



# Statement of Accounts

[Draft]


2023/2024

Ribble Valley Borough Council

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# Table of Contents

<b>Independent Auditors' Report</b>	<b>5</b>
<b>Narrative Report</b>	<b>10</b>
<b>Statement of Responsibilities</b>	<b>46</b>
<b>Approval of the Statement of Accounts</b>	<b>47</b>
<b>Statement of Accounting Policies</b>	<b>48</b>
<b>Comprehensive Income and Expenditure Statement</b>	<b>66</b>
<b>Movement in Reserves Statement</b>	<b>68</b>
<b>Balance Sheet</b>	<b>70</b>
<b>Cash Flow Statement</b>	<b>72</b>
<b>Notes to the Core Financial Statements</b>	
1 Expenditure and funding analysis	73
2 Note to the expenditure and funding analysis	74
3 Expenditure and income analysed by nature	76
4 Accounting standards that have been issued but have not yet been adopted	77
5 Critical judgements in applying accounting policies	78
6 Assumptions made about the future and other major sources of estimation uncertainty	79
7 Material items of income and expense	80
8 Taxation and non-specific grant income	81
9 Events after the reporting period	82
10 Adjustments between accounting basis and funding basis under regulations	82
11 Lancashire business rates pool	88
12 Transfers to/from earmarked reserves	90

**Table of Contents**

13	Property, plant and equipment	99
14	Heritage assets	103
15	Financial instruments	104
16	Short Term Debtors	106
17	Cash and cash equivalents	106
18	Short Term Creditors	106
19	Provisions	107
20	Usable reserves	107
21	Unusable reserves	109
22	Cash flow statement – operating activities	113
23	Cash flow statement – investing activities	114
24	Cash flow statement – financing activities	114
25	Members' allowances	115
26	Officers' emoluments	116
27	External audit costs	121
28	Grant income	121
29	Related party transactions	124
30	Capital expenditure and capital financing	127
31	Leases	127
32	Defined benefit pension schemes	128
33	Contingent liabilities	134
34	Nature and extent of risks arising from financial instruments	135
	<b>Collection Fund</b>	<b>140</b>
	<b>Glossary of Terms</b>	<b>148</b>

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# Narrative Report

## 1 INTRODUCTION

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### **Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (Based on International Financial Reporting Standards)**

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) specifies the principles and practices of accounting required to give a 'true and fair' view of the financial position and transactions of the council.

The Code sets out the proper accounting practices required by section 21(2) of the Local Government Act 2003. These proper practices apply to:

- Statement of Accounts prepared in accordance with the statutory framework established for England by the Accounts and Audit (England) Regulations 2015.
- The audit of those accounts undertaken in accordance with the statutory framework established by section 4 of the Local Audit and Accountability Act 2014.

The Code prescribes the accounting treatment and disclosures for all normal transactions of a local authority, and is based on the following hierarchy of standards:

- International Financial Reporting Standards (IFRSs) (including International Accounting Standards (IASs) and International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) interpretations) as adopted by the European Union (i.e. EU-adopted IFRS).
- International Public Sector Accounting Standards (IPSASs)
- UK Generally Accepted Accounting Practice (GAAP) (Financial Reporting Standards (FRSs), Statements of Standard Accounting Practice (SSAPs) and Urgent Issues Task Force (UITF) Abstracts).

## 2 RIBBLE VALLEY DEMOGRAPHICS AND ECONOMY

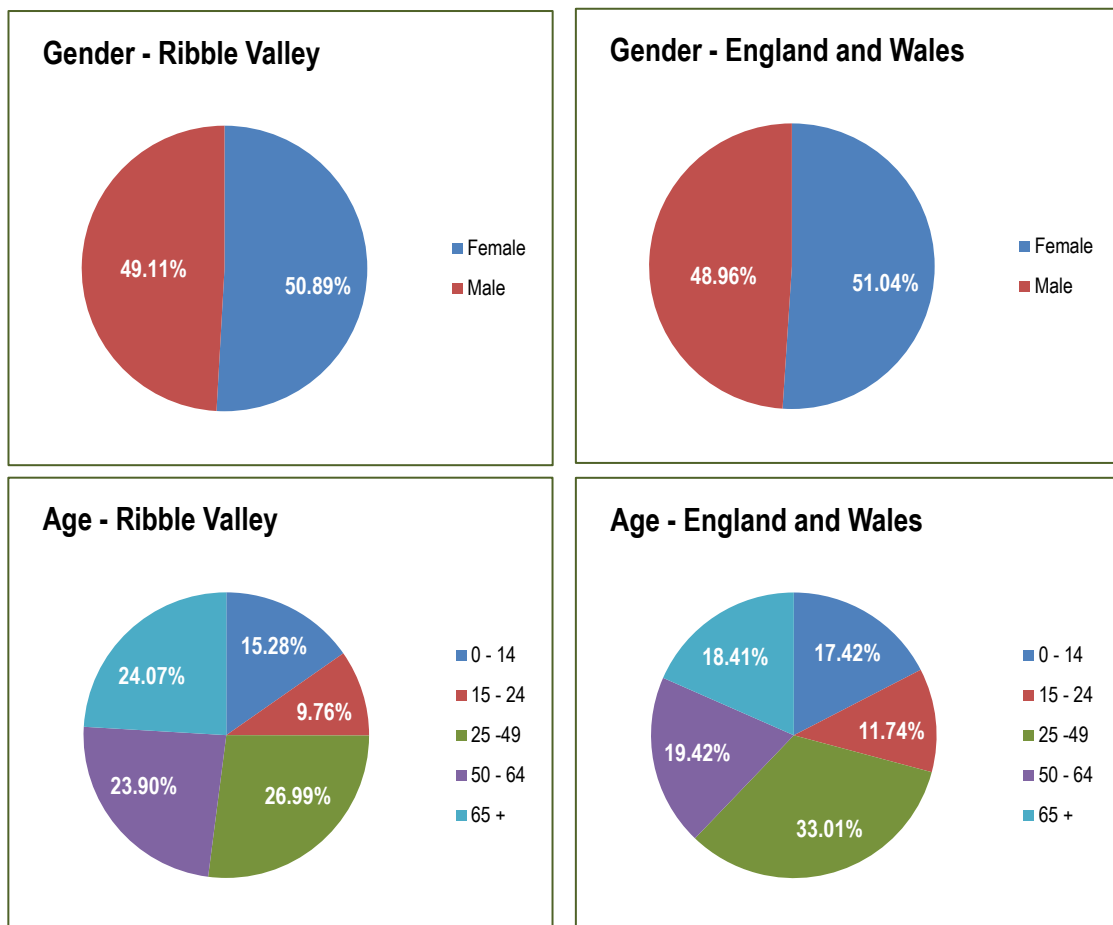
### Locality

Ribble Valley is in the County of Lancashire bordering neighbouring councils in Pennine Lancashire, Craven District Council in North Yorkshire, South Ribble, Preston, Wyre and Lancaster Borough Councils. The administrative centre for the district is the historic market town of Clitheroe. The industrial and commercial centre for the west of the borough is the town of Longridge.

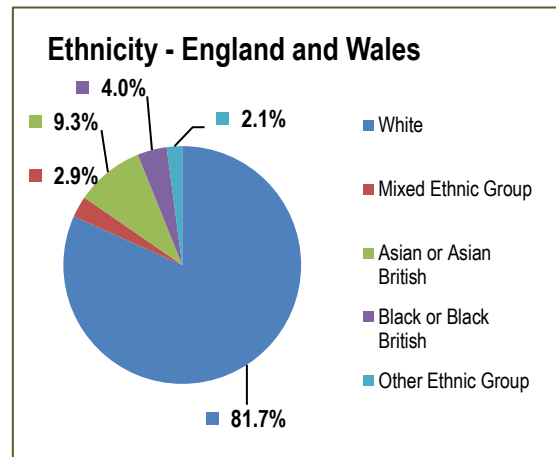
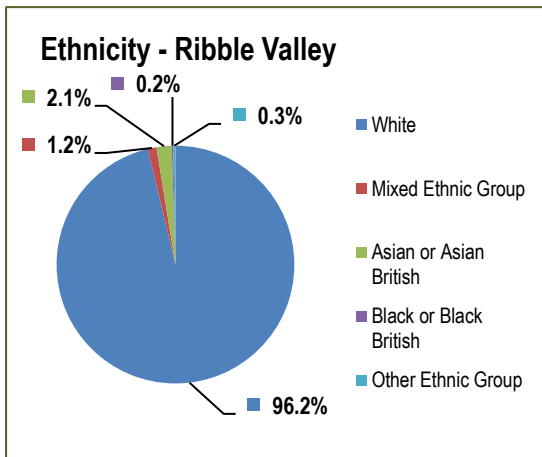
The remaining area is mainly rural, ranging from large villages to small hamlets. Some settlements are accessible along the A59 corridor; others are more remote from services and public transport. Along with ancient woodland, biological heritage sites, conservation areas and sites of special scientific interest, two thirds of Ribble Valley is part of the Forest of Bowland Area of Outstanding Natural Beauty (AONB).

### Population

Shown below are key population figures as provided by the Office for National Statistics. These are based on March 2021 (Census). The total population for the borough, based on these statistics, is 61,500. The statistics for Ribble Valley are shown alongside those for England and Wales as a whole for comparison.



**Narrative Report**

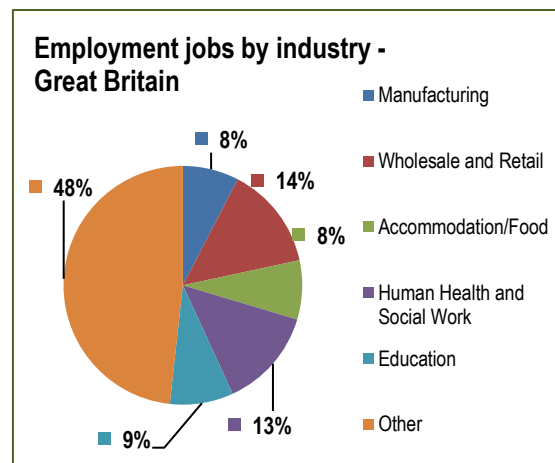
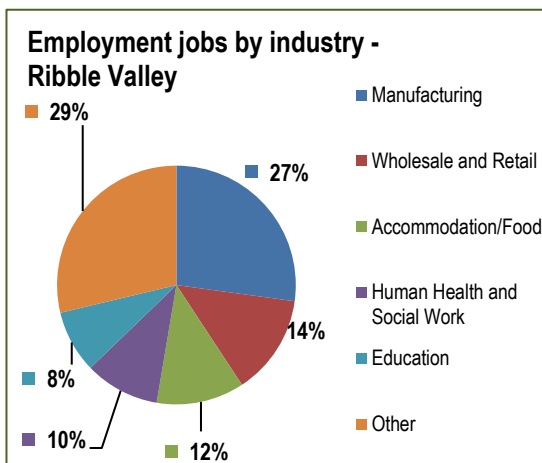


**Local Economy and Business Information**

Located just east of the M6 and north of the M65 motorways with links to major airports and the rail network, Ribble Valley is home to a diverse range of independent, international and rural businesses.

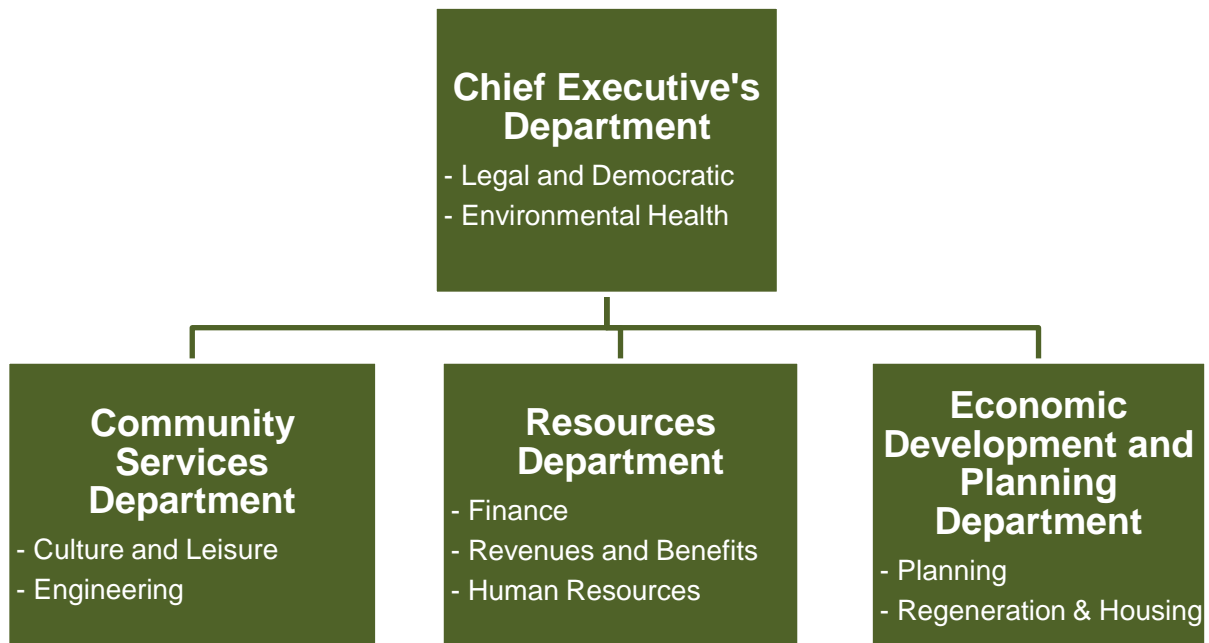
The borough's key characteristics are in its low unemployment rates, high quality natural environment and successful businesses of all sizes. The borough contains a number of well-established local employers within key business sectors including Advanced Manufacturing and Aerospace (BAE systems and site of the Lancashire Enterprise Zone), Creative and Digital, Chemicals and Mineral Extraction, Tourism and Agriculture.

The area also has a strong agricultural association, with high value meat and milk products as well as farm holdings in dairy and grazing categories. In addition, several farming businesses have diversified to offer locally produced food and drink, retail and leisure facilities and tourist attractions. In comparison to the national average, the borough has a relatively high proportion of jobs in the private sector. The following graphs compare the difference in economy split between key sectors within the Ribble Valley and Great Britain (summarised from Nomis Statistics: Employment Jobs by Industry 2022).

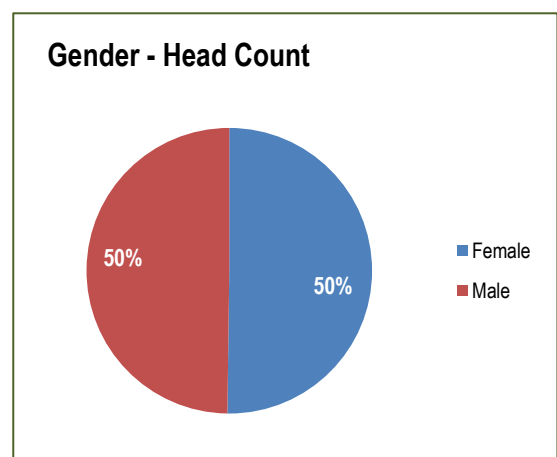
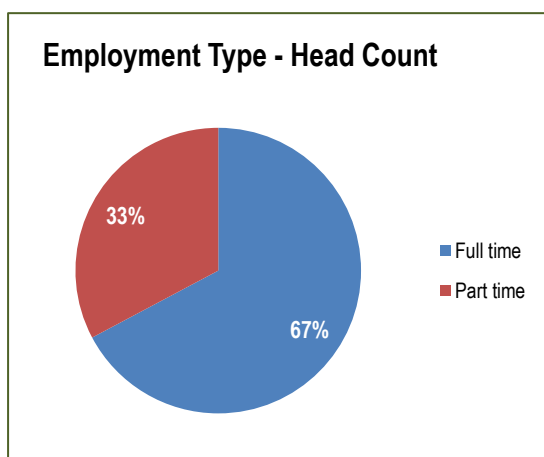


### 3 OUR EMPLOYEES

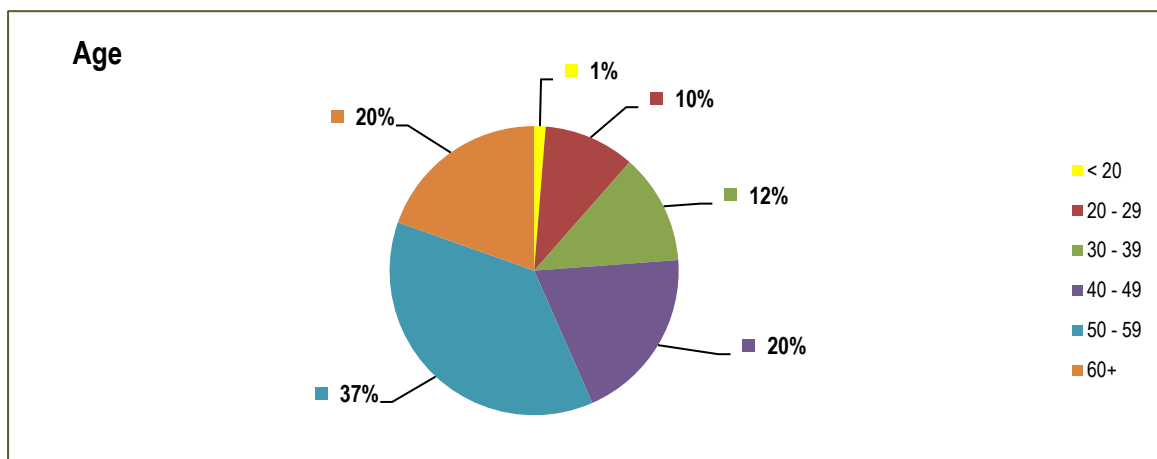
The organisational structure of the council is headed by the Corporate Management Team which consists of the Chief Executive, Director of Community Services, Director of Resources & Deputy Chief Executive and the Director of Economic Development and Planning. Each member of the Corporate Management Team has responsibility for one of the council's 4 departments.



As at the 31 March 2024 the council employed 230 permanent members of staff (head count). The overall establishment consisted of 239 posts, of which 20 were vacant posts on 31 March. The tables below provide some information on the profile of our permanent employees as at the end of the 2023/24 financial year.



## Narrative Report



## 4 ELECTED MEMBERS

Ribble Valley Councillors are elected every four years in local elections. They represent 24 wards and make decisions about local services in the borough.

There were 40 Councillors as at the 31 March. The last full election for Ribble Valley Councillors was on 4 May 2023 and the next is due to take place in May 2027.

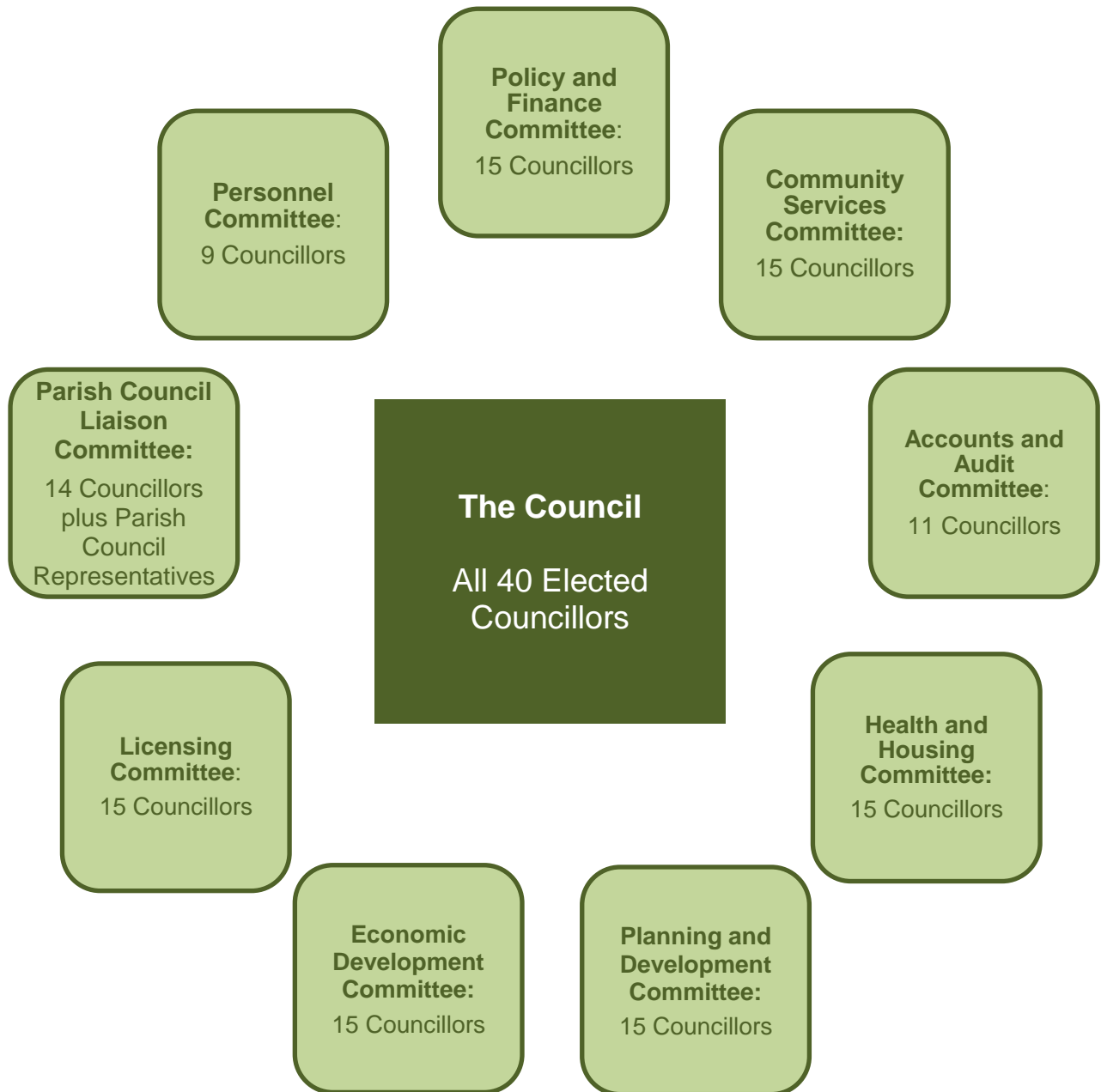
Councillors represent the views of local people. They also assist people in need or help people to access public services. Councillors work in the best interests of the borough and their local neighbourhood.

As well as representing the public, Councillors also represent political parties. As at 31 March 2024, our Councillors represented the parties shown in the table below:

	Number of Councillors
Conservatives	17
Labour	8
Liberal Democrats	5
Green and Progressive Liberal Group	5
Independent Group	4
Independent	1
<b>Total</b>	<b>40</b>

The Council operates a Committee System, membership of committees reflects the political balance of the council.

The diagram below shows the committee structure as at the 31 March 2024, and which operated throughout the 2023/24 financial year.



## Narrative Report

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### 5 OUR FINANCIAL PERFORMANCE - REVENUE

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Whilst the Comprehensive Income and Expenditure Statement is presented on the basis of our committee structure, it also includes a number of items that need adjusting between accounting basis and funding basis under regulation (which are adjusted for under the Movement in Reserves Statement). The table below summarises the position after such adjustments have been made.

After allowing for income from fees and charges, sales, rentals and miscellaneous grants and contributions, the Council's General Fund services are paid for by:

- government grants and contributions;
- retained business rates; and
- council tax.

Shown below is a summary of the general fund accounts comparing actual expenditure with the original and revised budgets for the year.



## Narrative Report

Committee	Original Estimate	Revised Estimate	Actual	Original Estimate Compared to Actual	Revised Estimate Compared to Actual
	£'000	£'000	£'000	£'000	£'000
Community Services	5,744	4,958	4,612	-1,132	-346
Economic Development	369	355	331	-38	-24
Health & Housing	1,588	1,135	1,193	-395	58
Planning & Development	843	793	783	-60	-10
Policy & Finance	3,050	2,883	2,804	-246	-79
<b>Committee Expenditure</b>	<b>11,594</b>	<b>10,124</b>	<b>9,723</b>	<b>-1,871</b>	<b>-401</b>
Parish Precepts	577	577	577	0	0
Interest Received	-450	-1,346	-1,382	-932	-36
<b>Net Operating Expenditure</b>	<b>11,721</b>	<b>9,355</b>	<b>8,918</b>	<b>-2,803</b>	<b>-437</b>
Impairment Losses/(Gains) on Outstanding Debts	0	0	35	35	35
Contingency - Feasibility Study Edisford Car Park	10	0	0	-10	0
Precept from Collection Fund (including parish precepts)	-4,716	-4,716	-4,716	0	0
Collection Fund Surplus - Council Tax	-80	-80	-80	0	0
Rural Services Delivery Grant	-127	-127	-127	0	0
New Homes Bonus	-506	-506	-506	0	0
One Off Funding Guarantee	-773	-773	-773	0	0
Services Grant	-55	-55	-55	0	0
Levy Account Surplus	0	0	-11	-11	-11
Tariff Reconciliation 2023/24	0	0	-30	-30	-30
Business Rates Baseline Funding	-1,405	-1,405	-1,405	0	0
Business Rates Retention	204	204	204	0	0
S31 Grant	-2,727	-2,841	-2,960	-233	-119
Retained Rates - Renewable Energy	-31	-31	-32	-1	-1
10% of Retained Levy - Payable to LCC under Pooling Arrangements	96	102	113	17	11
Collection Fund Deficit - Business Rates	242	242	242	0	0
Revenue Support Grant	-49	-49	-49	0	0
<b>Deficit (Surplus) for year before Capital Adjustments and Transfers to/(from) Earmarked Reserves</b>	<b>1,804</b>	<b>-680</b>	<b>-1,232</b>	<b>-3,036</b>	<b>-552</b>
Depreciation	-1,149	-1,018	-1,018	131	0
Minimum Revenue Provision	103	103	103	0	0
Net Transfer to earmarked reserves	-459	1,590	1,970	2,429	380
<b>Deficit (Surplus) for Year</b>	<b>299</b>	<b>-5</b>	<b>-177</b>	<b>-476</b>	<b>-172</b>

## Narrative Report

### Analysis of our income and expenditure by type

The table above includes a summary total of our net committee expenditure for the financial year (replicated below).

Committee	Original Estimate	Revised Estimate	Actual	Original Estimate Compared to Actual	Revised Estimate Compared to Actual
	£'000	£'000	£'000	£'000	£'000
Community Services	5,744	4,958	4,612	-1,132	-346
Economic Development	369	355	331	-38	-24
Health & Housing	1,588	1,135	1,193	-395	58
Planning & Development	843	793	783	-60	-10
Policy & Finance	3,050	2,883	2,804	-246	-79
<b>Committee Expenditure</b>	<b>11,594</b>	<b>10,124</b>	<b>9,723</b>	<b>-1,871</b>	<b>-401</b>

This net expenditure can also be analysed across the various income and expenditure types as shown below. This provides more of an insight as to where the variances on our income and expenditure have been for the year.

Income or Expenditure Type	Original Estimate	Revised Estimate	Actual	Original Estimate Compared to Actual	Revised Estimate Compared to Actual
	£'000	£'000	£'000	£'000	£'000
Employee Related	8,559	8,586	8,487	-72	-99
Premises Related	2,996	2,093	2,015	-981	-78
Transport Related	2,449	2,230	2,185	-264	-45
Supplies & Services	2,409	2,609	2,609	200	0
Third Party Payments	457	450	453	-4	3
Transfer Payments	5,570	5,816	5,938	368	122
Support Services	8,608	8,306	8,168	-440	-138
Depreciation and Impairment	1,149	1,019	1,019	-130	0
<b>Total Expenditure</b>	<b>32,197</b>	<b>31,109</b>	<b>30,874</b>	<b>-1,323</b>	<b>-235</b>
Government Grants	-5,403	-6,029	-6,052	-649	-23
Other Grants and Contributions	-249	-592	-840	-591	-248
Customer and Client Receipts	-3,539	-3,466	-3,470	69	-4
Recharges and Oncosts	-11,412	-10,898	-10,789	623	109
<b>Total Income</b>	<b>-20,603</b>	<b>-20,985</b>	<b>-21,151</b>	<b>-548</b>	<b>-166</b>
<b>Net Expenditure</b>	<b>11,594</b>	<b>10,124</b>	<b>9,723</b>	<b>-1,871</b>	<b>-401</b>

**Amendments to our budget in the year**

As can be seen above, our budget is revised part way through the year. This provides us with an opportunity to better assess the level of movement anticipated within our earmarked reserves and balances, and to allow us to better forecast for the next financial year.

During the preparation of the revised estimate a number of changes were made to the budget. These were:

Item	£'000
Net increase in Service Committee Costs	-1,470
Increase in Forecast Interest Received	-896
Decrease in Contingencies	-10
Increase in S31 Grants Receivable	-114
Increase in 10% Retained Levy Payable to LCC under Pooling Arrangements	6
Decrease in amount to be removed for Depreciation	130
Net increase in amount to set aside in Earmarked Reserves	2,049
<b>Net increase in amount to take from balances for the year</b>	<b>-305</b>

**How our revenue services are financed**

As shown earlier our total actual net expenditure for committees was £9.723m. This is after allowing for numerous elements of service income such as fees and charges, sales and service specific grants and contributions.

There are a number of further additions and subtractions to this net committee expenditure:

- Removal of depreciation and addition of the minimum revenue provision (which represents the minimum amount which must be charged to an authority's revenue account each year for financing of capital expenditure that was initially funded by borrowing).
- The income that has been earned on external investments.
- Payment of parish precepts.
- The use of some of the capital receipts monies received in year from the sale of assets with a value of over £10,000. This is to fund the costs associated with disposing of the assets, which have been charged to revenue.
- Of the committee income and expenditure, an element is often required to either be set aside in an earmarked reserve for use for a specific purpose in future years, or alternatively released from an earmarked reserve as expenditure has now been incurred.

## Narrative Report

- General fund balances are reserves that are not set aside for any specific purpose but are a resource that is used to either support general net expenditure in a given year or is where resources are set aside as a resource to help support future financial years.

After allowing for the above further movements, the council was then left with net expenditure of £9.962m to be financed. This expenditure was financed from our major sources of income as detailed below:

### Council Tax

This is the Council Tax precept payable to the council for its own precept and that paid to Parishes. Also included here is a share of income received from the Collection Fund which represents a Surplus on the Collection Fund account from previous years.

Council Tax Element	£'000
Ribble Valley Borough Council Precept	-4,139
Precept relating to all Parishes	-577
Collection Fund Surplus	-80
<b>Total Net Council Tax Income</b>	<b>-4,796</b>

### Business Rates

This is retained business rates at a baseline level set by the government, plus growth on business rates that has been realised. The council also receives a number of grants, known as Section 31 Grants, to compensate the council for business rates income lost as a result of measures introduced by the Government.

There was also a surplus on the Collection fund for business rates, which the council receives a share of.

Business Rates Element	£'000
Total Business Rates Income Forecast for 2023/24	-15,791
Less Payable to Central Government	7,896
Less Payable to Lancashire County Council	1,421
Less Payable to Lancashire Combined Fire Authority	158
<b>Balance Retained by Ribble Valley Borough Council</b>	<b>-6,316</b>
Less Tariff Payable to Central Government	5,115
<b>Baseline Business Rates Income of £1,405,077 less £204,255</b>	<b>-1,201</b>
Business Rates retained on Renewable Energy Schemes	-32
Section 31 Grants	-2,960
Less 10% Retained Levy payment to Lancashire County Council	113
Business Rates Collection Fund Deficit	242
<b>Overall Net Retained Business Rates Related Income</b>	<b>-3,838</b>

In 2023/24 this council was a part of the Lancashire Business Rates Pool which meant that we were able to retain a greater share of business rates income compared to not being a member of a pooling arrangement.

The Government have further delayed key reforms to local government funding, notably in this area of funding in respect of:

- Review of local authorities' relative needs and resources (Fair Funding Review)
- Business Rates Retention Reform

### New Homes Bonus

The New Homes Bonus commenced in April 2011 and is paid to the council by the Government for new homes and empty properties brought back in to use. The amount receivable is equivalent to the national average council tax for each property. The amount is also supplemented with an additional amount for affordable homes.

Significant changes were announced in the tapering of the grant with effect from 2017/18 onwards, through to the 2023/24 financial year where a single year's grant payment was made.

Our allocation for 2023/24 was £506,197 and is shown in the table below (2022/23 £1,205,836).

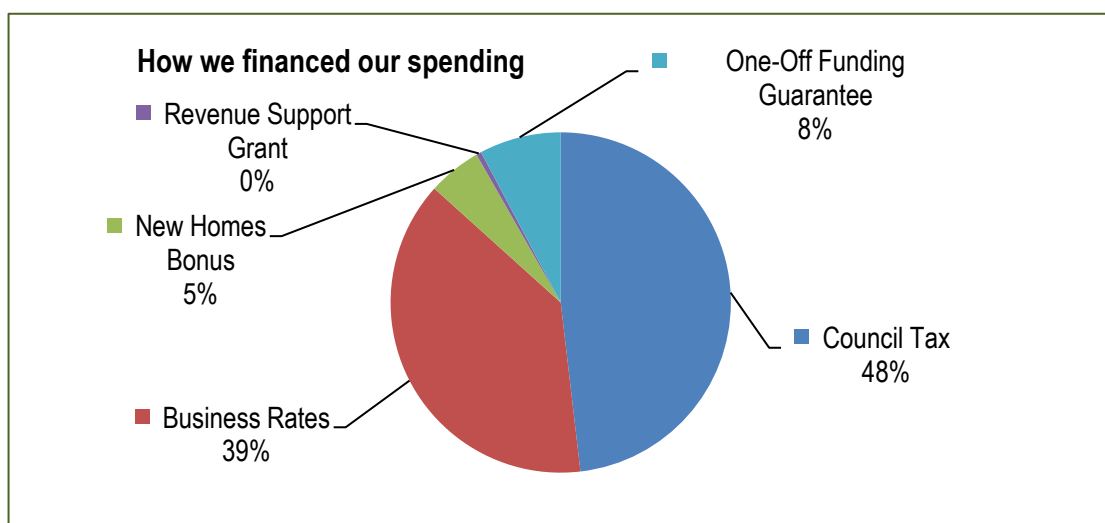
For several years, the Government have strongly indicated there would be reforms to the New Homes Bonus Scheme. They also gave commitment to set out the future position of the scheme before the 2024/25 local government finance settlement. Whilst funding has continued into 2024/25, there remains uncertainty as to the Government's intentions longer-term.

### Revenue Support Grant

The council also received a financial support through the Revenue Support Grant of £48,588 in 2023/24 (2022/23 £215)

### One-Off Funding Guarantee

The one-off funding guarantee was provided to ensure that all councils received at least a 3% increase in their core spending power before local decisions were made on the level of council tax. On this basis this council received £773,369 in 2023/24.



## Narrative Report

### Variations to the revised budget at the end of the financial year

During 2023/24 there were many variances identified when we monitored our budget. The main variations affecting our final position compared with the **revised estimate** can be summarised as follows (please note that favourable variances are denoted by figures with a minus symbol):

Variation	£'000
<b><u>Expenditure Variations</u></b>	
Direct Employee Costs	-67
Tuition and Training	-26
Cleaning Materials	-15
Energy Costs	-98
Pool Energy Efficiency Measures	-29
Emergency Tree Works	11
Water Services	-9
Car Leasing Payments	-10
Refuse Collection Vehicles - Repairs and Maintenance	12
Other Vehicles - Tyres	-11
Grounds Maintenance Vehicles - Repairs and Maintenance (external contractors)	-13
Vehicle Fuel and Lubricants	-7
Software Maintenance	-14
Postages	-10
Purchase and Repairs of Equipment and Materials	-37
Premises Repairs and Maintenance	50
Revenue Purchase of Replacement Wheelie Bins	32
Advertising and Promotional Activities	-43
Consultants	-14
Rent Allowance Payments including Discretionary Payments	44
Government Council Tax Support Fund Expenditure	50
Homes For Ukraine Grants	-19
<b>Total Expenditure Variances</b>	<b>-223</b>
<b><u>Income Variations</u></b>	
Transparency Grant	-8
DWP Local Authority Data Sharing (LADS) IT Costs funding	-14
DLUHC Redmond Review implementation grant	-18
Homes For Ukraine Funding	141
Rent Allowances Grant	-108
Release of Commuted Sums for Capital Use	-111

## Narrative Report

Variation	£'000
Clitheroe Cemetery Income	19
Car Parks Income	-25
Edisford All Weather Facility Income	-22
Planning Fee Income	89
Disabled Facility Grants Admin Fees	-11
<b>Total Income Variances</b>	<b>-68</b>
Other variations	-110
<b>Net Variation on Committee Expenditure</b>	<b>-401</b>
Increased Interest Received	-36
<b>Variation on Net Operating Expenditure</b>	<b>-437</b>
Impairment Losses/Gains on Outstanding debts	35
Levy Account Surplus Funding	-11
Tariff Reconciliation 2023/24	-30
Increased Business Rates S31 Grants	-119
Increased 10% of Retained Levy payable to LCC	10
<b>Variation on (Surplus) for Year Before Capital Adjustments and Transfers to/(from) Earmarked Reserves</b>	<b>-552</b>
Extra Transfers to Earmarked Reserves (for Revenue)	380
<b>Difference Between the Amount to Add to Balances at the Outturn Position and the Amount Forecast to Take from Balances at the Revised Estimate</b>	<b>-172</b>

## Narrative Report

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### General Fund Balances and Earmarked Reserves

We had originally planned to take £300,000 from general fund balances to help finance the 2023/24 spending plans. However, this was revised later in the year to add £4,990 to general fund balances. The final position shows that the council has added £176,686 to general fund balances.

General Fund Balance	£
<b>General Fund Balances: Brought forward at 1 April 2023</b>	<b>2,719,398</b>
Surplus 2023/24 added to General Fund Balances	176,686
<b>General Fund Balances: Carried forward at 31 March 2024</b>	<b>2,896,084</b>

With regard to earmarked reserves, in support of the revenue account and excluding capital transactions, we had originally planned to take £459,219. However, this was revised later in the year to adding £1,590,127 to earmarked reserves.

The final position shows that the council has added £1,969,807 to earmarked reserves for revenue purposes. For capital purposes we took £1,031,385 from earmarked reserves to fund the capital programme. The overall net movement was £938,423 added to earmarked reserves.

Earmarked Reserves	£
<b>Earmarked Reserves: Brought forward at 1 April 2023</b>	<b>14,706,159</b>
Net added to Earmarked Reserves for revenue purposes	1,969,808
Net taken from Earmarked Reserves for capital purposes	-1,031,385
<b>Earmarked Reserves: Carried forward at 31 March 2024</b>	<b>15,644,582</b>

One of the larger movements in our earmarked reserves is the Ribble Valley Golden Jubilee Reserve, where £1m has been set aside. The assigning of these monies will be undertaken during 2024/25.



## 6 OUR FINANCIAL PERFORMANCE - CAPITAL

We keep a separate account of all our capital expenditure and income transactions, examples of such transactions would be:

- Buying or selling land or property.
- Improvements to our existing assets.
- Building new properties.
- Purchase of vehicles and plant.
- Awarding improvement grants for private sector renewal.

During the year the Council spent £2,068,212 on capital schemes. The main areas of expenditure included:

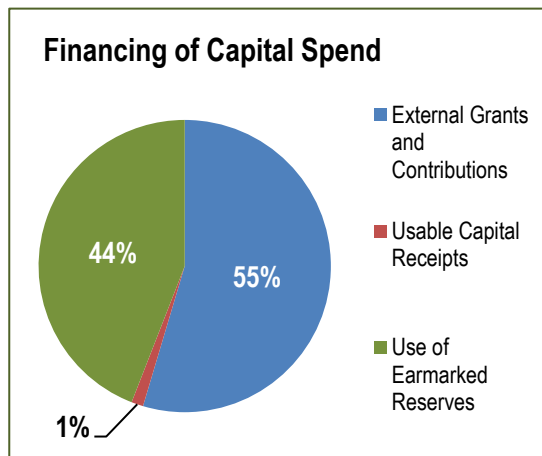
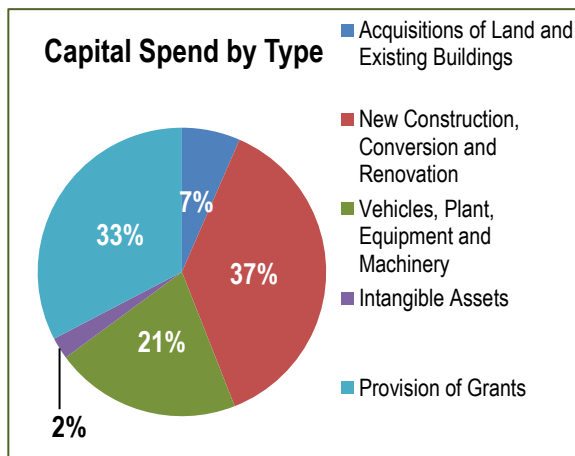
- Replacement Vehicles and Plant.
- Play Area Improvements.
- Public Convenience Refurbishment
- Mardale Playing Fields Drainage
- Payment of Housing Related Grants.
- UK Shared Prosperity Funded Schemes

Shown below is a summary of how we performed on the capital programme compared to the budget.

Capital Programme	Original Estimate	Revised Estimate	Actual	Original Estimate Compared to Actual	Revised Estimate Compared to Actual
	£	£	£	£	£
Community Services Committee	1,095,750	960,410	625,177	-470,573	-335,233
Economic Development Committee	54,750	54,750	0	-54,750	-54,750
Planning and Development Committee	26,420	26,420	6,050	-20,370	-20,370
Policy and Finance Committee	595,150	904,170	631,315	36,165	-272,855
Health and Housing Committee	2,860,440	1,243,830	805,670	-2,054,770	-438,160
<b>Total Capital Expenditure</b>	<b>4,632,510</b>	<b>3,189,580</b>	<b>2,068,212</b>	<b>-2,564,298</b>	<b>-1,121,368</b>
Grants and Contributions	-2,532,420	-1,661,730	-1,129,491	1,402,929	532,239
Borrowing	-72,600	0	0	72,600	0
Usable Capital Receipts	-27,548	-27,110	-27,110	438	0
Earmarked Reserves	-1,999,942	-1,500,740	-911,611	1,088,331	589,129
<b>Total Resources</b>	<b>-4,632,510</b>	<b>-3,189,580</b>	<b>-2,068,212</b>	<b>2,564,298</b>	<b>1,121,368</b>

## Narrative Report

Shown below are summaries of the type of expenditure that is represented in the £2,068,212 of capital expenditure shown in the table above and its financing.



As shown in the table above, comparing spend to budget, there is a variance of £1,121,368 between the revised capital programme and actual spend. At the end of the financial year work on some schemes was still underway. This can be carried forward into the new financial year and is known as slippage. Of the £1,121,368 variance, £1,074,300 is accounted for as slippage in to the 2024/25 financial year, and is summarised below:

Scheme Name	Slippage in to the 2024/25 Financial Year £
Refurbishment of Bowling Green Café - Castle Grounds	2,040.00
Castle Keep Lime Repointing Works and Repairs	-2,950.00
Replacement of Concrete Bays to rear of Depot	32,400.00
Changing Places Toilet Scheme	134,120.00
Longridge Depot 'Ambulance Shed' Refurbishment	-590.00
Mardale Playing Pitches Drainage	12,730.00
Play Areas Refurbishment Programme	17,070.00
Ribblesdale Pool Feasibility Study	26,670.00
Roof Renewal and upgrade to Parks Store Building in Castle Grounds	66,360.00
Planning Portal Link and Planning System Update	20,370.00
Brookfoot Footbridge, Ribchester- Replacement of Bridge	3,390.00
Council Offices Mains and LED Lighting Upgrade	-920.00
Cyber Security Solutions Refresh	62,100.00
E-Recruitment System (including On-boarding)	13,030.00
ICT Infrastructure Refresh	116,600.00
Network Infrastructure	30,000.00
Clitheroe Affordable Housing Scheme	8,370.00
Disabled Facilities Grants	158,590.00
Assisted Purchase Scheme	125,000.00
First Time Buyers Grants	26,570.00

Scheme Name	Slippage in to the 2024/25 Financial Year £
Landlord/Tenant Grants	49,950.00
Temporary Housing Scheme	69,680.00
Economic Development Initiatives	54,750.00
Clitheroe Market Improvements	-2,400.00
Townley Garden Event Space	600.00
Pump Track, Longridge	770.00
Electric Vehicle Charging Points Scheme	50,000.00
<b>Total Capital Slippage</b>	<b>1,074,300</b>

Within the resources originally planned for financing the capital programme is internal borrowing. This is a resource generally used to finance assets of a longer life such as land and buildings. This is in order to minimise the level of impact on the revenue budget through the Minimum Revenue Provision, which is calculated based on asset life. In the outturn position there was no internal borrowing resources needed.

The council had no external borrowing at the 31 March 2023 or 31 March 2024.

## 7 OUR FINANCIAL PERFORMANCE – COLLECTION FUND

As billing authority, the council maintain the collection fund for the collection of and distribution of council tax and business rates.

With regard to council tax, each precepting body declares the precept that they require from the collection fund to support their services in February each year. This forms the basis for what we, as billing authority, then charge residents as council tax.

Due to the change of circumstances for residents and changes to occupied property numbers, the actual amount of council tax collected from residents can be higher or lower than the total amount required to be paid to precepting bodies. This results in either a forecast surplus or deficit, which is declared in the following January each year and is either paid to or collected from precepting bodies in the following financial year.

For business rates, similar principles apply. Total forecast collectable rates are paid from the Collection Fund at fixed shares to Central Government, Ribble Valley Borough Council, Lancashire County Council and Lancashire Fire and Rescue.

Due to the change of circumstances for businesses, the actual amount of business rates collected can be higher or lower than the total amount required to be paid out in fixed shares. This results in either a forecast surplus or deficit, which is declared in the following January each year and is either paid to or collected from Central Government, Ribble Valley Borough Council, Lancashire County Council and Lancashire Fire and Rescue in the following financial year.

Performance of the Collection fund for 2023/24 is summarised in the table below, compared to the forecast performance.

## Narrative Report

Collection Fund	Original Estimate	Revised Estimate	Actual	Original Estimate Compared to Actual	Revised Estimate Compared to Actual
	£'000	£'000	£'000	£'000	£'000
<b>Council Tax - Expenditure</b>					
Total of all Precepts	52,389	52,389	52,389	0	0
Total Council Tax Surplus distributed	885	885	885	0	0
Council Tax Benefit		3	7	7	4
Bad Debts Provision	396	100	47	-349	-53
<b>Expenditure Subtotal - Council Tax</b>	<b>53,670</b>	<b>53,377</b>	<b>53,328</b>	<b>-342</b>	<b>-49</b>
<b>Business Rates - Expenditure</b>					
Deficit Brought Forward	606	184	184	-422	0
Cost of Collection	97	97	97	0	0
Enterprise Zones	170	139	503	333	364
Renewable Energy Schemes	31	31	32	1	1
Total Distribution of Business Rates	15,791	15,791	15,791	0	0
Transitional Protection Payments				0	0
Appeals Provision	725	565	-1,201	-1,926	-1,766
Bad Debts Provision	150	65	87	-63	22
Interest Paid on Refunds			9	9	9
<b>Expenditure Subtotal - Business Rates</b>	<b>17,570</b>	<b>16,872</b>	<b>15,502</b>	<b>-2,068</b>	<b>-1,370</b>
<b>Total Expenditure</b>	<b>71,240</b>	<b>70,249</b>	<b>68,830</b>	<b>-2,410</b>	<b>-1,419</b>
<b>Council Tax - Income</b>					
Surplus Brought Forward	-885	-881	-881	4	0
Council Tax Income	-52,785	-53,288	-53,288	-503	0
50% Ukraine Local Discount - Chargeable to General Fund		-14	-15	-15	-1
Family Annexes Discount - Chargeable to General Fund		-15	-19	-19	-4
Government Local Council Tax Support Scheme			-51	-51	-51
<b>Income Subtotal - Council Tax</b>	<b>-53,670</b>	<b>-54,198</b>	<b>-54,254</b>	<b>-584</b>	<b>-56</b>
<b>Business Rates - Income</b>					
Total Business Rates Deficit Recovered	-606	-606	-606	0	0
Transitional Protection	-1,972	-1,923	-1,873	99	50
Net Rates Payable (before appeals)	-14,992	-14,833	-13,928	1,064	905
<b>Income Subtotal - Business Rates</b>	<b>-17,570</b>	<b>-17,362</b>	<b>-16,407</b>	<b>1,163</b>	<b>955</b>
<b>Total Income</b>	<b>-71,240</b>	<b>-71,560</b>	<b>-70,661</b>	<b>579</b>	<b>899</b>
Council Tax Surplus carried forward	0	-821	-926	-926	-105
Business Rates Deficit carried forward	0	-490	-905	-905	-415
<b>Total Net Surplus carried forward</b>	<b>0</b>	<b>-1,311</b>	<b>-1,831</b>	<b>-1,831</b>	<b>-520</b>

## 8 OUR NON-FINANCIAL PERFORMANCE

### *The Council's Performance on Corporate Ambitions*

This section provides a summary of our progress over the last financial year against the Corporate Goals contained in the new Corporate Plan 2023-2027. The plan includes four new corporate goals to address issues that matter most to the borough.

- Residents, their health and wellbeing: Creating flourishing, healthy, and happy communities.
- Valuing our Place and our Environment: Making the Ribble Valley a place we want to be by creating a safer, stronger, greener and cleaner Borough.
- Building a Strong Economy: Sustaining a strong and prosperous Ribble Valley.
- Continue to be a well-managed Council: Providing efficient services based on identified customer needs.

#### **Residents, their health and wellbeing: Creating flourishing, healthy, and happy communities.**

- **Improve the health and wellbeing of everyone living in the borough:** Discretionary leisure services continue to be provided by the Council. These include Ribblesdale Pool, 3G pitches, grass pitches and tennis courts at Edisford Sports Complex. There are also several parks and play areas across the borough.
- **Working with Town and Parish Councils we will bring together our villages and towns so that everyone can achieve their full potential:** The Council enables town and parish councils to take responsibility, wherever possible, for the local delivery of services. The Parish Council's Liaison Committee meets on a regular basis, this committee is a forum where good relations are promoted between the Borough and Parish councils, giving parish councils the opportunity to question the Council about its policies and raise matters of interest or concern for discussion. The council also provides annual concurrent function grants to parish and town councils for a variety of services.
- **Maximise opportunities for residents to be physically and mentally active:** Grants are awarded annually by the Council to our younger residents in the borough for equipment and tuition for those who excel in sport, dance, drama and music. New facilities at Edisford Sports Complex encourages recreational and sporting activity for people of all ages within Ribble Valley.
- **Promote our leisure services and facilities, meeting the needs of residents:** The Council plays a critical role in delivering sport and fitness activities across the borough. All aspects of health, sport, and leisure as well as details of the Councils sporting facilities are published on the Council website. Working with partners and implementing a health and wellbeing partnership provides the Council with a long-term vision for leisure to maximise the opportunity for all residents to be physically active.

The Council also continues to support people and communities and a comprehensive directory of Community Groups can be found on the Council website. The Council is aware that there are pockets of social isolation and deprivation, particularly in rural communities, which present specific health issues

## Narrative Report

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for people living in these localities. A substantial amount of partnership working continues to take place between the Council, the Primary Care Trust, Lancashire County Council, and the Voluntary Sector.

- **Provide and signpost access to grant funding schemes:** The Council provides a range of grant schemes that support parishes, local recreation and culture facilities and organisations as well as a range of voluntary organisations. This gives the council added opportunity to further the meeting of its goals whilst supporting and enriching our valuable community and the variety of organisations that are there to support them. The council also employs a Partnership Officer who works together with a variety of organisations and groups, supporting them in various ways including funding signposting.

### Valuing our Place and our Environment: Making the Ribble Valley a place we want to be by creating a safer, stronger, greener and cleaner Borough.

- **Aspire to be a carbon neutral Council by 2030, and work with others in the borough to be more environmentally sustainable:** A cross party Climate Change Working Group has now been established. The group has developed a Climate Change Action Plan 2024/25. The plan was approved and adopted by Economic Development Committee in April 2024, and sets out a framework for collective action on climate change.

The plan aims to be a major step in achieving the Council's aspiration of being a carbon neutral Council by 2030. Stage 1 of the plan focusses on Council emissions and working towards meeting this target. Stage 2 will run into future years and see the Council engaging with businesses and the wider community to reduce carbon emissions across the whole of the borough. The Action Plan framework seeks to respond ambitiously to climate change whilst ensuring that services delivered by the Council are not adversely affected.

Information gathered from consultations such as the 2023 'People's Survey - Life in Ribble Valley' and performance data has been used to inform the refresh and alignment of the Climate Change Strategy and action plan, the new Corporate Plan, and the Local Plan. All of which consider and deliver on the Council's commitment to climate change.

- **Provide an economic, efficient, and effective waste collection service:** The Council continues to work with the disposal authority, Lancashire County Council, and is developing a Waste Strategy to maximise recycling. Further actions are also included in the Climate Change Action Plan 2024/25 to help embed cost saving environmental practices.

The Council's weekly residual waste and fortnightly recycling, paper and card, and green waste collection service has continued for residents. The collection of green waste continues to remain as a free service.

- **Promote and support the installation of low carbon energy:** The Climate Change Action Plan 2024/25 supports community initiatives to empower homeowners, tenants, and landlords to use energy from low and zero carbon sources. External funding initiatives are regularly forwarded to Parish Councils and Chipping Community Energy providing them with information and the

opportunity to bid for external funding. The council is also leading by example as we begin the initial stages of installing solar panels to the main council offices, and trialling the use of biofuel.

- **Protect and preserve the distinctive character of our local towns and villages:** Ribble Valley is sustained by vital and vibrant market towns and villages the Council continues to support them as thriving service centres meeting the needs of residents, businesses and visitors.
- **Support our communities to manage the impact and be more resilient to climate change:** The creation of a green canopy in tribute to the Queen's 70 years of service remains a lasting legacy within the borough. The Council working in partnership with Ribble Rivers Trust and Lancashire County Council Treescapes Team continues to identify potential new sites and actively seeks funding opportunities for planting trees and landscape recovery. This work not only contributes to the Council's Climate Change Strategy and action plan but also provides a valuable asset which will be enjoyed by people for years to come.

Initiatives and actions in Theme 3 of the Climate Change action plan - Minimising carbon reduction through business / partnerships and continued engagement with the borough's biggest emitters such as Heidelberg Materials Cement are some of the ways the Council is managing the impact of climate change.

The Hanson Cement Liaison Committee contributes to help reduce the impact of climate change by supporting Heidelberg projects to reduce their carbon emissions by lobbying government to attract funding.

- **Being a safe and clean place to live and visit, by promoting pride in the area and the environment:** The Council continues to work with partners in our local Community Safety Partnership (CSP) to improve safety, and a sense of safety, and to tackle crime and antisocial behaviour. Data for CSP areas shows that in the year ending March 2023, Ribble Valley, has the lowest crime rate (38) of the 296 CSPs in England and Wales.

The CSP works co-productively with all partners and the wider community to identify areas of concern such as, anti-social behaviour, road safety, domestic abuse and protecting the older population. The Council continues to provide vital services, ensuring that our residents and visitors are able to stay safe.

To preserve Ribble Valley as an area of outstanding natural beauty, the Council provides and maintains litter bins in an attempt to prevent litter in public places. New litter bins will in time replace all the older litter bins and will be in the same colour scheme as the wheeled bins presently provided to residents for their recycling and refuse collection service. The new bins have separate sections for recyclables such as glass, cans, and plastic bottles and for general waste/litter.

The dog warden service is available Monday to Friday (8.45am - 5.00pm) with an out of hours number available. The dog wardens undertake both routine patrols and respond to complaints of roaming dogs. In June 2023, a public consultation took place to consider the proposed extension of the Dog Control and Dog Fouling Public Spaces Protection Order 2020 (PSPO). In August 2023 a report was taken to the Health and Housing Committee who approved an extension of the 2020 PSPO for a further three years.

## Narrative Report

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- **Continue to monitor air quality within the borough:** The Council continues to monitor air quality clean zones across the borough and produces an Air Quality Annual Status report which is published on the Council website.

### Building a Strong Economy: Sustaining a strong and prosperous Ribble Valley.

- **Deliver good quality, affordable and sustainable housing that meets the needs of our communities throughout Ribble Valley:** The Council continues to monitor housing provision and the implementation of the delivery of affordable units in accordance with policy aspirations.

The Council no longer owns a council housing stock. However, a number of Housing Associations provide low-cost rental accommodation to people in housing need. The Council also provides advice on renting a property in the private sector (e.g., from a private landlord rather than a housing association), homebuyers are also signposted to a number of affordable home ownership schemes and all new developments in Ribble Valley provide an element of affordable housing comprising a mix of shared ownership and rental properties.

The Council offers a number of grants including a means tested disabled facilities grants. A new discretionary grant, Ribble Valley Adaption, has been introduced to assist those who are not eligible for a disabled facilities grant. Both grants enable disabled people within the borough to have better freedom of movement around their house and remain in their own home. Several sources of grant funding are made available to the Council to address homelessness issues.

The Landlord/Tenant Grants and Conversion Grant match-funds a landlord's investment in a property in return for an affordable rental property, the property must also meet the decent homes standard / fitness standard on completion of the work. The grant ensures that the council has nomination rights to the property and that rents are set in line with the Central Lancashire Local Housing Allowance.

The First-Time Buyer Greener Homes Grant aims to address housing affordability, as well as tackle climate change. Up to £15,000 is available to help first-time homebuyers in Ribble Valley make their properties energy-efficient or undertake crucial renovations. The grant helps first-time buyers purchasing a property with an energy performance certificate of D to H increase the rating to C or above or address significant disrepair.

- **Encourage economic development:** The Council supports the economic development of the borough by continuing to deliver high quality housing opportunities whilst reducing the number of empty properties. By working with partners the Council supports the development of business and employment opportunities with specific focus on promoting economically and environmentally sustainable tourism.
- **Support our business community and attract new investment:** The Council continues to provide Business Rates Relief to eligible businesses throughout the borough. The Economic Plan promotes the delivery of sufficient land for business development and supports highly paid business growth opportunities.



- **Support employment opportunities within the borough:** The Council is aware that statistics for employee jobs in the borough show a high proportion of manufacturing jobs, mainly as a result of the aerospace industry at BAe at Samlesbury. However, food and beverage production, hospitality and agriculture also provide high levels of employment. These sectors and locations have the ability to support further economic growth and create a range of sustainable employment opportunities across the borough. The economic activity in rural areas is important as it helps sustain our valued environmental assets and represents an important resource for the visitor economy.

The number of employment and support allowance claimants in Ribble Valley is low, and housing benefit claimant numbers are small. The Council continues to support residents with Housing Benefit and Council Tax Support, and compared to the national average, there is a low percentage of the working age population that is reliant on welfare benefits.

- **Work with partners to improve transport networks, especially to our rural areas:** Transport has a key role to play in realising the economic potential of Ribble Valley by unlocking key locations, through improved connectivity linking jobs, people and businesses together.

Despite funding cuts by Lancashire County Council to some rural bus services, this Council continues to provide essential grant funding to The Little Green Bus which offers a safe and secure community transport service for the elderly and vulnerable people living in the Ribble Valley. We continue to seek improvements to rail connections and examine options for increasing rail travel to the borough.

There is ongoing work through the planning process to ensure that the road infrastructure supports new developments. Developing better links, and improving journey times and reliability, between areas of economic opportunity for the borough's workforce, the provision of sustainable forms of travel continue to remain a priority.

The Council is working with Lancashire County Council and a number of organisations who are preparing new Local Cycling and Walking Infrastructure Plans. The Council knows that there will continue to be a reliance on the private car, not least in peripheral and rural areas of the borough. Encouraging people to get out of the car for journeys that can be taken by cleaner, healthier, more inclusive, and more cost-effective ways to travel, sits across all our transport and travel activities.

The climate change action plan promotes the use and supports the installation of Electric Vehicle (EV) charging points on Council owned car parks. Ten EV charging points have already been installed on two Council owned carparks, and £50k of UK Shared Prosperity Fund monies has been allocated and agreed for installation of EV charging points on four rural Council owned car parks, this work should be completed by summer 2024.

- **Promote active travel across the borough:** The Local Cycling and Walking Infrastructure Plans that Lancashire County Council are preparing will provide opportunities for active travel over a ten year period to create better connected, greener, safer and healthier communities.

## Narrative Report

**Continue to be a well-managed Council: Providing efficient services based on identified customer needs.**

- **Maintain critical financial management and controls, ensuring the Council provides value for money, within current financial constraints:** Prudent financial management allows the Council to have a Band D Council Tax that is the lowest in Lancashire and one of the lowest in the country.

40% of respondents in the 2023 'People's Survey - Life in Ribble Valley' said that they agreed that Ribble Valley Borough Council provides value for money.

- **Explore viable options for income generation and financial savings to protect front line services:** Local authorities face the increasingly daunting task of protecting vital public services especially after an era of prolonged austerity, the Council and other local authorities face tightening budgets and increased financial pressures, and with continued uncertainty around the future of local government funding.

As a Council we have a legal and moral duty to manage resources responsibly. With the lowest Council tax in Lancashire, official figures show that council tax collection in Ribble Valley is the best of any district authority in the North West and third in England. The Council is also proud to have no debt, significant reserves and record capital investment.

- **Ensure that our services are accessible to all and that we deliver services to meet customer needs:** The Council continually encourages feedback from residents and acts promptly and proactively where possible to trends in feedback and comments through our social media presence and website. 40% of respondents in the 2023 'People's Survey - Life in Ribble Valley' said that they were happy with the way in which the council ran services.

The Citizens' Panel had not been contacted since the 2018 Perception survey and there had been no refresh of the panel. Therefore, a new online People's Panel is being developed that is more representative of the population of the borough, there are presently around 200 members on the panel.

The Council has a duty to safeguard people of all ages to be safe from harm and live a life free from abuse, neglect, unfair treatment, and to support those who choose to live independently. Provision of available online services is continually being improved, as is support to charities and voluntary organisations across the borough who carry out an important role in supporting our vulnerable citizens.

- **To have a well-supported diverse, inclusive, and valued workforce:** As staff are the Council's biggest resource, the achievement of all the Council's Corporate Plan goals is dependent on a diverse, inclusive, dedicated, committed and valued workforce.

Workforce data is regularly reported to Personnel Committee and published on the Council's website in compliance with the Equality Act 2010.

- **Continue to meet the needs of those who live, work, study and visit the borough:** The purpose of the Council's Corporate Plan is to set out the Council's vision, goals and priorities, to outline how we propose to deliver them and how progress will be measured.

The plan provides a focus to ensure that the services we deliver meet the needs of our communities, and has a four-year scope, that is reviewed annually to ensure that it continues to reflect the changes to our priorities that occur over time.

Key performance Indicators noted in the Corporate Plan Technical Appendix are used to measure our success. This list of key performance Indicators is not exhaustive, and we will monitor and analyse our performance by examining these and additional performance indicators to report our achievements and the overall health of the Council and the borough using our performance management framework.

The Council continually encourages feedback from residents via surveys or questionnaires that are either emailed to the People's Panel, published on the Council website or through our social media platforms. The Council acts promptly and proactively where possible to trends in feedback, comments and responses. 40% of respondents to the People's Survey - Life in Ribble Valley' said that they were happy with the way in which the Council ran services.

### **Resident Satisfaction Surveys**

A 'Life in Ribble Valley' online survey was launched on 30 January and closed on 13 March 2023, with paper copies also available in public buildings. Promotion included: media and press releases to local newspapers and on the council website; emails sent to councillors, staff and town and parish clerks; contact with local colleges and sixth forms; social media posts on Facebook groups and council accounts for Facebook, Twitter, and Instagram. The aim of the survey was to determine views on the local area, local public services, and the local community from those that live, work, study, and visit the borough.

770 responses were received from local residents. This is up from 608 responses in 2018 and 417 in 2015 (when a Citizens' Panel-only methodology was used). In addition, there was a greater spread of age groups represented in the latest survey. In 2018, over half of responses were from residents aged 65 or over (down to 33% in this survey).

A summary of the survey findings, broken down into key areas is provided below:

#### **Your Local Area**

- As well as access to the countryside and nature, schools, the night-time economy, safety (low levels of crime) and community, including a sense of community, events and volunteering are seen as some of the best things about the Ribble Valley area.
- Those not satisfied with their local area were more likely than others to highlight street cleanliness, litter, and dog fouling. Around one in five commented on improving the condition of roads and pavements and better management of the road network (covering traffic, speeding, and parking) which are Lancashire County Council service responsibilities.
- 78% of residents are satisfied with their local area as a place to live.

#### **Local Public Services**

- 40% of all residents feel the Council provides value for money. However, 47% of older residents agree that the council provides value for money, compared to 33% of those aged 55 to 64, 37% of 45- to 54-year-olds, and 39% of 25- to 44-year-old.

## Narrative Report

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- Dissatisfaction with street cleanliness and the level of dog fouling, conditions of roads and pavements, and levels of crime and anti-social behaviour are the main areas of concern for residents.
- Around 2 in 5 residents are satisfied with the way the council runs things.

### Waste collection and recycling services

- 83% of respondents were satisfied with waste collection services, and 69% with doorstep recycling.

### Information and Customer Service

- 39% of residents feel Ribble Valley Borough Council keeps them very or fairly well informed about the services it provides. Residents who feel well informed about services are more likely to feel the council provides value for money.
- Residents find out things about their local area in a range of ways. 43% prefer emails and e-newsletters, 42% via local groups on social media. However, 54% of residents prefer to get information about their local area straight to their home. 1 in 4 respondents to the survey do not use social media.
- 63% of residents over 65 still prefer to receive information sent straight to their home, with 36% of 55- to 64-year-olds finding out what's happening in their area via local news websites.
- 56% of 25- to 44-year-olds use local services on social media and 52% use local groups on social media. Of the 45- to 54-year-old age range more are likely than others to use social media, but not to the same extent as 25- to 44-year-olds.

### Local Community

- Four in five residents feel safe in their local area.
- Anti-social behaviour issues appear to be less of a problem than in 2018. 43% of 2018 respondents did not feel vandalism and graffiti was a problem (73% in 2023). 42% of 2018 respondents did not feel teenagers hanging around streets was a problem (69% in 2023). 35% of 2018 respondents did not feel people using/dealing drugs was a problem (48% in 2023).

### Climate Change

- More than half (54%) of residents are very concerned about climate change.
- Males appear more likely than females to not be concerned at all about climate change with 16% of male respondents indicating that they are not concerned at all, compared to 7% of female respondents.
- There are a wide range of actions residents are already doing or willing to do in the future to help reduce carbon emissions. Different age groups might take different actions for example, 25- to 44-year-olds are more likely than others to change to renewable energy sources. 45- to 54-year-olds are more likely to grow their own food, and 65+ year olds are more likely to use public transport more often.

### Young People's Views

- Young people also feel the countryside is the best thing about living here; better transport links is the most common suggested improvement, other themes include

more activities for younger people, more/keep local independent shops, better preservation of the local environment, and more affordable housing.

### **Change and Improvement**

Smarter working with our existing ICT systems across all services continues to be a key area for improvement, as well as further ICT Infrastructure investment as can be seen in our five-year forward capital programme.

This will allow us to ensure that we maximise the return from our investment, help drive efficiencies in providing our services. We continue to work hard to enable better connectivity of our systems to our website to help our customers access our services in ways, and at times, that are more convenient to them.

The new Corporate Plan has recently been approved, and priorities will be reassessed against the new corporate Goals to ensure that services are aligning with expectations.

We hope to address concerns raised around our progression of schemes in the capital programme. New detailed reporting to committees with more of a focus on scheme operational matters has been put in place, and this will also be helped by certain service areas being back to fully resourced, having seen extensive recruitment issues.

The vast levels of uncertainty around local government finance inevitably impacts on the council's approach to change and the confidence that it can take in planning for service investment when multiple key funding streams cannot be confirmed, even in the short term.

Whilst this uncertainty may have tempered future service growth, the council continues to be proud of its financial position which has helped it to forecast a revenue budget and capital programme covering the next five years.

Whilst budget gaps are seen in the latter years of the revenue budget forecast, work is underway on developing a savings plan, alongside the new government requirement for Productivity Plans. The council's Budget Working Group continues to look at this area of work.

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## **9 PENSIONS**

The statement of accounts reflects the full adoption of International Accounting Standard 19 (IAS19). This requires that:

- Pension costs charged to services are based on the cost of providing retirement benefits to employees in the period that the benefits are earned by the employee rather than the actual cash contributions to the Lancashire County Pension Fund. This cost, referred to as the current service cost, is calculated by the fund's actuary, Mercer Limited.

The net pension asset/liability in respect of the surplus/deficit on the pension fund, as calculated by the fund's actuary, is included in the council's balance sheet. In Ribble Valley Borough Council's case the pension fund has a surplus position of £14.814m at 31 March 2024 (£10.994m surplus at 31 March 2023). The main reason for the movement between years can be summarised below:

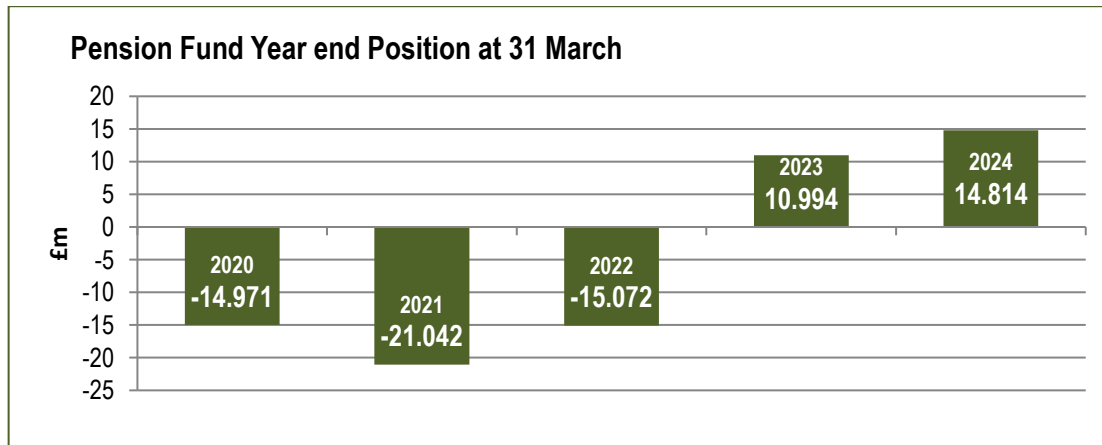
## Narrative Report

	£'000
<b>Remeasurements (liabilities)</b>	
Experience loss	434
Gain on Financial Assumptions	-810
Gain on demographic assumptions	-746
<b>Remeasurements (assets)</b>	-2,345
<b>Net movement from remeasurements</b>	<b>-3,467</b>

The main reasons for the above movements have been:

- An increase of up to 0.2% p.a. in the discount rate assumption, with the assumed CPI inflation falling by up to 0.1% p.a. Overall, the effect of this will be to reduce liabilities for less mature employers.
- There will be a loss due to the impact of actual CPI being above the start of period assumptions.
- Investment returns - broadly speaking equity returns are positive with more mixed results for bonds. So, the movement in assets has been broadly positive. This is reflected in the line titled Remeasurement (assets).

The Pension Fund year end position has fluctuated quite widely over the past few years and the main fluctuations year to year have been around remeasurements.



The Net Assets position on the balance sheet at 31 March 2023 sees a very large movement from that seen at 31 March 2022. This is due to the swing in the valuation of the Pension Fund at the 31 March 2023, with a £26.066m movement to a surplus position of £10.994m. This surplus position has increased further to £14.814m at 31 March 2024. As can be seen in the bottom half of the balance sheet this does not represent a usable asset and sits within the council's Unusable Reserves.

**10 CURRENT ECONOMIC CLIMATE AND OUTLOOK**

There is currently major uncertainty around the key funding streams that we receive from the Government.

This council has benefited from healthy levels of business rates growth over the life of the business rates retention scheme and over time has relied heavily on this income to support the revenue budget, as well as helping fund the capital programme.

This leaves the council vulnerable to any reforms to the Business Rates Retention scheme and any resets within the business rates retention scheme, such as the Baseline Funding Level.

As such the review of local authorities' relative needs and resources (Fair Funding Review) and the Business Rates Retention Reforms that keep being delayed add to the uncertainty around our financial position over the longer term.

Despite the level of uncertainty, a budget forecast was prepared at the time of setting the revenue budget for 2024/25 in February 2024 and approved by the Full Council meeting in March 2024. This was based on many assumptions due to the high level of uncertainty around future local government funding.

	2024/25 Forecast £	2025/26 Forecast £	2026/27 Forecast £	2027/28 Forecast £	2028/29 Forecast £
<b>Net Expenditure</b>	<b>10,537,939</b>	<b>10,789,134</b>	<b>11,237,638</b>	<b>11,594,354</b>	<b>11,884,212</b>
Less Interest Earned on Investments	-1,058,270	-700,000	-500,000	-400,000	-200,000
<b>Net Budget</b>	<b>9,479,669</b>	<b>10,089,134</b>	<b>10,737,638</b>	<b>11,194,354</b>	<b>11,684,212</b>
<b>Less Funding</b>					
<b>Core Government Funding</b>					
Business Rates Baseline	-1,456,737	-1,493,155	-1,530,484	-1,568,746	-1,607,965
Revenue Support Grant	-51,807	-53,102	-54,430	-55,790	-57,185
Rural Services Delivery Grant	-146,559	-146,559	-146,559	-146,559	-146,559
Services Grant	-9,456	0	0	0	0
Use of New Homes Bonus	-665,149	-650,000	0	0	0
Use of Business Rates Growth	-2,000,000	-2,000,000	-1,000,000	-1,000,000	-1,000,000
Funding Guarantee	-745,029	-771,442	-1,399,203	-1,373,636	-1,344,544
Use of General Fund Balances	-8,925	-250,000	-250,000	-250,000	-250,000
Collection Fund Surplus	-73,966	-75,000	-50,000	-50,000	-50,000
<b>Still to be Funded</b>	<b>4,322,041</b>	<b>4,649,876</b>	<b>6,306,962</b>	<b>6,749,623</b>	<b>7,227,959</b>
<b>Council Tax Income</b>					
Council Tax Band D	-170.69	-175.81	-181.09	-186.52	-192.11
Assumed Tax Base	25,321	25,574	25,830	26,088	26,349
<b>Precept</b>	<b>-4,322,041</b>	<b>-4,496,220</b>	<b>-4,677,417</b>	<b>-4,865,917</b>	<b>-5,062,014</b>
<b>Budget Gap</b>	<b>0</b>	<b>153,656</b>	<b>1,629,545</b>	<b>1,883,706</b>	<b>2,165,945</b>

The Budget Forecast has been produced based upon latest budget projections. Whilst the council has only received (in theory) a one-year settlement a view has been taken on what potential protection the council could receive for the years to 2028/29.

## Narrative Report

In summary, the following has been assumed in producing the budget forecast:

Financial Year	Pay Increases	Price Inflation	Fees and Charges Increase	Government Spending Power
2024/25	4% plus £200K Contingency	4% or contracted prices plus £200K Contingency	4%	Actual as per grant settlement
2025/26	2.5%	2.5%	2.5%	2.5%
2026/27	2.5%	2.5%	2.5%	2.5%
2027/28	2.5%	2.5%	2.5%	2.5%
2028/29	2.5%	2.5%	2.5%	2.5%

Furthermore, the following assumptions have been applied:

- a 3% increase in our council tax going forward each year until 2028/29
- a 1% increase in our taxbase each year
- the council will receive a funding guarantee/transitional protection from the Government to ensure a 2.5% increase in core spending power each year
- £1m will be taken from general fund balances over the future 4 years
- no growth items are included
- any significant new burdens on the Council are fully funded.

### Savings Plan and Productivity Plan

Our budget forecast (following the final grant settlement) currently anticipates the following budget gaps.

Financial Year	Budget Gap £'000
2024/25	0
2025/26	154
2026/27	1,630
2027/28	1,884
2028/29	2,166
<b>Total</b>	<b>5,833</b>

The council's budget forecast is based on many assumptions and uncertainties not least the timing and impact of key financial reforms on our core government funding, including:

- New Homes Bonus
- Core Spending Power
- Business Rates Growth



A general election is due to be held in the coming months, and the council won't know until the new Government is formed of their intentions with regard to local government finance.

#### **Development of a Savings Plan**

Now that the corporate plan has been finalised, the council needs to understand its budget priorities in the medium term. Some potential options to meet the budget gaps without unduly affecting the services we currently provide have been summarised below.

The Budget Working Group will need to meet to develop these areas into a plan for onward recommendation to Policy and Finance Committee in order to help meet any potential budget gaps as forecast at this point in time, albeit that the medium-term forecast is necessarily based on many uncertainties and assumptions.

- Expenditure Related Savings that could be considered:
  - Removal of one-off items from the base budget, such as the Local Plan and the current one-off additional funding for the operation of the Castle Museum.
  - Efficiency and transformation savings such as efficiency reductions within service committees, cash limiting non-salary budgets and increasing the staff turnover level allowed for in the budget (currently 4%).
- Income Related Savings that could be considered:
  - Increase fees and charges to allow for a greater increase than the 2.5% allowed for in the future years of the budget forecast.
  - Review of income streams.
  - Allowing for a greater increase in the taxbase in the forecast. We are currently seeing higher levels of increase to the taxbase than the forecast.
  - Review the level of council tax surplus/deficit that is forecast in future years.
- General Fund Balances and Earmarked Reserves
  - Increase the level of General Fund Balances used to support the budget in future years.
  - Consider how Earmarked Reserves could be used to fund specific items in the budget forecast.

The list of potential considerations is not intended to be restrictive and there may be other options that members may have an appetite to consider.

#### **Productivity Plan**

The criteria to be addressed under the government mandated productivity plans were announced at the time of the final local government finance settlement for 2024/25.

All councils must set out how they will "improve service performance and reduce wasteful expenditure" in productivity plans, to be submitted before the summer recess.

## Narrative Report

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The areas that councils need to provide information on as part of the plans are:

- Transformation of services to make better use of resources.
- Opportunities to take advantage of advances in technology and make better use of data to inform decision making and service design.
- Ways to reduce wasteful spend within systems, including specific consideration of expenditure on consultants and discredited staff equality, diversity, and inclusion programmes.
- Barriers preventing activity that government can help to reduce or remove.

It is likely that the items considered under the council's need for a Savings Plan will be able to help form the foundations for the Productivity Plans to be submitted to the Government before their summer recess in 2024.

## 11 PRINCIPAL RISKS AND UNCERTAINTIES

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### Risk Management Process

The Council's risk management approach is designed to form an integral part of the performance management approach of the Council.

Risks are scored based on their gross and net likelihood and impact levels, gross being the likelihood and impact level if no controls were in place and net being the risk level once controls have been considered.

Risks are then allocated an overall risk score based on these levels, translating to green risks, amber risks and red risks. All red risks are closely monitored and reported in detail to Corporate Management Team and Accounts and Audit Committee.

Risk owners are required to enter perceived and real risks onto the Risk Management System. This process ensures the Council maintains Service and Corporate Risk Registers, underpinning the organisation's overarching Strategic Risk Register. The compilation and maintenance of an up to date and comprehensive Corporate and Strategic Risk Register is one of the key elements of the Council's Risk Management Policy.

### Current Key Strategic Risks

These risks are monitored and maintained on a regular basis and action taken where necessary.

Shown below is the list of Strategic Risks, giving the inherent risk description to the authority if no controls were in place:

- Data loss, disruption and/or damage to reputation due to a cyber-attack.
- Inability to set an affordable and sustainable budget over the short to medium-term resulting in the issuing of a Section 114 notice.
- Heightened levels of fraud, including cyber fraud, due to pressures in the current economic climate.
- Failure of the council to embed appropriate safeguarding arrangements.
- Reduced funding resulting in the inability to deliver discretionary services.

- The council is unable to ensure the resilience of key operations and business activities due to lack of robust business continuity plans.
- Death or life changing injury due to a lack of robust health and safety processes.
- High staff turnover, loss of knowledge and skills resulting in reduced resilience.
- Failure to meet requirements equalities legislation.
- Failure to identify and embed legislative requirements due to lack of or outdated policies and procedures.
- Partnership working opportunities are not taken advantage of to improve the borough infrastructure.
- Failure to deliver the Local Plan leading to harm to the borough's environment, heritage assets and communities and missed opportunities for economic and housing growth.
- Failure to deliver new Local Plan
- Service and local economy provision does not match community requirements or expectations.
- Failure to plan and/or respond to emergency events when they occur.
- Failure to deliver the Council's Climate Change Strategy to reduce carbon emissions, adversely affecting the natural environment.

Whilst the above is a list of the current strategic risks there are of course a number of mitigating actions and controls that reduced the residual level of risk experienced by the council in this respect.

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## 12 THE STATEMENTS

The Council's statement of accounts for the year ended 31 March 2024 is set out on the following pages. These have been prepared in accordance with the Chartered Institute of Public Finance and Accountancy's Code of Practice on Local Authority Accounting in the United Kingdom and are based on International Financial Reporting Standards. The statements produced for 2023/24 are detailed in the following paragraphs.

### **Statement of Responsibilities**

The code requires that the chief financial officer should sign and date the Statement of Accounts under a statement that the accounts give a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year then ended.

### **Statement of Accounting Policies**

Accounting Policies are the specific principles, bases, conventions, rules and practices applied by the council in preparing and presenting its financial statements. The council is required to set out its accounting policies in compliance with the Code of Practice on

## Narrative Report

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Local Authority Accounting in the United Kingdom and include them within the Statement of Accounts.

### **Movement in Reserves Statement**

The Movement in Reserves Statement is a summary of the changes that have taken place in the bottom half of the Balance Sheet over the financial year. It does this by analysing:

- the increase or decrease in the net worth of the council as a result of incurring expenses and generating income.
- the increase or decrease in the net worth of the Council as a result of movements in the fair value of its assets.
- movements between reserves to increase or reduce the resources available to the council according to statutory provisions.

### **Comprehensive Income and Expenditure Statement**

This statement consolidates all the gains and losses experienced by the council during the financial year. As councils do not have any equity in their Balance Sheets, these gains and losses will reconcile to the overall movement in net worth. The statement has two sections:

- Surplus or Deficit on the Provision of Services – the increase or decrease in the net worth of the Council as a result of incurring expenses and generating income.
- Other Comprehensive Income and Expenditure – shows any changes in net worth which have not been reflected in the Surplus or Deficit on the Provision of Services. Examples include the increase or decrease in the net worth of the council as a result of movements in the fair value of its assets and actuarial gains or losses on pension assets and liabilities.

### **Balance Sheet**

The Balance Sheet summarises the Council's financial position at 31 March each year. In its top half it contains the assets and liabilities that it holds or has accrued with other parties. As councils do not have equity, the bottom half is comprised of reserves that show the nature of the council's net worth, falling into two categories:

- Usable Reserves - which include the revenue and capital resources available to meet future expenditure.
- Unusable Reserves – unrealised gains and losses, particularly the revaluation of property plant and equipment (e.g., the Revaluation Reserve) and adjustment accounts such as the Capital Adjustment Account.

**Cash Flow Statement**

The Cash Flow Statement summarises the flows of cash that have taken place into and out of the council's bank accounts over the financial year. It separates the flows into:

- those that have occurred as a result of the council's operations.
- those arising from the Council's investing activities.
- those attributable to financing decisions.

**Collection Fund Statement**

This reflects the statutory requirement for billing authorities, such as Ribble Valley Borough Council, to maintain a separate fund for the collection and distribution of amounts due in respect of council tax and Business Rates

There is no requirement for a separate Collection Fund Balance Sheet. Instead, Collection Fund balances are distributed across the Balance Sheets of the billing authority, the Government and precepting bodies.

## Statement of Responsibilities

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# Statement of Responsibilities

The following responsibilities are placed upon the Authority and the Director of Resources & Deputy Chief Executive in relation to the Council's financial affairs:

### The Authority's Responsibilities

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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, that officer is the Director of Resources & Deputy Chief Executive.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

### The Director of Resources & Deputy Chief Executives' Responsibilities

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The Director of Resources & Deputy Chief Executive is responsible for the preparation of the authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code).

In preparing this Statement of Accounts the Director of Resources & Deputy Chief Executive has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the local authority Code.

The Director of Resources & Deputy Chief Executive has also:

- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I hereby certify that the Statement of Accounts gives a true and fair view of the financial position of the authority at the reporting date and its income and expenditure for the year ended 31 March 2024.

Jane L Pearson

Director of Resources & Deputy Chief Executive CPFA  
5 June 2024

## Approval of the Statement of Accounts

I confirm that these accounts, including the Comprehensive Income and Expenditure Statement on page 67 and the Balance Sheet on page 71, were approved by the Accounts and Audit Committee at its meeting held on [REDACTED]

Cllr Robin Walsh

Chairman of Accounts and Audit Committee  
[REDACTED]

# Statement of Accounting Policies

*The accounting policies form part of the notes to the accounts.*

## 1 GENERAL PRINCIPLES

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The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2023/24*, 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.

The Statement of Accounts has been prepared on a 'going concern' basis.

## 2 ACCRUALS OF INCOME AND EXPENDITURE

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – in the case of the depot general stores, 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 borrowing 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.
- The council has adopted IFRS15 Revenue from Contracts with Customers in accordance with the Code.



**Statement of Accounting Policies**

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**3 CASH AND CASH EQUIVALENTS**

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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 in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

**4 PRIOR PERIOD ADJUSTMENTS, CHANGES IN ACCOUNTING POLICIES AND ESTIMATES AND ERRORS**

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

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

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

**5 CHARGES TO REVENUE FOR NON-CURRENT ASSETS**

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Services, support services and trading accounts are charged an accounting estimate of the cost of holding non-current assets during the year. This comprises of:

- Depreciation attributable to the 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 the losses can be written off.
- Amortisation of intangible assets attributable to the service.

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

## Statement of Accounting Policies

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### 6 COUNCIL TAX AND NON-DOMESTIC RATES (NDR)

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

#### **Accounting for Council Tax and NDR**

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

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

### 7 EMPLOYEE BENEFITS

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#### **Benefits Payable during Employment**

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g., cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

An accrual is made for the cost of holiday entitlements (or any form of leave, e.g., time off in lieu) 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 wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit.

The accrual is charged to 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. Should the value of 'holiday entitlements earned by employees but not taken' not move materially from one financial year end to the next, then the existing accrual level is maintained.

**Statement of Accounting Policies**

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**Termination Benefits**

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

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

**Post-Employment Benefits**

Employees of the Council are eligible to join 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 work for the Council.

**The Local Government Pension Scheme**

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

- The liabilities of the Lancashire County Pension Fund attributable to Ribble Valley Borough Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e., an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 4.9% (4.8% 31 March 2023) based on the indicative rate of return on AA rated corporate bonds.
- The assets of the Lancashire County Pension Fund attributable to Ribble Valley Borough Council are included in the Balance Sheet at their fair value:
  - Quoted securities – current bid price.
  - Unquoted securities – professional estimate
  - Unitised securities – current bid price
  - Property – market value
- The Change in the Net Pensions Liability is analysed into the following components:

## Statement of Accounting Policies

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- **Service cost comprising:**
  - Current Service Cost – the increase in liabilities as a result 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.
  - Net Interest on the Net Defined Benefit Liability (Asset) – i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined 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 of Plan Assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
  - Actuarial Gains and Losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- **Contributions:**
  - Contributions paid to the Lancashire County Pension Fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the 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.

## Statement of Accounting Policies

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

### **Discretionary Benefits**

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

## **8 EVENTS AFTER THE REPORTING PERIOD**

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

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

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

## **9 FINANCIAL INSTRUMENTS**

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### **Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are 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 Council 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.

## Statement of Accounting Policies

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### **Financial Assets**

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

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

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

### **Financial Assets Measured at Amortised Cost**

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

### **Expected Credit Loss Model**

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

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

## Statement of Accounting Policies

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### 10 GOVERNMENT GRANTS AND CONTRIBUTIONS

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

- The Council will comply with the 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 and Expenditure (non-ring-fenced revenue grants and all 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.

### 11 HERITAGE ASSETS

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**Tangible and Intangible Heritage Assets (described in this summary of significant accounting policies as Heritage Assets)**

Heritage Assets are

- Tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities which are held and maintained principally for their contribution to knowledge and culture.
- Intangible heritage assets with cultural, environmental or historical significance, such as recordings of significant historical events.

In considering assets that it holds, the Council has identified the following assets as Heritage Assets and looks to hold these assets in perpetuity:

- The Castle Keep at Clitheroe
- The Clitheroe Castle Museum Collection

## Statement of Accounting Policies

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- Civic Regalia
- The Roman Bath site at Ribchester

### The Castle Keep at Clitheroe

- Built in 1186 by Robert de Lacy, the Norman Keep of Clitheroe Castle is said to be one of the smallest Keeps in England. The Council considers that obtaining a valuation for the Keep would involve a disproportionate cost in comparison to the benefits to the users of the Council's financial statements. Therefore, the Council does not recognise this heritage asset on the balance sheet.
- The Council maintains and preserves the Castle Keep and last undertook substantial work over the period 2006 to 2009. The Keep is open to the general public without charge and the council retains detailed information about its history much of which can be seen with chargeable admission to the Clitheroe Castle Museum.

### The Clitheroe Castle Museum Collection

- The Clitheroe Castle Museum Collection principally includes archaeological artifacts, geological collections, militaria and items of local social historical interest. Due to the diverse nature of the museum collection, and without accurate valuation information on any individual asset within the collection, the council has included the collection at insurance value as provided by the Lancashire County Museum Service.
- The Clitheroe Castle Museum collection is maintained and managed by the Lancashire County Museum Service who act as custodians on behalf of the Council. A full list of the collection is retained by both the Council and Lancashire County Museum Service. Not all of the collection is on display at the Clitheroe Castle Museum due to the volume and nature of some of the items within the collection. However, those items on display at the Clitheroe Castle Museum can be seen with chargeable admission to the Museum. At this premises the collection is interspersed with items under the ownership of Lancashire County Museum Service.
- Any acquisitions to the collection would generally be made by donation; however, the collection has remained relatively static over recent years. Any donation of note would be recognised at valuation ascertained by the museum's curator or at insurance valuation.

### Civic Regalia

- The Civic Regalia includes a number of chains of office. These heritage assets have been included on the Council's balance sheet at insurance valuation.
- The civic regalia can be viewed by appointment through contact with the main council offices or alternatively the current civic regalia can be viewed at most mayoral functions.
- The acquisition of further Civic Regalia would not be made, and a programme of ongoing maintenance is carried out to ensure that the condition of the items is maintained.



## Statement of Accounting Policies

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### The Roman Bath site at Ribchester

- The Council owned site at Ribchester consists of the archaeological remains of a Roman bath house. Due to the unique nature of the site, the Council considers that obtaining a valuation for the bath house site would involve a disproportionate cost in comparison to the benefits to the users of the Council's financial statements. Therefore, the Council does not recognise this heritage asset on the balance sheet.
- General maintenance of the site is undertaken by the Council on a routine basis; however, no preservation works have recently been undertaken. The council would look to work together with third parties in undertaking any such works.
- Access to the site is open to the general public without charge.

### Heritage Assets - General

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g., where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment – see *Accounting Policy 16* on Property, Plant and Equipment in this summary of significant accounting policies. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts (again see *Accounting Policy 16* on Property, Plant and Equipment in this summary of significant accounting policies)

## 12 INTANGIBLE ASSETS

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Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g., software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the asset held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

## Statement of Accounting Policies

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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.

### 13 INVENTORIES AND LONG-TERM CONTRACTS

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Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned at cost price.

Long Term Contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

### 14 LEASES

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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.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

There are no finance leases within the Council where the Council acts as either Lessee or Lessor.

#### **Operating Leases Where the Council is Lessee**

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant and equipment. Charges are made on a straight-line basis over the life of the lease even if this does not match the pattern of payments (e.g., there is a rent-free period at the commencement of the lease).

## Statement of Accounting Policies

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### **Operating Leases Where the Council is Lessor**

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

## **15 OVERHEADS AND SUPPORT SERVICES**

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

## **16 PROPERTY, PLANT AND EQUIPMENT**

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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 in excess of £10,000 on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

### ***Measurement***

Assets are initially measured at cost, comprising:

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

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e., it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

## Statement of Accounting Policies

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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 then carried in the Balance Sheet using the following measurement bases:

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

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

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

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

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.

The carrying amount of assets that would be recognised in the Statement of Accounts under the cost model are summarised in the table below:

## Statement of Accounting Policies

Property, Plant and Equipment Classification	31 March 2024	
	Revalued Amount in Balance Sheet £	Equivalent Carrying Amount Under Cost Model £
Other Land and Buildings	16,088,905	8,469,437
Vehicles, Plant, Furniture and Equipment	2,047,624	2,047,624
Infrastructure Assets	220,380	220,380
Community Assets	1,765,763	1,755,094
Assets Held for Sale	200,000	18,267
Assets Under Construction	31,585	31,585
<b>Total</b>	<b>20,354,257</b>	<b>12,542,387</b>

### Impairments

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 and certain Community Assets) and assets that are not yet available for use (i.e., assets under construction).

## Statement of Accounting Policies

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The Council operates a straight-line method for depreciation over the useful economic life of the asset, for most assets as follows:

	Years
Buildings	50
Infrastructure	40
Large Equipment	10
Large Vehicles	8
Small Vehicles	5
Small Plant/Equipment	3

The useful economic life used for an asset in the calculation of depreciation will only differ from the above table where an updated asset life is provided at the time of any revaluation of council assets. Such updated asset lives would be used for future depreciation calculations.

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 previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

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

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal.

**Statement of Accounting Policies**

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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.

Amounts received for a disposal, generally in excess of £10,000, are categorised as capital receipts. The receipts are set aside in 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.

***Componentisation***

Where the council holds an asset with a value of £500,000 or above, any significant element of that asset would be treated as a separate component for the purposes of asset recognition, measurement, impairment, depreciation or disposal. A 'significant element' is any element of an asset with a value of 10% or above of the overall asset value.

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**17 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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***Provisions***

Provisions are made where an event has taken place on or before the Balance Sheet date:

- that gives the Council a present obligation.
- that probably requires settlement by a transfer of economic benefits or service potential, and
- where a reliable estimate can be made of the amount of the obligation.

If it is not clear whether an event has taken place on or before the Balance Sheet date, it is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the Balance Sheet date. The present obligation can be legal or constructive.

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

## Statement of Accounting Policies

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Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g., from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

### **Contingent Liabilities**

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

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

### **Contingent Assets**

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

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

## **18 RESERVES**

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

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Council - these reserves are explained in the relevant policies.

## **19 REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE**

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Expenditure incurred during the year that may be capitalised under statutory provisions but 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 of Accounting Policies

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Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

### 20 VAT

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VAT payable is included as an expense only to the extent that it is not recoverable from HMRC. VAT receivable is excluded from income.

### 21 FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

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

- in the principal market for the asset, or
- in the absence of a principal market, in the most advantageous market for the asset

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

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

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

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

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

**Comprehensive Income and Expenditure Statement**

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# 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. Councils 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.

The Comprehensive Income and Expenditure Statement consolidates all the gains and losses experienced by the Council during the financial year. As Councils do not have any equity in their Balance Sheets, these gains and losses reconcile to the overall movement in net worth.

The Comprehensive Income and Expenditure Statement has two sections:

- Surplus or Deficit on the Provision of Services – the increase or decrease in the net worth of the Council as a result of incurring expenses and generating income.
- Other Comprehensive Income and Expenditure – shows any changes in net worth which have not been reflected in the Surplus or Deficit on the Provision of Services. Examples include the increase or decrease in the net worth of the Council as a result of movements in the fair value of its assets and actuarial gains and losses on pension assets and liabilities.

## Comprehensive Income and Expenditure Statement

2022/23			2023/24				
Gross Expenditure £	Gross Income £	Net Expenditure £		Gross Expenditure £	Gross Income £	Net Expenditure £	Note
7,682,338	-2,357,055	5,325,283	Community Services Committee	6,997,847	-2,314,731	4,683,116	35
447,210	-92,239	354,971	Economic Development Committee	417,770	-83,249	334,521	
7,434,124	-6,590,942	843,182	Health and Housing Committee	7,969,618	-6,626,519	1,343,099	
1,532,192	-791,069	741,123	Planning and Development Committee	1,449,661	-642,918	806,743	
3,680,205	-1,253,012	2,427,193	Policy and Finance Committee	4,177,596	-1,423,275	2,754,321	
<b>20,776,069</b>	<b>-11,084,317</b>	<b>9,691,752</b>	<b>Cost of Services</b>	<b>21,012,492</b>	<b>-11,090,692</b>	<b>9,921,800</b>	<b>1/2</b>
			<b>Other Operating Expenditure</b>				
		517,347	Payment of Precepts to Parishes			577,048	
		35,000	Pensions Administration Expenses			38,000	32
		2,968	(Gains)/Losses on the Disposal of non-Current Assets			-5,880	
			<b>Financing and Investment Income and Expenditure</b>				
		9,823	Interest Payable on Debt and Early Repayment Premium			0	
		-596,498	Investment Interest Income			-1,382,223	
		1,691	Impairment Losses/(Gains)			35,155	
		406,000	Net Interest on the net defined benefit liability (asset)			-552,000	32
		19,487	(Gain)/Loss on Trading Accounts			-66,540	
			<b>Taxation and Non-Specific Grant Income</b>				
		-4,532,889	Council Tax			-4,799,525	8
		-989,221	Non Domestic Rates Income and Expenditure			-1,343,167	8/11
		-314,000	Capital Grants and Contributions			-178,000	
		-3,964,139	Other Non-Specific Grants			-4,480,586	8
		<b>287,321</b>	<b>(Surplus) or Deficit on Provision of Services</b>			<b>-2,235,918</b>	<b>1/2</b>
		-622,245	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets			-711,763	
		-27,705,000	Actuarial Gains on Pensions Assets/Liabilities			-3,467,000	32
		<b>-28,327,245</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>-4,178,763</b>	
		<b>-28,039,924</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>-6,414,681</b>	

The Notes to the Core Financial Statements and the Statement of Accounting Policies form part of the Statement of Accounts

**Movements in Reserves Statement**

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## Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable' reserves (i.e., those that can be applied to fund expenditure or reduce local taxation) and other 'unusable' reserves.

It shows how the movements in year of the council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year.

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 Council.

## Movements in Reserves Statement

Movements in 2023/24	General Fund Balance £	Earmarked General Fund Reserves £	Total General Fund Balance £	Capital Grants Unapplied £	Usable Capital Receipts Reserve £	Total Usable Reserves £	Unusable Reserves £	Total Council Reserves £
<b>Balance as at 31 March 2023</b>	2,719,398	14,706,159	17,425,557	1,033,598	817,435	19,276,590	28,648,303	47,924,893
Total Comprehensive Income and Expenditure	1,297,495	938,423	2,235,918			2,235,918	4,178,763	6,414,681
Adjustments between Accounting Basis and Funding Basis Under Regulations <i>See Note 10</i>	-1,120,810		-1,120,810	81,847	-21,230	-1,060,193	1,060,193	0
<b>Increase/(Decrease) in Year</b>	<b>176,685</b>	<b>938,423</b>	<b>1,115,108</b>	<b>81,847</b>	<b>-21,230</b>	<b>1,175,725</b>	<b>5,238,956</b>	<b>6,414,681</b>
<b>Balance at 31 March 2024 Carried Forward</b>	<b>2,896,083</b>	<b>15,644,582</b>	<b>18,540,665</b>	<b>1,115,445</b>	<b>796,205</b>	<b>20,452,315</b>	<b>33,887,259</b>	<b>54,339,574</b>

Movements in 2022/23	General Fund Balance £	Earmarked General Fund Reserves £	Total General Fund Balance £	Capital Grants Unapplied £	Usable Capital Receipts Reserve £	Total Usable Reserves £	Unusable Reserves £	Total Council Reserves £
<b>Balance as at 31 March 2022</b>	2,961,136	15,081,909	18,043,045	658,871	1,064,005	19,765,921	119,048	19,884,969
Total Comprehensive Income and Expenditure	88,429	-375,750	-287,321			-287,321	28,327,245	28,039,924
Adjustments between Accounting Basis and Funding Basis Under Regulations <i>See Note 10</i>	-330,167		-330,167	374,727	-246,570	-202,010	202,010	0
<b>Increase/(Decrease) in Year</b>	<b>-241,738</b>	<b>-375,750</b>	<b>-617,488</b>	<b>374,727</b>	<b>-246,570</b>	<b>-489,331</b>	<b>28,529,255</b>	<b>28,039,924</b>
<b>Balance at 31 March 2023 Carried Forward</b>	<b>2,719,398</b>	<b>14,706,159</b>	<b>17,425,557</b>	<b>1,033,598</b>	<b>817,435</b>	<b>19,276,590</b>	<b>28,648,303</b>	<b>47,924,893</b>

*The Notes to the Core Financial Statements and the Statement of Accounting Policies form part of the Statement of Accounts*

**Balance Sheet**

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# Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council.

Reserves are reported in two categories:

- **Usable Reserves** are those reserves that the Council 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 Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt).
- **Unusable Reserves** are those that the Council 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'.

## Balance Sheet

31 March 2023		31 March 2024	Note
£		£	
<b>Long Term Assets</b>			
19,453,410	Property, Plant and Equipment	20,154,257	6/13
1,082,613	Heritage Assets	1,262,827	14
53,639	Intangible Assets	47,347	
231,661	Long Term Debtors	217,065	15
10,994,000	Net Pensions Asset	14,814,000	
<b>31,815,323</b>	<b>Total Long Term Assets</b>	<b>36,495,496</b>	
<b>Current Assets</b>			
10,000	Financial Asset Held for Sale	10,000	15
200,000	Assets Held for Sale	200,000	
57,533	Inventories	59,313	
1,805,712	Short Term Debtors	2,956,349	15/16
22,902,858	Cash and Cash Equivalents	23,236,957	15/17
<b>24,976,103</b>	<b>Total Current Assets</b>	<b>26,462,619</b>	
<b>Current Liabilities</b>			
-7,950,345	Short Term Creditors	-8,182,717	15/18
-916,188	Provisions	-435,824	19
<b>-8,866,533</b>	<b>Total Current Liabilities</b>	<b>-8,618,541</b>	
<b>47,924,893</b>	<b>Net Assets</b>	<b>54,339,574</b>	
<b>Usable Reserves</b>			
2,719,398	General Fund Balance	2,896,083	20
14,706,159	Earmarked General Fund Reserves	15,644,582	12
817,435	Usable Capital Receipts Reserve	796,205	
1,033,598	Capital Grants Unapplied	1,115,445	
<b>19,276,590</b>	<b>Total Usable Reserves</b>	<b>20,452,315</b>	
<b>Unusable Reserves</b>			
8,891,442	Capital Adjustment Account	9,372,504	21
6,041	Collection Fund Adjustment Account	445,480	
8,862,077	Revaluation Reserve	9,358,418	
10,994,000	Pension Reserve	14,814,000	32
-105,257	Accumulated Absences Account	-103,143	
<b>28,648,303</b>	<b>Total Unusable Reserves</b>	<b>33,887,259</b>	
<b>47,924,893</b>	<b>Total Reserves</b>	<b>54,339,574</b>	

The Notes to the Core Financial Statements and the Statement of Accounting Policies form part of the Statement of Accounts

## Cash Flow Statement

# Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period.

The Statement shows how the Council 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 Council are funded by way of taxation and grant income or from the receipts of services provided by the Council.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council'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 Council.

2022/23 £		2023/24 £	Note
287,321	Net (Surplus) or Deficit on the Provision of Services	-2,235,918	
-1,382,186	Adjustments to Net Surplus or Deficit on the Provision of Services for Non-Cash Movements	-645,428	22
70,099	Adjustments for Items Included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	5,880	22
<b>-1,024,766</b>	<b>Net Cash Flows from Operating Activities</b>	<b>-2,875,466</b>	
-5,135,978	Investing Activities	-37,889	23
3,480,653	Financing Activities	2,579,256	24
<b>-2,680,091</b>	<b>Net Increase or decrease in Cash and Cash Equivalents</b>	<b>-334,099</b>	
20,222,767	Cash and Cash Equivalents 1 April	22,902,858	
<b>22,902,858</b>	<b>Cash and Cash Equivalents 31 March</b>	<b>23,236,957</b>	17

*The Notes to the Core Financial Statements and the Statement of Accounting Policies form part of the Statement of Accounts*



# Notes to the Core Financial Statements

## 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 the council in comparison with those resources consumed or earned by the council in accordance with generally accepted accounting practices.

It also shows how this expenditure is allocated for decision making purposes across the council's committee structure. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2023/24	Net Expenditure Chargeable to the General Fund £	Adjustments between the Funding and Accounting Basis £	Net Expenditure in the Comprehensive Income and Expenditure Statement £
Community Services Committee	4,607,866	75,250	4,683,116
Economic Development Committee	330,697	3,824	334,521
Health and Housing Committee	1,198,312	144,787	1,343,099
Planning and Development Committee	783,468	23,275	806,743
Policy and Finance Committee	2,802,863	-48,542	2,754,321
<b>Net Cost of Services</b>	<b>9,723,206</b>	<b>198,594</b>	<b>9,921,800</b>
Other Income and Expenditure	-10,838,314	-1,319,404	-12,157,718
<b>(Surplus) or Deficit</b>	<b>-1,115,108</b>	<b>-1,120,810</b>	<b>-2,235,918</b>
Opening General Fund Balance at 31 March 2023	-17,425,557		
<b>Closing General Fund Balance as at 31 March 2024</b>	<b>-18,540,665</b>		

## Notes to the Core Financial Statements

2022/23	Net Expenditure Chargeable to the General Fund £	Adjustments between the Funding and Accounting Basis £	Net Expenditure in the Comprehensive Income and Expenditure Statement £
Community Services Committee	4,850,431	474,852	5,325,283
Economic Development Committee	321,523	33,448	354,971
Health and Housing Committee	717,857	125,325	843,182
Planning and Development Committee	598,425	142,698	741,123
Policy and Finance Committee	2,182,618	244,575	2,427,193
<b>Net Cost of Services</b>	<b>8,670,854</b>	<b>1,020,898</b>	<b>9,691,752</b>
Other Income and Expenditure	-8,053,366	-1,351,065	-9,404,431
<b>(Surplus) or Deficit</b>	<b>617,488</b>	<b>-330,167</b>	<b>287,321</b>
Opening General Fund Balance at 31 March 2022	-18,043,045		
<b>Closing General Fund Balance as at 31 March 2023</b>	<b>-17,425,557</b>		

## 2 NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

This note explains the main adjustments from Net Expenditure Chargeable to the General Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement.

2023/24	Net Expenditure Chargeable to the General Fund £	Adjustments for Capital Purposes £	Net Change for the Pensions Adjustments £	Other Statutory Adjustments £	Net Expenditure in the Comprehensive Income and Expenditure Statement £
Community Services Committee	4,607,866	1,124	72,038	2,088	<b>4,683,116</b>
Economic Development Committee	330,697		4,382	-558	<b>334,521</b>
Health and Housing Committee	1,198,312	54,205	23,575	67,007	<b>1,343,099</b>
Planning and Development Committee	783,468		21,775	1,500	<b>806,743</b>
Policy and Finance Committee	2,802,863	-82,163	39,230	-5,609	<b>2,754,321</b>
<b>Net Cost of Services</b>	<b>9,723,206</b>	<b>-26,834</b>	<b>161,000</b>	<b>64,428</b>	<b>9,921,800</b>
Other Income and Expenditure	-10,838,314	-299,425	-514,000	-505,979	<b>-12,157,718</b>
<b>(Surplus) or Deficit</b>	<b>-1,115,108</b>	<b>-326,259</b>	<b>-353,000</b>	<b>-441,551</b>	<b>-2,235,918</b>

## Notes to the Core Financial Statements

2022/23	Net Expenditure Chargeable to the General Fund £	Adjustments for Capital Purposes £	Net Change for the Pensions Adjustments £	Other Statutory Adjustments £	Net Expenditure in the Comprehensive Income and Expenditure Statement £
Community Services Committee	4,850,431	-24,224	541,747	-42,671	5,325,283
Economic Development Committee	321,523		31,521	1,927	354,971
Health and Housing Committee	717,857	-26,121	169,225	-17,779	843,182
Planning and Development Committee	598,425		152,767	-10,069	741,123
Policy and Finance Committee	2,182,618	-33,320	302,740	-24,845	2,427,193
<b>Net Cost of Services</b>	<b>8,670,854</b>	<b>-83,665</b>	<b>1,198,000</b>	<b>-93,437</b>	<b>9,691,752</b>
Other Income and Expenditure	-8,053,366	97,216	441,000	-1,889,281	-9,404,431
<b>(Surplus) or Deficit</b>	<b>617,488</b>	<b>13,551</b>	<b>1,639,000</b>	<b>-1,982,718</b>	<b>287,321</b>

**Adjustments for Capital Purposes**

This column adds in depreciation and impairment and revaluation gains and losses in the service line, and for:

- **Other Operating Expenditure** – adjusts for capital disposals with a transfer of income on 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 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 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 year without conditions or for which conditions were satisfied in the year.

**Net Change for the Pensions Adjustments**

Net change for the removal of pension contributions and the addition of IAS19 *Employee Benefits* pension related expenditure and income:

- **For services** this represents the removal of the employer pension contributions made by the council 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 Comprehensive Income and Expenditure Statement.

## Notes to the Core Financial Statements

### Other Statutory Adjustments

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

- 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 future surpluses or deficits on the Collection Fund.

### 3 EXPENDITURE AND INCOME ANALYSED BY NATURE

This note categorises all the elements of the Comprehensive Income and Expenditure Statement between income and expenditure to arrive at the (Surplus) or Deficit on Provision of Services.

2022/23 £	2023/24 £
<i>Expenditure</i>	
9,413,373	8,093,860
Employee Expenditure	
13,782,084	10,552,877
Other Service Expenses	
1,331,181	1,905,204
Depreciation, Amortisation and Impairment	
35,000	38,000
Pensions Administration Costs	
9,823	0
Interest Payments	
517,347	577,048
Precepts and Levies	
<b>25,088,808</b>	<b>21,166,989</b>
<b>Total Expenditure</b>	
<i>Income</i>	
-6,689,266	-3,408,344
Fees and Charges and Other Service Income	
2,968	-5,880
Gain or Loss on Disposal of Non-Current Assets	
-5,522,110	-6,142,692
Income from Council Tax and Business Rates	
-11,996,581	-12,463,768
Government Grants, Contributions and Donations	
-596,498	-1,382,223
Interest and Investment Income	
<b>-24,801,487</b>	<b>-23,402,907</b>
<b>Total Income</b>	
<b>287,321</b>	<b>-2,235,918</b>
<b>(Surplus) or Deficit on Provision of Services</b>	

#### 4 ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

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The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2023/24 Code.

The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would, therefore result in an impact on disclosures spanning two financial years.

Accounting Standards that have been issued but not yet adopted, include:

- a) IFRS 16 Leases issued in January 2016 (but only for those local authorities that have not decided to voluntarily implement IFRS 16 in the 2023/24 year).
- b) Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020. The amendments:
  - specify that an entity's right to defer settlement must exist at the end of the reporting period
  - clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement
  - clarify how lending conditions affect classification, and
  - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.
- c) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- d) Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.
- e) International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:
  - a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, and
  - targeted disclosure requirements for affected entities.
- f) Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:

## Notes to the Core Financial Statements

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- assess how supplier finance arrangements affect an entity's liabilities and cash flows, and
- understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

Note that a) will only be applicable to local authorities that have not voluntarily implemented IFRS 16 in 2023/24. Extensive work has been undertaken to establish the impact on the statement of accounts for the 2024/25 financial year.

It is likely that though they provide clarifications, items b), c) and d) will not have a significant impact on the amounts anticipated to be reported in the financial statements. There will be limited application of items e) and f).

## 5 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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In applying the accounting policies set at the beginning of the Statement of Accounts, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There continues to be a high degree of uncertainty about the future levels of funding for local government, added to by the recent calling of a general election. However, the Council has determined that this uncertainty is not sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

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

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. The assumptions and other sources of estimation uncertainty disclosed below relate to estimates that require the council's most difficult, subjective or complex judgements.

As the number of variables and assumptions affecting the possible future resolution of the uncertainties increases, those judgements become more subjective and complex. As a result, the balances cannot be determined with certainty and actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions Liability/ Asset	<p>Estimation of the net liability/asset 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.</p> <p>For the year ended 31 March 2024 the position for this Council was a Net Pensions Asset of £14.814m. The amount of asset that the Council was able to disclose in the statements was confirmed by establishing the asset ceiling for the council's element of the fund.</p> <p>This was established through an IFRIC 14 assessment, which demonstrated that the council could recognise in the balance sheet the lower of the asset ceiling figure and the surplus from the accounting schedule (£14.814m). As a consequence the balance sheet shows the Net Pension Asset of £14.814m.</p>	<p>Mercer Limited are the actuaries for the Lancashire County Pension Fund. The Pension Fund Surplus for Ribble Valley at 31 March 2024 was £14.814m. The following sensitivity analysis is provided by Mercer Limited:</p> <ul style="list-style-type: none"> <li>• <b>+0.5% p.a. discount rate as at 31 March 2024:</b> surplus would be £18.597m</li> <li>• <b>+0.25% p.a. inflation as at 31 March 2024:</b> surplus would be £12.823m</li> <li>• <b>+0.25% p.a. pay growth as at 31 March 2024:</b> surplus would be £14.519m</li> <li>• <b>1-year addition to members' life expectancy as at 31 March 2024:</b> surplus would be £13.478m</li> <li>• <b>+1% change in 2023/24 investment returns:</b> surplus would be £15.532m</li> <li>• <b>-1% change in 2023/24 investment returns:</b> surplus would be £14.096m</li> </ul>

## Notes to the Core Financial Statements

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment Valuations	<p>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.</p> <p>Assets are valued based on estimates and assumptions at a point in time, but market conditions can fluctuate.</p>	<p>A variation of 10% in the value of the council's property, plant and equipment valuations would be approximately £2.015m.</p> <p>A reduction would result in a reduction to the revaluation reserve and/or a loss charged to the comprehensive income and expenditure statement.</p> <p>An increase in estimated valuations would result in the reversal of any negative revaluations previously charged to the comprehensive income and expenditure statement and/or increases to the revaluation reserve and/or gains charged to the comprehensive income and expenditure statement.</p>

## 7 MATERIAL ITEMS OF INCOME AND EXPENSE

### Housing Benefit

The Council has a statutory duty to administer Housing Benefit claims on behalf of the Department for Work and Pensions. The Council pays out Housing Benefits to eligible claimants. In 2023/24 £5.29m was paid out (£5.14m in 2022/23), after taking into account reimbursements from claimants for any overpayments made. The Council receives subsidy grant from the Department for Work and Pensions to cover the payments made. Subsidy grant of £5.34m was received from the Department for Work and Pensions in 2023/24 (£5.13m in 2022/23).

### Car Parking Pay and Display Income

The Council maintains numerous public car parks throughout the borough of which 16 are chargeable. Car parking charges are operated in Longridge, Clitheroe, Slaidburn, Ribchester, Sabden, Dunsop Bridge and Chipping. The Council, through committees, have full control of the level of the car parking charges that are set.

In 2023/24 the Council received £515,250 in income from chargeable car parks (in 2022/23 £430,290). This income excludes that received from parking fines.



## Notes to the Core Financial Statements

**Planning application fees**

Local government administer much of the planning system with district councils responsible for most planning matters, other than transport and minerals and waste planning which are typically functions of the county council. A planning application is only required in certain circumstances. If a planning application is required, the council requires that the application is accompanied with a fee. In 2023/24 the council received £415,120 in planning application fees, which help fund the provision of the service. (£473,900 in 2022/23).

**Business Rates Section 31 Grants**

The council receives a number of grants, known as Section 31 Grants from MHCLG (formerly DCLG), in compensation for business rates income lost as a result of measures introduced by the Government. In 2023/24 the Council received £2,959,722 through various business rates Section 31 grants (£2,478,151 in 2022/23).

**8 TAXATION AND NON-SPECIFIC GRANT INCOME**

Included within this grouping on the Comprehensive Income and Expenditure Statement are four major categories of income.

**Council Tax**

	2022/23 £	2023/24 £
Ribble Valley Borough Council Precept	-3,945,422	-4,138,936
Precept Relating to Parishes	-517,347	-577,048
Surplus Received in Year (Declared January Prior to Start of Year)	-115,329	-80,012
Movement on Collection Fund (Surplus)/Deficit at Year End	45,209	-3,529
<b>Total Council Tax</b>	<b>-4,532,889</b>	<b>-4,799,525</b>

**Non-Domestic Rates Income and Expenditure**

	2022/23 £	2023/24 £
Ribble Valley Borough Council Share of Business Rates Income	-5,162,742	-6,316,477
Less Tariff Payable to Central Government	4,311,424	5,115,655
Tariff Reconciliation	0	-30,222
(Surplus)/Deficit Payment in Year (Declared January Prior to Start of Year)	1,749,432	242,437
Movement on Collection Fund Deficit/(Surplus) at Year End	-1,953,977	-435,909
Business Rates Retained on Renewable Energy Schemes	-25,119	-31,546
10% Retained Levy Payable to Lancashire County Council under Business Rates Pooling Arrangements	91,761	112,895
<b>Overall Net Retained Business Rates Related Income</b>	<b>-989,221</b>	<b>-1,343,167</b>

## Notes to the Core Financial Statements

**Other Non-Specific Grants**

	2022/23 £	2023/24 £
New Homes Bonus	-1,205,836	-506,197
Rural Services Delivery Grant	-113,250	-126,574
Lower Tier Services Grant	-61,960	0
Levy Account Surplus	-11,359	-11,359
Revenue Support Grant	-215	-48,588
Services Grant	-93,368	-54,777
Funding Guarantee	0	-773,369
Business Rates Section 31 Grants		
Small Business Rates Relief (SBRR) Scheme	-1,140,039	-1,062,366
SBRR on Existing Properties where 2nd Property is Occupied	-3,510	-9,360
Multiplier Cap	-128,129	-333,821
Public Conveniences	-8,491	-8,591
Rural Rate Relief	-9,633	-8,977
Supporting Small Businesses	-16,406	-190,973
Compensation for Green Plant and Machinery	0	-20,058
Covid-19 Additional Relief Fund (CARF)	-265,744	-2,421
SBRR Loss of Supplementary Multiplier Income	-29,192	-29,192
Retail, Hospitality and Leisure Relief	-877,007	-1,293,963
<b>Other Non-Specific Grants</b>	<b>-3,964,139</b>	<b>-4,480,586</b>

**9 EVENTS AFTER THE REPORTING PERIOD**

The Statement of Accounts was authorised for issue on the 5 June 2024. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

**10 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 Council 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 Council to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are made against.

**General Fund Balance**

The General Fund is the statutory fund into which all the receipts of a council are required to be paid and out of which all liabilities of the council 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 Council 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**

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council 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.

## Notes to the Core Financial Statements

Movements in 2023/24	Usable Reserves			Movement in Unusable Reserves £
	General Fund Balance £	Capital grants Unapplied £	Capital Receipts Reserve £	
<b>Adjustments primarily involving the Capital Adjustment Account</b>				
<b><u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</u></b>				
Charges for depreciation and impairment of non-current assets	992,632			-992,632
Revaluation losses on Property Plant and Equipment (Charged to surplus or Deficit on Provision of Services)	-91,443			91,443
Amortisation of Intangible Assets	25,842			-25,842
Capital Grants and Contributions Applied	-413,141			413,141
Revenue Expenditure Funded from Capital Under Statute	978,174			-978,174
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	0			0
<b><u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Account</u></b>				
Statutory Provision for the Financing of Capital investment	-102,634			102,634
Capital expenditure charged against General Fund Balances	-1,031,385			1,031,385
<b>Adjustments primarily involving the Capital Grants Unapplied Account</b>				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	-678,423	678,423		
Application of grants to capital financing transferred to the Capital Adjustment Account		-596,576		596,576
<b>Adjustments primarily involving the Capital Receipts Reserve</b>				
Transfer of Cash Sale Proceeds Credited as Part of the Gain/Loss on Disposal to the Comprehensive Income and Expenditure Statement	-5,880		5,880	
Use of the Capital Receipts Reserve to Finance New Capital Expenditure			-27,110	27,110

## Notes to the Core Financial Statements

Movements in 2023/24	Usable Reserves			Movement in Unusable Reserves £
	General Fund Balance £	Capital grants Unapplied £	Capital Receipts Reserve £	
<b>Adjustments primarily involving the Pensions Reserve</b>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	648,000			-648,000
Employer's pensions contributions and direct payments to pensioners payable in the year	-1,001,000			1,001,000
<b>Adjustments primarily involving the Collection Fund Adjustment Account</b>				
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income collected for the year in accordance with statutory requirements	-439,438			439,438
<b>Adjustments primarily involving the Accumulated Absences Account</b>				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-2,114			2,114
<b>Total Adjustments</b>	<b>-1,120,810</b>	<b>81,847</b>	<b>-21,230</b>	<b>1,060,193</b>

## Notes to the Core Financial Statements

Movements in 2022/23	Usable Reserves			Movement in Unusable Reserves £
	General Fund Balance £	Capital grants Unapplied £	Capital Receipts Reserve £	
<b>Adjustments primarily involving the Capital Adjustment Account</b>				
<b><u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</u></b>				
Charges for depreciation and impairment of non-current assets	947,004			-947,004
Revaluation losses on Property Plant and Equipment (Charged to surplus or Deficit on Provision of Services)	16,980			-16,980
Amortisation of Intangible Assets	25,842			-25,842
Capital Grants and Contributions Applied	-67,185			67,185
Revenue Expenditure Funded from Capital Under Statute	341,162			-341,162
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	73,067			-73,067
<b><u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Account</u></b>				
Statutory Provision for the Financing of Capital investment	-104,889			104,889
Capital expenditure charged against General Fund Balances	-459,709			459,709
<b>Adjustments primarily involving the Capital Grants Unapplied Account</b>				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	-688,622	688,622		
Application of grants to capital financing transferred to the Capital Adjustment Account		-313,895		313,895
<b>Adjustments primarily involving the Capital Receipts Reserve</b>				
Transfer of Cash Sale Proceeds Credited as Part of the Gain/Loss on Disposal to the Comprehensive Income and Expenditure Statement	-70,099		70,099	
Use of the Capital Receipts Reserve to Finance New Capital Expenditure			-316,669	316,669

## Notes to the Core Financial Statements

Movements in 2022/23	Usable Reserves			Movement in Unusable Reserves £
	General Fund Balance £	Capital grants Unapplied £	Capital Receipts Reserve £	
<b>Adjustments primarily involving the Pensions Reserve</b>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	2,720,000			-2,720,000
Employer's pensions contributions and direct payments to pensioners payable in the year	-1,081,000			1,081,000
<b>Adjustments primarily involving the Collection Fund Adjustment Account</b>				
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income collected for the year in accordance with statutory requirements	-1,908,768			1,908,768
<b>Adjustments primarily involving the Accumulated Absences Account</b>				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-73,950			73,950
<b>Total Adjustments</b>	<b>-330,167</b>	<b>374,727</b>	<b>-246,570</b>	<b>202,010</b>

## Notes to the Core Financial Statements

### 11 LANCASHIRE BUSINESS RATES POOL

Since 2016/17 this Council has been a member of the Lancashire Business Rates Pool.

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

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

In 2019/20 we successfully submitted a bid along with 15 other authorities in Lancashire to become a 75% Business Rates Pilot Pool. This meant that 75% of collected rates were retained in Lancashire rather than 50%. This arrangement operated for one year only, and then reverted to the 50% business rates retention scheme, and it has operated on this basis since.

Local authority membership of the pooling arrangement has varied over the years since 2016/17, but current membership has been the same since 2020/21.

The business rates income allocations in 2022/23 and 2023/24 are shown in the table below:

Lancashire Business Rates Pool - Income Allocations for 2022/23 and 2023/24	
District Authorities	40%
Lancashire County Council	9%
Lancashire Combined Fire Authority	1%
	<b>50%</b>
Central Government	50%
<b>Total</b>	<b>100%</b>

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

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

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



## Notes to the Core Financial Statements

Lancashire Business Rates Pool Members 2023/24	Authority Type	Tariffs and Top-Ups in Respect of 2023/24 £	Retained Levy on Growth 2023/24 £	10% Retained Levy Payable to/received by Lancashire County Council £	Net Retained Levy 2023/24 £
Burnley Borough Council	Tariff	6,644,696	1,181,762	-118,176	1,063,586
Chorley Borough Council	Tariff	7,526,179	1,188,279	-118,828	1,069,451
Fylde Borough Council	Tariff	8,475,639	552,646	-55,265	497,381
Hyndburn Borough Council	Tariff	4,852,009	1,865,276	-186,528	1,678,748
Pendle Borough Council	Tariff	4,490,118	701,771	-70,177	631,594
Ribble Valley Borough Council	Tariff	5,115,654	1,128,955	-112,896	1,016,059
Rosendale Borough Council	Tariff	3,482,202	553,863	-55,386	498,477
South Ribble Borough Council	Tariff	12,432,624	1,732,651	-173,265	1,559,386
West Lancashire Borough Council	Tariff	10,139,515	1,505,307	-150,531	1,354,776
Wyre Borough Council	Tariff	8,048,002	1,109,293	-110,929	998,364
Lancashire County Council	Top-Up	-162,376,050		1,151,981	1,151,981
Central Government	-	91,169,412		0	0
<b>Total</b>		<b>0</b>	<b>11,519,803</b>	<b>0</b>	<b>11,519,803</b>

Lancashire Business Rates Pool Members 2022/23	Authority Type	Tariffs and Top-Ups in Respect of 2022/23 £	Retained Levy on Growth 2022/23 £	10% Retained Levy Payable to/received by Lancashire County Council £	Net Retained Levy 2022/23 £
Burnley Borough Council	Tariff	6,043,499	-1,230,976	123,098	-1,107,878
Chorley Borough Council	Tariff	6,503,220	-1,101,286	110,129	-991,157
Fylde Borough Council	Tariff	8,101,273	-612,380	61,238	-551,142
Hyndburn Borough Council	Tariff	3,969,106	-1,538,593	153,859	-1,384,734
Pendle Borough Council	Tariff	3,388,618	-772,596	77,260	-695,336
Ribble Valley Borough Council	Tariff	4,311,424	-917,609	91,761	-825,848
Rosendale Borough Council	Tariff	2,713,519	-724,988	72,499	-652,489
South Ribble Borough Council	Tariff	10,327,203	-1,750,582	175,058	-1,575,524
West Lancashire Borough Council	Tariff	8,698,358	-754,599	75,460	-679,139
Wyre Borough Council	Tariff	6,837,509	-735,928	73,593	-662,335
Lancashire County Council	Top-Up	-158,098,681		-1,013,955	-1,013,955
Central Government	-	97,204,952		0	0
<b>Total</b>		<b>0</b>	<b>-10,139,537</b>	<b>0</b>	<b>-10,139,537</b>

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

## Notes to the Core Financial Statements

**12 TRANSFERS TO/FROM EARMARKED RESERVES**

This note sets out the amounts set aside from the General Fund balance in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2021/22 and 2022/23.

General Fund	Balance at 31 March 2022 £	Transfers In 2022/23 £	Transfers Out 2022/23 £	Balance at 31 March 2023 £	Transfers In 2023/24 £	Transfers Out 2023/24 £	Balance at 31 March 2024 £
<b>Reserves for Shorter Term Service Commitments</b>							
<b>Community Services</b>							
<b>Committee Grants Fund</b>							
<i>Used to fund various Community Services Committee grants</i>	12,020		-5,088	6,932	5,000		11,932
<b>Audit Reserve Fund</b>							
<i>Used in respect of the internal audit service, including contracting computer audit services</i>	53,745	16,117	-45,315	24,547		-16,117	8,430
<b>Refuse Collection</b>							
<i>To fund refuse collection costs of bin replacements.</i>	7,057	14,142	-20,547	652	33,932	-32,019	2,565
<b>Amenity Cleansing Reserve</b>							
<i>Used to fund known future amenity cleansing works</i>	11,660	65,809		77,469		-13,657	63,812
<b>Clitheroe Food Festival</b>							
<i>Resources set aside or used to help support the costs associated with the Clitheroe Food Festival</i>	8,533		-8,533	0			0
<b>Two-Way Radio Reserve</b>							
<i>Contributions from the Lancashire Resilience Forum towards the running of the two-way radio system and future enhancements</i>	0			0			0
<b>Promotional Activities Reserve</b>							
<i>To fund planned publicity and promotional activities</i>	0			0			0
<b>Ribble Valley News Reserve</b>							
<i>Resources set aside to undertake relevant future promotional activities</i>	0	10,400		10,400			10,400

## Notes to the Core Financial Statements

General Fund	Balance at 31 March 2022 £	Transfers In 2022/23 £	Transfers Out 2022/23 £	Balance at 31 March 2023 £	Transfers In 2023/24 £	Transfers Out 2023/24 £	Balance at 31 March 2024 £
<b>Playing Pitch Strategy Reserve</b>							
<i>To fund the production of a strategy which aims to ensure the provision of pitches meets local needs.</i>	0	16,125		16,125		-16,125	0
<b>Ribblesdale Pool Energy Costs Reserve</b>							
<i>To meet any unexpected increased costs at the Ribblesdale Pool whilst energy usage readings are explored</i>	0			0	130,000		130,000
<b>Ribble Valley Golden Jubilee Reserve</b>							
<i>£1m Ribble Valley Golden Jubilee Fund to mark 50 years since the borough's creation in 1974</i>	0			0	1,000,000		1,000,000
<b>Total Reserves for Shorter Term Service Commitments</b>	<b>93,015</b>	<b>122,593</b>	<b>-79,783</b>	<b>136,125</b>	<b>1,168,932</b>	<b>-77,918</b>	<b>1,227,139</b>
<b>Reserves to Smooth the Revenue Impact of Longer-Term Cyclical Costs</b>							
<b>Elections Fund</b>							
<i>Used to fund local elections held once every four years</i>	98,516	90,000	-24,619	163,897	52,493	-157,874	58,516
<b>Revaluation of Assets Reserve</b>							
<i>To contribute towards the revaluation of the Council's assets every five years.</i>	12,000	4,000		16,000	8,000		24,000
<b>Pensions Triennial Revaluation Reserve</b>							
<i>Savings on contribution rates, set aside with a view to offsetting any future pensions fund deficits</i>	68,592			68,592	2,500		71,092
<b>Total Reserves to Smooth the Revenue Impact of Longer-Term Cyclical Costs</b>	<b>179,108</b>	<b>94,000</b>	<b>-24,619</b>	<b>248,489</b>	<b>62,993</b>	<b>-157,874</b>	<b>153,608</b>
<b>Reserves for Trading or Business Units</b>							
<b>Building Control Fund</b>							
<i>Available to equalise net expenditure over a three-year period</i>	-34,639	18,452		-16,187		-7,323	-23,510

## Notes to the Core Financial Statements

General Fund	Balance at 31 March 2022 £	Transfers In 2022/23 £	Transfers Out 2022/23 £	Balance at 31 March 2023 £	Transfers In 2023/24 £	Transfers Out 2023/24 £	Balance at 31 March 2024 £
<b>Total Reserves for Trading or Business Units</b>	<b>-34,639</b>	<b>18,542</b>	<b>0</b>	<b>-16,187</b>	<b>0</b>	<b>-7,323</b>	<b>-23,510</b>
<i>Reserves for Sums Set Aside for Major Schemes such as Capital Projects</i>							
<b>Capital</b>							
<i>Used to fund the capital programme</i>	<b>874,308</b>	433,242	-470,176	<b>837,374</b>	2,348,626	-1,044,385	<b>2,141,615</b>
<b>ICT Renewals</b>							
<i>To fund future software and hardware pressures</i>	<b>92,740</b>	19,470		<b>112,210</b>			<b>112,210</b>
<b>Vehicle &amp; Plant Renewals Reserve</b>							
<i>Resources set aside to fund future replacement of Vehicles and Plant through the capital programme</i>	<b>51,035</b>			<b>51,035</b>		-13,530	<b>37,505</b>
<b>Total Reserves for Sums Set Aside for Major Schemes such as Capital Projects</b>	<b>1,018,083</b>	<b>452,712</b>	<b>-470,176</b>	<b>1,000,619</b>	<b>2,348,626</b>	<b>-1,057,915</b>	<b>2,291,330</b>
<i>Reserves for Longer Term Strategic or Corporate Items</i>							
<b>VAT Shelter Reserve</b>							
<i>Funds received from the post LSVT VAT Shelter arrangements, partly used to contribute towards the future financing of the capital programme</i>	<b>1,049,488</b>	97,033	-26,957	<b>1,119,564</b>		-185,706	<b>933,858</b>
<b>Fleming VAT Claim</b>							
<i>VAT recovered from 'Fleming' claim challenge to HMRC</i>	<b>43,727</b>		-32,872	<b>10,855</b>			<b>10,855</b>
<b>Insurance</b>							
<i>Available to meet any costs following demise of Municipal Mutual Insurance Company</i>	<b>14,581</b>			<b>14,581</b>			<b>14,581</b>
<b>Repairs and Maintenance</b>							
<i>To fund emergency repairs and maintenance items, including legionella and asbestos abatement</i>	<b>17,720</b>	7,750	-13,500	<b>11,970</b>		-7,750	<b>4,220</b>
<b>Post LSVT</b>							
<i>To fund any costs post LSVT which may arise, such as pension fund liabilities</i>	<b>73,026</b>		-36,512	<b>36,514</b>		-36,514	<b>0</b>

## Notes to the Core Financial Statements

General Fund	Balance at 31 March 2022 £	Transfers In 2022/23 £	Transfers Out 2022/23 £	Balance at 31 March 2023 £	Transfers In 2023/24 £	Transfers Out 2023/24 £	Balance at 31 March 2024 £
<b><u>Restructuring Reserve</u></b> <i>To fund costs resulting from restructuring reviews</i>	187,903			187,903			187,903
<b><u>Equipment Reserve</u></b> <i>To fund essential and urgent equipment requirements</i>	87,452	12,746	-15,167	85,031	20,743	-29,108	76,666
<b><u>Invest to Save Fund</u></b> <i>To fund future invest to save projects</i>	248,011	1,989		250,000			250,000
<b><u>Planning Reserve</u></b> <i>To fund any future potential planning issues such as Local Development Plan expenditure and Planning Appeals</i>	29,453			29,453		-3,437	26,016
<b><u>Housing Benefit Reserve</u></b> <i>To help meet the challenges facing the service in the coming years</i>	100,000			100,000			100,000
<b><u>Business Rates Volatility Reserve</u></b> <i>To provide some protection against business rates volatilities</i>	1,682,000			1,682,000	318,000		2,000,000
<b><u>Business Rates Growth Reserve</u></b> <i>Business rates growth used to support revenue expenditure or the capital programme.</i>	3,318,885	987,214	-480,965	3,825,134	431,681	-1,490,932	2,765,883
<b><u>New Homes Bonus Reserve</u></b> <i>To help support revenue and capital expenditure</i>	3,064,019	100,836	-88,934	3,075,921		-259,749	2,816,172
<b><u>Local Plan</u></b> <i>Resources set aside to fund work on the Local Plan</i>	271,147	14,597	-81	285,663	39,269	-22,022	302,910
<b>Total Reserves for Longer Term Strategic or Corporate Items</b>	10,187,412	1,222,165	-694,988	10,714,589	809,693	-2,035,218	9,489,064
<b>Reserves for External Funding where Expenditure has yet to be Incurred</b>							
<b><u>Performance Reward Grant</u></b> <i>Performance Reward Grant received and used to fund associated projects</i>	67,577		-13,351	54,226		-6,649	47,577

## Notes to the Core Financial Statements

General Fund	Balance at 31 March 2022 £	Transfers In 2022/23 £	Transfers Out 2022/23 £	Balance at 31 March 2023 £	Transfers In 2023/24 £	Transfers Out 2023/24 £	Balance at 31 March 2024 £
<b>Crime Reduction</b>							
<b>Partnership Reserve</b>							
<i>To fund cost of crime reduction initiatives</i>	36,598		-10,173	26,425	8,000	-6,764	27,661
<b>Exercise Referral and Up and Active Reserve</b>							
<i>To fund potential residual staffing costs and to hold other service grants</i>	39,469	7,918	-930	46,457	21,317	-365	67,409
<b>Housing Related Grants Reserve</b>							
<i>Residual grant received, to be committed to future grant funded schemes</i>	41,278	388,843	-4,625	425,496	26,462	-76,168	375,790
<b>Community Right to Bid/Challenge</b>							
<i>To fund any future costs under the Community Right to Bid and Community Right to Challenge Regulations</i>	45,124			45,124		-41,694	3,430
<b>Grant Funded Sports Development</b>							
<i>To finance future Sports Development grant funded expenditure</i>	10,217			10,217			10,217
<b>Neighbourhood Planning Reserve</b>							
<i>MHCLG Neighbourhood Planning Grant received to fund future related expenditure</i>	16,133			16,133			16,133
<b>Repossession Prevention Fund Reserve</b>							
<i>Ring-fenced MHCLG funded reserve to help prevent repossessions and homelessness.</i>	28,491			28,491			28,491
<b>Parish Grant Reserve</b>							
<i>PRG resources set aside to fund the Parish Grant Scheme</i>	17,830		-1,500	16,330		-10,000	6,330
<b>Custom and Self-Build Register Grant Reserve</b>							
<i>Grant funding towards maintenance of a register of individuals, and associations of individuals, seeking to acquire serviced plots of land in the area</i>	15,000			15,000			15,000

## Notes to the Core Financial Statements

General Fund	Balance at 31 March 2022 £	Transfers In 2022/23 £	Transfers Out 2022/23 £	Balance at 31 March 2023 £	Transfers In 2023/24 £	Transfers Out 2023/24 £	Balance at 31 March 2024 £
<b><u>Brownfield Register Grant Reserve</u></b>							
<i>Grant funding towards preparation and maintenance of a register of brownfield sites suitable for residential development.</i>	26,263			26,263			26,263
<b><u>Flood Resilience, Response and Recovery Grant Reserve</u></b>							
<i>Grant funding relating to residual Flood Resilience Grants and also in respect of flood response and recovery</i>	0			0			0
<b><u>Cyber Resilience Grant Reserve</u></b>							
<i>Grant funding in respect of Cyber Resilience work</i>	13,600		-1,278	12,322		-1,210	11,112
<b><u>Housing Benefits New Burden Grants Reserve</u></b>							
<i>Grant income to support new burdens in respect of Housing Benefits</i>	4,669			4,669			4,669
<b><u>LCTS New Burdens Grant Reserve</u></b>							
<i>Grant income to support new burdens in respect of Localised Council Tax Support</i>	8,370			8,370			8,370
<b><u>Parks Improvement Funding Reserve</u></b>							
<i>Grant funding to support improvements to parks</i>	0			0			0
<b><u>Covid-19 Response</u></b>							
<i>Balance of grant income received in respect of the response to the Covid-19 pandemic.</i>	1,627,550	106,642	-24,135	1,710,057		-33,412	1,676,645
<b><u>Ribble Valley Strategic Partnership</u></b>							
<i>Ribble Valley Strategic Partnership funds held in reserve to meet the cost of future community projects</i>	0			0			0
<b><u>Self-isolation Grants Reserve</u></b>							
<i>Reserve established to hold the balance of self-isolation grant support funds received but not yet distributed</i>	0			0			0

## Notes to the Core Financial Statements

General Fund	Balance at 31 March 2022 £	Transfers In 2022/23 £	Transfers Out 2022/23 £	Balance at 31 March 2023 £	Transfers In 2023/24 £	Transfers Out 2023/24 £	Balance at 31 March 2024 £
<b><u>Restoring Your Railways Reserve</u></b>							
<i>Balance of grant income received to fund the preparation of a business case for the reopening of the Clitheroe to Hellifield railway to passengers.</i>	0			0			0
<b><u>Business Rates S31 Grant Adjustment Reserve</u></b>							
<i>Short term reserve to hold Section 31 grant received in 2020/21 in respect of business rates relief - to fund collection fund deficit in 2021/22</i>	1,640,761		-1,640,761	0			0
<b><u>Tax Income Guarantee Reserve</u></b>							
<i>Short term reserve to hold Section 31 grant in respect of lost business rates income due to Covid. The grant will be released in future years to ease the impact from the collection fund deficit</i>	0			0			0
<b><u>Air Quality New Burdens Grant Reserve</u></b>							
<i>Reserve to hold New Burdens funding received in respect of new enforcement measures</i>	0	11,710		11,710			11,710
<b><u>Council Tax Energy Rebates Reserve</u></b>							
<i>Reserve established from the balance of new burdens income received for administration of the council tax energy rebate scheme.</i>	0	93,916	-5,950	87,966			87,966
<b><u>Electoral Integrity Reserve</u></b>							
<i>Grant funding received to support the council with costs to be incurred through the implementation of the Elections Act 2022, specifically for the introduction of Voter Identification and Accessibility.</i>	0	7,483		7,483		-7,299	184



## Notes to the Core Financial Statements

General Fund	Balance at 31 March 2022 £	Transfers In 2022/23 £	Transfers Out 2022/23 £	Balance at 31 March 2023 £	Transfers In 2023/24 £	Transfers Out 2023/24 £	Balance at 31 March 2024 £
<b>UK Shared Prosperity Fund</b>							
<b>Reserve</b>							
<i>UK Shared Prosperity revenue grant funding that has been set aside for the cost of implementing associated core priorities as set out in the council's approved UK Shared Prosperity Fund investment plan.</i>	0	39,247		39,247	28,903	-44,341	23,809
<b>Business Rates Relief New Burdens</b>							
<i>Reserve established from funds received from the government for new business rates relief measures which has created additional costs for local authorities administering the schemes.</i>	0	22,089		22,089			22,089
<b>Biodiversity Net Gain Reserve</b>							
<i>Grant funds received to support local planning authorities in their preparations for the introduction of mandatory Biodiversity Net Gain resulting from The Environment Act 2021.</i>	0	8,449		8,449		-8,449	0
<b>Government Council Tax Support Scheme New Burdens Reserve</b>							
<i>New burdens grant funding received for the cost of administering the Government Local Council Tax Support Scheme - to meet the cost of future software upgrade.</i>	0			0	8,143		8,143
<b>EBSS &amp; AFP Alternative Funding New Burdens Reserve</b>							
<i>New burdens grant funding received for the cost of administering the Energy Bills Support Scheme Alternative Funding and Alternative Fuel Payments Scheme - to meet the cost of future software upgrade.</i>	0			0	25,930		25,930

## Notes to the Core Financial Statements

General Fund	Balance at 31 March 2022 £	Transfers In 2022/23 £	Transfers Out 2022/23 £	Balance at 31 March 2023 £	Transfers In 2023/24 £	Transfers Out 2023/24 £	Balance at 31 March 2024 £
<b><u>Returning Officer Expenses Return</u></b>							
<i>Residual returning officer expenses funding to be used in future years</i>	0			0	2,023		2,023
<b>Total Reserves for External Funding where Expenditure has yet to be Incurred</b>	3,638,930	686,297	-1,702,703	2,622,524	120,778	-236,351	2,506,951
<b>Total of all Earmarked Reserves</b>	15,081,909	2,596,219	-2,971,969	14,706,159	4,511,022	-3,572,599	15,644,582

## Notes to the Core Financial Statements

## 13 PROPERTY, PLANT AND EQUIPMENT

Movements in 2023/24	Other Land and Buildings £'000	Vehicles, Plant, Furniture and Equipment £'000	Infra-Structure Assets £'000	Community Assets £'000	Assets Under Construction £'000	Total Property, Plant and Equipment £'000
<b><u>Cost or Valuation</u></b>						
At 1 April 2023	15,701	5,686	345	1,693	0	23,425
Additions/Acquisitions	352	538		122	31	1,043
Derecognition - Disposal		-50				-50
Revaluation (decreases)/increases recognised in the Revaluation Reserve	93					93
Revaluation (decreases)/increases recognised in the Surplus/Deficit on the Provision of Services	96					96
<b>At 31 March 2024</b>	<b>16,242</b>	<b>6,174</b>	<b>345</b>	<b>1,815</b>	<b>31</b>	<b>24,607</b>
<b><u>Accumulated Depreciation and Impairments</u></b>						
At 1 April 2023	-131	-3,686	-114	-41	0	-3,972
Derecognition - Disposal		50				50
Depreciation Charge	-484	-490	-11	-8		-993
Depreciation written out to the Revaluation Reserve	467					467
Depreciation written out to the Surplus/Deficit on the Provision of Services	-5					-5
<b>At 31 March 2024</b>	<b>-153</b>	<b>-4,126</b>	<b>-125</b>	<b>-49</b>	<b>0</b>	<b>-4,453</b>
<b><u>Net Book Value</u></b>						
<b>at 31 March 2023</b>	<b>15,570</b>	<b>2,000</b>	<b>231</b>	<b>1,652</b>	<b>0</b>	<b>19,453</b>
<b>at 31 March 2024</b>	<b>16,089</b>	<b>2,048</b>	<b>220</b>	<b>1,766</b>	<b>31</b>	<b>20,154</b>

## Notes to the Core Financial Statements

Movements in 2022/23	Other Land and Buildings £'000	Vehicles, Plant, Furniture and Equipment £'000	Infra-Structure Assets £'000	Community Assets £'000	Surplus Assets (Not Held for Sale) £'000	Total Property, Plant and Equipment £'000
<b><u>Cost or Valuation</u></b>						
At 1 April 2022	15,650	5,550	345	1,626	0	23,171
Additions/Acquisitions	172	577		67		816
Derecognition - Disposal		-441				-441
Reclassifications	-63					-63
Revaluation (decreases)/increases recognised in the Revaluation Reserve	-49					-49
Revaluation (decreases)/increases recognised in the Surplus/Deficit on the Provision of Services	-9					-9
<b>At 31 March 2023</b>	<b>15,701</b>	<b>5,686</b>	<b>345</b>	<b>1,693</b>	<b>0</b>	<b>23,425</b>
<b><u>Accumulated Depreciation and Impairments</u></b>						
At 1 April 2022	-109	-3,657	-103	-35	0	-3,904
Derecognition - Disposal		438				438
Depreciation Charge	-463	-467	-11	-6		-947
Depreciation written out to the Revaluation Reserve	447					447
Depreciation written out to the Surplus/Deficit on the Provision of Services	-9					-9
Reclassification	3					3
Impairment reversals recognised in the Revaluation Reserve	-1					-1
Impairment losses/reversals recognised in the Surplus/Deficit on the Provision of Services	1					1
<b>At 31 March 2023</b>	<b>-131</b>	<b>-3,686</b>	<b>-114</b>	<b>-41</b>	<b>0</b>	<b>-3,972</b>
<b>Net Book Value</b>						
<b>at 31 March 2022</b>	<b>15,541</b>	<b>1,893</b>	<b>242</b>	<b>1,591</b>	<b>0</b>	<b>19,267</b>
<b>at 31 March 2023</b>	<b>15,570</b>	<b>2,000</b>	<b>231</b>	<b>1,652</b>	<b>0</b>	<b>19,453</b>

## Notes to the Core Financial Statements

**Depreciation**

The Council charges its service accounts depreciation for all fixed assets (except freehold land) used in the provision of services. The Council operates a straight-line method for depreciation. Provision for depreciation is made by allocating the cost (or revalued amount) less estimated residual value of the assets. The useful economic life generally used for assets is as follows:

	Years
Buildings	50
Infrastructure	40
Large Equipment	10
Large Vehicles	8
Small Vehicles	5
Small Plant/Equipment	3

The useful economic life used for an asset in the calculation of depreciation will only differ from the above table where an updated asset life is provided at the time of any revaluation of council assets. Such updated asset lives would be used for future depreciation calculations.

Assets are not depreciated in the year of acquisition, but they are depreciated in the year of disposal. If an asset has major components with different estimated useful lives, these components are depreciated separately.

Revaluation gains are also depreciated with the difference between the current value depreciation and the historical cost depreciation being transferred from the Revaluation Reserve to the Capital Adjustment Account.

**Capital Commitments**

At 31 March 2024 the Council had an approved capital programme of £6,352,000 for 2024/25 and had £1,074,300 of budget slippage from the 2023/24 capital programme that was rolled forward to be spent in 2024/25. At 31 March 2024, the Council had capital commitments of £671,413, of which £285,900 related to 2023/24 capital programme slippage and £385,513 related to the 2024/25 capital programme.

Of the £671,413 capital commitments, £611,967 related to property, plant and equipment, £9,950 related to intangible assets, and £49,496 related to capital grants.

**Effects of Changes in Estimates**

In 2023/24 the Council made no material changes to its accounting estimates for Property, Plant and Equipment.

## Notes to the Core Financial Statements

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### Revaluations

The freehold and leasehold properties, which comprise the Council's property portfolio, were fully revalued on 1 March 2020 by Taylor Weaver Ltd (Alex Taylor BSc MRICS and Neil Weaver MRICS, RICS registered valuers) and Lea Hough & Co Chartered Surveyors (Michael Harrison BSc (Hons) MRICS). The valuations were made in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors.

A further desktop exercise is undertaken annually, with asset values adjusted accordingly on the balance sheet. The desktop review as at 31 March 2024 was undertaken by Lea Hough & Co Chartered Surveyors.

For each asset under Property, Plant and Equipment an Existing Use Value (EUV) was provided, unless they fell under one of the following categories.

In the case of specialised properties, that is, those properties which are rarely, if ever, sold in the market, except by way of a sale of the business or entity of which it is part, due to uniqueness arising from its specialised nature and design, its configuration, size, location or otherwise, the valuation approach used was Depreciated Replacement Cost (DRC). The DRC approach requires an estimate of the current cost of reproduction or replacement of an asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. Such DRC valuations were made having regard to the prospect and viability of the continuance of the occupancy and use.

Assets being Held for Sale were valued at Fair Value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

There has been a substantial downward movement in our Other Land and Buildings valuations due to the full revaluation exercise that has been undertaken this year. Since the last full revaluation five years ago there has been a change in valuer used and in accordance with requirements, only annual desktop revaluation exercises undertaken annually.

### Componentisation

Where the council holds an asset with a value of £500,000 or above, any significant element of that asset would be treated as a separate component for the purposes of asset recognition, measurement, impairment, depreciation or disposal. A 'significant element' is any element of an asset with a value of 10% or above of the overall asset value.

## Notes to the Core Financial Statements

## 14 HERITAGE ASSETS

Reconciliation of the Carrying Value of Heritage Assets Held by the Council	Clitheroe Castle Museum Collection £'000	Civic Regalia £'000	Clitheroe Castle Keep £'000	Total Heritage Assets £'000
<u>Cost or Valuation</u>				
At 1 April 2023	1,015	67	1	1,083
Additions			27	27
Revaluations	152			152
<b>At 31 March 2024</b>	<b>1,167</b>	<b>67</b>	<b>28</b>	<b>1,262</b>
<u>Cost or Valuation</u>				
At 1 April 2022	930	67	0	997
Additions			1	1
Revaluations	85			85
<b>At 31 March 2023</b>	<b>1,015</b>	<b>67</b>	<b>1</b>	<b>1,083</b>

**The Clitheroe Castle Museum Collection**

The Clitheroe Castle Museum Collection principally includes archaeological artifacts, geological collections, militaria and items of local social historical interest. The collection is managed by Lancashire Museum Services on behalf of the Council and is insured by them. The collection is reported in the Balance Sheet at insurance valuation. This value has been reviewed by Lancashire Museum Services prior to the latest insurance renewal.

**Civic Regalia**

The Council's civic regalia is reported in the balance sheet at insurance valuation.

**Clitheroe Castle Keep**

The Clitheroe Castle Keep is initially held on the asset register at a value of nil, due to the disproportionate costs of obtaining an accurate valuation, in comparison to the benefits to the users of the Council's financial statements.

However, any capital works that are undertaken to the Keep are recognised and added to the value held for the Clitheroe Castle Keep on the balance sheet.

Some preliminary works had been undertaken in 2022/23 (£525) and 2023/24 (£27,945) and this has been added to the balance sheet, hence the value shown in the table above. This is the start of more substantial works that are budgeted to be undertaken in the 2024/25 financial year at a value of £298,820.

**Additions and Disposals of Heritage Assets**

The only additions are in respect of the preliminary works undertaken at the Clitheroe Castle Keep.

## Notes to the Core Financial Statements

## 15 FINANCIAL INSTRUMENTS

Categories of Financial Instruments

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

	2022/23		2023/24	
	Carrying Amount £	Fair Value £	Carrying Amount £	Fair Value £
<u>Financial Assets Measured at Amortised Cost</u>				
Investments	23,102,858	23,102,858	23,436,957	23,436,957
<b>Total Investments</b>	<b>23,102,858</b>	<b>23,102,858</b>	<b>23,436,957</b>	<b>23,436,957</b>
Long-Term Debtors	231,661	231,661	217,065	217,065
Short-Term Debtors	1,374,456	1,374,456	2,549,567	2,549,567
<b>Total Debtors</b>	<b>1,606,117</b>	<b>1,606,117</b>	<b>2,766,632</b>	<b>2,766,632</b>
<b>Total Financial Assets</b>	<b>24,708,975</b>	<b>24,708,975</b>	<b>26,203,589</b>	<b>26,203,589</b>

The Financial Instruments categorised above represent:

- Amounts shown under Investments consist of cash held by the Council, bank accounts, short term investments and subscribed for shares in the UK Municipal Bonds Agency plc (Local Capital Finance Company).
- Amounts shown under Long-Term Debtors consist of car loans and a loan to Roefield Leisure Centre.
- Amounts shown under Short-Term Debtors represents net operational (sundry) debtors.

	2022/23		2023/24	
	Carrying Amount £	Fair Value £	Carrying Amount £	Fair Value £
<u>Financial Liabilities Measured at Amortised Cost</u>				
Short-Term Creditors	-2,395,260	-2,395,260	-2,660,792	-2,660,792
<b>Total Creditors</b>	<b>-2,395,260</b>	<b>-2,395,260</b>	<b>-2,660,792</b>	<b>-2,660,792</b>
<b>Total Financial Liabilities</b>	<b>-2,395,260</b>	<b>-2,395,260</b>	<b>-2,660,792</b>	<b>-2,660,792</b>



## Notes to the Core Financial Statements

The Financial Instruments categorised above represent:

- Amounts shown under Short-Term Creditors are the Council's operational creditors.

### Income, Expense, Gains and Losses

The amounts shown below are recognised in the Comprehensive Income and Expenditure Statement under the (Surplus) or Deficit on Provision of Services:

	2022/23	2023/24
	£	£
<b><u>Financial Liabilities</u></b>		
Interest payable on debt and early repayment premium	9,823	0
<b>Total Expense in Surplus or Deficit on the Provision of Service</b>	<b>9,823</b>	<b>0</b>
<b><u>Financial Assets</u></b>		
Interest income	-596,498	-1,382,223
<b>Total Income in Surplus or Deficit on the Provision of Service</b>	<b>-596,498</b>	<b>-1,382,223</b>

### Fair Values of Assets and Liabilities

Financial liabilities and financial assets represented above under the section titled Categories of Financial Instruments 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, using the following assumptions.

- No early repayment or impairment is recognised.
- Where an instrument will mature in the next 12 months, carrying amount is assumed to be approximate to fair value.
- The fair value of Debtors and Creditors is taken to be the invoiced amount.

## Notes to the Core Financial Statements

**16 SHORT TERM DEBTORS**

	31 March 2023	31 March 2024
	£	£
Central government bodies	256,253	477,281
Other local authorities	504,110	1,191,171
Other entities and individuals		
- Other Debtors	732,062	754,816
- Business Rates	225,979	261,115
- Council Tax	262,134	434,739
- Prepayments	167,681	234,907
- Impairment	-342,507	-397,680
<b>Total</b>	<b>1,805,712</b>	<b>2,956,349</b>

**17 CASH AND CASH EQUIVALENTS**

	31 March 2023	31 March 2024
	£	£
Cash held by the Council	6,316	9,362
Bank Current Accounts	156,542	227,595
Short Term Investments	22,740,000	23,000,000
<b>Total</b>	<b>22,902,858</b>	<b>23,236,957</b>

**18 SHORT TERM CREDITORS**

	31 March 2023	31 March 2024
	£	£
Central government bodies	-2,971,033	-1,311,523
Other local authorities	-1,604,126	-3,195,365
Other entities and individuals		
- NHS Bodies	-43,056	0
- Other Creditors	-481,919	-742,162
- Business Rates	-115,704	-84,881
- Council Tax	-97,135	-101,764
- Commuted Sums	-2,582,392	-2,543,210
- Refundable Deposits	-19,469	-20,369
- Receipts in Advance	-35,511	-183,443
<b>Total</b>	<b>-7,950,345</b>	<b>-8,182,717</b>

**19 PROVISIONS**

The only provision, which is shown in the table below, relates to amounts set aside to meet potential future liabilities from appeals through the business rates retention scheme. The timing of the fulfilment of such liabilities is unknown as these appeals have been lodged with the Valuation Office Agency by the individual ratepayers and relies on when the Valuation Office Agency reviews each appeal.

The provision is calculated based on past experience of the success of appeals and the amount of reduction in rateable value made. As a consequence, there is a level of uncertainty around the estimation of this provision.

Business Rates Appeals Provision	2022/23 £	2023/24 £
<b>Balance at 1 April</b>	<b>923,122</b>	<b>916,188</b>
Movements in provisions in the year	-6,934	-480,364
<b>Balance at 31 March</b>	<b>916,188</b>	<b>435,824</b>

**20 USABLE RESERVES**

Movements in the Council's usable reserves are detailed in this note, the Movement in Reserves Statement and Note 10.

In summary the Usable Reserves are shown below. Detailed analysis of the council's earmarked reserves is available in Note 12.

31 March 2023 £	31 March 2024 £
2,719,398 General Fund Balance	2,896,083
14,706,159 Earmarked General Fund Reserves	15,644,582
817,435 Usable Capital Receipts Reserve	796,205
1,033,598 Capital Grants Unapplied	1,115,445
<b>19,276,590 Total Usable Reserves</b>	<b>20,452,315</b>

**General Fund Balance**

The general fund balance is a usable reserve of the Council which is not earmarked or set aside for any specific purpose.

It is very important to maintain healthy levels of general fund balances to cover for unforeseen events and also provide a stable level of resources for future planning.

## Notes to the Core Financial Statements

2022/23 £	2023/24 £
<b>2,961,136</b> Opening General Fund Balance	<b>2,719,398</b>
-241,738 Net amount added to (taken from) General Fund Balance	176,685
<b>2,719,398</b> Closing General Fund Balance	<b>2,896,083</b>

**Earmarked General Fund Reserves**

Unlike the general fund balance, the council's Earmarked General fund Reserves have been set aside for a specific purpose. The Council has a variety of earmarked reserves and the specific details of each one can be seen at Note 12.

The table below provides a high-level summary of the movement in the Council's Earmarked General Fund Reserves.

2022/23 £	2023/24 £
<b>15,081,909</b> Opening Earmarked General Fund Reserves	<b>14,706,159</b>
2,596,219 Amounts added to Earmarked General Fund Reserves	4,511,022
-2,971,969 Amounts taken from Earmarked General Fund Reserves	-3,572,599
<b>14,706,159</b> Closing Earmarked General Fund Reserves	<b>15,644,582</b>

**Usable Capital Receipts Reserve**

Capital Receipts arise from the sale of assets owned by the Council. Any receipts from General Fund asset sales are credited to the Usable Capital Receipts Reserve to finance future capital expenditure.

2022/23 £	2023/24 £
<b>1,064,005</b> Opening Usable Capital Receipts Reserve	<b>817,435</b>
70,099 Amounts added to the Usable Capital Receipts Reserve	5,880
-316,669 Amounts taken from the Usable Capital Receipts Reserve	-27,110
<b>817,435</b> Closing Usable Capital Receipts Reserve	<b>796,205</b>

## Notes to the Core Financial Statements

**Capital Grants Unapplied**

Where a capital grant or contribution has been recognised as income in the Comprehensive Income and Expenditure Statement, but the expenditure to be financed from that grant or contribution has not been incurred at the Balance Sheet date, the grant or contribution is transferred to the Capital Grants Unapplied Account reflecting its status as a capital resource available to finance expenditure.

2022/23 £	2023/24 £
<b>658,871</b>	<b>1,033,598</b>
688,622	678,423
-313,895	-596,576
<b>1,033,598</b>	<b>1,115,445</b>

**21 UNUSABLE RESERVES**

31 March 2023 £	31 March 2024 £
8,891,442	9,372,504
6,041	445,480
8,862,077	9,358,418
10,994,000	14,814,000
-105,257	-103,143
<b>28,648,303</b>	<b>33,887,259</b>

## Notes to the Core Financial Statements

### 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 the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and subsequent costs.

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

2022/23 £		2023/24 £
<b>8,799,563</b>	<b>Balance at 1 April</b>	<b>8,891,442</b>
	<b>Reversal of items relating to capital expenditure debited or credited to the Comprehensive income and Expenditure statement</b>	
-947,004	- Charges for depreciation and impairment of non-current assets	-992,632
-16,980	- Revaluation losses on Property, Plant and Equipment	91,443
-25,842	- Amortisation of intangible assets	-25,842
-341,162	- Revenue expenditure funded from capital under statute	-978,174
-73,067	- 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	0
<b>-1,404,055</b>		<b>-1,905,205</b>
233,587	Adjusting amounts written out of the Revaluation Reserve	215,421
<b>-1,170,468</b>	<b>Net written out amount of the cost of non-current assets consumed in the year</b>	<b>-1,689,784</b>
	<b>Capital financing applied in the year</b>	
67,185	- Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	413,141
313,895	- Application of grants to capital financing from the Capital Grants Unapplied Account	596,576
316,669	- Use of capital receipts reserve to finance new capital expenditure	27,110
104,889	- Statutory provision for the financing of capital investment charged against the General Fund	102,634
459,709	- Capital expenditure charged against the General Fund balance	1,031,385
<b>1,262,347</b>		<b>2,170,846</b>
<b>8,891,442</b>	<b>Balance at 31 March</b>	<b>9,372,504</b>

## Notes to the Core Financial Statements

**Collection Fund Adjustment Account**

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and business 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.

2022/23 £		2023/24 £
-1,902,726	<b>Balance at 1 April</b>	<b>6,041</b>
-45,209	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	3,529
1,953,976	Amount by which business rates income credited to the Comprehensive Income and Expenditure Statement is different from business rates income calculated for the year in accordance with statutory requirements	435,910
<b>6,041</b>	<b>Balance at 31 March</b>	<b>445,480</b>

**Revaluation Reserve**

The Revaluation Reserve contains the gains made by the Council 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.

2022/23 £		2023/24 £
<b>8,473,418</b>	<b>Balance at 1 April</b>	<b>8,862,077</b>
1,188,227	Upward revaluation of assets	913,823
-565,981	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	-202,060
<b>622,246</b>	<b>Surplus or Deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services</b>	<b>711,763</b>
-201,455	Difference between fair value depreciation and historical cost depreciation	-215,422
-32,132	Accumulated gains on assets sold or scrapped	
<b>-233,587</b>	<b>Amount written off to the Capital Adjustment Account</b>	<b>-215,422</b>
<b>8,862,077</b>	<b>Balance at 31 March</b>	<b>9,358,418</b>

## Notes to the Core Financial Statements

### Pension 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 Council 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 Council makes employer's contributions to the pension fund or eventually pays any pensions for which it is directly responsible.

The net pension asset/liability in respect of the surplus/deficit on the pension fund, as calculated by the fund's actuary, is included in the council's balance sheet. In Ribble Valley Borough Council's case the pension fund has a surplus position of £14.814m at 31 March 2024 (£10.994m surplus at 31 March 2023).

2022/23 £		2023/24 £
<b>-15,072,000</b>	<b>Balance at 1 April</b>	<b>10,994,000</b>
27,705,000	Remeasurements of the net defined benefit liability/(asset)	3,467,000
-2,720,000	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	-648,000
1,081,000	Employer's pensions contributions and direct payments to pensioners payable in the year	1,001,000
<b>10,994,000</b>	<b>Balance at 31 March</b>	<b>14,814,000</b>

The main reasons for the above movements have been:

- An increase of up to 0.2% p.a. in the discount rate assumption, with the assumed CPI inflation falling by up to 0.1% p.a. Overall, the effect of this will be to reduce liabilities for less mature employers.
- There will be a loss due to the impact of actual CPI being above the start of period assumptions.
- Investment returns - broadly speaking equity returns are positive with more mixed results for bonds. So, the movement in assets has been broadly positive. This is reflected in the line titled Remeasurement (assets).

The combined effect of the above items has led to the movement on the Pension Fund and hence the Pension Reserve.



## Notes to the Core Financial Statements

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.

2022/23		2023/24
£		£
-179,207	Balance at 1 April	-105,257
179,207	Settlement or cancellation of accrual made at the end of the preceding year	105,257
-105,257	Amounts accrued at the year end of the current year	-103,143
73,950	<b>Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements</b>	2,114
-105,257	Balance at 31 March	-103,143

**22 CASH FLOW STATEMENT – OPERATING ACTIVITIES**

The cash flows for operating activities include the following items:

2022/23		2023/24
£		£
-596,498	Interest received	-1,382,223
9,823	Interest paid (including premium on external borrowing early repayment)	0
-586,675	<b>Net Interest</b>	<b>-1,382,223</b>

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

2022/23		2023/24
£		£
70,099	Proceeds from the sale of property, plant and equipment and intangible assets	5,880
70,099		5,880

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

## Notes to the Core Financial Statements

2022/23 £	2023/24 £
-947,004 Depreciation	-992,633
-16,980 Impairment and downward valuations	91,443
-25,842 Amortisation	-25,842
2,168,194 (Increase)/Decrease in creditors	-2,788,908
-1,803,340 Increase/(Decrease) in debtors	1,088,479
-385 (Decrease)/Increase in inventories	1,780
6,934 (Increase)/Decrease in provisions	480,364
-1,639,000 Movement in pension liability	353,000
-73,067 Carrying amount of Property, Plant and Equipment sold	0
67,185 Capital Grants and Contributions Applied	413,141
-341,162 Revenue Expenditure Funded from Capital Under Statute	-978,174
459,709 Capital Expenditure Charged against General Fund Balances	1,031,385
688,622 Capital Grants and Contributions Unapplied Credited to the Comprehensive Income and Expenditure Statement	678,423
73,950 (Increase)/Decrease in Accumulated Absences	2,114
<b>-1,382,186</b>	<b>-645,428</b>

## 23 CASH FLOW STATEMENT – INVESTING ACTIVITIES

2022/23 £	2023/24 £
1,146,937 Purchase of property, plant and equipment, investment property and intangible assets	2,043,378
-5,000,000 Purchase of short-term and long-term investments	0
-70,099 Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-5,880
-1,212,816 Other receipts from investing activities	-2,075,387
<b>-5,135,978 Net cash flows from investing activities</b>	<b>-37,889</b>

## 24 CASH FLOW STATEMENT – FINANCING ACTIVITIES

2022/23 £	2023/24 £
112,697 Repayments of short- and long-term borrowing	0
3,367,956 Other payments for financing activities	2,579,256
<b>3,480,653 Net cash flows from financing activities</b>	<b>2,579,256</b>

**25 MEMBERS' ALLOWANCES**

The Council paid the following amounts to members of the Council during the year.

	2022/23	2023/24
	£	£
Basic Allowance	164,496	175,406
Special Responsibility Allowances	85,341	95,682
Expenses	3,654	3,042
	<b>253,491</b>	<b>274,130</b>

## Notes to the Core Financial Statements

**26 OFFICERS' EMOLUMENTS**

Shown in the tables below are details of those officers where the **salary** element within officer remuneration is greater than £50,000.

**Remuneration Disclosure (excluding Pension Contributions)**

Post Holder Information	Salary, Fees and Allowances	Benefits in Kind	Total Remuneration excluding Pension Contributions	Salary, Fees and Allowances	Benefits in Kind	Total Remuneration excluding Pension Contributions
	2022/23 £	2022/23 £	2022/23 £	2023/24 £	2023/24 £	2023/24 £
<sup>1</sup> Chief Executive	125,365	4,996	<b>130,361</b>	128,133	4,665	<b>132,798</b>
Director of Community Services <i>Up to 2 Jan 23</i>	71,439	2,656	<b>74,095</b>	-	-	-
Director of Community Services <i>From 29 May 23</i>	-	-	-	74,423	0	<b>74,423</b>
<sup>2</sup> Director of Resources and Deputy Chief Executive	95,664	6,069	<b>101,733</b>	96,259	6,011	<b>102,270</b>
Director of Economic Development and Planning Services	91,089	4,296	<b>95,385</b>	94,487	4,297	<b>98,784</b>
Head of Financial Services	61,391	524	<b>61,915</b>	64,900	0	<b>64,900</b>
Head of Planning Services <i>Up to 1 Jul 22</i>	15,964	1,940	<b>17,904</b>	-	-	-
Head of Planning Services <i>From 14 Nov 22 onwards</i>	20,009	0	<b>20,009</b>	55,663	460	<b>56,123</b>
Head of Legal and Democratic Services	61,391	3,909	<b>65,300</b>	64,900	2,950	<b>67,850</b>
Head of Engineering Services <i>Up to 30 Nov 22</i>	35,810	1,604	<b>37,414</b>	-	-	-
Head of Engineering Services <i>From 27 Feb 23 onwards</i>	4,678	0	<b>4,678</b>	55,356	0	<b>55,356</b>
Head of Human Resources <i>Up to 30 Jun 22</i>	14,688	964	<b>15,652</b>	-	-	-
Head of Human Resources <i>From 5 Sept 22 onwards</i>	30,089	836	<b>30,925</b>	55,791	0	<b>55,791</b>
Head of Revenues and Benefits	53,713	4,376	<b>58,089</b>	56,927	2,744	<b>59,671</b>
<sup>3</sup> Head of Regeneration and Housing <i>Up to 2 Jan 23</i>	40,580	6,568	<b>47,148</b>	-	-	-
<sup>3</sup> Head of Strategic Planning and Housing <i>From 1 Mar 23 onwards</i>	4,389	0	<b>4,389</b>	55,341	0	<b>55,341</b>
Head of Environmental Health <i>From 1 Apr 22 to 18 Sept 22</i>	29,882	0	<b>29,882</b>	-	-	-
Head of Environmental Health <i>From 5 Sept 22 to 31 Mar 23</i>	30,089	0	<b>30,089</b>	55,791	228	<b>56,019</b>
<sup>4</sup> Head of Cultural and Leisure Services	56,424	1,274	<b>57,698</b>	67,206	1,274	<b>68,480</b>
	<b>842,654</b>	<b>40,012</b>	<b>882,666</b>	<b>925,177</b>	<b>22,629</b>	<b>947,806</b>

## Notes to the Core Financial Statements

Additional Notes in Respect of the Remuneration Disclosure (excluding Pension Contributions) Table

<sup>1</sup> The values for the Chief Executive include Acting Returning Officer Fees, which fluctuate from year to year depending on the elections called. 2023/24 was £9,947 (all of which was pensionable) and 2022/23 was nil.

<sup>2</sup> The post of Director of Resources became Director of Resources and Deputy Chief Executive from 1 April 2023.

<sup>3</sup> The post of Head of Regeneration and Housing was renamed Head of Strategic Planning and Housing on the following recruitment.

<sup>4</sup> In 2023/24 the payments made to the Head of Cultural and Leisure Services included an honorarium payment for acting up in the role of Director of Community Services.

There were a number of changes to the listing of senior officers in 2022/23 due to a high level of planned retirements. All posts are included as pro-rata their salary, or in the later note, remuneration is over £50,000. The relevant dates of employment are included for clarity.

Please note that payments in the 2022/23 financial year in the above table also include amounts paid in respect of flexitime leave which had been accrued where it was not possible for staff to take leave due to Covid-19 work commitments (such payments are included as allowances).

In both financial years there were no employees with a salary of more than £150,000.

Where an employee is a member of the Local Government Pension Scheme a contribution is made by the council to the pension scheme in addition to the employee's own contribution. The employee's contributions for all staff are made on a sliding scale dependent upon salary level as shown in the table below.

The table below shows the contribution rates that applied in the 2022/23 and 2023/24 financial years. The band that an employee falls within is determined by reference to the actual pensionable pay received, not the full-time equivalent rate of pay.

Salary Banding 2022/23	Salary Banding 2023/24	Employee Contribution Rate
£0 - £15,000	£0 - £16,500	5.50%
£15,001 - £23,600	£16,001 - £25,900	5.80%
£23,601 - £38,300	£25,901 - £42,100	6.50%
£38,301 - £48,500	£42,101 - £53,300	6.80%
£48,501 - £67,900	£53,301 - £74,700	8.50%
£67,901 - £96,200	£74,701 - £105,900	9.90%
£96,201 - £113,400	£105,901 - £124,800	10.50%
£113,401 - £170,100	£124,801 - £187,200	11.40%
> £170,100	> £187,200	12.50%

For 2022/23 the rate of employer contributions was 17.1%, whilst for 2023/24 it was 14.7%.

The table below sets out the remuneration disclosures for Senior Officers whose **salary** is less than £150,000 but equal to or more than £50,000 per year, together with the council's pension contributions. The pension contributions shown exclude those which were made by the employee and are based on the Percentage Contribution Rate shown above.

## Notes to the Core Financial Statements

## Remuneration Disclosure (including Pension Contributions)

Post Holder Information	Total	Pension	Total	Total	Pension	Total
	Remuneration	Contributions	Remuneration	Remuneration	Contributions	Remuneration
	excluding	2022/23	including	excluding	2023/24	including
	Pension		Pension	Pension		Pension
	Contributions	2022/23	Contributions	Contributions	2023/24	Contributions
	2022/23	2022/23	2022/23	2023/24	2023/24	2023/24
	£	£	£	£	£	£
<sup>1</sup> Chief Executive	130,361	21,641	<b>152,002</b>	132,798	18,836	<b>151,634</b>
Director of Community Services <i>Up to 2 Jan 23</i>	74,095	12,378	<b>86,473</b>	-	-	-
Director of Community Services <i>From 29 May 23</i>	-	-	-	74,423	10,940	<b>85,363</b>
<sup>2</sup> Director of Resources and Deputy Chief Executive	101,733	16,520	<b>118,253</b>	102,270	14,150	<b>116,420</b>
Director of Economic Development and Planning Services	95,385	15,735	<b>111,120</b>	98,784	13,857	<b>112,641</b>
Head of Financial Services	61,915	10,653	<b>72,568</b>	64,900	9,540	<b>74,440</b>
Head of Planning Services <i>Up to 1 Jul 22</i>	17,904	2,885	<b>20,789</b>	-	-	-
Head of Planning Services <i>From 14 Nov 22 onwards</i>	20,009	3,422	<b>23,431</b>	56,123	8,183	<b>64,306</b>
Head of Legal and Democratic Services	65,300	10,652	<b>75,952</b>	67,850	9,540	<b>77,390</b>
Head of Engineering Services <i>Up to 30 Nov 22</i>	37,414	6,259	<b>43,673</b>	-	-	-
Head of Engineering Services <i>From 27 Feb 23 onwards</i>	4,678	799	<b>5,477</b>	55,356	8,137	<b>63,493</b>
Head of Human Resources <i>Up to 30 Jun 22</i>	15,652	2,647	<b>18,299</b>	-	-	-
Head of Human Resources <i>From 5 Sept 22 onwards</i>	30,925	5,145	<b>36,070</b>	55,791	8,201	<b>63,992</b>
Head of Revenues and Benefits	58,089	9,319	<b>67,408</b>	59,671	8,368	<b>68,039</b>
<sup>3</sup> Head of Regeneration and Housing <i>Up to 2 Jan 23</i>	47,148	7,074	<b>54,222</b>	-	-	-
<sup>3</sup> Head of Strategic Planning and Housing <i>From 1 Mar 23 onwards</i>	4,389	751	<b>5,140</b>	55,341	8,135	<b>63,476</b>
Head of Environmental Health <i>From 1 Apr 22 to 18 Sept 22</i>	29,882	5,110	<b>34,992</b>	-	-	-
Head of Environmental Health <i>From 5 Sept 22 to 31 Mar 23</i>	30,089	5,145	<b>35,234</b>	56,019	8,201	<b>64,220</b>
<sup>4</sup> Head of Cultural and Leisure Services	57,698	9,763	<b>67,461</b>	68,480	9,879	<b>78,359</b>
	<b>882,666</b>	<b>145,898</b>	<b>1,028,564</b>	<b>947,806</b>	<b>135,967</b>	<b>1,083,773</b>

## Notes to the Core Financial Statements

Additional Notes in Respect of the Remuneration Disclosure (including Pension Contributions) Table

<sup>1</sup> The values for the Chief Executive include Acting Returning Officer Fees, which fluctuate from year to year depending on the elections called. 2023/24 was £9,947 (all of which was pensionable) and 2022/23 was nil.

<sup>2</sup> The post of Director of Resources became Director of Resources and Deputy Chief Executive from 1 April 2023.

<sup>3</sup> The post of Head of Regeneration and Housing was renamed Head of Strategic Planning and Housing on the following recruitment.

<sup>4</sup> In 2023/24 the payments made to the Head of Cultural and Leisure Services included an honorarium payment for acting up in the role of Director of Community Services.

Please also note that payments in the 2022/23 financial year in the above table also includes amounts paid in respect of flexitime leave which had been accrued where it was not possible for staff to take leave due to Covid-19 work commitments (such payments are included as allowances).

The Council's employees receiving more than £50,000 **remuneration** for the year (excluding employer's pension contributions) were paid the following amounts. This table includes those officers listed in the previous tables, which showed officers where their **salary element** was more than £50,000:

**Remuneration Disclosure (Remuneration Banding)**

	2022/23	2023/24
£50,000 - £54,999	4	
£55,000 - £59,999	6	6
£60,000 - £64,999	2	1
£65,000 - £69,999	1	<sup>a</sup> 2
£70,000 - £74,999	1	
£75,000 - £79,999		
£80,000 - £84,999		
£85,000 - £89,999		<sup>b</sup> 1
£90,000 - £94,999		
£95,000 - £99,999	2	1
£100,000 - £104,999	<sup>c</sup> 1	<sup>c</sup> 1
£105,000 - £109,999		
£110,000 - £114,999		
£115,000 - £119,999		
£120,000 - £124,999		
£125,000 - £129,999		
£130,000 - £135,999	<sup>d</sup> 1	<sup>d</sup> 1

## Notes to the Core Financial Statements

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### Additional Notes in Respect of the Remuneration Disclosure (Remuneration Banding) Table

<sup>a</sup> In 2023/24 the payments made to the Head of Cultural and Leisure Services included an honorarium payment for acting up in the role of Director of Community Services.

<sup>b</sup> The current postholder of Director of Community Services started on 29 May 23 and the banding shown is based on full year equivalent values.

<sup>c</sup> The post of Director of Resources became Director of Resources and Deputy Chief Executive from 1 April 2023.

<sup>d</sup> The values for the Chief Executive include Acting Returning Officer Fees, which fluctuate from year to year depending on the elections called. 2023/24 was £9,947 (all of which was pensionable) and 2022/23 was nil.

Please also note that payments in the 2022/23 financial year in the above table also includes amounts paid in respect of flexitime leave which had been accrued where it was not possible for staff to take leave due to Covid-19 work commitments (such payments are included as allowances).

There were no redundancy payments made in 2023/24 or 2022/23.



## Notes to the Core Financial Statements

**27 EXTERNAL AUDIT COSTS**

The Council has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Council's external auditors:

	2022/23 £	2023/24 £
Fees payable to Grant Thornton UK LLP with regard to external audit services carried out by the appointed auditor for the year - in respect of 2021/22		19,476
Fees payable to Grant Thornton UK LLP with regard to external audit services carried out by the appointed auditor for the year - in respect of 2022/23	55,384	23,000
Fees payable to Grant Thornton UK LLP with regard to external audit services carried out by the appointed auditor for the year - in respect of 2023/24		135,118
Fees payable to Grant Thornton UK LLP for the certification of grant claims and returns for the year. <i>Work completed in 2023/24 but relating to the 2022/23 financial year claims</i>	33,810	
Fees payable to Grant Thornton UK LLP for the certification of grant claims and returns for the year. <i>Work completed in 2024/25 but relating to the 2023/24 financial year claims</i>		47,400
<b>Total</b>	<b>89,194</b>	<b>224,994</b>

**28 GRANT INCOME**

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2022/23 and 2023/24:

	2022/23 £	2023/24 £
<b><u>Credited to Taxation and Non-Specific Grant Income</u></b>		
New Homes Bonus	-1,205,836	-506,197
Business Rates S31 Grant	-2,478,151	-2,959,722
Rural Services Delivery Grant	-113,250	-126,574
Lower Tier Services Grant	-61,960	
Services Grant	-93,368	-54,777
Levy Account Surplus	-11,359	-11,359
Revenue Support Grant	-215	-48,588
Funding Guarantee		-773,369
<b><u>Grants Received for Capital Purposes</u></b>		
DLUHC – ICT Funding	-125,000	
DLUHC - UK Shared Prosperity Fund	-189,000	
DLUHC – Changing Places Toilets Fund		-178,000
<b>Total Credited to Taxation and Non-Specific Grant Income</b>	<b>-4,278,139</b>	<b>-4,658,586</b>

## Notes to the Core Financial Statements

	2022/23 £	2023/24 £
<b><u>Credited to Services</u></b>		
<b><i>Grants Received for Capital Purposes</i></b>		
Disabled Facilities Grant - Main Funding	-393,008	-427,302
Funding from Onward Homes towards Disabled Facilities Grant	-48,799	-50,262
<b><i>Grants Received for Revenue Purposes</i></b>		
Business Rates Administration	-93,884	-96,710
DWP - Rent Allowance and Rent Rebate Subsidy	-5,126,500	-5,343,539
DWP and MHCLG Local Council Tax Support and Housing Benefit Administration Grant	-109,770	-71,966
DWP - Discretionary Housing Payments Fund	-36,448	-36,448
MHCLG – Homelessness Prevention Grant	-78,866	-72,324
LCC Weight Management Funding	-18,506	-25,183
Sports England - Together an active future funding	-66,657	-56,824
DLUHC – Redmond Review Implementation	-16,117	-17,775
DEFRA – Biodiversity Net Gain	-26,807	
MHCLG – Domestic Abuse Support to Victims	-33,379	-35,193
LCC – Affordable Warmth Public Health Grant	-41,315	-46,488
DLUHC - Council Tax Energy Rebate Admin Grant	-112,178	
Home Office – Asylum Dispersal Scheme Grant	-21,000	-22,500
LCC – Ukrainian Housing Fund	-282,000	
LCC – Ukrainian Community Integration Funding	-102,000	
DLUHC - UK Shared Prosperity Fund Revenue Grant	-69,805	
DLUHC - Electoral Integrity Programme	-11,412	-30,174
Council Tax Reduction - Family Annexes	-11,193	
DLUHC - Various Business Rates Reliefs New Burdens	-22,089	
DEFRA - Air Quality New Burden Grant	-11,710	
LCC - Household Support Fund-Admin Support Payment	-18,000	-24,000
Covid-19 Self-isolation Payments Funding Admin	-62,982	
DHSC - S31 Contain Outbreak Management Fund	-49,708	
BEIS – New Burdens 5 Post Payment Assurance and Debt Recovery	-12,400	
BEIS – New Burdens 7 Post Payment Assurance, Reconciliation and Debt Recovery	-31,260	
DLUHC – Council Tax energy Rebate Grant (Principal)	-87,720	
LCC – Household Support Fund Grant to Distribute (Cost of Living)	-197,477	-216,000
DLUHC – UK Shared Prosperity Revenue Grant		-116,610
DWP – Housing Benefit Extract Returns SHBE API New Burdens		-15,888
DLUHC – Council Tax Support Fund		-50,186
DESNZ – Energy Bills Support Scheme Alternative Fund and Alternative Fuel Payment Alternative Fund New Burdens		-25,930

## Notes to the Core Financial Statements

	2022/23 £	2023/24 £
DWP LA Data Sharing IT Costs Funding		-13,742
DLUHC – Business Rates Transitional Protection Payments		-1,873,078
DLUHC – Homelessness Prevention Grant – Homes for Ukraine Funding Top up Grant		-63,710
Other Grants	-42,919	-46,428
<b>Total Credited to Services</b>	<b>-7,235,909</b>	<b>-8,778,260</b>

Where the Council receives grants, contributions and donations which have conditions attached to them that will require the monies or property to be returned to the giver, such grants, contributions and donations are not recognised as income in the Comprehensive Income and Expenditure Statement.

There have been a number of grants included above, which relate to funds that this Council has received where it acts in its capacity as Principal, having an element of discretion over how such funds are distributed and the granting policies that are to be followed.

There have been other grants received and distributed, where this council has acted as Agent, with no discretion over how such funds are to be distributed. In line with accounting requirements, these are not included within the transactions for this council's Statement of Accounts and likewise are not included above as grants received. Such grants are only included as a net position at year end on this Council's Balance Sheet as either Short Term Debtors or Short-Term Creditors, depending on the net position of each grant funding stream at 31 March.

## Notes to the Core Financial Statements

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### 29 RELATED PARTY TRANSACTIONS

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

- Central Government
- Elected Members of the Council (including any organisation over which they or their close family may exert control or influence)
- Senior Officers of the Council (including any organisation over which they or their close family may exert control or influence)
- Other Public Bodies
- Entities controlled or significantly influenced by the Council.

#### Central Government

Central Government has effective control over the general operation of the Council – it is responsible for providing the statutory framework within which the Council operates, provides a large proportion of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g., council tax bills, housing benefits). Grants received from government departments are set out in Note 28 on grant income.

#### Elected Members

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid is shown at Note 25.

Each year, Members declare interests by completing a 'Disclosable Pecuniary Interests' form (these are available for public inspection at the Council Offices, Clitheroe, and on the Council's website) and a 'Close Family Relationships Declaration of Interests' form.

In the 2023/24 financial year, there were no payments made by the Council to organisations where the award would be financially significant to that organisation, and where an elected member had declared an interest. Any other payments made to organisations did not involve members who had declared an interest.

In the 2022/23 financial year the Council made a grant award to an organisation where the award was financially significant to that organisation and two members had declared an interest. This was in respect of grant totalling £68,260 awarded to Ribble Valley Citizens Advice Bureau to cover core running costs. The members declaring an interest in this organisation did not take part in the discussion or the decision relating to the grant award.

**Notes to the Core Financial Statements**

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A number of members represent the views of the Council on various external bodies and organisations. Consequently, they have no personal controlling interests in those organisations. Please see 'Entities Controlled or Significantly Influenced by the Council' below.

**Senior Officers**

Senior officers (Directors and Heads of Service) may exert influence or control over the Council's financial and operating policies. Each year, senior officers declare interests by completing a 'Register of Officer Interests' form.

In the 2022/23 and 2023/24 financial year there were no material transactions between the Council and organisations where senior officers had declared an interest, from the point of view of the Council.

**Procurement Through Tender**

Any officers invited to be involved in tender scoring panels are first required to complete a 'Register of Officer Interests' form to ensure that there is no conflict of interest and to add transparency to the process.

**Other Public Bodies**

The main transactions that have taken place with other public bodies are:

- Payment of precepts to Lancashire County Council, the Police and Crime Commissioner for Lancashire, Lancashire Fire and Rescue Service and Precepting Parish and Town Councils – see Collection Fund page 143.
- Other standard business transactions between the Council and Lancashire County Council, such as superannuation payments to Lancashire Pension Fund - see Note 32.
- The Lancashire Business Rates Pool was operational during 2022/23 and 2023/24. Full details of the operation of the business rates pool and the role of this Council are included under Note 11.

The Council and other public bodies operate under the common control and law of UK Central Government, and do not exert influence or control over each other.

**Entities Controlled or Significantly Influenced by the Council**

The Council does not have any associated companies or joint venture partners.

A number of members represent the views of the Council on a number of external bodies and organisations during 2022/23 and 2023/24:

- Armed Forces Champion
- Forest of Bowland (Area of Outstanding Natural Beauty) Advisory Committee
- Hanson Cement Liaison Committee
- Hyndburn and Ribble Valley Council for Voluntary Services
- Lancashire Waste Partnership
- Langho Football Club
- Local Government Association General Assembly
- Longridge Social Enterprise Company Limited
- Mersey Care NHS Foundation Trust

## Notes to the Core Financial Statements

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- North West Employers' Organisation
- Police and Crime Panel
- Ribble Valley Community Safety Partnership
- Ribble Valley Sports and Recreation (Roefield Leisure Centre)
- Rural Services Network
- Salesbury and Copster Green Commons Management Committee
- Tarmac Liaison Committee
- Whalley Educational Foundation Trust.

The Council can exert some influence on these organisations but cannot determine the outcome of decisions made by these organisations. Consequently, the Council has no controlling interest over these organisations.

**30 CAPITAL EXPENDITURE AND CAPITAL 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 Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

	2022/23 £	2023/24 £
<b>Opening Capital Financing Requirement</b>	<b>3,141,032</b>	<b>3,036,143</b>
<b><u>Capital Investment</u></b>		
Property, Plant and Equipment	816,295	1,090,038
Revenue Expenditure Funded from Capital Under Statute	341,162	978,174
<b><u>Sources of Finance:</u></b>		
Grants and Other Contributions	-381,080	-1,129,491
Usable Capital Receipts	-316,669	-27,110
Sums set aside from revenue:		
- Revenue Contributions	-459,709	-911,611
- Minimum Revenue Provision	-104,889	-102,634
<b>Closing Capital Financing Requirement</b>	<b>3,036,143</b>	<b>2,933,509</b>
<b><u>Explanation of Movements in Year</u></b>		
Decrease in Underlying Need to Borrow (Unsupported by Government Financial Assistance)	-104,889	-102,634
<b>Decrease in Capital Financing Requirement</b>	<b>-104,889</b>	<b>-102,634</b>

**31 LEASES****Operating Leases with the Council as Lessee**

The council holds a number of vehicles, land and buildings on operating leases. The future minimum lease payments due are:

	31 March 2023 £	31 March 2024 £
Not later than one year	83,583	111,998
Later than one year and not later than five years	88,226	71,581
Later than five years	382,693	369,517
	<b>554,502</b>	<b>553,096</b>

## Notes to the Core Financial Statements

In 2023/24 expenditure charged to the Cost of Services in the Comprehensive Income and Expenditure Statement in relation to the above leases was £123,340 (£101,042 in 2022/23).

### Operating Leases with the Council as Lessor

The council leases out land and property under operating leases for services such as sports and leisure, economic development, commercial use and affordable housing.

The future minimum lease payments receivable are:

	31 March 2023	31 March 2024
	£	£
Not later than one year	-81,620	-112,444
Later than one year and not later than five years	-195,943	-223,197
Later than five years	-390,791	-454,074
	<b>-668,354</b>	<b>-789,715</b>

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

In 2023/24 income included under the Cost of Services in the Comprehensive Income and Expenditure Statement in relation to the above leases was £114,090 (£110,545 in 2022/23).

## 32 DEFINED BENEFIT PENSION SCHEMES

### Participation in Pension Scheme

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until the employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme. The scheme is administered by Lancashire County Council. This is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

The Lancashire County Pension Fund is a multi-employer arrangement, under which each employer is responsible for the pension cost, liabilities and funding risks relating to its own employees and former employees. Each employer's contributions to the Fund are calculated in accordance with the LGPS Regulations, which require an actuarial valuation to be carried out every three years.



## Notes to the Core Financial Statements

**Transactions relating to Post-employment Benefits**

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are 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:

	Local Government Pension Scheme	
	2022/23 £'000	2023/24 £'000
<b><i>Comprehensive Income and Expenditure Statement</i></b>		
<b>Cost of Services</b>		
- current service costs	2,279	1,162
<b>Other Operating Expenditure</b>		
- administration expenses	35	38
<b>Financing and Investment Income and Expenditure</b>		
- net interest expense	406	-552
<b>Total Post employment Benefit Charged to the Surplus or Deficit on the Provision of Services</b>	<b>2,720</b>	<b>648</b>
<b>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>		
<b>Remeasurement of the net defined benefit liability comprising</b>		
- return on plan assets (excluding the amount included in the net interest expenses)	152	-2,345
- actuarial (gains) and losses arising on changes in experience	5,111	434
- actuarial (gains) and losses on financial assumptions	-31,129	-810
- actuarial (gains) and losses arising on changes in demographic assumptions	-1,839	-746
<b>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Account</b>	<b>-27,705</b>	<b>-3,467</b>
<b><i>Movement in Reserves Statement</i></b>		
- reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	-1,639	353
<b><i>Actual amount charged against the General Fund Balance for pensions in the year:</i></b>		
- employers' contributions payable to the scheme	<b>1,081</b>	<b>1,001</b>

The cumulative amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure Statement to the 31 March 2024 is a gain of £3,467,000 (31 March 2023 gain of £27,705,000).

## Notes to the Core Financial Statements

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

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

Local Government Pension Scheme	2022/23	2023/24
	£'000	£'000
Present value of the defined benefit obligation	56,411	57,375
Fair value of plan assets	-67,405	-72,189
<b>Net liability arising from defined benefit obligation</b>	<b>-10,994</b>	<b>-14,814</b>

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

Local Government Pension Scheme	2022/23	2023/24
	£'000	£'000
<b>Opening fair value of scheme assets</b>	<b>66,296</b>	<b>67,405</b>
Interest Income	1,849	3,218
Remeasurements gain/(loss):		
- the return on plan assets, excluding the amount included in the net interest expense	-152	2,345
Administration Expenses	-35	-38
Contributions from employer	1,081	1,001
Contributions from employees into the scheme	382	409
Benefits/transfers paid	-2,016	-2,151
<b>Closing fair value of scheme assets</b>	<b>67,405</b>	<b>72,189</b>

### Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

Local Government Pension Scheme	2022/23	2023/24
	£'000	£'000
<b>Opening balance at 1 April</b>	<b>81,368</b>	<b>56,411</b>
Current service cost	2,279	1,162
Interest cost	2,255	2,666
Contributions from scheme participants	382	409
Remeasurement (gains) and losses:		
- Experience loss	5,111	434
- Actuarial (gains)/losses arising from changes in financial assumptions	-31,129	-810
- Actuarial gains arising from changes in demographic assumptions	-1,839	-746
Benefits/transfers paid	-2,016	-2,151
<b>Closing balance at 31 March</b>	<b>56,411</b>	<b>57,375</b>

## Notes to the Core Financial Statements

**Local Government Pension Scheme Assets Comprised:**

Local Government Pension Scheme Fair value of scheme assets	Quoted Y/N	31 March 2023 £'000	31 March 2024 £'000
<b>Equities</b>			
- Financials	Y	78	79
<b>Subtotal Equities</b>		<b>78</b>	<b>79</b>
<b>Cash</b>			
- Cash accounts	N	536	1,335
- Net Current Assets/(Liabilities)	N	0	
<b>Subtotal Cash</b>		<b>536</b>	<b>1,335</b>
<b>Bonds</b>			
- UK corporate	Y	0	
- Overseas corporate	N	139	58
<b>Subtotal Bonds</b>		<b>139</b>	<b>58</b>
<b>Property</b>			
- Offices	N	13	13
- Industrial/warehouse	N	486	377
- Shops	N	136	242
- Multi let commercial building	N	381	297
<b>Subtotal Property</b>		<b>1,016</b>	<b>929</b>
<b>Alternatives</b>			
- UK private equity	N	1,167	1,169
- Overseas private equity	N	4,482	4,267
- Infrastructure	N	10,485	10,916
- Credit funds	N	9,781	10,676
- Pooled fixed income	N	971	2,788
- Indirect property funds	N	5,933	5,741
- UK Pooled Equity Funds	N	713	218
- Overseas pooled equity funds	N	32,103	34,013
<b>Subtotal Alternatives</b>		<b>65,635</b>	<b>69,788</b>
<b>Total</b>		<b>67,404</b>	<b>72,189</b>

**Basis for Estimating Assets and Liabilities**

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc.

The Local Government Pension Scheme has been estimated by Mercer Limited, an independent firm of actuaries, estimates for the fund being based on the latest full valuation of the scheme as at 31 March 2022.

The significant assumptions used by the actuary have been:

## Notes to the Core Financial Statements

Local Government Pension Scheme	2022/23	2023/24
<b>Mortality Assumptions</b>		
Longevity at 65 for current pensioners:		
Men	21.5 years	21.1 years
Women	23.8 years	23.5 years
Longevity at 65 for future pensioners:		
Men	22.8 years	22.4 years
Women	25.6 years	25.3 years
Rate of Consumer Price Index (CPI) Inflation	2.7%	2.7%
Rate of increase in salaries	4.2%	4.2%
Rate of increase in pensions	2.8%	2.8%
Rate for discounting scheme liabilities	4.8%	4.9%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant.

The assumptions in longevity, for example, assume that life expectancy increases or decreases 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 credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Local Government Pension Scheme	Impact of Change in Assumption
Impact on the Defined Benefit Obligation in the Scheme	£'000
Longevity (1 year increase in life expectancy)	1,336
Rate of inflation (+0.25% per annum)	1,991
Rate of increase in salaries (+0.25% per annum)	295
Rate of discounting scheme liabilities (+0.5% per annum)	-3,783
Change in 2023/24 Investment Returns (+1%)	-718
Change in 2023/24 Investment Returns (-1%)	718

## Notes to the Core Financial Statements

**Impact on the Council's Cash Flows**

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible.

An actuarial valuation of the Lancashire County Pension Fund was carried out as at 31 March 2022 to determine the contribution rates with effect from 1 April 2023 to 31 March 2026. On the basis of the assumptions adopted, the Fund's assets of £10,712m represented 115% of the Fund's past service liabilities of £9,317m (the "Solvency Funding Target") at the valuation date. The surplus at the valuation was therefore £1,395 million.

The valuation also showed that a Primary contribution rate of 19.2% of pensionable pay per annum was required from employers (last valuation 31 March 2019 – 17.4%). The Primary rate is calculated as being sufficient, together with contributions paid by members, to meet all liabilities arising in respect of service after the valuation date.

The funding objective as set out in the Funding Strategy Statement (FSS) is to achieve and maintain a solvency funding level of 100% of liabilities (the solvency funding target). In line with the FSS, where a shortfall exists at the effective date of the valuation a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. Equally, where there is a surplus, it is usually appropriate to offset this against contributions for future service, in which case contribution reductions will be put in place to allow for this.

As such, for this council the employer contribution rate from 1 April 2023 was 14.7% rather than the primary contribution rate of 19.2% (so a secondary rate of minus 5.3%)

It is projected that the council will pay £1,000,000 in employer contributions to the scheme in 2024/25.

The weighted average duration of the defined benefit obligation for scheme members is 16 years based on later of 31 March 2022 (latest valuation) and admission date.

**Scheme History**

Local Government Pension Scheme	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Present Value of Liabilities	68,294	79,476	81,368	56,411	57,375
Fair Value of Assets	-53,323	-58,434	-66,296	-67,405	-72,189
<b>Deficit in the scheme</b>	<b>14,971</b>	<b>21,042</b>	<b>15,072</b>	<b>-10,994</b>	<b>-14,814</b>

The past liabilities shown above show the underlying commitment that the council had in the long run to pay post-employment (retirement) benefits. This had a substantial impact on the net worth of the Council as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit meant that the financial position of the Council remained healthy.

## Notes to the Core Financial Statements

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This position changed in 2022/23 following the latest valuation, and a net asset position of £14.814m is seen for 2023/24. The main reasons for the above movement have been:

The main reasons for the above movements have been:

- An increase of up to 0.2% p.a. in the discount rate assumption, with the assumed CPI inflation falling by up to 0.1% p.a. Overall, the effect of this will be to reduce liabilities for less mature employers.
- There will be a loss due to the impact of actual CPI being above the start of period assumptions.
- Investment returns - broadly speaking equity returns are positive with more mixed results for bonds. So, the movement in assets has been broadly positive. This is reflected in the line titled Remeasurement (assets).

The Pension Fund year end position has fluctuated quite widely over the past few years and the main fluctuations year to year have been around remeasurements.

### 33 CONTINGENT LIABILITIES

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#### Housing Stock Transfer Warranties

##### **Collateral warranty by the Council in favour of Security Trustee (M & G Trustee Company Limited)**

The Council has given a number of warranties for up to 30 years from 1 April 2008 in respect of title, encumbrances, planning matters, statutory obligations, adverse orders, leases, tenancies and information and statistics supplied.

In addition, the following specific warranties have been given:

- Unlimited warranty for up to 30 years from 1 April 2008 in respect of environmental pollution.
- Unlimited warranty for up to 30 years from 1 April 2008 in respect of claims relating to asbestos pollution, except that this shall not apply in respect of the first £381,000 of costs and expenses incurred in aggregate by the Trustees and Ribble Valley Homes in relation to works.

##### **Warranties by the Council in favour of Ribble Valley Homes**

The Council has given a number of warranties for up to 22 years from 1 April 2008 in respect of title, encumbrances, planning matters, statutory obligations, adverse orders, leases, tenancies and information and statistics supplied.

In addition, the following specific warranties have been given:

- Warranty not exceeding £27m for up to 25 years from 1 April 2008 in respect of environmental pollution.
- Unlimited warranty for an unlimited period in respect of claims relating to exposure to asbestos.
- Unlimited warranty for an unlimited period in respect of vires claims.

- Warranty for any losses arising as a result of incorrect application of the 2012 rent convergence.

### **34 NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**

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The Council'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 Council.
- Liquidity Risk – the possibility that the Council might not have funds available to meet its commitments to make payments.
- Market Risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out within the Council's Financial Services team, under policies approved by the Council in the annual treasury management strategy.

The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

#### **Overall Procedures for Managing Risk**

Overall, these procedures require the Council to manage risk in the following ways:

- by formally adopting the requirements of the Code of Practice.
- by approving annually in advance prudential indicators for the following three years limiting:
  - The Council's overall borrowing.
  - Its maximum and minimum exposures to fixed and variable rates.
  - Its maximum and minimum exposures to the maturity structure of its debt.
  - Its maximum annual exposures to investments maturing beyond a year.
- by approving a Treasury Management Strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance.

The Prudential Indicators are required to be reported and approved at or before the Council's annual Council Tax setting meeting in early March. These items are also reported with the annual Treasury Management Strategy, which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported quarterly to Members.

## Notes to the Core Financial Statements

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Treasury Management activity is monitored by the Financial Services team. The Council maintains written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash through Treasury Management Practices (TMPs). These TMPs are a requirement of the Code of Practice and are reviewed regularly.

### Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

The risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria as detailed in the Council's treasury management practices. The Council maintains strict credit criteria for investment counterparties and monitors activity against these criteria. As a result of this high credit criteria there has been no experience of defaults.

The credit criteria in respect of financial assets held by the council are detailed as below:

- Investments to Building Societies limited to top 8 based on total assets (provided they are included in Fitch Ratings).
- Institutions must have a short-term Fitch IBCA rating of F2 or above.
- Institutions are UK based.

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits.

The Council does not generally allow credit for its sundry debtors. The sundry debtors outstanding which are past their due date for payment at 31 March 2024 can be analysed by age as shown in the table below. Note 16 to the accounts shows a total provision for the impairment of debts of £397,680 of which £22,397 relates to sundry debts (or £166,220 when including impairment for total Housing Benefit recovery impairment). The balance of £231,460 is in respect of this Council's share of the Council Tax and Business Rates impairment of debts.

The council's maximum exposure to credit risk in relation to its investments in banks and building societies at the 31 March was nil, based on past and current experience. A risk of irrecoverability applies to all of the council's deposits, but there was no evidence at the 31 March 2024 that this was likely.

The following analysis summarises the council's potential maximum exposure to credit risk on other financial assets, based on experience of default and uncollectability over the last five financial years, adjusted to reflect current market conditions. Shown in the table is a provision for 'bad and doubtful debts' which the council is confident is more than adequate to cover for future losses due to default.



## Notes to the Core Financial Statements

	Amount at 31 March 2024	Historical experience of default	Historical experience adjusted for market conditions at 31 March 2024	Estimated maximum exposure to default and uncollectability at 31 March 2024	Estimated maximum exposure at 31 March 2023
	£ A	% B	% C	£ (A x C)	£
Deposits with banks and building societies	23,000,000	0.00%	0.00%	0	0
Customers (Sundry Debt including overpaid Housing Benefits recovered from ongoing benefit)	683,721	0.56%	24.31%	166,220	131,389

The council expects settlement terms from debtors of no greater than 14 days. On this basis £539,126 of the sundry debtor balance as at 31 March 2024 is past its due date for payment (£614,449 at 31 March 2023); However, a proportion of this is being paid on an agreed alternative payment plan. The full sundry debtor balance due but not impaired can be analysed by age as follows:

Aged Sundry Debt	As at 31 March 2023 £'000	As at 31 March 2024 £'000
Less than 30 days	67	97
30 days to 59 days	25	16
60 days to 89 days	71	8
90 days to 119 days	2	110
120 days +	476	361
	<b>641</b>	<b>592</b>

## Notes to the Core Financial Statements

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### Liquidity risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the council has ready access to borrowings from the money markets, the Public Works Loans Board and through the UK Municipal Bonds Agency plc (Local Capital Finance Company). There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The Council manages its liquidity position through the risk management procedures, such as 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 of Practice.

The approved prudential indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategy addresses the main risks and the Financial Services team address the operational risks within the approved parameters.

The council paid off its remaining balance of debt during the 2022/23 financial year

### Market Risk

#### **Interest Rate Risk**

The Council has limited exposure to interest rate movements on its borrowings and investments, particularly as its long-term borrowing is on fixed rates.

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

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Council'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 Financial Services team monitors market and forecast interest rates within the year to adjust exposures appropriately.

If all lending interest rates had been 1% higher with all other variables held constant the financial effect would impact on the interest receivable on variable rate investments by approximately an additional £274,023. All other interest payable and receivable are fixed.

#### **Price risk**

The Council, excluding the pension fund, does not generally invest in instruments with this type of risk.

**Foreign exchange risk**

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

## Collection Fund

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# Collection Fund

The Collection Fund is an agent's statement that reflects the statutory obligation of billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers of Council Tax and Non-Domestic Rates (NDR) and its distribution to local government bodies and the Government.

The Council has a statutory requirement to operate a Collection Fund as a separate account to the General Fund. The purpose of the Collection Fund therefore, is to isolate the income and expenditure relating to Council Tax and Non-Domestic Business Rates. The administrative costs associated with the collection process are charged to the General Fund.

Collection Fund surpluses declared by the billing authority in relation to Council Tax are apportioned to the relevant precepting bodies in the subsequent financial year. Deficits likewise are proportionately charged to the relevant precepting bodies in the following year. For Ribble Valley Borough Council, the Council Tax precepting bodies are Lancashire County Council, Police and Crime Commissioner (PCC) for Lancashire and Lancashire Combined Fire Authority.

In 2013/14, the local government finance regime was revised with the introduction of the Business Rates Retention Scheme (BRRS). The main aim of the scheme is to give Councils a greater incentive to grow businesses in the Borough. It does, however, also increase the financial risk due to non-collection and the volatility of the NDR tax base.

Forecast surpluses declared earlier in the calendar year by the billing authority in relation to the Collection Fund are apportioned to the relevant precepting bodies in the subsequent financial year in their respective proportions. Deficits likewise are proportionately charged to the relevant precepting bodies in the following year.

The national code of practice followed by Local Authorities in England stipulates that a Collection Fund Income and Expenditure account is included in the Council's accounts. The Collection Fund balance sheet meanwhile is incorporated into the Council's consolidated balance sheet.

## Collection Fund

2022/23 Total £'000		2023/24 Council Tax £'000	2023/24 Business Rates £'000	2023/24 Total £'000	Notes
<b>Income</b>					
50,153	Income from Council Tax Payers	53,288		53,288	
11	Transfers From General Fund - Family Annexes	19		19	
6	Transfers From General Fund - Ukraine Local Discount	15		15	
0	Transfers From General Fund - Government LCTS Scheme	51			
13,778	Income from Business Ratepayers		13,928	13,928	1
0	Transitional Protection Payments due to the authority		1,873	1,873	
	Share of Estimated Deficit:				
2187	- Central Government		303	303	
393	- Lancashire County Council		55	55	
1749	- Ribble Valley Borough Council		242	242	
44	- Lancashire Combined Fire Authority		6	6	
68,321		53,373	16,407	69,729	
<b>Expenditure</b>					
	Precepts and Demands:				3
37,180	- Lancashire County Council	39,337		39,337	
4,463	- Ribble Valley Borough Council (including parishes)	4,716		4,716	
5,805	- Police and Crime Commissioner (PCC) for Lancashire	6,281		6,281	
1,897	- Lancashire Combined Fire Authority	2,055		2,055	
	Business Rates				
6,453	- Central Government		7,896	7,896	
1,162	- Lancashire County Council		1,421	1,421	
5,163	- Ribble Valley Borough Council		6,316	6,316	
129	- Lancashire Combined Fire Authority		158	158	
	Share of Estimated Surplus:				
951	- Lancashire County Council	667		667	
115	- Ribble Valley Borough Council	80		80	
47	- Lancashire Combined Fire Authority	34		34	
148	- Police and Crime Commissioner (PCC) for Lancashire	104		104	
7	Transfers to General Fund - Council Tax Benefits	7		7	
1	Transfers to General Fund - Covid Hardship Payments			0	
31	Transitional Protection Payments due from the authority			0	
94	Costs of Collection		97	97	
25	Renewable Energy Schemes		32	32	
95	Provision for Bad/Doubtful Debts	47	87	134	4
173	Enterprise Zone		503	503	
-17	Provision for Appeals		-1,201	-1,201	5
	Interest Paid on Refunds		9	9	5
63,922		53,328	15,318	68,646	
4,399	<b>(Deficit)/Surplus for the Year</b>	45	1,089	1,083	
-3,702	(Deficit)/Surplus Brought Forward	881	-184	697	
697	<b>(Deficit)/Surplus Carried Forward</b>	926	905	1,780	
<b>Allocated to</b>					
-92	- Central Government		453	453	6
648	- Lancashire County Council	695	81	776	
6	- Ribble Valley Borough Council	84	362	446	
103	- Police and Crime Commissioner (PCC) for Lancashire	111		111	
32	- Lancashire Combined Fire Authority	36	9	45	
697		926	905	1,831	

## Collection Fund

### 1 BUSINESS RATES

In 2013/14, the administration of Business Rates changed following the introduction of a business rates retention scheme which aims to give Councils a greater incentive to grow businesses but also increases the financial risk due to volatility and non-collection of rates. Instead of paying NDR to the central pool, local authorities retain a proportion of the total collectable rates due.

Since 2016/17 this Council has been a member of the Lancashire Business Rates Pool.

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

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

In 2019/20 we successfully submitted a bid along with 15 other authorities in Lancashire to become a 75% Business Rates Pilot Pool. This meant that 75% of collected rates were retained in Lancashire rather than 50%. This arrangement operated for one year only, and then reverted to the 50% business rates retention scheme, and it has operated on this basis since.

Local authority membership of the pooling arrangement has varied over the years since 2016/17, but current membership has been the same since 2020/21.

The business rates income allocations in 2022/23 and 2023/24 are shown in the table below:

	Lancashire Business Rates Pool - Income Allocations for 2022/23 and 2023/24
District Authorities	40%
Lancashire County Council	9%
Lancashire Combined Fire Authority	1%
	<b>50%</b>
Central Government	50%
<b>Total</b>	<b>100%</b>

The business rates shares payable for 2023/24 were estimated before the start of the financial year as £7.796m to Central Government, £1.421m to Lancashire County Council, £0.158m to Lancashire Combined Fire Authority and £6.316m to Ribble Valley Borough Council. These sums have been paid in 2023/24 and charged to the collection fund in year.

When the business rates retention scheme was introduced, Central Government set a baseline level for each authority identifying the expected level of retained business rates and a top up or tariff amount to ensure that all authorities receive their baseline amount. Tariffs due from authorities payable to Central Government are used to finance the top ups to those authorities who do not achieve their targeted baseline funding. In this respect Ribble Valley Borough Council paid a tariff of £5.116m from the general fund.

The total income from business rate payers collected in 2023/24 was £13.928m (£13.778m in 2022/23).

In addition to the local management of business rates, authorities are expected to finance appeals made in respect of rateable values as defined by the Valuation Office Agency (VOA) and hence business rates outstanding as at 31 March 2024. As such, authorities are required to make a provision for these amounts. Appeals are charged and provided for in proportion of the precepting shares. The total provision at 31 March 2024 has been calculated at £1.090m (31 March 2023 £2.290m).

The non-domestic rateable value at 31 March 2024 on the 2017 listing was £43,525,847 compared to £43,704,793 at 31 March 2023.

Looking at the 2023 listing which came into effect from 1 April 2023, the total non-domestic rateable value at 31 March 2024 was £49,879,659 compared to £49,845,353 at the 1 April 2023.

The national non-domestic multiplier (rate in the pound) for the year 2023/24 was 51.2 pence, the same as in 2022/23.

The income collectable from business ratepayers differs from the yield; based on the total rateable value due to the award of transitional adjustments, empty property relief and mandatory relief.

## Collection Fund

**2 COUNCIL TAX BASE**

The gross amount of council tax payable for a property is determined by reference to a band that is allocated to the property by the Listing Officer who is an official of the Inland Revenue. There are eight property bands, A to H, each of which attracts a different level of council tax based upon the charge at band D.

In 2023/24 the Council set a band D council tax of £2,074.12 which was calculated by dividing the aggregate of the Council's expenditure to be met from the council tax and the Lancashire County Council, Police and Crime Commissioner (PCC) for Lancashire and Lancashire Combined Fire Authority precept by the council tax base. The council tax base is the number of band D equivalent properties in the Council's area, and it represents the amount of income that would be raised from a council tax levy of £1.00 at band D level. The council tax base has been calculated as follows:

Band	Ratio to Band D	Total No of Properties	Total Equivalent No After Discounts	Band D Equivalents
A (entitled to disabled relief)	5/9	11	10.3	5.7
A	6/9	3,707	3,055.8	2,037.2
B	7/9	5,382	4,681.1	3,640.8
C	8/9	5,505	4,940.3	4,391.4
D	1	4,890	4,471.2	4,471.2
E	11/9	4,089	3,852.9	4,709.1
F	13/9	2,540	2,412.8	3,485.1
G	15/9	1,974	1,885.9	3,143.2
H	18/9	215	205.9	411.8
<b>Totals</b>		<b>28,313</b>	<b>25,516.2</b>	<b>26,295.5</b>
			Adjustments	-1,126.7
			Adjustment for Collection Rate	-188.8
			<b>Council Tax Base</b>	<b>24,980</b>



**3 BAND D COUNCIL TAX**

The band D council tax set by the Council has been calculated as follows:

	2022/23 £	2023/24 £
Lancashire County Council Precept	37,180,362	39,336,256
Police and Crime Commissioner (PCC) for Lancashire Precept	5,805,557	6,281,221
Lancashire Combined Fire Authority Precept	1,897,211	2,055,105
Ribble Valley Borough Council Demand (excluding Parishes)	3,945,422	4,138,936
<b>Total to be Met From Council Tax</b>	<b>48,828,552</b>	<b>51,811,518</b>
Divided by Council Tax Base (Band D Equivalent Dwellings)	24,553	24,980
<b>Band D Council Tax (Average excluding Parishes)</b>	<b>£1,988.70</b>	<b>£2,074.12</b>

**4 PROVISION FOR LOSSES**

An analysis of the collection fund bad debt provision is set out below:

	Council Tax £	NNDR £	Total £
<b>Opening Balance 1 April 2023</b>	<b>910,000</b>	<b>323,000</b>	<b>1,233,000</b>
Write Offs in Year	-37,257	-35,630	-72,887
Increase/(Decrease) to Provision	47,257	86,630	133,887
<b>Closing Balance 31 March 2024</b>	<b>920,000</b>	<b>374,000</b>	<b>1,294,000</b>

**5 PROVISION FOR BUSINESS RATES APPEALS**

An analysis of the collection fund provision for appeals is set out below:

	2022/23 £	2023/24 £
<b>Balance at 1 April</b>	<b>2,307,805</b>	<b>2,290,471</b>
Amounts Charged to the Provision	-270,061	-970,600
Change in Provision	252,727	-230,311
<b>Balance at 31 March</b>	<b>2,290,471</b>	<b>1,089,560</b>

## Collection Fund

**6 PRECEPTS AND DEMANDS ON THE COLLECTION FUND**

For both billing authorities and major preceptors, the Council Tax income included in the Income and Expenditure Account for the year must be the accrued income for the year. The table below shows the precept for each major precepting body for the year and the accrued deficit at the 31 March.

2022/23			2023/24	
Precept	Share of 31 March (Deficit) or Surplus		Precept	Share of 31 March (Deficit) or Surplus
£'000	£'000		£'000	£'000
37,180	664	Lancashire County Council	39,336	695
5,805	103	Police and Crime Commissioner for Lancashire	6,281	111
1,897	34	Lancashire Combined Fire Authority	2,055	36
4,463	80	Ribble Valley Borough Council	4,716	84
<b>49,345</b>	<b>881</b>	<b>Total</b>	<b>52,388</b>	<b>926</b>

The business rates shares as at the 31 March are shown in the table below. As with Council Tax, the income included in the Income and Expenditure Account for the year must be the accrued income for the year.

2022/23			2023/24	
Business Rates Share Paid	Share of 31 March (Deficit) or Surplus		Business Rates Share Paid	Share of 31 March (Deficit) or Surplus
£'000	£'000		£'000	£'000
6,453	-92	Central Government	7,896	453
1,162	-16	Lancashire County Council	1,421	81
129	-2	Lancashire Combined Fire Authority	158	9
5,163	-74	Ribble Valley Borough Council	6,316	362
<b>12,907</b>	<b>-184</b>	<b>Total</b>	<b>15,791</b>	<b>905</b>

## Collection Fund

The Council has a statutory requirement to prepare an estimate each January of the surplus or deficit expected to arise at the end of the financial year. The total forecast surplus/deficit on the collection fund for council tax and business rates at January 2023 and January 2024 are shown in the table below.

(Deficit) or Surplus Declared January 2023			(Deficit) or Surplus Declared January 2024		
Business Rates £'000	Council Tax £'000	Total £'000	Business Rates £'000	Council Tax £'000	Total £'000
-303		<b>-303</b>	245		<b>245</b>
-55	667	<b>612</b>	44	617	<b>661</b>
	104	<b>104</b>		99	<b>99</b>
-6	34	<b>28</b>	5	32	<b>37</b>
-242	80	<b>-162</b>	196	74	<b>270</b>
<b>-606</b>	<b>885</b>	<b>279</b>	<b>490</b>	<b>822</b>	<b>1,312</b>

## 7 COLLECTION RATES

The Council's collection rates are detailed in the table below:

	2022/23 %	2023/24 %
Council Tax	99.1%	99.1%
Business Rates	98.5%	98.7%

## Glossary of Terms

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# Glossary of Terms

### **Accounting Period**

The period of time covered by the accounts, normally 12 months commencing on 1st April for local authorities.

### **Accounting Policies**

Those principles, bases, conventions, rules and practices applied by an entity that specify how the effects of transactions and other events are to be reflected in its financial statements through

- I. recognising,
- II. selecting measurement bases for, and
- III. presenting assets, liabilities, gains, losses and changes to reserves.

Accounting policies do not include estimation techniques.

Accounting policies define the process whereby transactions and other events are reflected in financial statements. For example, an accounting policy for a particular type of expenditure may specify whether an asset or a loss is to be recognised; the basis on which it is to be measured; and where in the revenue account or Balance Sheet it is to be presented.

### **Accruals**

Sums included in the final accounts to cover income or expenditure attributable to the accounting period but for which payment has not been made/received at the balance sheet date.

### **Accruals Basis**

An accounting concept which requires that income and expenditure are accrued (i.e., recognised as they are earned or incurred, not as they are received or paid). Under this concept therefore, inclusion or exclusion of an item of income or expenditure will depend on the period to which it relates, not the period in which it was received or performed.

### **Actuarial Gains and Losses**

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

- I. events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses), or
- II. the actuarial assumptions have changed.

### **Amortisation**

The loss in value of an intangible asset due to its use by the organisation.

**Appointed Auditors**

From 1 April 2015 the appointment of External Auditors to Local Authorities is undertaken by Public Sector Audit Appointments Limited (PSAA), an independent company limited by guarantee and incorporated by the Local Government Association in August 2014. This role was previously undertaken by The Audit Commission. Grant Thornton is the council's Appointed Auditor

**Auditor's Opinion**

This is the opinion required by statute from the Council's external auditors, indicating whether the statement of accounts give a true and fair view of the financial position of the Council.

**Authorised Limit**

This represents the legislative limit on the Council's external debt under the Local Government Act 2003.

**Balances**

The total level of funds the council has accumulated over the years, available to support revenue expenditure within the year (also known as reserves)

**Business Rates Retention Scheme (BRRS)**

Under the business rates retention scheme local authorities are able to come together on a voluntary basis to pool their NDR, giving them scope to generate additional growth through collaborative effort and reduce levy payments.

**Capital Adjustment Account**

The Account accumulates (on the debit side) the write-down of the historical cost of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The same process applies to capital expenditure that is only capital by statutory definition (revenue expenditure funded by capital under statute). The balance on the account thus represents timing differences between the amount of the historical cost of non-current assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

**Capital Expenditure**

Expenditure on the acquisition of a fixed asset or expenditure which adds to and not merely maintains the value of an existing fixed asset.

**Capital Financing Costs**

The annual cost of borrowing (principal repayments and interest charges), leasing charges and other costs of funding capital expenditure.

**Capital Grants Unapplied**

Government grants and other contributions are accounted for on an accruals basis and recognised in the accounting statements when the conditions for their receipt have been complied with. This reserve holds the balance of grants unapplied at year-end.

## Glossary of Terms

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### Capital Receipt

Income from the sale of capital assets such as land or buildings.

### Carrying Amount

The amount at which an asset is recognised in the balance sheet after deducting accumulated depreciation and accumulated impairment losses.

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

CIPFA is the leading professional accountancy body for public services. CIPFA publishes the Code, which defines proper accounting practice for local authorities.

### Collection Fund

The Collection Fund (England) is an agent's statement that reflects the 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 local authorities and the Government of Council Tax and Non-Domestic Rates.

### Community Assets

Assets that the council intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal. Examples of community assets are parks and historical buildings.

### Consistency

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

### Contingent Asset

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the local authority's control.

### Contingent Liability

A contingent liability is either:

- I. a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the council's control, or
- II. a present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

### Council Tax Base

The number of properties in each band is multiplied by the relevant band proportion in order to calculate the number of Band D equivalent properties in the area. The calculation allows for exemptions, discounts, appeals and a provision for non-collection.

**Council Tax Requirement**

This is the estimated revenue expenditure on General Fund services that will be financed from the Council Tax after deducting income from fees and charges, General fund Balances, grants and any funding from reserves.

**Creditors**

Amounts owed by the Council at 31st March for goods received or services rendered but not yet paid for.

**Current Assets**

Assets which can be expected to be consumed or realised during the next accounting period.

**Current Liabilities**

Amounts which will become due or could be called upon during the next accounting period.

**Current Service Cost (Pensions)**

The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

**Debtor**

Amounts owed to the Council, which are collectable or outstanding at 31st March.

**Depreciation**

The measure of the cost or revalued amount of the benefits of the non-current asset that have been consumed during the period.

Consumption includes the wearing out, using up or other reduction in the useful life of a fixed asset whether arising from use, passing of time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.

**Exceptional Items**

Material items which derive from events or transactions that fall within the ordinary activities of the authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

**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.

**Fair Value**

The fair value of an asset is the price at which it could be exchanged in an arm's-length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

## Glossary of Terms

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### **Finance Lease**

A finance lease is one that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee. It should be presumed that such a transfer of risks and rewards occurs if at the inception of a lease the present value of the minimum lease payments including any initial payment amounts to substantially all (normally 90% or more) of the fair value of the leased asset.

### **Financial Instrument**

A contract that gives rise to a financial asset of one entity and a financial liability of another entity.

### **Financial Regulations**

These are the written code of procedures approved by the Council, intended to provide a framework for proper financial management. Financial regulations usually set out rules on accounting, audit, administrative and budgeting procedures.

### **Fixed Asset**

Assets which can be expected to be of use or benefit to the Council in providing its service for more than one accounting period.

### **General Fund**

This is the main revenue fund of the council and includes the net cost of all services financed by local taxpayers and Government Grants.

### **Going Concern**

The concept that the authority will remain in operational existence for the foreseeable future, in particular that the revenue accounts and Balance Sheet assume no intention to curtail significantly the scale of operations.

### **Government Grants**

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority in return for past or future compliance with certain conditions relating to the activities of the authority.

### **Impairment**

A reduction in the value of a fixed asset to a value below its carrying amount on the Balance Sheet.

### **Infrastructure Assets**

Fixed assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

### **Intangible Asset**

This is a non-physical fixed asset. Intangible fixed assets include patents, brands, etc.



**Interest Cost (Pensions)**

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

**Inventories**

The amount of unused or unconsumed stocks held in expectation of future use. When use will not arise until a later period, it is appropriate to carry forward the amount to be matched to the use or consumption when it arises.

**Leasing**

A method of utilising assets where a rental charge is paid for a specified period of time, instead of outright purchase.

**Liabilities**

Are present obligations of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.

**Long-term Contracts**

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into different accounting periods.

**Materiality**

Information is material if omitting it or misstating it could influence the decisions that users make on the basis of financial information about a specific reporting authority.

**Medium Term Financial Strategy**

This is a financial planning document that sets out the future years financial forecast for the council. It considers local and national policy influences and projects their impact on the general fund revenue account and capital programme. For this council it usually covers the current year and future three years.

**Minimum Revenue Provision (MRP)**

MRP is the minimum amount which must be charged to a council's revenue account each year to provide for the repayment of debt, as required by the Local Government and Housing act 1989.

**Net Book Value**

The amount at which fixed assets are included in the Balance Sheet, i.e., their historical cost or current value less the cumulative amounts provided for depreciation.

**Net Current Replacement Cost**

The cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e., the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

## Glossary of Terms

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### **Net Debt**

The authority's borrowings less cash and liquid resources. Where cash and liquid resources exceed borrowings, reference is made to net funds rather than net debt.

### **Net Realisable Value**

The open market value of the asset in its existing use (or market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

### **Non-Current Assets**

Assets that can be expected to be consumed or realised over a period greater than the next accounting period.

### **Non-Domestic Rates (NDR)**

With effect from April 1990 all non-domestic properties were revalued and the Government determines a national non-domestic rating multiplier every year which is applicable to all local authorities. The rateable values are set by the Valuation Office Agency of HM Revenue & Customs, and there is a statutory revaluation every 5 years. The proceeds of the business rates are partly retained by the Council and the balance is redistributed to the Government, Lancashire County Council and Lancashire Combined Fire Authority.

### **Operating Lease**

A lease under which the ownership of the asset remains with the lessor; for practical purposes it is equivalent to contract hiring.

### **Past Service Cost**

For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

### **Precepts**

The amount which local authorities which cannot levy a council tax directly on the public (i.e., County Council, Fire Authority, Police Authority or Parish Council) requires to be collected on its behalf.

### **Prepayment**

The payment of a debt obligation before it is due.

### **Provision**

A liability of uncertain timing or amount

### **Prudence**

Accounts should be prepared in accordance with the concept of prudence. 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 body, now part of the Debt Management Office (a Government agency), which lends money to public bodies for capital purposes. At present nearly all borrowers are local authorities. Monies are drawn from the National Loans Fund and rates of interest are determined by the Treasury.

**Related Parties**

Two or more parties are related parties when at any time during the financial period:

- One party has direct or indirect control of the other party; or
- The parties are subject to common control from the same source; or
- One party has influence over the financial and operational policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interests; or
- The parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

**Related Party Transactions**

A related party transaction is the transfer of assets or liabilities or the performance of services by, to, or for, a related party irrespective of whether a charge is made. The materiality of related party transactions should be judged not only in terms of their significance to the authority, but also in relation to its related party.

**Remuneration**

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

**Reserves**

Amounts set aside in the accounts for the purpose of meeting particular future expenditure. A distinction is drawn between reserves and provisions, which are set up to meet known liabilities.

**Residual Value**

The net realisable value of an asset at the end of its useful life. Residual values are based on prices prevailing at the date of the acquisition (or revaluation) of the asset and do not take account of expected future price changes.

**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.

**Revenue Expenditure**

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## Glossary of Terms

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Spending on day-to-day items including employees' pay, premises costs and supplies and services.

### **Revenue Expenditure Funded from Capital Under Statute**

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. The expenditure is charged to the Comprehensive Income and Expenditure Statement

### **Revenue Support Grant**

A grant paid by Central Government, currently paid to every Local Authority to help to finance its expenditure generally and not specific services. It is based on the Government's assessment of how much the Council needs to spend in order to provide a standard level of service.

### **Scheme Liabilities**

The liabilities of a defined benefit scheme for outgoings due after the valuation date.

### **Useful Life**

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

### **Abbreviations used within the Statement of Accounts**

CIPFA	Chartered Institute of Public Finance and Accountancy
CPI	Consumer Price Index
DRC	Depreciated Replacement Cost
DVS	District Valuer Services
DWP	Department for Work and Pensions
EUV	Existing Use Value
FRS	Financial Reporting Standard
GAAP	Generally Accepted Accounting Principles
MHCLG	Ministry of Housing, Communities and Local Government
IAS	International Accounting Standards
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
LASAAC	Local Authority Accounts Advisory Committee
LGPS	Local Government Pension Scheme
NDR	Non-Domestic Rates
PSAA	Public Sector Audit Appointments
PWLB	Public Works Loan Board
RSG	Revenue Support Grant
SeRCOP	Service Reporting Code of Practice

**Glossary of Terms**

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SIC	Standing Interpretations Committee
SSAP	Statements of Standard Accounting Practice
TMPs	Treasury Management Practices
UITF	Urgent Issues Task Force
VOA	Valuation Office Agency



Ribble Valley  
Borough Council

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[www.ribblevalley.gov.uk](http://www.ribblevalley.gov.uk)

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