a significantly lower levy rate or even a zero levy rate meaning that more or all of the business rate growth can be retained within the pool area instead of being payable to the Government.

The Lancashire Business Rates Pool, which includes most but not all of the local authorities in Lancashire, has been designated by the Secretary of State for Communities and Local Government and the retained levy in Lancashire has been distributed as follows:

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

With regard to Wyre council, the retained levy would be £319,521, hence under pooling we have benefitted from extra income of £287,569. Lancashire County Council has received the remaining 10% of retained levy.

As part of the pool arrangements, one authority must be designated as lead authority, which in the case of the Lancashire Business Rates Pool is Ribble Valley Borough Council. As part of this arrangement a fee of £2,000 is payable by each pool member to Ribble Valley Borough Council in their role as lead.

In the Lancashire Business Rates Pool each council bears its own risk and takes its own reward under the pool agreement, i.e. no sharing of a volatility reserve.

Below is a summary of the Lancashire Business Rates Pool members and relevant transactions:

Lancashire Business Rates Pool Members 2016/17	Authority Type	In-Year Transactions Relating to Tariffs and Top-Ups £	Retained Levy on Growth 2016/17 £	10% Retained Levy Payable to/Received by Lancashire County Council £	Net Retained Levy 2016/17 £
Burnley Borough Council	Tariff	7,173,471	(678,064)	67,806	(610,258)
Chorley Borough Council	Tariff	7,856,662	(918,171)	91,817	(826,354)
Hyndburn Borough Council	Tariff	5,063,238	(305,161)	30,516	(274,645)
Pendle Borough Council	Tariff	4,093,827	(530,870)	53,087	(477,783)
Rossendale Borough Council	Tariff	3,305,780	(376,131)	37,613	(338,518)
Ribble Valley Borough Council	Tariff	4,361,492	(400,847)	40,085	(360,762)
South Ribble Borough Council	Tariff	11,954,757	(1,116,335)	111,633	(1,004,702)
West Lancashire Borough Council	Tariff	9,633,376	(482,066)	48,207	(433,859)
Wyre Borough Council	Tariff	7,352,522	(319,521)	31,952	(287,569)
Lancashire County Council	Top-Up	(140,072,421)	0	(512,716)	(512,716)
Central Government	-	79,277,296	0	0	0
Total		0	(5,127,166)	0	(5,127,166)

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

COLLECTION FUND ACCOUNT

Foreword

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

2015/16			2016/17			
Business Rates £	Council Tax £		Note	Business Rates £	Council Tax £	Total £
INCOME						
0	(55,023,287)	Council Tax Receivable	1	0	(58,179,250)	(58,179,250)
0	0	Council Tax Annex Grant		0	0	0
(25,397,353)	0	Business Rates Receivable	2	(27,077,593)	0	(27,077,593)
0	0	Transitional Protection Payment		0	0	0
0	0	Contributions to previous year's Collection Fund deficit	3	(978,263)	0	(978,263)
(25,397,353)	(55,023,287)	TOTAL INCOME		(28,055,856)	(58,179,250)	(86,235,106)
EXPENDITURE						
Precepts, Demands and Share						
13,237,798	0	- Central Government		13,485,608	0	13,485,608
2,382,804	39,077,847	- Lancashire County Council		2,427,409	41,446,135	43,873,544
0	5,501,710	- Police and Crime Commissioner for Lancashire		0	5,722,718	5,722,718
264,756	2,243,436	- Lancashire Combined Fire Authority		269,712	2,310,677	2,580,389
10,590,239	6,719,729	- Wyre Borough Council		10,788,486	7,070,150	17,858,636
26,475,597	53,542,722			26,971,215	56,549,680	83,520,895
Charges to Collection Fund						
108,041	218,852	- Less Write offs of uncollectable amounts		231,908	159,338	391,246
297,448	284,368	- Less: Increase / (Decrease) in Bad Debt Provisions		(77,585)	369,766	292,181
1,191,820	0	- Less: Increase / (Decrease) in Provisions for Appeals		354,019	0	354,019
153,550	0	- Costs of Collection Allowance		153,244	0	153,244
927,356	0	- Transitional Protection Payments due for the year to Central Government		123,156	0	123,156
1,299	0	- Interest on Refunds		532	0	532
0	0	- Enterprise Zone disregard amount		55,289	0	55,289
2,679,514	503,220			840,563	529,104	1,369,667
Contributions						
769,278	1,183,554	- To previous year's Collection Fund surplus	3	0	1,117,943	1,117,943
29,924,389	55,229,496	TOTAL EXPENDITURE		27,811,778	58,196,727	86,008,505
4,527,036	206,209	(Surplus) / Deficit arising during the year		(244,078)	17,477	(226,601)
(711,995)	(1,174,086)	(Surplus) / Deficit B/fwd as at 1 April		3,815,041	(967,877)	2,847,164
3,815,041	(967,877)	(Surplus) / Deficit C/fwd as at 31 March	4	3,570,963	(950,400)	2,620,563

NOTES TO THE COLLECTION FUND

NOTE 1 COUNCIL TAX

The Council Tax base for 2016/17 was calculated at 35,277.51 and a Band D Council Tax set at £1,585.89. The tax base was calculated as follows:

Band	Total number of chargeable dwellings	**Relevant amount £
Additional band	25	13.47
A	11,523	6,678.33
B	11,665	8,131.51
C	12,069	9,789.90
D	7,237	6,736.75
E	4,725	5,460.18
F	2,298	3,153.13
G	985	1,568.36
H	55	105.50
	50,582	41,637.13
Less Council Tax Reduction		(5,639.68)
		35,997.45
Collection Rate 98% = Relevant Amount x 0.98		35,277.51

** 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 2017 was £69,014,781. The Government set a National Non-domestic multiplier (rate in the pound) of 49.7 pence for 2016/17 and a Small Business non-domestic multiplier of 48.4 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 £	2015/16 Council Tax £	Total £		Business Rates £	2016/17 Council Tax £	Total £
			Attributable to Central Government and other Local Authorities as follows:			
384,639	0	384,639	Central Government	(489,131)	0	(489,131)
69,235	861,782	931,017	Lancashire County Council	(88,044)	815,924	727,880
0	121,331	121,331	Police and Crime Commissioner for Lancashire	0	114,873	114,873
7,693	49,517	57,210	Lancashire Combined Fire Authority	(9,783)	46,842	37,059
307,711	150,924	458,635	Wyre Borough Council	(391,305)	140,304	(251,001)
769,278	1,183,554	1,952,832	Total	(978,263)	1,117,943	139,680

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

2015/16			2016/17		
Business Rates £	Council Tax £		Business Rates £	Council Tax £	Total £
Attributable to Central Government and other Local Authorities as follows:					
1,907,521	0	Central Government	1,785,481	0	1,785,481
343,353	(705,939)	Lancashire County Council	321,387	(696,208)	(374,821)
0	(99,686)	Police and Crime Commissioner for Lancashire	0	(96,328)	(96,328)
38,151	(40,710)	Lancashire Combined Fire Authority	35,710	(38,974)	(3,264)
1,526,016	(121,542)	Wyre Borough Council	1,428,385	(118,890)	1,309,495
3,815,041	(967,877)	(Surplus)/Deficit as at 31 March	3,570,963	(950,400)	2,620,563

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.

The Code

The Code incorporates guidance in line with IFRS, IPSAS and UK GAAP Accounting Standards. It sets out the proper accounting practice to be adopted for the Statement of Accounts to ensure they ‘present fairly’ the financial position of the council. The Code has statutory status via the provision of the Local Government Act 2003.

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.

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.

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:

http://www.wyre.gov.uk/info/200339/council_budgets_and_spending

Capital Financing Report

Appendix 2 - Table 1

	Updated	To 31st	Funded By.....				Total	
	Revised	March 17	Grants and	Revenue	Capital	Loan	Funded	
	2016/17	Actuals	Contributions		Receipts		£	p
Budget	£	£	£	£	£	£	£	p
HEALTH AND COMMUNITY ENGAGEMENT PORTFOLIO								
<i>Health and Wellbeing Directorate</i>								
Air Quality - Paths	4,000	4,000.00	4,000.00	0.00	0.00	0.00	4,000.00	
Town Centre CCTV	35,280	34,720.42	0.00	34,720.42	0.00	0.00	34,720.42	
Portfolio Total	39,280	38,720.42	4,000.00	34,720.42	0.00	0.00	38,720.42	
LEISURE AND CULTURE PORTFOLIO								
<i>Health and Wellbeing Directorate</i>								
Garstang Leisure Centre	172,252	189,430.63	0.00	189,430.63	0.00	0.00	189,430.63	
Garstang Pool	147,776	126,645.29	0.00	126,645.29	0.00	0.00	126,645.29	
Poulton Leisure Centre	73,034	73,033.58	0.00	73,033.58	0.00	0.00	73,033.58	
Thornton Leisure Centre	44,712	44,711.88	0.00	44,711.88	0.00	0.00	44,711.88	
<i>Performance and Innovation Directorate</i>								
Fleetwood Leisure Centre Heating	115,691	115,161.19	0.00	99,490.00	15,671.19	0.00	115,161.19	
Fleetwood Leisure Centre Sandfilters	51,500	51,500.00	0.00	51,500.00	0.00	0.00	51,500.00	
Marine Hall Roof	142,000	136,320.00	0.00	0.00	136,320.00	0.00	136,320.00	
Thornton LC Roof	26,500	26,500.00	0.00	0.00	26,500.00	0.00	26,500.00	
Portfolio Total	773,465	763,302.57	0.00	584,811.38	178,491.19	0.00	763,302.57	
NEIGHBOURHOOD SERVICES AND COMMUNITY SAFETY PORTFOLIO								
<i>Health and Wellbeing Directorate</i>								
<i>Housing</i>								
Disabled Facilities Mandatory Grants	1,500,119	1,012,515.58	1,012,515.58	0.00	0.00	0.00	1,012,515.58	
<i>People and Places Directorate</i>								
<i>Coast Protection</i>								
Cell 11 Monitoring (Yr 1 of 5 year programme approved annually):External Costs	3,000	3,009.50	3,009.50	0.00	0.00	0.00	3,009.50	
Cell 11 Monitoring (Yr 1 of 5 year programme approved annually):In House Costs	17,000	7,082.87	7,082.87	0.00	0.00	0.00	7,082.87	
Rossall Seawall Improvement Works	20,586,123	18,850,912.11	18,850,912.11	0.00	0.00	0.00	18,850,912.11	
Rossall Seawall Improvement Works In House Fees	114,160	114,440.76	114,440.76	0.00	0.00	0.00	114,440.76	
Wyre Beach Management Study	22,862	0.00	0.00	0.00	0.00	0.00	0.00	
Flood Relief - Repair and Renew Grant	200,000	195,534.92	195,534.92	0.00	0.00	0.00	195,534.92	
Portfolio Total	22,443,264	20,183,495.74	20,183,495.74	0.00	0.00	0.00	20,183,495.74	
PLANNING AND ECONOMIC DEVELOPMENT PORTFOLIO								
<i>Chief Executive Directorate</i>								
Monitoring and Evaluation CCF2	6,746	6,746.00	6,746.00	0.00	0.00	0.00	6,746.00	
Marine Hall Dome Restoration (including CCF2 funding)	82,589	82,588.97	63,435.35	0.00	19,153.62	0.00	82,588.97	
<i>People and Places Directorate</i>								
Euston Park CCF2	0	-476.20	-476.20	0.00	0.00	0.00	-476.20	
Skate Park CCF2	0	84.84	84.84	0.00	0.00	0.00	84.84	

Capital Financing Report - Continued

Appendix 2 - Table 1

	Updated	To 31st		Funded By.....						Total	
	Revised	March 17		Grants and	Revenue	Capital		Loan	Funded		
2016/17	Budget	Actuals	p	Contributions	p	Receipts	p	p	p	p	
	£	£		£	£	£	£	£	£	£	
<u>PLANNING AND ECONOMIC DEVELOPMENT PORTFOLIO (Continued)</u>											
<u>Performance and Innovation Directorate</u>											
Beach Bungalows CCF2	100,511	100,667.31		86,866.31	13,801.00	0.00		0.00		100,667.31	
Fleetwood Market Roof and Columns	99,780	99,780.00		0.00	0.00	99,780.00		0.00		99,780.00	
Cleveleys Bus Station Roof	3,000	3,000.00		0.00	0.00	3,000.00		0.00		3,000.00	
Fleetwood Market Lighting	10,000	0.00		0.00	0.00	0.00		0.00		0.00	
Copse Rd Lighting	8,680	8,680.00		0.00	0.00	8,680.00		0.00		8,680.00	
Portfolio Total	311,306	301,070.92		156,656.30	13,801.00	130,613.62		0.00		301,070.92	
<u>RESOURCES PORTFOLIO</u>											
<u>People and Places Directorate</u>											
Vehicle Fleet Replacement Programme	263,739	225,703.32		0.00	225,703.32	0.00		0.00		225,703.32	
<u>Performance and Innovation Directorate</u>											
Renovation Wyreside Café	0	420.72		0.00	0.00	420.72		0.00		420.72	
Building Improvements	1,850	0.00		0.00	0.00	0.00		0.00		0.00	
Portfolio Total	265,589	226,124.04		0.00	225,703.32	420.72		0.00		226,124.04	
<u>STREET SCENE, PARKS AND OPEN SPACES PORTFOLIO</u>											
<u>People and Places Directorate</u>											
Memorial Park Fleetwood Heritage scheme Phase 2	18,248	12,400.00		10,975.00	0.00	1,425.00		0.00		12,400.00	
Mount Grounds	355,558	342,482.90		342,482.90	0.00	0.00		0.00		342,482.90	
Catterall Playing Field	26,798	26,798.00		26,798.00	0.00	0.00		0.00		26,798.00	
North Drive Playground Refurbishment	16,057	16,056.40		0.00	0.00	16,056.40		0.00		16,056.40	
Douglas Avenue Playground Refurbishment	18,255	18,254.70		0.00	0.00	18,254.70		0.00		18,254.70	
Mariners Close Playground Removal/Relandscaping	7,000	137.40		0.00	0.00	137.40		0.00		137.40	
Portfolio Total	441,916	416,129.40		380,255.90	0.00	35,873.50		0.00		416,129.40	
GRAND TOTAL	24,274,820	21,928,843.09		20,724,407.94	859,036.12	345,399.03		0.00		21,928,843.09	

<u>Reconciliation</u>	<u>Summary Impact on Capital Programme and Funding 2017/18 of 2016/17 outturn and slippage to 2017/18</u>					
Capital Budget - 2017/18	2017/18 Budget £	Funded by				Total Funded £
		Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	
As approved at Council 02/03/17	22,809,542	22,404,854	261,000	143,688	0	22,809,542
Subsequent changes in aggregate agreed to date	452,700	195,350	257,115	235	0	452,700
Current 2017/18 approval	23,262,242	22,600,204	518,115	143,923	0	23,262,242
2016/17 Year End slippage to 2017/18	2,336,733	2,273,633	38,036	25,064	0	2,336,733
2016/17 Year End review Vehicle Fleet Replacement rephasing	-29,500	0	-29,500	0	0	-29,500
Latest 2017/18 Capital Budget	25,569,475	24,873,837	526,651	168,987	0	25,569,475

<u>Reconciliation</u>	<u>Summary Impact on Capital Programme and Funding 2018/19 of 2016/17 outturn</u>					
Capital Budget - 2018/19	2018/19 Budget £	Funded by				Total Funded £
		Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	
As approved at Council 02/03/17	1,734,619	1,518,119	216,500	0	0	1,734,619
Subsequent changes in aggregate agreed to date	135,350	135,350	0	0	0	135,350
Current 2018/19 approval	1,869,969	1,653,469	216,500	0	0	1,869,969
2016/17 Year End review Vehicle Fleet Replacement rephasing	29,500	0	29,500	0	0	29,500
Current and latest 2018/19 Capital Budget approval	1,899,469	1,653,469	246,000	0	0	1,899,469

<u>Reconciliation</u>	<u>Summary Impact on Capital Programme and Funding 2019/20 of 2016/17 outturn</u>					
Capital Budget - 2019/20	2019/20 Budget £	Funded by				Total Funded £
		Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	
As approved at Council 02/03/17	1,862,619	1,518,119	344,500	0	0	1,862,619
Subsequent amendments in aggregate agreed to date	135,350	135,350	0	0	0	135,350
Current and latest 2019/20 Capital Budget approval	1,997,969	1,653,469	344,500	0	0	1,997,969

<u>Reconciliation</u>	<u>Summary Impact on Capital Programme and Funding 2020/21 of 2016/17 outturn</u>					
Capital Budget - 2020/21	2020/21 Budget £	Funded by				Total Funded £
		Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	
As approved at Council 02/03/17	1,944,819	1,518,119	426,700	0	0	1,944,819
Subsequent amendments in aggregate agreed to date	135,350	135,350	0	0	0	135,350
Current and latest 2020/21 Capital Budget approval	2,080,169	1,653,469	426,700	0	0	2,080,169

Comparison of Capital Expenditure to Budget

Appendix 2 - Table 2

	Updated Revised 2016/17 Budget £	To 31st March 17 Actuals £	Variance £	Advance spend of 17/18 Budget £	Overspend £	Underspend £	Slippage £	Comments
HEALTH AND COMMUNITY PORTFOLIO								
<u>Health and Wellbeing Directorate</u>								
Air Quality Paths	4,000	4,000	0	0	0	0	0	
Town Centre CCTV	35,280	34,720	-560	0	0	0	-560	Slippage for final costs expected in 2017/18.
Portfolio Total	39,280	38,720	-560	0	0	0	-560	
LEISURE AND CULTURE PORTFOLIO								
<u>Health and Wellbeing Directorate</u>								
Garstang Leisure Centre	172,252	189,431	17,179	0	17,179	0	0	Complete with a cumulative underspend due to reduced costs.
Garstang Pool	147,776	126,645	-21,131	0	0	-21,131	0	
Poulton Leisure Centre	73,034	73,034	0	0	0	0	0	
Thornton Leisure Centre	44,712	44,712	0	0	0	0	0	
<u>Performance and Innovation Directorate</u>								
Fleetwood Leisure Centre Heating	115,691	115,161	-530	0	0	-530	0	Scheme complete with minor underspend.
Fleetwood Leisure Centre Sandfilters	51,500	51,500	0	0	0	0	0	
Marine Hall Roof	142,000	136,320	-5,680	0	0	0	-5,680	Slipped for completion in 2017/18.
Thornton LC Roof	26,500	26,500	0	0	0	0	0	
Portfolio Total	773,465	763,303	-10,162	0	17,179	-21,661	-5,680	
NEIGHBOURHOOD SERVICES AND COMMUNITY SAFETY PORTFOLIO								
<u>Health and Wellbeing Directorate</u>								
<u>Housing (subject to external funding confirmation)</u>								
Disabled Facilities Mandatory Grants	1,500,119	1,012,516	-487,603	0	78	0	-487,681	Overspend on Regenda projects funded by Regenda and slippage of external funding from Better Care Fund.
<u>People and Places Directorate</u>								
<u>Coastal Protection</u>								
Cell 11 Monitoring (Yr 1 of 5 year programme approved annually):External	3,000	3,009	9	0	9	0	0	Underspend of external grant slipped to 2017/18.
Cell 11 Monitoring (Yr 1 of 5 year programme approved annually):In House	17,000	7,083	-9,917	0	0	-9	-9,908	
Rossall Seawall Improvement Works	20,586,123	18,850,912	-1,735,211	0	0	-281	-1,734,930	Risk monies that have not yet materialised slipped to final year of scheme
Rossall Seawall Improvement Works In House Fees	114,160	114,441	281	0	281	0	0	(2017/18) to ensure sufficient funds should risks materialise.
Wyre Beach Management Study	22,862	0	-22,862	0	0	0	-22,862	Slipped for continuation of beach monitoring.
Flood Relief - Repair and Renew Grant	200,000	195,535	-4,465	0	0	-4,465	0	Underspend as sufficient budget in 2017/18 for future grants.
Portfolio Total	22,443,264	20,183,496	-2,259,768	0	368	-4,755	-2,255,381	
PLANNING AND ECONOMIC DEVELOPMENT PORTFOLIO								
<u>Chief Executive Directorate</u>								
Monitoring and Evaluation CCF2	6,746	6,746	0	0	0	0	0	
Marine Hall Dome Restoration (including CCF2 funding)	82,589	82,589	0	0	0	0	0	
<u>People and Places Directorate</u>								
Euston Park CCF2	0	-476	-476	0	0	-476	0	Overprovision for retention resulted in underspend partially funding other CCF2 overspends and remainder used to partially fund the Dome overspend which was originally funded by Capital Receipts.
Skate Park CCF2	0	85	85	0	85	0	0	Complete with minor overspend funded by Euston Park underspend.
<u>Performance and Innovation Directorate</u>								
Beach Bungalows CCF2	100,511	100,667	156	0	156	0	0	Complete with minor overspend funded by Euston Park underspend.
Fleetwood Market Roof and Columns	99,780	99,780	0	0	0	0	0	
Cleleys Bus Station Roof	3,000	3,000	0	0	0	0	0	
Fleetwood Market Lighting	10,000	0	-10,000	0	0	0	-10,000	Commencement of works delayed to 2017/18.
Copse Rd Lighting	8,680	8,680	0	0	0	0	0	
Portfolio Total	311,306	301,071	-10,235	0	241	-476	-10,000	

Comparison of Capital Expenditure to Budget - Continued

Appendix 2 - Table 2

	Updated Revised 2016/17 Budget £	To 31st March 17 Actuals £	Variance £	Advance spend of 17/18 Budget £	Overspend £	Underspend £	Slippage £	Comments
RESOURCES PORTFOLIO								
<u>People and Places Directorate</u>								
Vehicle Fleet Replacement Programme	263,739	225,703	-38,036	0	0	0	-38,036	Replacement of 4 vehicles delayed, now expected to be replaced in 2017/18.
<u>Performance and Innovation Directorate</u>								
Renovation Wyreside Café	0	421	421	0	421	0	0	Minor overspend as actual retention re previous year scheme greater than estimated.
Building Improvements	1,850	0	-1,850	0	0	0	-1,850	Building Improvement budget works slipped to be allocated in 2017/18.
Portfolio Total	265,589	226,124	-39,465	0	421	0	-39,886	
STREET SCENE, PARKS AND OPEN SPACES PORTFOLIO								
<u>People and Places Directorate</u>								
Memorial Park Fleetwood Heritage scheme Phase 2	18,248	12,400	-5,848	0	0	0	-5,848	Rephasing of expenditure.
Mount Grounds	355,558	342,483	-13,075	0	0	0	-13,075	Rephasing of expenditure.
Catterall Playing Field	26,798	26,798	0	0	0	0	0	
North Drive Playground Refurbishment	16,057	16,056	-1	0	0	-1	0	
Douglas Avenue Playground Refurbishment	18,255	18,255	0	0	0	0	0	
Mariners Close Playground Removal/Relandscaping	7,000	137	-6,863	0	0	0	-6,863	Rephasing of expenditure.
Portfolio Total	441,916	416,129	-25,787	0	0	-1	-25,786	
GRAND TOTAL	24,274,820	21,928,843	-2,345,977	0	18,209	-26,893	-2,337,293	

Major Revenue Variances

Appendix 3a

Comparison of 2016/17 Actuals against Updated Revised Estimate

	Updated Revised Estimate 2016/17 £	Actuals 2016/17 £	Variance Analysis	
			Overspend £	Underspend £
Aggregate 16/17 slippage to 17/18, see Appendix 3b.				-999,390
Additional 16/17 income increase to fund additional new 17/18 costs, see Appendix 3b.				0
				<u>-999,390</u>
Additional 16/17 income increase to fund additional future year costs, see Appendix 3b.				0
Net Slippage - Sub Total				<u><u>-999,390</u></u>

Other Services within Portfolios**Health and Community Engagement Portfolio**

<u>Community Development</u> - Domestic Violence contribution to LCC not required	10,000	0		-10,000
<u>Air Pollution</u> - Consultancy savings	11,720	0		-11,720

Leisure and Culture Portfolio

<u>Cemeteries</u> - Income net of related sub contractor costs.	-198,690	-203,146		-4,456
<u>Leisure Management</u> - Subsidy/Management fee. Operational savings transferred to Leisure Management Reserve.	250,430	248,430		-2,000
<u>Sports Development</u> - External coaching underspend	62,720	42,688		-20,032

Neighbourhood Services and Community Safety Portfolio

<u>Car Parks</u> .				
Off Street Parking - reduced meter income	-555,000	-518,001	36,999	
Car Park maintenance and equipment underspends - metered and unmetered	129,560	106,761		-22,799
Off Street Parking Enforcement - LCC and NSL Costs.	0	54,951	54,951	
Off Street Parking Enforcement - FPN Income.	0	-51,235		-51,235
<u>Housing Renovation Grants</u> - Administration of Better Care Fund Grant	-160,730	-108,484	52,246	
<u>Homelessness</u> - Funding for Trailblazing Scheme	-10,000	0	10,000	
<u>Benefits (including Rent Rebates; Local Scheme (War Widows) and Rent Allowances</u> - Net Changes.	-50,780	-121,072		-70,292

Planning and Economic Development Portfolio

<u>Development Control</u> - Planning Application Fees - net increase after part used to fund future year additional costs.	-670,000	-761,943		-91,943
<u>Planning Policy</u> - Extra New Burden Grant for Brownfield site register	-5,850	-20,495		-14,645

Resources Portfolio

<u>Electoral Registration</u> - Delivery of the Individual Electoral Regi	11,150	0		-11,150
<u>Provision for Contingencies</u> - Insurance claims provision and miscellaneous.	-98,240	-134,209		-35,969
Provision for Leisure Centre excess cost not required. Saving transferred to Leisure Management Reserve.	50,000	0		-50,000
<u>Corporate Support Services</u> -				
<u>HR Team</u> - Corporate Training.	72,740	54,119		-18,621
<u>IT and Telephony Team</u> -				
Consultant savings - rephasing to IT Strategy Reserve.	21,270	9,444		-11,826
Hardware savings/rephasing to IT Strategy Reserve.	293,070	112,740		-180,330
IT software - rephasing to IT Strategy Reserve.	323,560	307,890		-15,670
Other IT minor variances	70,670	59,912		-10,758
<u>Estates Team</u> - Fee income (Asset sales) duplicate budget	-22,540	-11,265	11,275	
<u>Council Tax Collection</u> -				
Other Legal Fees (Summons).	-300,000	-377,681		-77,681
Plastic payment card processing fees refund of overcharge	24,000	13,945		-10,055

Street Scene, Parks and Open Spaces Portfolio

<u>Street Cleansing</u> - Materials and Vehicle Hire, general underspend to Veh. Maintenance/Street Cleansing Reserve.	35,760	24,982		-10,778
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Major Revenue Variances

Appendix 3a

Comparison of 2016/17 Actuals against Updated Revised Estimate

	Updated Revised Estimate 2016/17 £	Actuals 2016/17 £	Variance Analysis	
			Overspend £	Underspend £
<u>Aggregates across and between all Services and Portfolios</u> (excluding any IT Reserve/slippage elements included in Appendix 3b)				
Advertising and Promotions costs	95,940	91,565		-4,375
Building maintenance costs	379,600	373,036		-6,564
Bulky Household Waste and Hazardous/Clinical Waste	17,420	-7,840		-25,260
Car Allowance (officers)	77,170	71,921		-5,249
Employee costs.	9,730,540	9,387,805		-342,735
Electricity and Gas costs.	288,910	259,601		-29,309
Fuel costs	116,110	99,267		-16,843
NNDR costs	405,660	400,944		-4,716
Printing and Stationery (ex. Elections and Rossall EAF) costs	59,100	45,813		-13,287
Vehicle parts costs and sale of vehicles income	52,990	42,414		-10,576

Services within Portfolios - Sub Totals

165,471**-1,190,874****Non Service Specific**

Financing of Capital Expenditure by Revenue - mainly slippage, see use Capital Investment Reserve.	901,584	859,036		-42,548
Interest received.	-78,080	-95,871		-17,791
NDR s31 grants and Levy (see Reserve).	-262,855	-266,535		-3,680

Non Service Specific - Sub Totals

0**-64,019**

	Updated Revised Estimate 2016/17 £	Actuals 2016/17 £	Variance Analysis	
			Use reduced /Top Up extra £	Use extra /Top up reduce £
<u>Reserve movements</u>				
Slippage of capital expenditure to 17/18, so reduced use of Reserve income in 16/17:-				
Investment IT Reserve -				
CCTV Investment	-12,000	-11,440	560	
Vehicle Replacement/Street Cleansing Maintenance -				
Vehicle Fleet Replacement Programme	-322,000	-283,964	38,036	
Other Reserve movements -				
Building Control - improved performance, now small surplus.	3,900	4,879	979	
Capital Investment -				
Top Up changes.	99,590	99,590		0
Scheme variations - minor.	-578,737	-574,785	3,952	
Insurance -				
Increase use for new claims	-9,010	-11,270		-2,260
Investment IT Reserve -				
Top Up from IT general savings - underspend.	83,550	227,344	143,794	
Usage extra Rolling Replacement Hardware Programme.	-293,000	-218,770	74,230	
Land Charges -				
Top Up - Increased surplus.	2,850	7,522	4,672	
Leisure Management -				
Top Up minor change, Garstang equipment.	6,340	6,344	4	
Non-Domestic Rates Equalisation - Top Up net of levy, changes as a result of amended NDR and grant income.	654,160	657,840	3,680	
Performance Reward Initiatives - scheme minor changes.	-21,079	-13,606	7,473	
Value for Money -				
Top Up, net additional New Burdens grant income.	83,346	89,621	6,275	

	Updated Revised Estimate 2016/17 £	Actuals 2016/17 £	Variance Analysis Use reduced /Top Up extra £	Use extra /Top up reduce £
<u>New Reserve movement recommendations</u>				
Capital Investment - Top up from General outturn net underspends.	0	495,545	495,545	
Leisure Management - Top Up change, no use of excess operational cost provision..	0	50,000	50,000	
Top Up change, operational cost savings.	0	2,000	2,000	
New Homes Bonus - Top up from General outturn net underspends.	0	401,873	401,873	
Vehicle Replacement/Street Cleansing Maintenance - Street Cleansing savings, Top Up Reserve.	0	10,778	10,778	
			1,243,851	-2,260
Reserve Movements - Sub Totals				
			£	£
<u>Summary</u>				
Major Variations				
Net aggregate 16/17 slippage/advance funding to 17/18 and future years.				-999,390
Services within Portfolios	Overspends		165,471	
Services within Portfolios	Underspends		-1,190,874	
Non Service Specific	Overspends		0	
Non Service Specific	Underspends		-64,019	
				-1,089,422
Reserve movements			1,243,851	
	Use reduced /Top Up extra		-2,260	
	Use extra / Top Up reduce			1,241,591
Other Minor variances				-152,169
Overall increase in Balances at 31/3/17 after Reserve movement				-999,390

<u>Reconciliation (See Balances Appendix 4a)</u>		
	£	£
Balances at 31/3/17 as approved at Council 2/3/17	9,664,340	
Subsequent net additional approved changes in 2016/17	-132,250	
		9,532,090
Actual Balances at 31/3/17 after 2016/17 outturn		10,531,480
Overall increase in Balances at 31/3/17		-999,390

Revenue Budget Savings - Slippage into Future Years less Advance Spend**Appendix 3b**Slippage
Request
£**A1a) Revenue Expenditure Slippage to fund Revenue costs in 2017/18
Health and Community Engagement Portfolio**

No slippage request

Leisure and Culture PortfolioCoastal Communities Fund - Revenue Schemes - Use of external funding.

Cleveleys to Fleetwood Coastal Trail. 2,750

Skippool Berths - underspend to fund the removal of dangerous structures. 2,300**Neighbourhood Services and Community Safety Portfolio**Children's Trust - Misc. Expenses, LCC funding on activities for children, young people and families. 2,300Community Safety Operations -

Other Contribs.- Financial Assistance Budget, external funds to be used as and when required. 790

Other Contribs.- LDAAT - external funding re alcohol abuse. 1,310

Community Development Initiatives -

Pilot project at Marine Hall. 2,760

CCTV costs - to fund radio airwave costs. 4,970

Sea Defences -

Completion of concrete repair works at Rossall School to 5 Bar Gate (Health and Safety). 14,670

To supply and install blue resin to outstanding areas in Cleveley's. 9,530

Land Drainage - To fund ongoing drainage works at Branksholme and other areas. 1,920Care and Repair Service -

Projects e.g. Winter warmth (09/10 and onwards) rephasing. 235,011

External Grant funding of one off projects above - e.g. LCC/PCT/CCG/DCLG. -235,011

Homelessness - No Second Night Out project - use of external grant to combat rough sleeping in the borough. 2,150**Planning and Economic Development Portfolio**Building Regulations -

Training for Domestic Plan Checking course. 1,000

To fund Ipad acquisition for remote working. 4,000

Business Support - Miscellaneous initiatives rephased and funding for Business Awards event. 20,230Fleetwood Coastal Community Project - Misc. Expenses, use of external funding on retailer shop refurbishments as and when landlord/owner permissions. 4,230Cleveleys Coastal Community Project - Creation of an action plan for priorities to spend on. 9,980Wyred Up - net underspends for continuing business events including Wyre Expo. 3,440Bus Shelters and Turn Round - completion of outstanding projects by June 17. 2,060WBC Highways - Non Agency -

Unadopted Assets - reduced maintenance in 2016/17 to enable completion of outstanding projects. 10,910

Development Control - Consultant savings required for appeals submitted 16/17 and costs in 17/18. 36,520Local Plan -

Consultant Fees - rephasing of preparation timetable. 215,170

Consultant Fees - Community Infrastructure Levy, realigned with Local Plan timetable. 21,000

Copse Road Depot - CCTV Running costs - underspend for CCTV replacement. 6,120Fleetwood Market - Consultancy for a business development plan. 6,000**Resources Portfolio**Contingency -

Provision for Planning Enforcement and appeal costs not required in 2016/17. 150,000

Provision for DFG related VAT not required in 2016/17. 231,180

Provision for Legionella assessment survey. 50,000

Provision for repairs to Marsh Mill. 12,500

Provision for replacement of Car Parking Machines. 23,580

Employee costs - for additional training and new staffing structure post June 16. 12,680

Revenue Budget Savings - Slippage into Future Years less Advance Spend

Appendix 3b

	Slippage Request £
Provision for part fund the matched funding of the Hillhouse Enterprise Zone masterplan.	580
<u>Cemeteries Team</u> - Deceased Online, data transfer to be completed.	3,000
<u>Community Safety Team</u> -	
Printing - underspend to be used for new signage for CCTV.	4,000
Miscellaneous Expenses - underspend to be used for training.	1,000
<u>Financial Services Team</u> -	
Employee costs - for additional training and new staffing structure post June 16.	20,880
Purchase of Publications - for additional training needs	1,000
Consultant Fees - Additional Civica training days linked to procurement of Civica system.	1,150
Software Purchases - underspend for Civica training days linked to procurement of Civica system.	1,500
<u>Legal Team</u> - Miscellaneous Expenses - reserved staff savings to be used for Legal case management system.	9,210
<u>Estates Team</u> - Employee costs - to fund maternity cover in the team.	16,250
<u>Parks and Open Spaces Team</u> - Routine Maintenance - Resurfacing work at Marine Gardens.	3,580
<u>Street Scene, Parks and Open Spaces Portfolio</u>	
<u>Environmental Improvements</u> - Monuments and Memorials - allocation to a new project.	1,060
<u>Memorial Park, Heritage Lottery funded project</u> - rephasing:-	
Special Events - Pharos - activities to be completed before year end.	3,610
Special Events - Fit for Heroes - reprofiled activities to be completed before year end.	1,680
Special Events - Educational Resources in place by October 2017.	2,400
Special Events - Playing on Memories to be completed by May 2017.	1,500
Special Events - Demonstration Garden - completion expected by April 2017.	380
<u>Dog Warden Service</u> - Contribution to new signage required for changing Dog Control Orders (DCO's) to Public Space Protection Orders (PSPO's).	3,800
<u>Street Cleansing</u> -	
Contribution to the in-cab technology solution.	10,000
Contribution to new signage required for changing DCO's to PSPO's.	6,000
<u>Domestic Waste Management</u> -	
Provision of Bins, boxes and sacks, - underspend, use for collection of unwanted green bins.	10,000
Service Development Board joint contribution for projects as and when agreed.	21,430
Promotions - General, support advertising of green waste subscription service through addition service leaflet information.	4,330
<u>Foreshore Cleaning</u> - Vehicle Hire - replacement parts for a tractor and other vehicles.	5,000
Directorate expenditure slippage requests to 2017/18	999,390
<u>A1b) Revenue Income increase to fund additional new Revenue costs in 2017/18</u>	0
Net Directorate slippage requests to 2017/18	999,390
<u>B) Income Slippage to 2017/18</u>	0
	Slippage/ Advance Funding
	£ £
<u>C) Advance spend in 2016/17 of 2017/18 Revenue Budget</u>	0
<u>D1) Capital Expenditure slippage to 2017/18, financed by Revenue Resources Portfolio</u>	
CCTV Investment	560
<u>Street Scene, Parks and Open Spaces Portfolio</u>	
Vehicle Fleet Replacement Programme	38,036
Aggregate Capital Expenditure slippage to 2017/18	38,596
<u>D2) Capital Expenditure advance use in 2016/17 of 2017/18 budget, financed by Revenue</u>	0

Revenue Budget Savings - Slippage into Future Years less Advance Spend

Appendix 3b

	£	Slippage/ Advance Funding £
E) Reserve movements -		
<u>Slippage of revenue expenditure (Reserve funded) to 2017/18 -</u>		
<u>Investment I.T. Strategy Reserve -</u>		
CCTV Investment	-560	-560
<u>Slippage of capital expenditure (Reserve funded) to 2017/18 -</u>		
<u>Vehicle Replacement/ Street Cleansing Maintenance</u>		
Vehicle Fleet Replacement Programme	-38,036	-38,036
		0
<u>Advance use of capital budget 2017/18 to fund expenditure in 16/17 (Reserve funded)</u>		0
Aggregate Reserve movements		-38,596
Net 2017/18 Slippage and Advance Spend movements funded by Balances		<u>999,390</u>

<u>Reconciliation</u>	<u>Summary Impact on Balances after accounting for Slippage from 2016/17</u>	
	£	£
Actual Balances at 31/3/17 (see Appendices 3a and 4a)		10,531,480
<u>Less:-</u>		
Net Directorate slippage requests from 2016/17 to 2017/18 (see A1 above).	-999,390	
Income slippage from 2016/17 to 2017/18 (see B above).	0	
Advance spend in 2016/17 of 2017/18 Revenue Budget (see C above).	0	
Financing of slipped Capital Expenditure by Revenue (see D1 above).	-38,596	
Financing of advance spend in 2016/17 of 2017/18 Capital Budget by Revenue (see D2 above).	0	
Net additional use of Reserves in respect of slipped expenditure (see E above).	38,596	
		-999,390
Original Balances movement 2017/18 as approved at Council 2/3/17.		1,399,811
Latest changes in 2017/18. Up to end May Board		117,544
Latest estimated Balances at 31/3/18 (see Appendix 4a)		11,049,445
<u>Reconciliation (See Balances Appendix 4a)</u>		
Balances at 31/3/18 (per Council 2/3/17 but updated for subsequent approvals).	£	£
Increased 16/17 Balances at 31/3/17.	999,390	10,931,901
Less net use of Balances as a consequence of slippage to 2017/18.	-999,390	
Less latest 17/18 changes.	117,544	
		117,544
Latest estimated Balances at 31/3/18 (see Appendix 4a)		11,049,445

F) Additional 2017/18 change as a consequence of 2016/17 year-end reviews**NOT affecting Balances.**

IT Infrastructure Costs.	205,000	
Use of increased top up y/e 16/17 Investment - IT Strategy Reserve.	-205,000	
		0
New Burden Employment and Support Allowance DWP Grant.	-2,191	
Net change in the Value for Money Reserve in respect of the above.	2,191	
		0
		0

Revenue Budget Savings - Slippage into Future Years less Advance Spend

Appendix 3b

G) Additional 2018/19 change as a consequence of 2016/17 year-end reviews NOT affecting Balances.

0

H) Revenue Budget 2018/19 changes affecting Balances

Use of increased 16/17 Balances to fund additional 18/19 costs.

Wyre BC share of Collection Fund 16/17 y/e net reduced surplus/deficit to be taken into account in setting the 2018/19 Budget. (Assumes no change to 17/18 forecast):-

NDR Transactions. Increased in Balances.	-51,825	
Council Tax transactions. Reduction in Balances.	<u>12,592</u>	-39,233

Change in set-aside provision for rephased Vehicle Fleet replacement.	<u>-4,214</u>	
		<u>-4,214</u>
		<u><u>-43,447</u></u>

I) 2019/20 changes resulting from 16/17 y/e reviews, affecting Balances.

0

J) 2020/21 changes as a consequence of 16/17 year-end affecting Balances.

0

RESERVES AND BALANCES STATEMENT

Appendix 4a

	Actual Balance at 01/04/2016 £	' Top-up ' £	<u>Less to Fund</u> Expenditure £	Estimated Balance at 31/03/2017 £
<u>2016/17 UPDATED REVISED ESTIMATE*</u>				
Reserves				
Building Control	7,320	3,900	0	11,220
Business Growth Incentive	9,424	0	0	9,424
Capital Investment	796,180	99,590	-578,737	317,033
Elections	18,842	41,217	-30,000	30,059
Insurance	0	40,000	-9,010	30,990
Investment - I.T. Strategy	324,786	86,230	-293,000	118,016
Land Charges	21,608	2,850	-78	24,380
Leisure Management	151,542	21,340	-38,828	134,054
New Homes Bonus	2,478,020	760,158	-568,749	2,669,429
Non-Domestic Rates Equalisation	1,439,929	654,160	-331,828	1,762,261
Performance Reward Initiatives	49,973	0	-21,079	28,894
Value for Money	570,646	83,346	-26,747	627,245
Vehicle Replacement/Street Cleansing Maintenance	492,871	214,381	-242,500	464,752
	6,361,141	2,007,172	-2,140,556	6,227,757
Balances				
General	8,022,012	1,510,078	0	9,532,090
TOTAL	14,383,153	3,517,250	-2,140,556	15,759,847

Note. All of the Performance Reward Initiatives 31/03/17 balance is ring-fenced for revenue purposes.

Note. None of the Land Charges 31/03/17 balance is for Personal Search revocation implications.

	Actual Balance at 01/04/2016 £	' Top-up ' £	<u>Less to Fund</u> Expenditure £	Actual Balance at 31/03/2017 £
<u>2016/17 OUTTURN</u>				
Reserves				
Building Control	7,320	4,879	0	12,199
Business Growth Incentive	9,424	0	0	9,424
Capital Investment	796,180	595,135	-574,785	816,530
Elections	18,842	41,217	-30,000	30,059
Insurance	0	40,000	-11,270	28,730
Investment - I.T. Strategy	324,786	230,024	-218,210	336,600
Land Charges	21,608	7,522	-78	29,052
Leisure Management	151,542	73,344	-38,828	186,058
New Homes Bonus	2,478,020	1,162,031	-568,749	3,071,302
Non-Domestic Rates Equalisation	1,439,929	657,840	-331,828	1,765,941
Performance Reward Initiatives	49,973	0	-13,606	36,367
Value for Money	570,646	89,621	-26,747	633,520
Vehicle Replacement/Street Cleansing Maintenance	492,871	225,159	-204,464	513,566
	6,361,141	3,126,772	-2,018,565	7,469,348
Balances				
General	8,022,012	2,509,468	0	10,531,480
TOTAL	14,383,153	5,636,240	-2,018,565	18,000,828

Note. All of the Performance Reward Initiatives 31/03/17 balance is ring-fenced for revenue purposes.

Note. None of the Land Charges 31/03/17 balance is for Personal Search revocation implications.

* Includes changes since Council 02/03/17

RESERVES AND BALANCES STATEMENT

Appendix 4a continued

	Estimated Balance at 01/04/2017 £	' Top-up ' £	<u>Less to Fund</u> Expenditure £	Estimated Balance at 31/03/2018 £
<u>2017/18 CURRENT ESTIMATE*</u>				
Reserves				
Building Control	11,220	0	-3,440	7,780
Business Growth Incentive	9,424	0	-9,424	0
Capital Investment	317,033	99,590	0	416,623
Elections	30,059	41,217	0	71,276
Insurance	30,990	40,000	0	70,990
Investment - I.T. Strategy	118,016	78,340	-80,000	116,356
Land Charges	24,380	1,240	0	25,620
Leisure Management	134,054	6,340	0	140,394
New Homes Bonus	2,669,429	341,192	-568,749	2,441,872
Non-Domestic Rates Equalisation	1,762,261	818,837	-1,480,210	1,100,888
Performance Reward Initiatives	28,894	0	-2,620	26,274
Value for Money	627,245	69,811	-9,733	687,323
Vehicle Replacement/Street Cleansing Maintenance	464,752	223,971	-313,115	375,608
	<u>6,227,757</u>	<u>1,720,538</u>	<u>-2,467,291</u>	<u>5,481,004</u>
Balances				
General	9,532,090	1,517,355	0	11,049,445
	<u>15,759,847</u>	<u>3,237,893</u>	<u>-2,467,291</u>	<u>16,530,449</u>

Note. All of the Performance Reward Initiatives 31/03/17 balance is ring-fenced for revenue purposes.

Note. None of the Land Charges 31/03/18 balance is for Personal Search revocation implications.

* Includes changes since Council 02/03/17

	Actual Balance at 01/04/2017 £	' Top-up ' £	<u>Less to Fund</u> Expenditure £	Estimated Balance at 31/03/2018 £
<u>2017/18 LATEST ESTIMATE* INCLUDING OUTTURN 2016/17 AND SLIPPAGE</u>				
Reserves				
Building Control	12,199	0	-3,440	8,759
Business Growth Incentive	9,424	0	-9,424	0
Capital Investment	816,530	99,590	0	916,120
Elections	30,059	41,217	0	71,276
Insurance	28,730	40,000	0	68,730
Investment - I.T. Strategy	336,600	78,340	-285,560	129,380
Land Charges	29,052	1,240	0	30,292
Leisure Management	186,058	6,340	0	192,398
New Homes Bonus	3,071,302	341,192	-568,749	2,843,745
Non-Domestic Rates Equalisation	1,765,941	818,837	-1,480,210	1,104,568
Performance Reward Initiatives	36,367	0	-2,620	33,747
Value for Money	633,520	72,002	-9,733	695,789
Vehicle Replacement/Street Cleansing Maintenance	513,566	223,971	-321,651	415,886
	<u>7,469,348</u>	<u>1,722,729</u>	<u>-2,681,387</u>	<u>6,510,690</u>
Balances				
General	10,531,480	517,965	0	11,049,445
	<u>18,000,828</u>	<u>2,240,694</u>	<u>-2,681,387</u>	<u>17,560,135</u>

Note. All of the Performance Reward Initiatives 31/03/17 balance is ring-fenced for revenue purposes.

Note. None of the Land Charges 31/03/18 balance is for Personal Search revocation implications.

* Includes changes since Council 02/03/17

RESERVES AND BALANCES STATEMENT

Appendix 4a continued

	Estimated Balance at 01/04/2018 £	' Top-up ' £	Less to Fund Expenditure £	Estimated Balance at 31/03/2019 £
<u>2018/19 LATEST ESTIMATE*</u>				
Reserves				
Building Control	8,759	0	0	8,759
Business Growth Incentive	0	0	0	0
Capital Investment	916,120	99,590	0	1,015,710
Elections	71,276	41,217	0	112,493
Insurance	68,730	40,000	0	108,730
Investment - I.T. Strategy	129,380	55,565	-80,000	104,945
Land Charges	30,292	0	0	30,292
Leisure Management	192,398	0	0	192,398
New Homes Bonus	2,843,745	0	-568,749	2,274,996
Non-Domestic Rates Equalisation	1,104,568	0	-285,731	818,837
Performance Reward Initiatives	33,747	0	-2,620	31,127
Value for Money	695,789	0	0	695,789
Vehicle Replacement/Street Cleansing Maintenance	415,886	249,940	-246,000	419,826
	<u>6,510,690</u>	<u>486,312</u>	<u>-1,183,100</u>	<u>5,813,902</u>
Balances				
General	11,049,445	0	-588,510	10,460,935
	<u>17,560,135</u>	<u>486,312</u>	<u>-1,771,610</u>	<u>16,274,837</u>

Note. All of the Performance Reward Initiatives 31/03/17 balance is ring-fenced for revenue purposes.

Note. None of the Land Charges 31/03/19 balance is for Personal Search revocation implications.

* Includes changes since Council 02/03/17

	Estimated Balance at 01/04/2019 £	' Top-up ' £	Less to Fund Expenditure £	Estimated Balance at 31/03/2020 £
<u>2019/20 LATEST ESTIMATE*</u>				
Reserves				
Building Control	8,759	0	0	8,759
Business Growth Incentive	0	0	0	0
Capital Investment	1,015,710	82,990	0	1,098,700
Elections	112,493	41,217	-153,710	0
Insurance	108,730	40,000	0	148,730
Investment - I.T. Strategy	104,945	45,570	-118,020	32,495
Land Charges	30,292	0	0	30,292
Leisure Management	192,398	0	0	192,398
New Homes Bonus	2,274,996	0	-568,749	1,706,247
Non-Domestic Rates Equalisation	818,837	0	0	818,837
Performance Reward Initiatives	31,127	0	-1,233	29,894
Value for Money	695,789	0	0	695,789
Vehicle Replacement/Street Cleansing Maintenance	419,826	256,214	-344,500	331,540
	<u>5,813,902</u>	<u>465,991</u>	<u>-1,186,212</u>	<u>5,093,681</u>
Balances				
General	10,460,935	0	-1,637,288	8,823,647
	<u>16,274,837</u>	<u>465,991</u>	<u>-2,823,500</u>	<u>13,917,328</u>

Note. All of the Performance Reward Initiatives 31/03/17 balance is ring-fenced for revenue purposes.

Note. None of the Land Charges 31/03/20 balance is for Personal Search revocation implications.

* Includes changes since Council 02/03/17

RESERVES AND BALANCES STATEMENT

Appendix 4a continued

	Estimated Balance at 01/04/2020 £	' Top-up ' £	Less to Fund Expenditure £	Estimated Balance at 31/03/2021 £
<u>2020/21 LATEST ESTIMATE*</u>				
Reserves				
Building Control	8,759	0	0	8,759
Business Growth Incentive	0	0	0	0
Capital Investment	1,098,700	0	0	1,098,700
Elections	0	41,217	0	41,217
Insurance	148,730	40,000	0	188,730
Investment - I.T. Strategy	32,495	63,885	-80,000	16,380
Land Charges	30,292	0	0	30,292
Leisure Management	192,398	0	0	192,398
New Homes Bonus	1,706,247	0	-568,749	1,137,498
Non-Domestic Rates Equalisation	818,837	0	0	818,837
Performance Reward Initiatives	29,894	0	0	29,894
Value for Money	695,789	0	0	695,789
Vehicle Replacement/Street Cleansing Maintenance	331,540	262,153	-426,700	166,993
	<u>5,093,681</u>	<u>407,255</u>	<u>-1,075,449</u>	<u>4,425,487</u>
Balances				
General	8,823,647	0	-2,071,098	6,752,549
TOTAL	<u>13,917,328</u>	<u>407,255</u>	<u>-3,146,547</u>	<u>11,178,036</u>

Note. All of the Performance Reward Initiatives 31/03/17 balance is ring-fenced for revenue purposes.

Note. None of the Land Charges 31/03/21 balance is for Personal Search revocation implications.

* Includes changes since Council 02/03/17

TRANSFERS TO AND FROM (-) RESERVES

Appendix 4b

Updated Revised 2016/17 Estimate and actuals reflecting slippage to later years

*approved at Council 02/03/17 with subsequent changes

***** Top Up/(-)Expenditure *****

Current *

	2016/17 Revised Estimate		2016/17 Actual	
	£	£	£	£
BUILDING CONTROL				
Chargeable work 2016/17 net surplus.		3,900		4,879
BUSINESS GROWTH INCENTIVE				
Business Support initiatives.		0		0
CAPITAL INVESTMENT				
Top Up - YMCA equipment contribution, Cabinet 22/10/14 (final year 2019/20).	99,590		99,590	
Top Up - general outturn net underspend	0		495,545	
Usage reflects the approvals of Cabinet 30/11/16 (quarter 2 2016/17 review):-				
Leisure Centre Improvements				
Garstang LC - slippage from 15/16.	-300,000		-296,048	
2015/16 Outturn review				
Garstang LC - advance 15/16 spend.	3,800		3,800	
Fleetwood Leisure Centre Sand filters - slippage from 2015/16.	-51,500		-51,500	
Fleetwood Leisure Centre urgent Heating improvements - slippage from 2015/16.	-99,490		-99,490	
Cabinet 18/1/17 Quarter 3 2016/17 Review				
Pouton And Thornton Leisure Centres - Retention payment	-117,746		-117,746	
Beach Bungalows, Fleetwood.	-13,801		-13,801	
		-479,147		20,350
ELECTIONS				
Annual provision 2019 Borough Elections.	41,217		41,217	
Transfer to General Fund, for CAB funding (year 2 of 2), Cab. 21/1/15.	-30,000		-30,000	
		11,217		11,217
INSURANCE				
Annual set aside for possible claims.	40,000		40,000	
Use - to cover new claims.	-9,010		-11,270	
		30,990		28,730
INVESTMENT - I.T. STRATEGY				
Top Up from IT general savings per latest review.	83,550		227,344	
Top Up re CCTV investment net Fylde contribution. Cabinet 3/12/14.	2,680		2,680	
CCTV Investment.	-12,000		-11,440	
Additional Rolling Replacement Hardware Programme.	-281,000		-206,770	
		-206,770		11,814
LAND CHARGES				
Chargeable work 2016/17 net surplus	2,850		7,522	
Personal Searches - Legal Fees costs.	-78		-78	
		2,772		7,444
LEISURE MANAGEMENT				
Top Up, Garstang equipment, YMCA contribution (year 4 of 5).	6,340		6,344	
Top Up, no use of Leisure Management Excess provision.	0		50,000	
Top Up, Wyre BC share of 16/17 YMCA operational savings.	0		2,000	
Top Up - Underspend Garstang LC and Pool capital costs.	15,000		15,000	
Use - Cabinet 15/6/16 additional Garstang LC and Pool capital costs.	-38,828		-38,828	
		-17,488		34,516
NEW HOMES BONUS				
Top Up for Government Grant (year 6 of 6), see 2011/12.	271,597		271,597	
Top Up for Government Grant (year 5 of 6), see 2012/13.	147,369		147,369	
Top Up for Government Grant (year 4 of 6), see 2013/14.	341,192		341,192	
Top Up for general outturn net underspend	0		401,873	
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	
		191,409		593,282
NON-DOMESTIC RATES EQUALISATION				
Top-Up - s31 Local Government Act 2003 Grant net of related NDR Levy.	389,721		370,270	
Top-Up - NDR Retained Levy (Pooling).	264,439		287,570	
Transfer to General Fund, 2014/15 Reserve increased surplus.	-331,828		-331,828	
		322,332		326,012

TRANSFERS TO AND FROM RESERVES

Appendix 4b Continued

Updated Revised 2016/17 Estimate and actuals reflecting slippage to later years

*approved at Council 02/03/17 with subsequent changes

***** Top Up/(-)Expenditure *****

	Current *			
	2016/17 Revised Estimate		2016/17 Actual	
	£	£	£	£
PERFORMANCE REWARD INITIATIVES				
Wyre BC revenue scheme - Wyred Up slip from 15/16.		-2,769		-1,305
Volunteer Wyre Project, Cab.19/6/13, slippage from 15/16 (also to future years),		-2,020		-1,490
Contribution to Jean Stansfield Project		-5,000		-5,000
Neighbourhood Funding (6 areas), Cabinet 15/1/14. Detailed scheme allocation		-3,150		0
Cabinet 30/7/14. 15/16 slippage.				
2015/16 one year SYN extension, Cabinet 21/1/15 - 15/16 slippage.		-8,140		-5,811
			-21,079	-13,606
VALUE FOR MONEY				
Fraud and Error Reduction Scheme (FERIS) Maintenance Fund, DWP grant.	22,379		22,379	
New Burden Real Time Information initial DWP grant.	2,190		7,704	
New Burden Removal Family Premium HB limitation, DWP grant.	1,780		1,780	
New Burden Welfare Reform changes, DWP grant.	22,810		22,810	
Universal Credit Delivery Partnership Agreement with DWP.	16,210		16,210	
New Burden Single Fraud Investigation Service DWP grant.	2,100		2,100	
New Burden Pension Credit Assessed Income Period Reform, DWP grant.	740		740	
New Burden Benefit Cap Changes, DWP grant.	14,900		14,900	
Participation in the Housing Benefit Review Programme	237		237	
Letting Agents' Redress and Transparency Requirements	0		761	
NFI 16/17 Exercise Council Tax Reduction Scheme	-550		-550	
Use - Contact Centre 2 year Apprentice to 8/6/16. Post No. RE4055.	-2,916		-2,916	
Use - Contact Centre new 2 year Apprentice to 11/10/17. Post No. RE3044.	-17,780		-17,780	
Use - Contact Centre new 2 year Apprentice to 4/10/17. Post No. RE4047.	-5,501		-5,501	
			56,599	62,874
VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE				
Aggregate set-aside for replacement of vehicles, Qtr1 review, Cabinet 29/7/15.	213,208		213,208	
Aggregate set-aside for replacement of vehicles, Qtr3 review, Cabinet 20/1/16.	643		643	
Adjusted set-aside after 2015/16 outturn.	530		530	
Top Up from Street Cleansing vehicle savings in 2016/17.	0		10,778	
Use of Reserve to fund vehicle replacements/adaptations - part slip to 2017/18	-322,000		-283,964	
<u>Cabinet 29/7/15 Quarter 1 2015/16 Review</u>				
Vehicle Fleet Replacement Programme rephase.	-42,000		-42,000	
<u>Cabinet 20/1/16 Quarter 3 2015/16 Review</u>				
Vehicle Fleet Replacement Programme cost rephase.	79,500		79,500	
<u>2015/16 Outturn review</u>				
Vehicle Fleet Replacement Programme cost rephase.	42,000		42,000	
			-28,119	20,695
TOTAL NET TRANSFER TO / FROM (-) 2016/17 RESERVES		-133,384		1,108,207

TRANSFERS TO AND FROM RESERVES

Appendix 4b Continued

Updated 2017/18 Estimate - reflecting slippage from 2016/17

*approved at Council 02/03/17 with subsequent changes

***** Top Up/(-)Expenditure *****

	Current * 2017/18 Estimate		Latest 2017/18 Estimate	
	£	£	£	£
BUILDING CONTROL				
Chargeable work 2017/18 net deficit.			-3,440	-3,440
BUSINESS GROWTH INCENTIVE				
Business Support initiatives.			-9,424	-9,424
CAPITAL INVESTMENT				
Top Up -YMCA equipment contribution, Cabinet 22/10/14 (final year 2019/20).			99,590	99,590
ELECTIONS				
Annual provision 2019 Borough Elections.			41,217	41,217
INSURANCE				
Annual set aside for possible claims.			40,000	40,000
INVESTMENT - I.T. STRATEGY				
Top Up from IT general savings per latest review.	65,660		65,660	
Top Up re CCTV investment net Fylde contribution. Cabinet 3/12/14.	12,680		12,680	
<u>2016/17 Outturn review</u>				
CCTV Investment.	0		-560	
Fund the IT Infrastructure Costs	0		-205,000	
Additional Rolling Replacement Hardware Programme.	-80,000		-80,000	
			-1,660	-207,220
LAND CHARGES				
Chargeable work 2017/18 net surplus			1,240	1,240
LEISURE MANAGEMENT				
Top Up, Garstang equipment, YMCA contribution (year 5 of 5).			6,340	6,340
NEW HOMES BONUS				
Top Up for Government Grant (year 5 of 5), see 2013/14.	341,192		341,192	
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	
			-227,557	-227,557
NON-DOMESTIC RATES EQUALISATION				
Top-Up - s31 Local Government Act 2003 Grant net of related NDR Levy.	387,092		387,092	
Top-Up - NDR Retained Levy (Pooling).	431,745		431,745	
Transfer to General Fund, 2015/16 Reserve Top Up.	-1,108,101		-1,108,101	
Transfer to General Fund, 2016/17 part Reserve Top Up.	-372,109		-372,109	
			-661,373	-661,373
PERFORMANCE REWARD INITIATIVES				
Volunteer Wyre Project, Cab.19/6/13, incl. slippage from 15/16 and to future years.			-2,620	-2,620
VALUE FOR MONEY				
New Burden Single Fraud Investigation Service DWP grant.	1,449		1,449	
New Burden Migrant Access to Benefits DWP grant.	714		714	
New Burden Reduced Temporary Absence Outside GB DWP grant.	711		711	
New Burden Removal of Assessed Income Period DWP grant.	649		649	
New Burden DHP Administration DWP grant.	17,430		17,430	
New Burden Benefit Cap DWP grant.	9,360		9,360	
Universal Credit Delivery Partnership Agreement with DWP.	14,388		14,388	
New Burden Right Benefit Initiative DWP grant.	25,110		25,110	
New Burden Employment and Support Allowance DWP grant.	0		2,191	
Use - Contact Centre new 2 year Apprentice to 11/10/17. Post No. RE3044.	-9,733		-9,733	
			60,078	62,269
VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE				
Aggregate set-aside for replacement of vehicles, Qtr1 review, Cabinet 29/7/15.	234,338		234,338	
Aggregate set-aside for replacement of vehicles, Qtr3 review, Cabinet 20/1/16.	-7,761		-7,761	
Adjusted set-aside after 2015/16 outturn.	-5,606		-5,606	
Use of Reserve to fund MOT Test Centre Copse Road.	-52,115		-52,115	
Use of Reserve to fund vehicle replacements/adaptations.	-166,500		-166,500	
<u>Cabinet 20/1/16 Quarter 3 2015/16 Review</u>				
Vehicle Fleet Replacement Programme cost rephase.	-79,500		-79,500	
<u>2015/16 Outturn review</u>				
Vehicle Fleet Replacement Programme cost rephase.	-42,000		-42,000	
<u>Cabinet 30/11/16 Quarter 2 2016/17 Review</u>				
Vehicle Fleet Replacement Programme cost rephase.	27,000		27,000	
<u>2016/17 Outturn review</u>				
Vehicle Fleet Replacement Programme cost rephase.	0		29,500	
Additional Income MOT Centre Top Up Reserve to replace equipment	3,000		3,000	
Vehicle Fleet Replacement Programme - slippage from 16/17.	0		-38,036	
			-89,144	-97,680
TOTAL NET TRANSFER FROM (-) 2017/18 RESERVES			-746,753	-958,658

TRANSFERS TO AND FROM RESERVES

Appendix 4b Continued

Updated 2018/19 Estimate

*approved at Council 02/03/17 with subsequent changes

***** Top Up/(-)Expenditure *****

	Current * 2018/19 Estimate		Latest 2018/19 Estimate	
	£	£	£	£
BUILDING CONTROL				
Chargeable work 2018/19 net nil.			0	0
CAPITAL INVESTMENT				
Top Up -YMCA equipment contribution, Cabinet 22/10/14 (final year 2019/20).			99,590	99,590
ELECTIONS				
Annual provision 2019 Borough Elections.			41,217	41,217
INSURANCE				
Annual set aside for possible claims.			40,000	40,000
INVESTMENT - I.T. STRATEGY				
Top Up from IT general savings per latest review.	42,885		42,885	
Top Up re CCTV investment net Fylde contribution. Cabinet 3/12/14.	12,680		12,680	
Additional Rolling Replacement Hardware Programme.	-80,000		-80,000	
			-24,435	-24,435
LAND CHARGES				
Chargeable work 2018/19 net nil.			0	0
NEW HOMES BONUS				
Now assume post Consultation, Government preference to reduce 6 yearly allocations (incl. prior years) to 4 will be actioned.				
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
NON-DOMESTIC RATES EQUALISATION				
Transfer to General Fund, 2016/17 part Reserve Top Up.	0		-285,731	
			0	-285,731
PERFORMANCE REWARD INITIATIVES				
Volunteer Wyre Project, Cab.19/6/13, incl. slippage from 15/16 and to future years.			-2,620	-2,620
VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE				
Aggregate set-aside for replacement of vehicles, Qtr1 review, Cabinet 29/7/15.	250,473		250,473	
Aggregate set-aside for replacement of vehicles, Qtr3 review, Cabinet 20/1/16.	643		643	
Adjusted set-aside after 2015/16 outturn.	395		395	
Aggregate set-aside for replacement of vehicles, Qtr2 review, Cabinet 30/11/16.	-357		-357	
Adjusted set-aside after 2016/17 outturn.	0		-4,214	
Use of Reserve to fund vehicle replacements/adaptations.	-189,500		-189,500	
<u>Cabinet 29/7/15 Quarter 1 2015/16 Review</u>				
Vehicle Fleet Replacement Programme rephase.	-2,660		-2,660	
<u>Cabinet 20/1/16 Quarter 3 2015/16 Review</u>				
Vehicle Fleet Replacement Programme cost rephase.	2,660		2,660	
<u>Cabinet 30/11/16 Quarter 2 2016/17 Review</u>				
Vehicle Fleet Replacement Programme cost rephase.	-27,000		-27,000	
<u>2016/17 Outturn review</u>				
Vehicle Fleet Replacement Programme cost rephase.	0		-29,500	
Additional Income MOT Centre Top Up Reserve to replace equipment	3,000		3,000	
			37,654	3,940
TOTAL NET TRANSFER FROM (-) 2018/19 RESERVES			-377,343	-696,788

TRANSFERS TO AND FROM RESERVES**Appendix 4b Continued****Updated 2019/20 Estimate**

*approved at Council 02/03/17 with subsequent changes

***** Top Up/(-)Expenditure *****

	Current *		Latest	
	2019/20 Estimate		2019/20 Estimate	
	£	£	£	£
BUILDING CONTROL				
Chargeable work 2019/20 net nil.		0		0
CAPITAL INVESTMENT				
Top Up -YMCA equipment contribution, Cab.22/10/14 (final part year 2019/20).		82,990		82,990
ELECTIONS				
Annual provision 2019 Borough Elections.		41,217		41,217
Use of Reserve for Borough Elections in 2019.		-153,710		-153,710
		-112,493		-112,493
INSURANCE				
Annual set aside for possible claims.		40,000		40,000
INVESTMENT - I.T. STRATEGY				
Top Up from IT general savings per latest review.		36,060		36,060
Top Up re CCTV investment net Fylde contribution. Cabinet 3/12/14.		9,510		9,510
CCTV Investment.		-38,020		-38,020
Additional Rolling Replacement Hardware Programme.		-80,000		-80,000
		-72,450		-72,450
LAND CHARGES				
Chargeable work 2019/20 net nil.		0		0
NEW HOMES BONUS				
Now assume post Consultation, Government preference to reduce 6 yearly allocations (incl. prior years) to 4 will be actioned.				
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
PERFORMANCE REWARD INITIATIVES				
Volunteer Wyre Project, Cab.19/6/13, incl. slippage from 15/16 and to future years.		-1,233		-1,233
VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE				
Aggregate set-aside for replacement of vehicles, Qtr1 review, Cabinet 29/7/15.		252,819		252,819
Adjusted set-aside after 2015/16 outturn.		395		395
Use of Reserve to fund vehicle replacements/adaptations.		-344,500		-344,500
Additional Income MOT Centre Top Up Reserve to replace equipment		3,000		3,000
		-88,286		-88,286
TOTAL NET TRANSFER FROM (-) 2019/20 RESERVES		-720,221		-720,221

TRANSFERS TO AND FROM RESERVES**Appendix 4b Continued****Updated 2020/21 Estimate**

*approved at Council 02/03/17 with subsequent changes

***** Top Up/(-)Expenditure *****

	Current *		Latest	
	2020/21 Estimate		2020/21 Estimate	
	£	£	£	£
BUILDING CONTROL				
Chargeable work 2020/21 net nil.			0	0
CAPITAL INVESTMENT				
			0	0
ELECTIONS				
Annual provision 2019 Borough Elections.			41,217	41,217
INSURANCE				
Annual set aside for possible claims.			40,000	40,000
INVESTMENT - I.T. STRATEGY				
Top Up from IT general savings per latest review.		63,885		63,885
Additional Rolling Replacement Hardware Programme.		<u>-80,000</u>		<u>-80,000</u>
			-16,115	-16,115
LAND CHARGES				
Chargeable work 2020/21 net nil.			0	0
NEW HOMES BONUS				
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.		<u>-72,607</u>		<u>-72,607</u>
			-568,749	-568,749
VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE				
After Quarter 3 2016/17 review changes, Cabinet 18/1/17:-				
Aggregate set-aside for replacement of vehicles.		259,153		259,153
Use of Reserve to fund vehicle replacements/adaptations.		-426,700		-426,700
Additional Income MOT Centre Top Up Reserve to replace equipment		<u>3,000</u>		<u>3,000</u>
			-164,547	-164,547
TOTAL NET TRANSFER FROM (-) 2020/21 RESERVES			<u><u>-668,194</u></u>	<u><u>-668,194</u></u>