

# **Draft (unaudited) Statement of Accounts**

Year Ending 31 March 2025

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# Narrative Report of the Chief Finance Officer

## Introduction

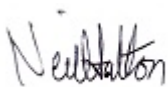
I am pleased to introduce the Statement of Accounts for the 2024/25 financial year for South Ribble Borough Council. The accounts are produced annually to give electors, local taxpayers, members of the Council, employees and other interested parties clear information on the Council's finances and the financial outlook for the future.

The accounts must be completed by law and in accordance with the requirements of the Code of Practice on Local Authority Accounting. The accounts provide all the financial information for the 2024/25 financial year and there is a narrative that provides a high-level overview of the key issues that affect the accounts, including information on the Council's achievements during the year and a section on the outlook for the future.

The Council faces continued challenges with uncertainty of funding and a difficult national and global economic environment. This is compounded by the Council's operating environment in which costs and demands on services are growing each year, with finite resources to respond. Despite this climate of uncertainty, I am confident, given the way in which our staff have responded to date, that the Council will continue to meet and manage these challenges into the future on behalf of our local residents.

I hope you find this report and the Statement of Accounts useful in understanding the Council's financial position and performance for the year.

I'd also like to express my thanks for the hard work and dedication of staff across the whole of the Council who have worked to consolidate the financial stability of the Council and ensure the production of the Statement of Accounts in difficult circumstances.



Neil Halton CPFA  
Director of Finance/Section 151 Officer  
**South Ribble Council**

## **South Ribble Borough Council**

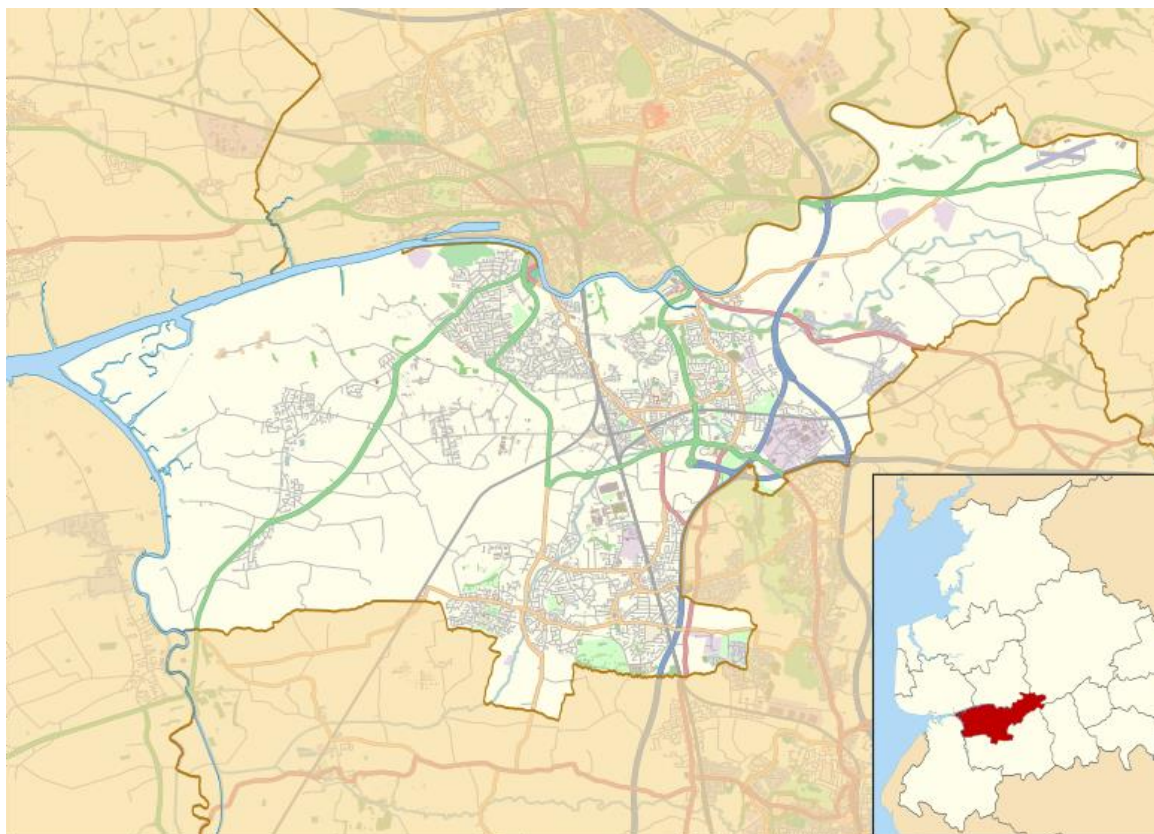
South Ribble Borough extends to about 113 km<sup>2</sup> (approximately 44 square miles) and is located in Lancashire at the centre of the North West region, situated right on the M61, M6 and M65 motorways with easy access to the West Coast mainline and airports at Manchester and Liverpool. The Borough is on the edge of the West Pennine Moors with beautiful scenery and countryside and is just a short drive from the Lancashire coastline. The latest figures available from the Office for National Statistics (ONS) based on the 2021 Census, estimate the total population of the borough at approximately 111,000.

The Council is based in the town of Leyland in the south of the borough, with other notable population areas being Penwortham, Longton and New Longton, Hutton, Walton-le-Dale, Bamber Bridge, Lostock Hall, Moss Side and a significant part of Buckshaw Village.

The district was formed on 1st April 1974 under the Local Government Act 1972, from Leyland and Walton-le-Dale urban districts, along with part of Preston Rural District. The borough shares its borders with Chorley, West Lancashire, Blackburn with Darwen, Ribble Valley, Preston and Fylde Councils.

Regeneration, inward investment and working with partners on a range of initiatives and projects are recognised as very important for the future prosperity of the borough and are key priorities for the Administration. The Council must provide services such that it meets the needs of its citizens, serving both an urban and rural environment.

## Location and map of South Ribble borough



## The Structure of the Council

South Ribble Borough Council is part of a two-tier system in Lancashire that consists of a county council, two unitary councils and 12 district councils. In 2025 a Lancashire Combined County Authority came into existence following a devolution agreement with Central Government. The Council works collaboratively with a wide range of partners and is committed to working across organisational boundaries to improve outcomes for local people and communities, and to ensure that high-quality services are readily accessible to the people of the borough. During 2024/25 the Council continued to develop and expand its shared services arrangement with Chorley Council with the following shared services and functions now in place:

- Senior Management Team;
- Finance;
- Governance services including Audit and Risk, Legal and Procurement, Democratic Services and Corporate Support;
- Communications and Visitor Economy;
- Transformation and Partnerships including HR;
- Digital Service;
- Customer Services including Revenues and Benefits;
- Property and Development;
- Operational Assets;

- Pest Control;
- Building Control.

The Council has 50 district councillors, elected to cover all of the electoral wards across the borough. District councillors represent their communities and bring their views into the Council's decision-making process. Council meetings are publicised on the Council's website alongside agendas, reports and minutes. The meetings are open to members of the public to attend, bringing decision-making closer to the public.

The political structure of the Council at the end of the 2024/25 year was as follows:

Party	No.
Labour	28
Conservative	17
Liberal Democrats	5
<b>TOTAL</b>	<b>50</b>

### Management Structure

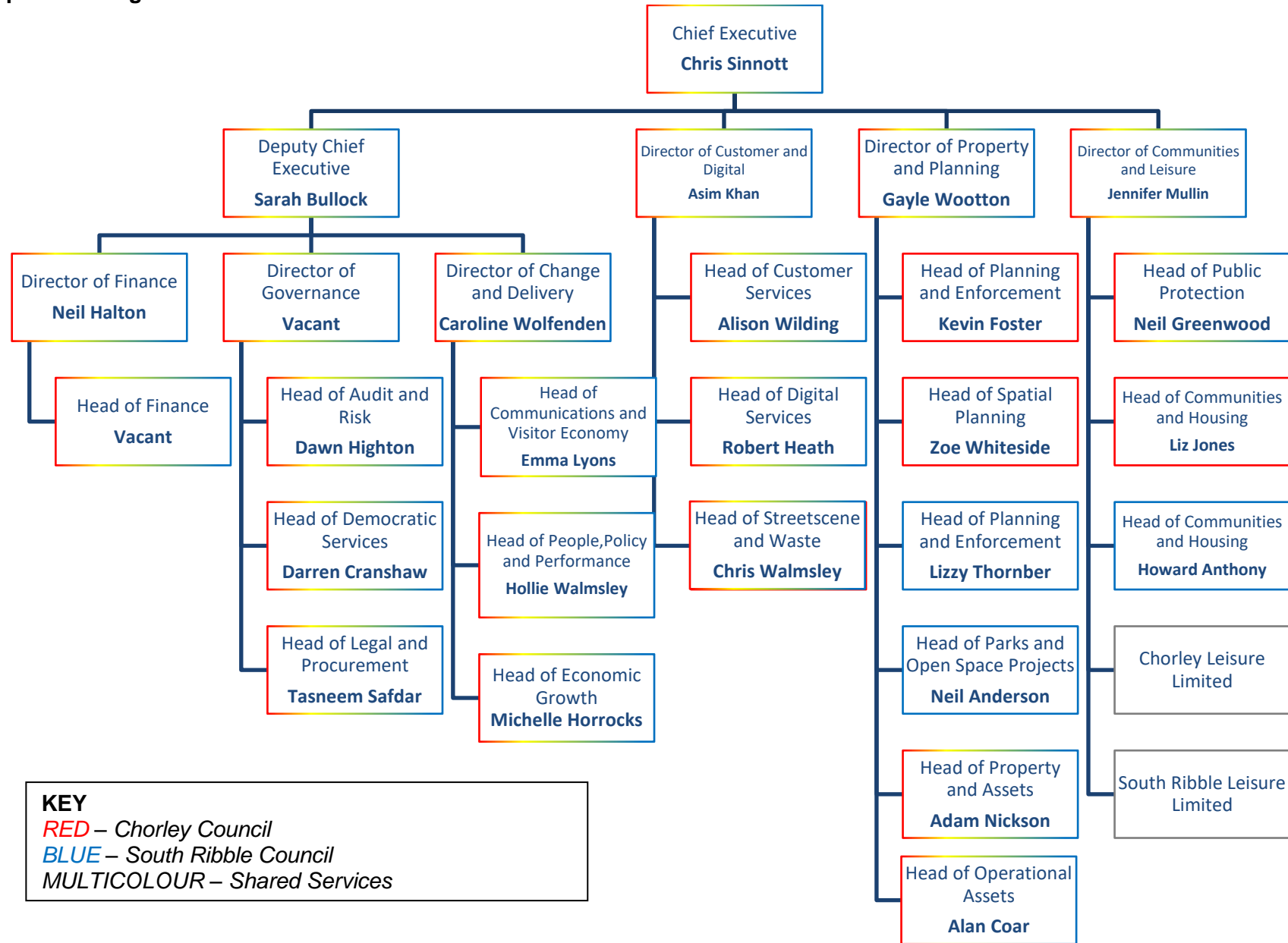
The Senior Management Team is shared across South Ribble and Chorley Borough Councils and consists of the Chief Executive, a Deputy Chief Executive and Directors as shown below.

The Senior Management Team meets weekly and is responsible for developing, implementing and monitoring the delivery of the Council's corporate priorities, and for ensuring resources are available for this.

Posts which solely work for South Ribble Council are shaded in blue below, those which work solely for Chorley Council are shaded in red, whilst those posts which are shared across both councils are shown as multicolour.

Following the insourcing of South Ribble Council's leisure services in April 2021, the Council established a wholly owned leisure company to manage the running of its leisure services on the Council's behalf. The leisure staff moved to South Ribble Leisure Ltd on 1<sup>st</sup> September 2021 and are employed by the company; line managed by the Director of Communities and Leisure.

## Leadership and Management Structure - South Ribble





Our staff are the most important resource we have to help us to achieve our goals. The Council (SRBC), including its subsidiary South Ribble Leisure Ltd (SRLL), and staff employed by the Council who work in the shared service arrangement with Chorley Council, employs 663 staff in full time, part time and casual contracts. A breakdown of our workforce by age and gender is set out in the table below:

#### **No. of Employees by Age and Gender**

	South Ribble		South Ribble Shared		South Ribble Leisure		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
<b>Under 20</b>	7	1	3	7	10	72	<b>20</b>	<b>80</b>
<b>21-30</b>	18	16	15	11	17	44	<b>50</b>	<b>71</b>
<b>31-40</b>	31	13	15	20	9	20	<b>55</b>	<b>53</b>
<b>41-50</b>	34	21	15	34	5	16	<b>54</b>	<b>71</b>
<b>51-60</b>	54	25	7	19	7	29	<b>68</b>	<b>73</b>
<b>61+</b>	28	8	9	10	6	7	<b>43</b>	<b>25</b>
<b>Total</b>	172	84	64	101	54	188	<b>290</b>	<b>373</b>

#### **Corporate Strategy and Performance in 2024/25**

The Corporate Strategy for delivery in 2024/25 was approved at Council in November 2024, refreshing the delivery programme and performance measures.

The four priorities identified in the strategy are:

- Happy & Healthy Communities,
- An exemplary council,
- Opportunities for everyone
- Green and clean neighbourhoods

Activity and resources are targeted towards 18 priority projects which are delivered over a period of 12-18 months and measured using a suite of performance indicators.

The Council has made good progress during the year, although it is important to understand that some of these Corporate Strategy projects run across multiple years, therefore for some objectives the work completed to date has been at a strategic planning and consultation level.

The Corporate Strategy is delivered with the purpose of achieving the Council's vision and ambition.

The vision and priorities are outlined below.

## Our vision:

A listening, engaging and responsive Council that makes the best use of its resources to enable every person and community to thrive in a vibrant, green and fair borough.

### An Exemplary Council

A council that:

- Delivers high performing services that represent value for money
- Understands the community and works with partners to make things better
- Is open and transparent in its activities

### Healthy and Happy Communities

Places where:

- Residents have positive mental health
- People get involved and have a sense of belonging
- Communities can access services and support when they need them

### Green and Clean Neighbourhoods

A borough with:

- A choice of good quality, affordable housing
  - Commitment to protecting the local environment
- A choice of quality recreational activities
  - Less waste, more reuse and recycling

### Opportunities for Everyone

Communities that:

- Can access training and jobs
- Are supported to grow sustainable businesses
- See investment in improving the borough





## **An Exemplary Council** South Ribble will:

### **Develop and deliver a participatory democracy project**

To create opportunities for citizens to be engaged and involved in decision making processes and in shaping public policies, programmes, and initiatives.

### **Develop a Commercial Strategy**

To determine activities for optimising customer experiences and maximising revenue potential from council assets and activities.

### **Develop a Cultural Strategy**

To determine our arts, heritage, culture and events offer to help bring communities together and promote South Ribble as a visitor destination.

### **Promote identity and cohesion in local communities**

By developing and delivering a series of events and activities through our community hubs that celebrate local identity and place and engage our diverse communities.



## **Green and Clean Neighbourhoods** South Ribble will:

### **Complete and launch Jubilee Gardens**

To create extra care provision in the borough including 75 supported apartments and facilities for local residents.

### **Support community action on climate change**

By developing and implementing initiatives alongside local communities focused on nature, human health, food and water security and disaster reduction to mitigate against climate change, promote well-being and biodiversity benefits.

### **Progress the delivery of the Central Lancashire Local Plan**

To ensure sustainable location of development and investment opportunities that will meet local needs now and in the future.

### **Create the infrastructure for weekly food waste collections**

To support 2026 government reforms which aim to improve recycling and reduce the impact of food waste on climate change.



## **Healthy and Happy Communities** South Ribble will:

### **Deliver Leisure Centre refurbishments**

By carrying out improvement works across all Leisure Centres to enhance local facilities for residents.

### **Develop a Housing Strategy**

To determine activities for increasing the quantity and quality of housing in the borough.

### **Undertake an options appraisal around the availability of affordable housing**

To consider how we can increase the numbers and types of affordable homes in the borough, including council ownership.

### **Refresh the homelessness and rough sleeping strategy**

To determine activities for preventing and supporting homelessness and provision of accommodation for those that are homeless or at risk of becoming homeless.

### **Take action to reduce Anti-Social Behaviour**

By developing and delivering a programme of outreach support and diversionary activities to tackle anti-social behaviour in hot spot areas.

### **Establish youth provision in the borough**

By creating a programme of activities and facilities for young people ensuring that different groups have provision in their local area.



## **Opportunities for Everyone** South Ribble will:

### **Implement a targeted jobs and skills programme**

By developing interventions aimed at supporting specific groups to access skills and jobs including armed forces veterans and young people not in education, employment or training.

### **Deliver the Penwortham Masterplan**

By taking forward the actions in the masterplan to improve the areas of Middleforth, and Kingsfold and Liverpool Road district centre.

### **Create an Economic Partnership**

By establishing a network of businesses and local leaders to support delivery of economic growth priorities, investment opportunities and interventions.

### **Deliver Phase 2 of Leyland Town Deal**

By undertaking the planned improvement works to Leyland Town Centre, Markets and the Northworks business hub to kickstart regeneration in South Ribble centre.

The following pages outline the Council's achievements in 2024/25 against the delivery of the Corporate Strategy and the key performance indicators up to the end of 2024/25. Detailed quarterly reports providing updates on performance against these were presented and reviewed at the Budget and Performance Scrutiny Meetings and Cabinet meetings across the year.

## Performance of Corporate Strategy Projects

Priority	Corporate Strategy Project	Progress/Action Plan
<b>An Exemplary Council</b>	<b>Develop and deliver a participatory democracy project</b>  Key deliverables: <ul style="list-style-type: none"> <li>To create opportunities for residents to be engaged and involved in decision making processes and in shaping public policies, programmes, and initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Discussions took place with Members in April 2025 to gather their input in shaping the direction of the initiative.</li> <li>The Communities Team were engaged to explore existing engagement mechanisms and identify opportunities for collaboration, ensuring alignment with the wider community development.</li> <li>A comprehensive scoping exercise has been undertaken, incorporating a review of existing research and relevant case studies to inform best practice and ensure the project is evidence-based.</li> <li>Looking ahead, the approach will be finalised with outreach work undertaken to recruit residents that want to participate. Facilitator led training will be commissioned to ensure high-quality, inclusive, and effective participatory sessions.</li> </ul>
<b>An Exemplary Council</b>	<b>Develop a Commercial Strategy</b>  Key deliverables: <ul style="list-style-type: none"> <li>The development of the Commercial Strategy will include a review of our existing activity and opportunities available in local government to set out our approach to commercial activity as a council. This could include opportunities for income generation, reducing costs, and benchmarking against peers in order to understand our current position and areas for further development.</li> </ul>	<ul style="list-style-type: none"> <li>Initial research has been undertaken to inform the development of the council's Commercial Strategy, including a review of strategies from other local authorities and identification of best practice examples to benchmark potential approaches.</li> <li>A strategic session was held with the Senior Management Team to define the scope, objectives, and key stakeholders for the strategy, ensuring alignment with corporate priorities.</li> <li>There will be a workshop held with relevant service areas to better understand the current position, barriers and opportunities for the Commercial Strategy.</li> </ul>
<b>An Exemplary Council</b>	<b>Develop a Cultural Strategy</b>  Key deliverables: <ul style="list-style-type: none"> <li>Work with an external agency that specialise in developing cultural strategies to carry out stakeholder engagement and a mapping exercise to determine what South Ribble's cultural offer is,</li> <li>Create a strategy to set out the vision for culture in South Ribble including how we can expand our offer and how we can best promote what's on,</li> <li>Set up a working group, led by the Council's Culture and Heritage Manager to shape the plan and to deliver resulting actions.</li> </ul>	<ul style="list-style-type: none"> <li>The council commissioned a specialist consultant to lead an evidence-gathering exercise through stakeholder engagement, cultural mapping, and data analysis in January 2025.</li> <li>An evidence and insights report is being prepared following conclusion of this exercise, which will provide a comprehensive overview of South Ribble's current cultural landscape and recommendations for the development of the Cultural Strategy.</li> <li>The work will begin on drafting the Cultural Strategy, setting out a clear vision for expanding and promoting South Ribble's cultural offer.</li> </ul>
<b>An Exemplary Council</b>	<b>Promote identity and cohesion in local communities</b>  Key deliverables: <ul style="list-style-type: none"> <li>Bring forward a programme of events and this will include at least one event per Community Hub.</li> <li>Identify with the Community Hubs a welcome feature / sign for their hub area, to be delivered through the existing hub model and established processes.</li> </ul>	<ul style="list-style-type: none"> <li>The planning and scoping phase is underway across all Community Hub areas. Each Community Hub area has submitted initial project ideas for their respective areas, enabling tailored planning that reflects local identity and priorities.</li> <li>Several community-led events have been scoped, including the Battle of Bamber Bridge event, the Welcome feature in Leyland, three heritage-focused events in Penwortham, and the Longton Carnival.</li> <li>Looking ahead, the scoping exercise is due to be completed with all Community Hubs expected to submit proposed project plans for approval in quarter one 2025/26.</li> </ul>

Priority	Corporate Strategy Project	Progress/Action Plan
<b>Happy and Healthy Communities</b>	<b>Deliver Leisure Centre refurbishments</b>  Key deliverables: <ul style="list-style-type: none"> <li>• Delivery of the Capital Improvement works as part of the Leisure Facilities Strategy to the existing leisure facilities at Leyland, Bamber Bridge, Penwortham, and the Tennis Centre including:               <ul style="list-style-type: none"> <li>- Reception area, Wet Side Changing Rooms, and Dry Side Changing Rooms (Leyland, Bamber Bridge, Penwortham Leisure Centres)</li> <li>- Court resurfacing (South Ribble Tennis Centre)</li> <li>- All site gym equipment overhaul and refurbishment where possible</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The leisure centre refurbishments project has progressed with the successful completion of the tender process and appointment of the Principal Contractor</li> <li>• Construction work has commenced at Leyland Leisure Centre (dry side) and Bamber Bridge Leisure Centre (wet side) and is expected to complete in 2025/26</li> <li>• At Leyland Leisure Centre, refurbishment works include the installation of new showers, cubicles, changing rooms, lighting, and flooring, aimed at enhancing user experience and modernising the facility.</li> <li>• At Bamber Bridge Leisure Centre, demolition, and improvement of the wet side facilities is underway, with additional planned work including a fully renovated reception area to improve accessibility and customer service.</li> </ul>
<b>Happy and Healthy Communities</b>	<b>Undertake an options appraisal around the availability of affordable housing</b>  Key deliverables: <ul style="list-style-type: none"> <li>• To undertake an options appraisal of measures and potential interventions to increase the availability and delivery of affordable housing and produce a summary paper with recommendations.</li> </ul>	<ul style="list-style-type: none"> <li>• An Internal Affordable Housing working group was established in February 2025 to lead the appraisal of measures to increase affordable housing delivery.</li> <li>• Two Registered Provider Summit meetings have taken place establishing strategic engagement and collaboration on housing priorities.</li> <li>• An initial review of existing systems and processes for developer contributions has been undertaken with a findings summary report presented to the Senior Management Team.</li> <li>• A new Affordable Housing Enabling Officer role has been developed and is currently in the recruitment phase. Once in post in July 2025, the officer will lead the ongoing work of the internal housing group.</li> </ul>
<b>Happy and Healthy Communities</b>	<b>Refresh the homelessness and rough sleeping strategy</b>  Key deliverables: <ul style="list-style-type: none"> <li>• Working in collaboration with key internal and external partners, devise a holistic approach to supporting households with a primary focus of prevention first and early intervention for those with long term exposure to homelessness and rough sleeping.</li> <li>• A defined prevention of homelessness and rough sleeping strategy to meet the local authorities' statutory obligations prepared, consulted on and approved for adoption.</li> </ul>	<ul style="list-style-type: none"> <li>• A desktop research exercise has been completed, and a stakeholder panel has been established to support development of the homelessness strategy.</li> <li>• Initial feedback has been received from partners, and in-person stakeholder engagement sessions have been scheduled for quarter one to explore key themes and gather further insights.</li> <li>• Further discussions are planned with stakeholders to explore specialist areas of support.</li> </ul>
<b>Happy and Healthy Communities</b>	<b>Establish youth provision in the borough</b>  Key deliverables: <ul style="list-style-type: none"> <li>• Creating a programme of activities and facilities for young people ensuring that different groups have provision in their local area.</li> <li>• Consult with young people to determine what provision they need/want in their local area.</li> <li>• Full delivery of the Youth Plan for young people by the Youth Engagement Officer.</li> </ul>	<ul style="list-style-type: none"> <li>• The Youth Engagement Report and Action Plan has been presented to Cabinet in June 2025.</li> <li>• A detailed project plan outlining the scope and methodology for the youth consultation exercise has been completed, ensuring a structured and inclusive approach to gathering young people's views.</li> <li>• The Youth Council meetings will reconvene, and the consultation exercise will be delivered and feedback reviewed.</li> </ul>
<b>Green and Clean Neighbourhoods</b>	<b>Support community action on climate change</b>	<ul style="list-style-type: none"> <li>• As part of our commitment to deliver 85 initiatives over the year, 24 biodiversity schemes have been delivered over the</li> </ul>



Priority	Corporate Strategy Project	Progress/Action Plan
	<p>Key deliverables:</p> <ul style="list-style-type: none"> <li>Develop and implement initiatives alongside local communities to mitigate against climate change, promote well-being and biodiversity benefits.</li> <li>Deliver the South Ribble Pollinator Project including a series of biodiversity initiatives such as: <ul style="list-style-type: none"> <li>Bulb planting</li> <li>Wildlife friendly grass cutting on our parks and open spaces</li> <li>Urban and native wildflower meadows</li> <li>Areas of shrub bed replacement with pollinator friendly plants</li> <li>New herbaceous planting</li> <li>Management of Invasive Non-Native Species</li> </ul> </li> <li>Set up and deliver a scheme to engage community groups, schools and businesses in biodiversity initiatives</li> </ul>	<p>quarter supporting community-led climate action and ecological enhancement. These included:</p> <ul style="list-style-type: none"> <li>15 bulb planting sessions, 4 shrub bed enhancements at Bamber Bridge Leisure Centre and South Ribble Tennis Centre, and 1 new shrub bed created at Bannister Brook Park in Leyland, contributing to increased pollinator habitats.</li> <li>Conservation work was also undertaken on multiple pond sites including Hutton Pond, Barn Hey Drive Pond, Worden Park Chain Pond, improving water quality and biodiversity. A new pond has also been created at New Longton Park.</li> <li>Seed was purchased to enhance 48 perennial urban meadows sown across the borough last year, increasing seasonal colour and species diversity.</li> <li>Looking ahead, biodiversity enhancement will continue with wildlife-friendly grass cutting, summer bedding planting, and further pond improvements planned for Marshway Pond and Nixon Lane Ponds.</li> <li>Additionally, a dedicated webpage will be launched to support and engage community groups in biodiversity and climate action initiatives.</li> </ul>
<b>Green and Clean Neighbourhoods</b>	<p><b>Deliver phase one of the Jubilee Gardens Project:</b></p> <p>Key deliverables:</p> <ul style="list-style-type: none"> <li>The Jubilee Gardens Extra Care scheme will deliver 75 one/two bedroom assisted living units at affordable rent.</li> <li>Deliver commercial spaces to include a community café, hairdressers, providing on-site facilities accessible for both residents and members of the local community supporting community cohesion, integration and helping to tackle social isolation.</li> <li>Construction is scheduled to be complete in Summer 2025 with occupation of the facility commencing in Autumn 2025.</li> </ul>	<ul style="list-style-type: none"> <li>Significant progress has been achieved across the entire site. Internally, the residential apartments are largely complete, with the contractor now undertaking internal snagging process.</li> <li>Externally, the superstructure work including roofing and final masonry have been completed, and scaffolding has been removed. Landscaping works to the front and rear of the development are now underway, enhancing the site's visual appeal and accessibility.</li> <li>The Jubilee Gardens logo has been approved, and the allocations policy has been finalised, ensuring readiness for resident occupancy.</li> <li>The new Jubilee Gardens website is being finalised and will be launched alongside practical completion of the scheme.</li> </ul>
<b>Green and Clean Neighbourhoods</b>	<p><b>Progress the delivery of the Central Lancashire Local Plan</b></p> <p>Key deliverables:</p> <ul style="list-style-type: none"> <li>Deliver the South Ribble elements of the Local Plan (working in collaboration with Preston and Chorley Councils) in line with the current Local Development Scheme (LDS).</li> <li>To ensure the Local Plan provides for sustainable location of development and investment opportunities.</li> <li>Progress the publication version of the Local Plan and policies including site allocations for employment and housing sites, whilst working in collaboration with the other two councils (Chorley and Preston)</li> <li>Submit to plan to Secretary of State by 30th June 2025 to progress through to Examination</li> </ul>	<ul style="list-style-type: none"> <li>Publication (Regulation 19) draft of the Local Plan prepared and published for public consultation during quarter four, marking a key milestone in the plan-making process.</li> <li>A number of consultation events took place across the borough and the consultation ended on the 14 April 2025.</li> <li>Looking ahead, work will continue on the preparation of documents and the submission of the Central Lancashire Local Plan to the Planning Inspectorate for independent examination in June 2025.</li> </ul>

Priority	Corporate Strategy Project	Progress/Action Plan
<b>Green and Clean Neighbourhoods</b>	<b>Create the infrastructure for weekly food waste collections</b>  Key deliverables: <ul style="list-style-type: none"> <li>To introduce food waste collections to all properties across Chorley and South Ribble by 31 March 2026, which is a new statutory requirement.</li> <li>To procure via frameworks the necessary food waste containers and collection vehicles using capital funding from Defra.</li> <li>To recruit staff to work on new food waste collection services; or employ a third-party service provider to fulfil the staff requirement and operation of the service.</li> <li>To plan and communicate the new service to residents so there is good awareness and participation in the new service.</li> </ul>	<ul style="list-style-type: none"> <li>Service modelling and cost reviews have been completed, providing a clear understanding of operational requirements and financial implications.</li> <li>The procurement of food waste containers and collection vehicles has been successfully completed utilising capital funding from Department for Environment, Food and Rural Affairs (DEFRA).</li> <li>Looking ahead to next quarter, work will include the development of policies and procedures, identification of suitable storage solution and design of collection rounds to support the rollout of weekly food waste collections across South Ribble by 31 March 2026, in line with new statutory requirements.</li> </ul>
<b>Opportunities for Everyone</b>	<b>Implement a targeted jobs and skills programme</b>  Key deliverables: <ul style="list-style-type: none"> <li>To support businesses in growth sectors to find the right skills and talent to ensure they are able to maximise growth opportunities and sustain employment levels.</li> <li>To identify skills gaps for businesses and develop targeted interventions to support economic growth.</li> <li>To support residents in areas that have higher levels of unemployment and economic inactivity to develop their skills and experience to improve access to employment opportunities in the borough.</li> <li>To work in partnership with employment and skills providers, businesses and other relevant organisations to ensure we maximise the benefits for local businesses and residents.</li> </ul>	<ul style="list-style-type: none"> <li>Feedback was gathered from 25 businesses across different sectors to identify current and emerging skills gaps across key sectors.</li> <li>Follow-up workshops were held with local employers to explore in greater depth the specific skills shortages they face in both recruitment and workforce development, helping to shape targeted interventions.</li> <li>The Economic Development team has collaborated with the Communities team to begin designing a support programme for economically inactive residents and NEETs, with delivery planned for 2025/26.</li> <li>A total of 67 businesses received an Upskilling Grant, directly supporting 158 local employees to gain new skills and qualifications. These included health and safety training, project development, and Level 2 and Level 3 qualifications, helping to strengthen the local workforce and improve business resilience.</li> </ul>
<b>Opportunities for Everyone</b>	<b>Deliver the Penwortham Masterplan</b>  Key deliverables: <ul style="list-style-type: none"> <li>Revitalise the public realm across Liverpool Road, Middleforth, and Kingsfold with a design approach that enhances functionality, sustainability, and local character.</li> <li>Key features include the use of high-quality, durable materials such as natural stone paving and permeable</li> </ul>	<ul style="list-style-type: none"> <li>The Masterplan designs (RIBA stage 3) have been completed, incorporating feedback from consultations held with ward Councillors and Penwortham Town Council in February 2025. The designs reflect the project's commitment to revitalising the public realm across Liverpool Road, Middleforth, and Kingsfold, with a focus on enhancing functionality, sustainability, and local character.</li> <li>In March 2025, Cabinet approved both the Design Team Procurement Strategy and the Construction Procurement</li> </ul>

Priority	Corporate Strategy Project	Progress/Action Plan
	<p>surfaces, ensuring both aesthetic appeal and resilience. Modern street furniture, including seating, cycle racks, and efficient lighting, will improve accessibility and safety while fostering community use.</p> <ul style="list-style-type: none"> <li>Walking and cycling infrastructure will be significantly upgraded to promote active travel, reduce car dependency.</li> <li>Sustainable urban drainage systems (SuDS) will be integrated to manage surface water effectively and support environmental sustainability.</li> </ul>	<p>Strategy for appointing a contractor to enable the delivery of the Penwortham Masterplan project.</p> <ul style="list-style-type: none"> <li>The council will seek formal approval of the designs from Lancashire County Council (LCC) as the highway's authority. Once approved, the project will move into the technical design phase (RIBA stage 4) and designs will be publicised.</li> </ul>
<b>Opportunities for Everyone</b>	<p><b>Create an Economic Partnership</b></p> <p>Key deliverables:</p> <ul style="list-style-type: none"> <li>Create an Economic Partnership to drive forward priorities within a revised Economic Strategy</li> <li>To boost economic growth and prosperity in South Ribble</li> <li>To facilitate an effective and coordinated approach to economic growth</li> <li>To improve productivity and competitiveness of local businesses and the boroughs</li> <li>To create sustainable employment opportunities through job creation and upskilling of all sectors of the community.</li> </ul>	<ul style="list-style-type: none"> <li>Initial research into various models of Economic Partnerships has been completed, providing a strong evidence base to determine the most suitable structure for South Ribble.</li> <li>Looking ahead, an options paper will be developed to outline potential models for the partnership, drawing on best practise and local context. Work will be undertaken to determine appropriate membership, ensuring representation from key sectors and stakeholders. Additionally, a Terms of Reference will be drafted to define the partnership's purpose, governance, and operating principles.</li> </ul>
<b>Opportunities for Everyone</b>	<p><b>Deliver Phase 2 of Leyland Town Deal</b></p> <p>Key deliverables: Deliver construction projects including:</p> <ul style="list-style-type: none"> <li>Refurbished Leyland Market,</li> <li>Deliver Quin St Residential Housing (22 units),</li> <li>South works (Ground floor events/exhibition space and retail space plus office upper floors)</li> <li>Wider public realm and highways improvement works.</li> </ul>	<ul style="list-style-type: none"> <li>Significant progress has been made on the Quin Street Housing element of the Town Deal. Following the demolition of the former NFM Iddon's factory, the site was formally handed over to RP Tyson Construction Ltd in January 2025 to deliver 22 new affordable homes.</li> <li>Site enabling works are actively progressing, this includes the completion of retaining wall structures and the commencement of key infrastructure works such as foundation installation, substructure masonry, plot drainage, and sewer diversions.</li> <li>The Market and South Works element of the Leyland Town Deal scheme has progressed to the pre-construction stage, with a contractor appointed to lead delivery. Looking ahead, the council will work with the appointed contractor to finalise the design and costings for the construction phase.</li> </ul>

#### Corporate Strategy projects 'Not Started' in quarter four 2024/25

Priority	Corporate Strategy Project	Progress/Action Plan
<b>Happy and Healthy Communities</b>	<p><b>Develop a Housing Strategy</b></p> <p>Key deliverables:</p> <ul style="list-style-type: none"> <li>Production of a South Ribble Borough Council Housing Strategy to set a framework which supports a range of activities to ensure access to good quality, affordable and sustainable homes for residents across the borough.</li> <li>Informal and formal consultation with internal and external stakeholders (including Members, social housing providers,</li> </ul>	<ul style="list-style-type: none"> <li>This project has not started in quarter four. Delivery is expected to commence from quarter one 2025/26 with stakeholder consultations and desktop research to be undertaken.</li> </ul>

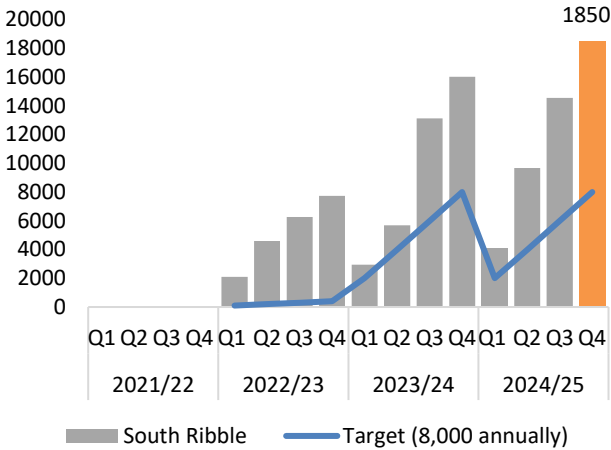
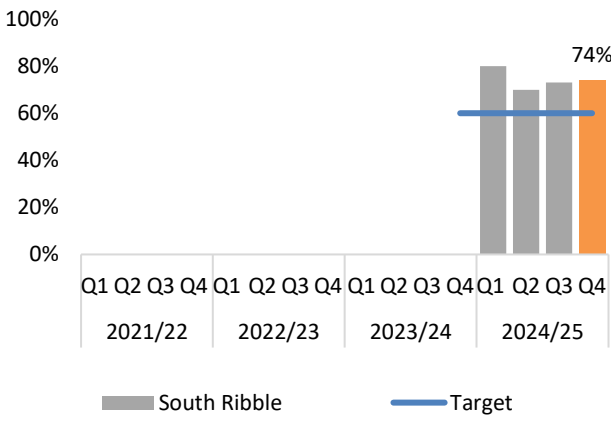
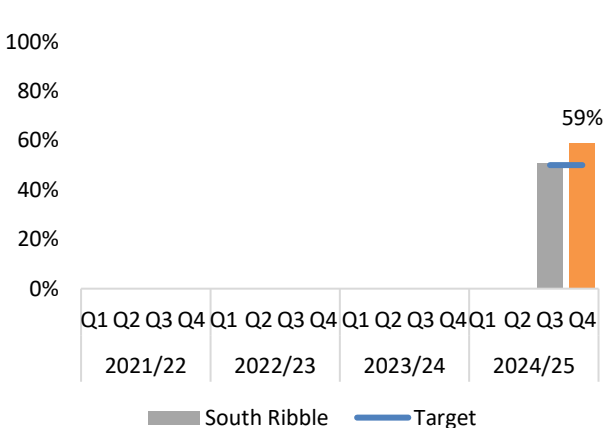


Priority	Corporate Strategy Project	Progress/Action Plan
	neighbouring local authorities, Lancashire County Council, and residents) in advance of full adoption through the Council.	
<b>Happy and Healthy Communities</b>	<b>Take action to reduce Anti-Social Behaviour</b>  Key deliverables: <ul style="list-style-type: none"> <li>• The Anti-Social Behaviour (ASB) action plan will ensure we work with our partners and businesses to tackle issues quickly and effectively and give a clear message that poor behaviour is not tolerated in South Ribble.</li> <li>• Implement the ASB action plan with partners and businesses, using legal powers to address persistent and unreasonable behaviour.</li> <li>• Conduct high visibility patrols in ASB hotspots and enhance security measures to deter ASB in public spaces.</li> <li>• Facilitate multi-agency collaboration and community engagement, including school interventions and youth projects.</li> <li>• Collaborate with Trading Standards and police to address underage sales, improve CCTV, and manage nuisance from electric vehicles.</li> </ul>	<ul style="list-style-type: none"> <li>• This project has not started in quarter four. Delivery is expected to commence from quarter one 2025/26 with engagement with the police through Operation Centurion to deliver high police visibility foot patrols in anti-social behaviour hot spot areas. Working with schools and the Communities team, the council will seek to create school engagement interventions as well as outreach support and diversionary activities.</li> </ul>

# Performance of Corporate Strategy Indicators

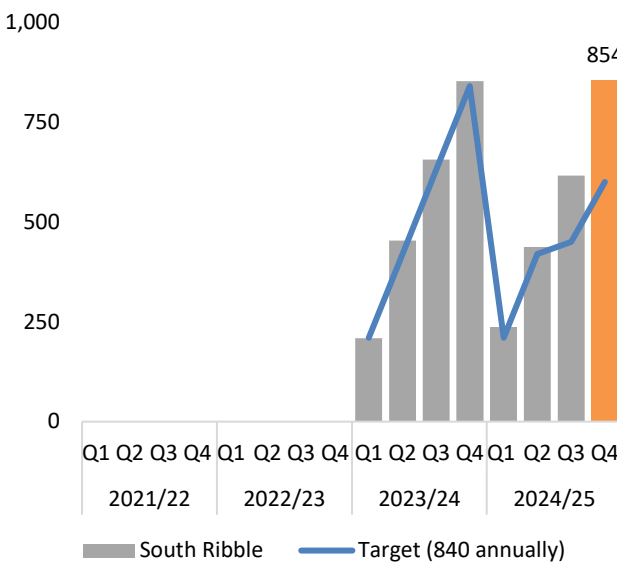
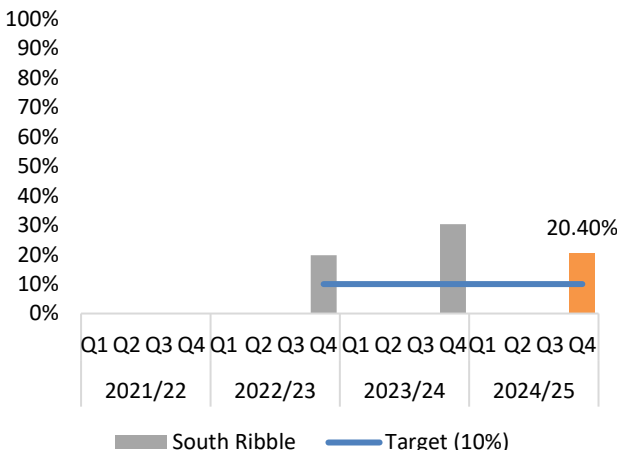
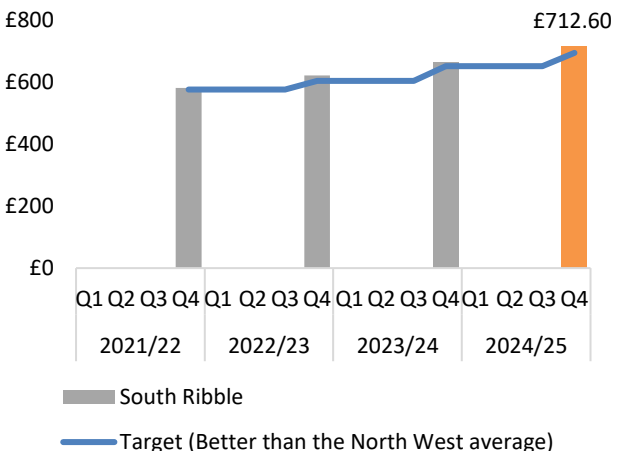
Corporate Strategy indicators performing on or better than target in quarter four 2024/25

Performance Indicator	Frequency	Polarity	Annual Target	Target	Quarter Four 2024/25	Previous Reporting Period (Q3:2024/25)	Same Period Last Year (Q4:2023/24)	Rating	Performance trend over the last three years	Commentary and benchmarking (where available)
An Exemplary Council										
Service requests received via self-service channels (Cumulative)	Quarterly	Bigger is better	50%	50%	63.86%	65.74% (Q3:2024/25)	49.76%	Green	<div><div></div><div><div>100%</div><div>90%</div><div>80%</div><div>70%</div><div>60%</div><div>50%</div><div>40%</div><div>30%</div><div>20%</div><div>10%</div><div>0%</div></div><div><div>Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4</div><div>2021/22 2022/23 2023/24 2024/25</div></div><div><div>■ South Ribble</div><div>— Target (40%)</div></div></div>	<p>Performance for this indicator tends to peak in quarter one, driven by seasonal activity such as garden waste subscription renewals and online Council Tax account subscriptions. This year, performance has increased compared to previous years, largely due to the launch of the refreshed South Ribble website, which has made it easier and more efficient for residents to access services and information online. Continued improvements are expected as the website rollout progresses, particularly with the overhaul of the ‘My Account’ section and online forms, which will further enhance the user experience.</p> <p>No benchmarking comparison is available for this indicator.</p>
Happy and Healthy Communities										
The number of wellbeing sessions delivered by the council (Cumulative)	Quarterly	Bigger is better	2,800	2,800	4,629	3,233 (Q3:2024/25)	3,440	Green	<div><div></div><div><div>6000</div><div>5500</div><div>5000</div><div>4500</div><div>4000</div><div>3500</div><div>3000</div><div>2500</div><div>2000</div><div>1500</div><div>1000</div><div>500</div><div>0</div></div><div><div>Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4</div><div>2021/22 2022/23 2023/24 2024/25</div></div><div><div>■ South Ribble</div><div>— Target (2,800 annually)</div></div></div>	<p>There has been an increase in Wellbeing sessions year on year as a result of a record buy-in from schools on the Active Health Programme. There has been additional capacity within the team which has allowed the council to deliver more school holiday sessions, family weight sessions and adult weight management sessions.</p> <p>No benchmarking comparison is available for this indicator.</p>

Performance Indicator	Frequency	Polarity	Annual Target	Target	Quarter Four 2024/25	Previous Reporting Period (Q3:2024/25)	Same Period Last Year (Q4:2023/24)	Rating	Performance trend over the last three years	Commentary and benchmarking (where available)																									
Number of residents participating in activities delivered by the Council (Cumulative)	Quarterly	Bigger is better	8,000	8,000	18,508	14,543 (Q3:2024/25)	16,018	Green	 <table><tr><th>Year</th><th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th></tr><tr><td>2021/22</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>2022/23</td><td>2000</td><td>4500</td><td>6000</td><td>7500</td></tr><tr><td>2023/24</td><td>3000</td><td>5500</td><td>13000</td><td>16000</td></tr><tr><td>2024/25</td><td>4000</td><td>9500</td><td>14500</td><td>18508</td></tr></table>	Year	Q1	Q2	Q3	Q4	2021/22	0	0	0	0	2022/23	2000	4500	6000	7500	2023/24	3000	5500	13000	16000	2024/25	4000	9500	14500	18508	<p>The increase in performance reflects growing activity within the theme of cost of living, with support provided to a number of groups and community-based organisations linked to household support and also continued support for Dementia Community Connect and delivery of social isolation based work.</p> <p>The increased activity reflects the active role of the council in supporting community capacity and investment via grants as well as non-financial community development support i.e. litter picks and warm spaces.</p> <p>No benchmarking comparison is available for this indicator.</p>
Year	Q1	Q2	Q3	Q4																															
2021/22	0	0	0	0																															
2022/23	2000	4500	6000	7500																															
2023/24	3000	5500	13000	16000																															
2024/25	4000	9500	14500	18508																															
The average improvement in wellbeing score following support from the Council (Cumulative)	Quarterly	Bigger is better	60%	60%	74%	73% (Q3:2024/25)	New for 2024/25	Green	 <table><tr><th>Year</th><th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th></tr><tr><td>2021/22</td><td>0%</td><td>0%</td><td>0%</td><td>0%</td></tr><tr><td>2022/23</td><td>0%</td><td>0%</td><td>0%</td><td>0%</td></tr><tr><td>2023/24</td><td>0%</td><td>0%</td><td>0%</td><td>0%</td></tr><tr><td>2024/25</td><td>78%</td><td>68%</td><td>70%</td><td>74%</td></tr></table>	Year	Q1	Q2	Q3	Q4	2021/22	0%	0%	0%	0%	2022/23	0%	0%	0%	0%	2023/24	0%	0%	0%	0%	2024/25	78%	68%	70%	74%	<p>The indicator is based on the ONS Wellbeing Score and reflects where a resident accessing the Social Prescribing Service has reported at the end of their sessions a positive increase of at least two points within the wellbeing score. The data comes from the measurement between when an individual accesses the service and when they complete their sessions with the Social Prescribing Link worker and is measured at 6-week intervals.</p> <p>The improvements are achieved through tailored interventions in line with the social prescribing approach taken by the council.</p> <p>No benchmarking comparison is available for this indicator.</p>
Year	Q1	Q2	Q3	Q4																															
2021/22	0%	0%	0%	0%																															
2022/23	0%	0%	0%	0%																															
2023/24	0%	0%	0%	0%																															
2024/25	78%	68%	70%	74%																															
Percentage of households presenting to the council who are prevented from becoming homeless or have had their homelessness relieved (Cumulative)	Quarterly	Bigger is better	50%	50%	59%	50.78% (Q3:2024/25)	New for 2024/25	Green	 <table><tr><th>Year</th><th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th></tr><tr><td>2021/22</td><td>0%</td><td>0%</td><td>0%</td><td>0%</td></tr><tr><td>2022/23</td><td>0%</td><td>0%</td><td>0%</td><td>0%</td></tr><tr><td>2023/24</td><td>0%</td><td>0%</td><td>0%</td><td>0%</td></tr><tr><td>2024/25</td><td>50%</td><td>50%</td><td>50%</td><td>59%</td></tr></table>	Year	Q1	Q2	Q3	Q4	2021/22	0%	0%	0%	0%	2022/23	0%	0%	0%	0%	2023/24	0%	0%	0%	0%	2024/25	50%	50%	50%	59%	<p>This indicator was new for 2024/25 with collection beginning from quarter three and therefore no previous performance is available.</p> <p>A notable increase in performance during quarter four can be attributed to enhanced capacity within the Housing Options team, following the return of staff from long-term absence and the recruitment of a new Housing Options Officer. This additional capacity has enabled the team to undertake more proactive and focused casework, particularly on complex cases, and has improved case auditing and management, contributing to more effective homelessness prevention and relief outcomes.</p> <p>No benchmarking comparison is available for this indicator.</p>
Year	Q1	Q2	Q3	Q4																															
2021/22	0%	0%	0%	0%																															
2022/23	0%	0%	0%	0%																															
2023/24	0%	0%	0%	0%																															
2024/25	50%	50%	50%	59%																															

Performance Indicator	Frequency	Polarity	Annual Target	Target	Quarter Four 2024/25	Previous Reporting Period (Q3:2024/25)	Same Period Last Year (Q4:2023/24)	Rating	Performance trend over the last three years	Commentary and benchmarking (where available)																																																								
Number of benefit claimants as a proportion of resident population of South Ribble area aged 16-64 (In Quarter)	Quarterly	Smaller is better	North West Average	4.6%	2.6%	2.5% (Q3:2024/25)	2.7%	Green	<table><tr><th>Year</th><th>Quarter</th><th>South Ribble (%)</th><th>Target (%)</th></tr><tr><td rowspan="4">2021/22</td><td>Q1</td><td>3.3</td><td>6.0</td></tr><tr><td>Q2</td><td>2.9</td><td>4.8</td></tr><tr><td>Q3</td><td>2.6</td><td>4.7</td></tr><tr><td>Q4</td><td>2.5</td><td>4.5</td></tr><tr><td rowspan="4">2022/23</td><td>Q1</td><td>2.3</td><td>4.2</td></tr><tr><td>Q2</td><td>2.3</td><td>4.1</td></tr><tr><td>Q3</td><td>2.4</td><td>4.4</td></tr><tr><td>Q4</td><td>2.4</td><td>4.5</td></tr><tr><td rowspan="4">2023/24</td><td>Q1</td><td>2.4</td><td>4.2</td></tr><tr><td>Q2</td><td>2.4</td><td>4.1</td></tr><tr><td>Q3</td><td>2.4</td><td>4.1</td></tr><tr><td>Q4</td><td>2.7</td><td>4.4</td></tr><tr><td rowspan="4">2024/25</td><td>Q1</td><td>2.6</td><td>4.4</td></tr><tr><td>Q2</td><td>2.7</td><td>4.7</td></tr><tr><td>Q3</td><td>2.6</td><td>4.5</td></tr><tr><td>Q4</td><td>2.60</td><td>4.6</td></tr></table>	Year	Quarter	South Ribble (%)	Target (%)	2021/22	Q1	3.3	6.0	Q2	2.9	4.8	Q3	2.6	4.7	Q4	2.5	4.5	2022/23	Q1	2.3	4.2	Q2	2.3	4.1	Q3	2.4	4.4	Q4	2.4	4.5	2023/24	Q1	2.4	4.2	Q2	2.4	4.1	Q3	2.4	4.1	Q4	2.7	4.4	2024/25	Q1	2.6	4.4	Q2	2.7	4.7	Q3	2.6	4.5	Q4	2.60	4.6	<p>Performance for this indicator is above target and continues to outperform both regional and national averages. The proportion of benefit claimants in South Ribble remains consistently lower than comparator areas, reflecting positively on local economic conditions and support services.</p> <p>The Council maintains strong partnerships with key organisations such as the Department for Work and Pensions (DWP) and Health to Work, collaborating on targeted initiatives aimed at addressing the underlying causes of unemployment and benefit dependency. These partnerships support residents in overcoming barriers to employment and help reduce long-term reliance on benefits.</p>
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<div>Quarter Four 2024/25</div> <table><tr><td>England</td><td>4.3%</td></tr><tr><td>Lancashire</td><td>3.9%</td></tr><tr><td>South Ribble</td><td>2.6%</td></tr><tr><td>CIPFA nearest neighbours average</td><td>2.7%</td></tr></table>										England	4.3%	Lancashire	3.9%	South Ribble	2.6%	CIPFA nearest neighbours average	2.7%																																																	
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Green and Clean Neighbourhoods										
Number of improvements to parks and open spaces (Cumulative)	Annual	Bigger is better	5	5	5	2 (Q4:2023/24)	2	Green	<div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></d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Performance Indicator	Frequency	Polarity	Annual Target	Target	Quarter Four 2024/25	Previous Reporting Period (Q3:2024/25)	Same Period Last Year (Q4:2023/24)	Rating	Performance trend over the last three years	Commentary and benchmarking (where available)																									
Opportunities for Everyone																																			
<b>Number of Business engagements / support measures provided by the Council (Cumulative)</b>	Quarterly	Bigger is better	600	600	854	616 (Q3:2024/25)	852	Green	 <table><caption>Number of Business engagements (Cumulative)</caption><tr><th>Year</th><th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th></tr><tr><td>2021/22</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>2022/23</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>2023/24</td><td>200</td><td>450</td><td>650</td><td>850</td></tr><tr><td>2024/25</td><td>220</td><td>420</td><td>600</td><td>854</td></tr></table>	Year	Q1	Q2	Q3	Q4	2021/22	0	0	0	0	2022/23	0	0	0	0	2023/24	200	450	650	850	2024/25	220	420	600	854	<p>This indicator has performed well and the increase in performance can be attributed to increased engagements with businesses around grant products available from the council and events. Three grant programmes (Skill and Training, Business Energy Efficiency (BEE) and Commercial Investment grant schemes) have run this year compared to the one grant programme last year. Alongside the grants, a number of events have taken place such as a Skills Gap Consultation event and NEET workshop. All of which has been funded through UKSPF. The Skills Gap consultation event has resulted in a network of businesses being established to discuss issues around recruitment and retention with specialists invited to share best practice, undertake training on different themes at each meeting.</p> <p>No benchmarking comparison is available for this indicator.</p>
Year	Q1	Q2	Q3	Q4																															
2021/22	0	0	0	0																															
2022/23	0	0	0	0																															
2023/24	200	450	650	850																															
2024/25	220	420	600	854																															
<b>Percentage (average) of Social and Local Economic Value Added from contracts (Cumulative)</b>	Annual	Bigger is better	10%	10%	20.4%	30.3% (Q4:2023/24)	30.3%	Green	 <table><caption>Percentage of Social and Local Economic Value Added from contracts</caption><tr><th>Year</th><th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th></tr><tr><td>2021/22</td><td>0%</td><td>0%</td><td>0%</td><td>0%</td></tr><tr><td>2022/23</td><td>0%</td><td>0%</td><td>0%</td><td>20%</td></tr><tr><td>2023/24</td><td>0%</td><td>0%</td><td>0%</td><td>30%</td></tr><tr><td>2024/25</td><td>0%</td><td>0%</td><td>0%</td><td>20.40%</td></tr></table>	Year	Q1	Q2	Q3	Q4	2021/22	0%	0%	0%	0%	2022/23	0%	0%	0%	20%	2023/24	0%	0%	0%	30%	2024/25	0%	0%	0%	20.40%	<p>The percentage of social and local economic value added from contracts in 2024/25 exceeded the target by double. The indicator shows the percentage of social value committed through contracts that used the Social Value Portal (SVP) process during procurement. The percentage is based on a small number of high-value contracts, results can vary significantly from year to year. In 2024/25, five contracts that used the SVP process are included, totalling over £750k in spend, with suppliers committing more than £150k in local social value. As the indicator covers only a small number of contracts, year-to-year fluctuations are to be expected as a single contract can influence the overall percentage.</p> <p>No benchmarking comparison is available for this indicator.</p>
Year	Q1	Q2	Q3	Q4																															
2021/22	0%	0%	0%	0%																															
2022/23	0%	0%	0%	20%																															
2023/24	0%	0%	0%	30%																															
2024/25	0%	0%	0%	20.40%																															
<b>Median workplace earnings in the borough (Cumulative)*</b>	Annual	Bigger is better	North West Average	£692.90 North West Average	£712.60	£662.40 (Q4:2023/24)	£662.40	Green	 <table><caption>Median workplace earnings in the borough</caption><tr><th>Year</th><th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th></tr><tr><td>2021/22</td><td>£580</td><td>£580</td><td>£580</td><td>£580</td></tr><tr><td>2022/23</td><td>£580</td><td>£580</td><td>£580</td><td>£600</td></tr><tr><td>2023/24</td><td>£600</td><td>£600</td><td>£600</td><td>£650</td></tr><tr><td>2024/25</td><td>£650</td><td>£650</td><td>£650</td><td>£712.60</td></tr></table>	Year	Q1	Q2	Q3	Q4	2021/22	£580	£580	£580	£580	2022/23	£580	£580	£580	£600	2023/24	£600	£600	£600	£650	2024/25	£650	£650	£650	£712.60	<p>Average workplace earnings are higher than benchmarking comparators for South Ribble. This is likely a reflection of the businesses that operate in the district such as British Aerospace and Leyland Trucks, which offer skilled roles with competitive salaries. The Council has also actively promoted the Living Wage through its procurement and grant funding policies, encouraging businesses to commit to fair pay. While there is no direct evidence linking this policy to increased wages, it may have contributed over time, alongside annual increases in the national minimum and living wage.</p> <p>Anecdotally, local business report that they are having to offer higher pay wages to attract and retain talent in a competitive labour market. Workplace earnings reflect</p>
Year	Q1	Q2	Q3	Q4																															
2021/22	£580	£580	£580	£580																															
2022/23	£580	£580	£580	£600																															
2023/24	£600	£600	£600	£650																															
2024/25	£650	£650	£650	£712.60																															

Performance Indicator	Frequency	Polarity	Annual Target	Target	Quarter Four 2024/25	Previous Reporting Period (Q3:2024/25)	Same Period Last Year (Q4:2023/24)	Rating	Performance trend over the last three years	Commentary and benchmarking (where available)																																																																								
										<p>what the businesses pay employees, some of which are likely to be from outside of the borough.</p> <p>2024</p> <table><tr><td>England</td><td>£732.10</td></tr><tr><td>Lancashire</td><td>£660.90</td></tr><tr><td>South Ribble</td><td>£712.60</td></tr><tr><td>CIPFA nearest neighbours average</td><td>£672.39</td></tr></table>	England	£732.10	Lancashire	£660.90	South Ribble	£712.60	CIPFA nearest neighbours average	£672.39																																																																
England	£732.10																																																																																	
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South Ribble	£712.60																																																																																	
CIPFA nearest neighbours average	£672.39																																																																																	
Median earnings by residence (residents of South Ribble) (Cumulative)*	Annual	Bigger is better	North West Average	£696.00 North West Average	£700.10	£620.30 (Q4:2022/23)	£620.30	Green	<p>£800</p> <p>£600</p> <p>£400</p> <p>£200</p> <p>£0</p> <table><tr><td>Q1</td><td>Q2</td><td>Q3</td><td>Q4</td><td>Q1</td><td>Q2</td><td>Q3</td><td>Q4</td><td>Q1</td><td>Q2</td><td>Q3</td><td>Q4</td><td>Q1</td><td>Q2</td><td>Q3</td><td>Q4</td></tr><tr><td colspan="4">2021/22</td><td colspan="4">2022/23</td><td colspan="4">2023/24</td><td colspan="4">2024/25</td></tr><tr><td colspan="16">■ South Ribble</td></tr><tr><td colspan="16">— Target (Better than the North West average)</td></tr></table> <p>£700.10</p>	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2021/22				2022/23				2023/24				2024/25				■ South Ribble																— Target (Better than the North West average)																<p>Median earnings by residence is performing better than target, however, is performing below the median earnings by workplace figure above. This suggests that some of the higher-paying jobs in the area are held by individuals who live outside the borough. Additionally, South Ribble has a lower proportion of residents qualified to Regulated Qualifications Framework (RQF) Level 4 and above (39%) compared to the national average (47.6%) and regional average (42.8%), which may also be reflected the salaries paid to residents.</p> <p>2024</p> <table><tr><td>England</td><td>£732.00</td></tr><tr><td>Lancashire</td><td>£685.10</td></tr><tr><td>South Ribble</td><td>£700.10</td></tr><tr><td>CIPFA nearest neighbours average</td><td>£725.54</td></tr></table>	England	£732.00	Lancashire	£685.10	South Ribble	£700.10	CIPFA nearest neighbours average	£725.54
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4																																																																			
2021/22				2022/23				2023/24				2024/25																																																																						
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South Ribble	£700.10																																																																																	
CIPFA nearest neighbours average	£725.54																																																																																	
Overall employment rate in South Ribble	Quarterly	Bigger is better	North West Average	73.4%	78.7%	79.3% (Q3:2024/25)	79.3%	Green		The overall employment rate in South Ribble is performing better than target, however the employment rate has declined compared to the previous year.																																																																								



Performance Indicator	Frequency	Polarity	Annual Target	Target	Quarter Four 2024/25	Previous Reporting Period (Q3:2024/25)	Same Period Last Year (Q4:2023/24)	Rating	Performance trend over the last three years	Commentary and benchmarking (where available)
(In Quarter) *				North West Average					<div><div><div><div><div>100%</div><div>80%</div><div>60%</div><div>40%</div><div>20%</div><div>0%</div></div><div><div><div>Q1</div><div>Q2</div><div>Q3</div><div>Q4</div><div>Q1</div><div>Q2</div><div>Q3</div><div>Q4</div><div>Q1</div><div>Q2</div><div>Q3</div><div>Q4</div><div>Q1</div><div>Q2</div><div>Q3</div><div>Q4</div></div><div><div>2021/22</div><div>2022/23</div><div>2023/24</div><div>2024/25</div></div></div><div><div>South Ribble</div><div>Target (Better than the North West average)</div></div></div></div></div>	<p>The most commonly reported reasons for economic inactivity include long-term sickness, caring responsibilities, and full-time education. However, there is no clear evidence that the number of individuals in these categories has significantly increased in South Ribble. Therefore, the decline could reflect the small sample or variability in the survey data, as the employment rate is based on individuals not in work for four weeks or more and may be sensitive to small changes in a relatively small sample size for the borough.</p> <div><div>Quarter Four 2024/25</div><div><div><div>England</div><div>75.7%</div></div><div><div>Lancashire</div><div>77.6%</div></div><div><div>South Ribble</div><div>78.7%</div></div><div><div>CIPFA nearest neighbours average</div><div>79.5%</div></div></div></div>

\* These indicators are statutory indicators

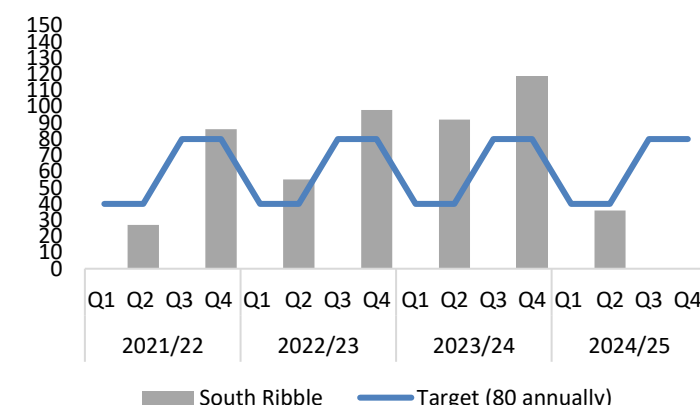
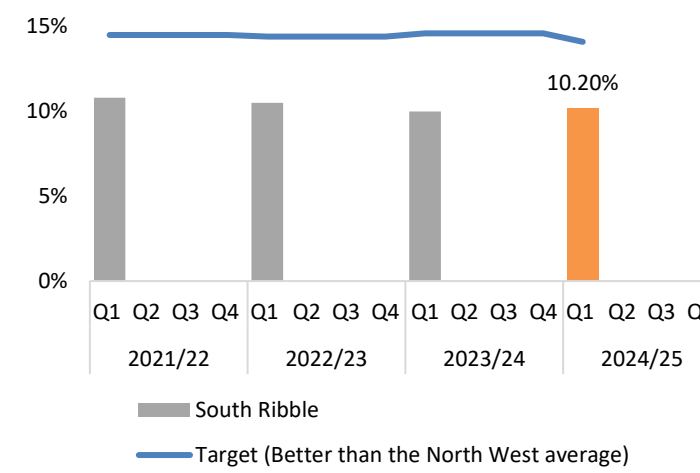


Corporate Strategy Indicators performing near target (within 5%) in Quarter Four

Performance Indicator	Frequency	Polarity	Annual Target	Target	Quarter Four 2024/25	Previous Reporting Period (Q3:2024/25)	Same Period Last Year (Q3:2024/25)	Rating	Performance trend over the last three years	Commentary and benchmarking (where available)
An Exemplary Council										
Customers satisfied with the service they receive from the Council (Cumulative)	Quarterly	Bigger is better	70%	70%	68.23%	67.53% (Q3:2024/25)	70.43%	Amber	<div><div><div><div><div></div><div>Q1</div></div><div><div>Q2</div><div>Q3</div><div>Q4</div></div><div>2021/22</div></div><div><div><div></div><div>Q1</div></div><div><div>Q2</div><div>Q3</div><div>Q4</div></div><div>2022/23</div></div><div><div><div></div><div>Q1</div></div><div><div>Q2</div><div>Q3</div><div>Q4</div></div><div>2023/24</div></div><div><div><div></div><div>Q1</div></div><div><div>Q2</div><div>Q3</div><div>Q4</div></div><div>2024/25</div></div></div><div><div></div><div>South Ribble</div></div><div><div></div><div>Target (70%)</div></div></div>	<p>Performance for this indicator is amber but remains within tolerance, primarily due to a low response rate to the satisfaction survey. Of the 87,370 calls answered during 2024/25, only 2,430 residents (0.3%) completed the post call telephone survey. Participation in the survey is voluntary and must be opted into before speaking with an advisor. As a result, responses tend to be skewed toward individuals who are dissatisfied, often due to statutory processes such as Council Tax non-payment letters or ineligibility for housing services, areas where the Council has limited discretion.</p> <p>To improve response rates and data reliability, Customer Services have extended the survey to online users and simplified the questions to encourage greater participation. These changes have already shown positive results, in April 2025, customer satisfaction increased to 75.4%.</p> <p>No benchmarking comparison is available for this indicator.</p>

Corporate Strategy indicators not due to be reported or data unavailable in quarter four 2024/25

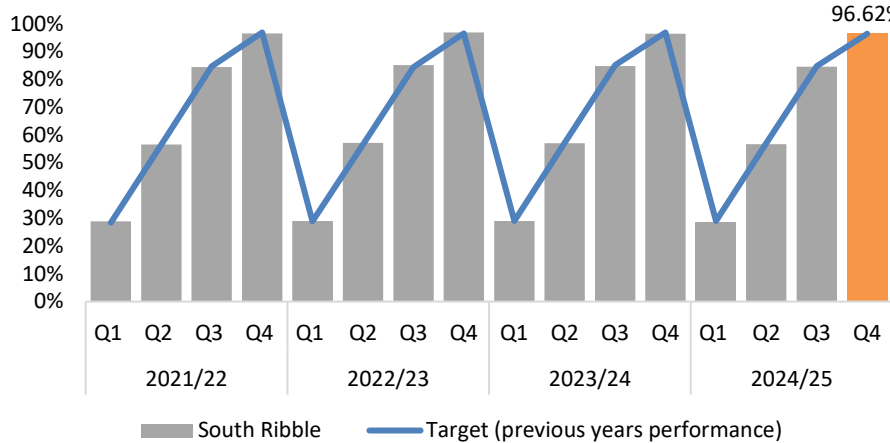
Performance Indicator	Frequency	Polarity	Annual Target	Target	Quarter Four 2024/25	Previous Reporting Period (Q3:2024/24)	Same Period Last Year (Q4:2023/25)	Rating	Performance trend over the last three years	Commentary and benchmarking (where available)
An Exemplary Council										
Percentage of people who feel involved in the local area and decision making (Cumulative)	Annual	Bigger is Better	11%	11%	Due to be Reported Q4:25/26	-	New for 2025/26	Grey	This indicator is new for 2025/26 with collection commencing from quarter four and therefore no performance is available.	No benchmarking comparison is available for this indicator.
Green and Clean Neighbourhoods										

Performance Indicator	Frequency	Polarity	Annual Target	Target	Quarter Four 2024/25	Previous Reporting Period (Q3:2024/24)	Same Period Last Year (Q4:2023/25)	Rating	Performance trend over the last three years	Commentary and benchmarking (where available)						
<div>Number of affordable homes delivered (Cumulative)*</div>	Biannual	Bigger is better	80	80	Due to be Reported Q1:25/26	36 <sup>1</sup>	-	Grey		No benchmarking comparison is available for this indicator.						
<div>The number of biodiversity initiatives delivered (Cumulative)</div>	Annual	Bigger is better	85	85	Due to be Reported Q4:25/26	-	New for 2025/26	Grey	This indicator is new for 2025/26 with collection commencing from quarter four and therefore no performance is available.	No benchmarking comparison is available for this indicator.						
<div>The percentage of households living in fuel poverty (Cumulative)*</div>	Annual	Bigger is better	North West Average	14.10%	Due to be Reported Q1:25/26	10.2% (Q1:2024/25)	-	Grey	 <div><p>2022</p><table><tr><td>England</td><td>13.10%</td></tr><tr><td>Lancashire</td><td>14.50%</td></tr><tr><td>South Ribble</td><td>10.20%</td></tr></table></div>	England	13.10%	Lancashire	14.50%	South Ribble	10.20%	<p>There is a two-year time lag in reporting levels of Fuel Poverty, i.e. reports published in 2024 relate to 2022 levels. South Ribble remains the lowest in Lancashire and latest data for 2025/2026 indicates that this has now fallen even further to 8.7% with the latest data published in April 2025.</p> <p>The council continues to implement initiatives aimed at improving energy efficiency in homes and tackling fuel poverty. These include the Energy Company Obligation scheme (ECO4) and the Affordable Warmth programmes. In 2024/25, the Affordable Warmth and Household Support Fund programmes delivered 83 support measures totalling over £166k, including boiler repairs and replacements, window and door upgrades, and insulation installations. Meanwhile, the council issued 136 declarations for the ECO4 scheme for measures such as insulation, heating systems, solar panels installations, and air source heat pumps.</p>
England	13.10%															
Lancashire	14.50%															
South Ribble	10.20%															

<sup>1</sup>This indicator is reported in arrears and reflects quarter three 2024/25 performance. Its previous performance relates to quarter two 2024/25

# Performance of Key Organisational Indicators

Key Organisational indicators performing on or better than target in quarter four 2024/25

Performance Indicator	Frequency	Polarity	Annual Target	Target	Quarter Four 2024/25	Previous Reporting Period (Q3:2024/25)	Same Period Last Year (Q4:2023/24)	Rating	Performance trend over the last three years	Commentary and benchmarking (where available)										
Percentage of Council Tax collected (Cumulative)* <sup>1</sup>	Quarterly	Bigger is better	96.37%	96.37%	96.62%	84.49%	96.37%	Green	<div><table><caption>Quarter Four 2023/24</caption><tr><th>Entity</th><th>Percentage</th></tr><tr><td>England</td><td>96.10%</td></tr><tr><td>Lancashire</td><td>95.39%</td></tr><tr><td>South Ribble</td><td>96.37%</td></tr><tr><td>CIPFA nearest neighbours average</td><td>97.73%</td></tr></table></div>	Entity	Percentage	England	96.10%	Lancashire	95.39%	South Ribble	96.37%	CIPFA nearest neighbours average	97.73%	<p>Performance for this indicator is subject to seasonal fluctuations, primarily influenced by the payment schedules chosen by residents. Council Tax is typically paid in either 10 or 12 monthly instalments. Residents who opt for the 12-month plan make lower monthly payments, which means a larger proportion of the total annual charge is collected later in the financial year.</p> <p>As a result, collection rates may appear lower during the earlier quarters but tend to align with the annual target by year-end, once all scheduled payments have been received. Therefore, the outturn at the end of the financial year provides the most accurate and complete picture of overall Council Tax collection performance.</p>
Entity	Percentage																			
England	96.10%																			
Lancashire	95.39%																			
South Ribble	96.37%																			
CIPFA nearest neighbours average	97.73%																			

<div>Percentage of Business Rates collected (Cumulative)*<sup>1</sup></div>	Quarterly	Bigger is better	97.27%	97.27%	98.79%	79.82%	97.27%	Green	<div><table><tr><th>Year</th><th>Quarter</th><th>South Ribble</th><th>Target (previous years performance)</th></tr><tr><td rowspan="4">2021/22</td><td>Q1</td><td>30%</td><td>30%</td></tr><tr><td>Q2</td><td>50%</td><td>60%</td></tr><tr><td>Q3</td><td>75%</td><td>80%</td></tr><tr><td>Q4</td><td>95%</td><td>95%</td></tr><tr><td rowspan="4">2022/23</td><td>Q1</td><td>35%</td><td>35%</td></tr><tr><td>Q2</td><td>55%</td><td>55%</td></tr><tr><td>Q3</td><td>80%</td><td>75%</td></tr><tr><td>Q4</td><td>95%</td><td>95%</td></tr><tr><td rowspan="4">2023/24</td><td>Q1</td><td>30%</td><td>35%</td></tr><tr><td>Q2</td><td>55%</td><td>60%</td></tr><tr><td>Q3</td><td>80%</td><td>80%</td></tr><tr><td>Q4</td><td>95%</td><td>95%</td></tr><tr><td rowspan="4">2024/25</td><td>Q1</td><td>30%</td><td>30%</td></tr><tr><td>Q2</td><td>55%</td><td>60%</td></tr><tr><td>Q3</td><td>80%</td><td>80%</td></tr><tr><td>Q4</td><td>98.79%</td><td>98.79%</td></tr></table></div>	Year	Quarter	South Ribble	Target (previous years performance)	2021/22	Q1	30%	30%	Q2	50%	60%	Q3	75%	80%	Q4	95%	95%	2022/23	Q1	35%	35%	Q2	55%	55%	Q3	80%	75%	Q4	95%	95%	2023/24	Q1	30%	35%	Q2	55%	60%	Q3	80%	80%	Q4	95%	95%	2024/25	Q1	30%	30%	Q2	55%	60%	Q3	80%	80%	Q4	98.79%	98.79%	<p>Performance for this indicator is influenced by both the payment schedules selected by ratepayers and the timing of month-end. Business Rates are typically paid in monthly instalments, and when payment due dates fall on weekends or bank holidays, due to a business' budgeting plan, collections may only be received in the following calendar month. This timing shift can temporarily impact the reported performance for the previous month.</p> <p>As such, monthly and quarterly figures may fluctuate, but the year-end outturn provides the most accurate and complete picture of overall Business Rates collection performance. To ensure effective oversight, collection rates are closely monitored on a monthly and quarterly basis to identify emerging trends and address any potential issues promptly.</p> <div><div>Quarter Four 2023/24</div><table><tr><td>England</td><td>97.23%</td></tr><tr><td>Lancashire</td><td>97.58%</td></tr><tr><td>South Ribble</td><td>97.27%</td></tr><tr><td>CIPFA nearest neighbours average</td><td>98.22%</td></tr></table></div>	England	97.23%	Lancashire	97.58%	South Ribble	97.27%	CIPFA nearest neighbours average	98.22%
Year	Quarter	South Ribble	Target (previous years performance)																																																																							
2021/22	Q1	30%	30%																																																																							
	Q2	50%	60%																																																																							
	Q3	75%	80%																																																																							
	Q4	95%	95%																																																																							
2022/23	Q1	35%	35%																																																																							
	Q2	55%	55%																																																																							
	Q3	80%	75%																																																																							
	Q4	95%	95%																																																																							
2023/24	Q1	30%	35%																																																																							
	Q2	55%	60%																																																																							
	Q3	80%	80%																																																																							
	Q4	95%	95%																																																																							
2024/25	Q1	30%	30%																																																																							
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	Q3	80%	80%																																																																							
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Lancashire	97.58%																																																																									
South Ribble	97.27%																																																																									
CIPFA nearest neighbours average	98.22%																																																																									
<div>% MAJOR planning applications decided within 13 (16 for EIA) weeks or agreed time extension (Cumulative)*</div>	Quarterly	Bigger is better	75%	75%	100%	100%	100%	Green	<div><table><tr><th>Year</th><th>Quarter</th><th>South Ribble</th><th>Target (75%)</th></tr><tr><td rowspan="4">2021/22</td><td>Q1</td><td>75%</td><td>75%</td></tr><tr><td>Q2</td><td>85%</td><td>75%</td></tr><tr><td>Q3</td><td>90%</td><td>75%</td></tr><tr><td>Q4</td><td>88%</td><td>75%</td></tr><tr><td rowspan="4">2022/23</td><td>Q1</td><td>98%</td><td>75%</td></tr><tr><td>Q2</td><td>98%</td><td>75%</td></tr><tr><td>Q3</td><td>90%</td><td>75%</td></tr><tr><td>Q4</td><td>85%</td><td>75%</td></tr><tr><td rowspan="4">2023/24</td><td>Q1</td><td>65%</td><td>75%</td></tr><tr><td>Q2</td><td>75%</td><td>75%</td></tr><tr><td>Q3</td><td>80%</td><td>75%</td></tr><tr><td>Q4</td><td>88%</td><td>75%</td></tr><tr><td rowspan="4">2024/25</td><td>Q1</td><td>98%</td><td>75%</td></tr><tr><td>Q2</td><td>98%</td><td>75%</td></tr><tr><td>Q3</td><td>98%</td><td>75%</td></tr><tr><td>Q4</td><td>100%</td><td>75%</td></tr></table></div>	Year	Quarter	South Ribble	Target (75%)	2021/22	Q1	75%	75%	Q2	85%	75%	Q3	90%	75%	Q4	88%	75%	2022/23	Q1	98%	75%	Q2	98%	75%	Q3	90%	75%	Q4	85%	75%	2023/24	Q1	65%	75%	Q2	75%	75%	Q3	80%	75%	Q4	88%	75%	2024/25	Q1	98%	75%	Q2	98%	75%	Q3	98%	75%	Q4	100%	75%	<p>Performance in the delivery of major planning applications remains strong, reflecting timely decision-making and effective case management within the planning service. Due to the relatively small number of applications in this category, a single delayed case can have a disproportionate impact on the overall performance figure. However, in quarter four of the current year, all applications were determined on time.</p>								
Year	Quarter	South Ribble	Target (75%)																																																																							
2021/22	Q1	75%	75%																																																																							
	Q2	85%	75%																																																																							
	Q3	90%	75%																																																																							
	Q4	88%	75%																																																																							
2022/23	Q1	98%	75%																																																																							
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	Q4	88%	75%																																																																							
2024/25	Q1	98%	75%																																																																							
	Q2	98%	75%																																																																							
	Q3	98%	75%																																																																							
	Q4	100%	75%																																																																							

% MINOR / OTHER planning applications decided within 8 weeks or agreed time extension (Cumulative)*	Quarterly	Bigger is better	80%	80%	94.9%	94.5%	91.1%	Green	<table><tr><th>Year</th><th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th></tr><tr><td>2021/22</td><td>85%</td><td>84%</td><td>85%</td><td>85%</td></tr><tr><td>2022/23</td><td>86%</td><td>85%</td><td>88%</td><td>88%</td></tr><tr><td>2023/24</td><td>84%</td><td>87%</td><td>89%</td><td>89%</td></tr><tr><td>2024/25</td><td>94.90%</td></tr></table>	Year	Q1	Q2	Q3	Q4	2021/22	85%	84%	85%	85%	2022/23	86%	85%	88%	88%	2023/24	84%	87%	89%	89%	2024/25	94.90%	Performance remains strong in planning service delivery, demonstrating timely decision-making and effective case management. Minor and other applications typically involve higher volumes of applications but are generally less complex, ensuring few applications exceed the target to determine within statutory timescale.			
Year	Q1	Q2	Q3	Q4																															
2021/22	85%	84%	85%	85%																															
2022/23	86%	85%	88%	88%																															
2023/24	84%	87%	89%	89%																															
2024/25	94.90%																																		
The average number of working days from Disabled Facilities grant referral received from LCC to application approved (In Quarter)	Quarterly	Smaller is better	167	167	127	162	109	Green	<table><tr><th>Year</th><th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th></tr><tr><td>2021/22</td><td>148</td><td>125</td><td>105</td><td>138</td></tr><tr><td>2022/23</td><td>100</td><td>78</td><td>68</td><td>82</td></tr><tr><td>2023/24</td><td>108</td><td>102</td><td>110</td><td>108</td></tr><tr><td>2024/25</td><td>108</td><td>98</td><td>158</td><td>127</td></tr></table>	Year	Q1	Q2	Q3	Q4	2021/22	148	125	105	138	2022/23	100	78	68	82	2023/24	108	102	110	108	2024/25	108	98	158	127	<p>Performance for this indicator has remained on target throughout the year, with the average time of 127 days in quarter four falling well within the 167-day target. However, there has been a slight increase in the average time compared to the previous year, primarily due to some complex cases which can impact on the average processing times.</p> <p>No benchmarking comparison is available for this indicator.</p>
Year	Q1	Q2	Q3	Q4																															
2021/22	148	125	105	138																															
2022/23	100	78	68	82																															
2023/24	108	102	110	108																															
2024/25	108	98	158	127																															

<sup>1</sup>The annual council tax/ business rates charge is payable by residents/ ratepayers in 10 or 12 monthly instalments. Targets for this indicator are therefore incremental and change every quarter and are based on actual performance for the same period in the previous financial year.

\* These indicators are statutory indicator

## Financial Performance

Despite the financial challenges faced, the financial standing of the Council is robust, with sound budget setting and monitoring practices. The Council's 2024/25 Revenue Budget, Capital Programme, Medium Term Financial Strategy (MTFS) and Treasury Management Strategy were approved at the Council meeting on 28 February 2024. Thereafter, budget monitoring reports were submitted at quarterly intervals to the Cabinet. The reports are available on the Council's website.

In 2024/25, the Council set a balanced annual budget of £17.670 million.

The outturn report for 2024/25, presented for approval to Cabinet on 4 June 2025, showed a net surplus of £0.710m.

The outturn position is summarised in the table below:

Directorate	Budget 2024/25 £'000	Outturn 2024/25 at 31st March 2025 £'000	Variance (Under)/ Overspend 2024/25 £'000
Property	537	972	435
Communities and Leisure	3,407	2,934	(473)
Customer & Digital	7,998	8,202	204
Planning	1,519	1,394	(125)
Policy and Governance	5,649	5,281	(368)
Budgets Not in Directorates	(1,440)	(2,003)	(563)
<b>Total Expenditure</b>	<b>17,670</b>	<b>16,780</b>	<b>(890)</b>
Funding	Budget 2024/25 £'000	Outturn 2024/25 at 31 <sup>st</sup> March 2025 £'000	Variance (Under)/ Overspend 2024/25 £'000
Council Tax	(8,879)	(8,807)	72
Funding Guarantee	(549)	(549)	-
Revenue Support Grant	(109)	(109)	-
Service Grant	(15)	(16)	(1)
New Homes Bonus	(764)	(764)	-
Retained Business Rates	(3,609)	(3,426)	183
Section 31 Government Grants	(3,745)	(3,819)	(74)
<b>Total Funding</b>	<b>(17,670)</b>	<b>(17,490)</b>	<b>180</b>
<b>Net Outturn</b>	<b>-</b>	<b>(710)</b>	<b>(710)</b>

The underspend has been transferred £510k the reserve for Short Life Operational Assets and £200k to the Transformation and Savings Programme Reserve

The outturn position will be considered as part of future updates of the Council's MTFS to ensure that ongoing additional income and reduced expenditure is fully reflected in the strategy.

The funding of the Council has changed over the years with the withdrawal of central government grants, the provision of various non-recurring grants from year to year, and an annual, year-on-year extension to the Lancashire Business Rate Pooling arrangement (a temporary pilot scheme introduced in 2016/17 providing an increase in locally retained business rates, from which South Ribble Council currently benefits by approximately £1.684m per annum).

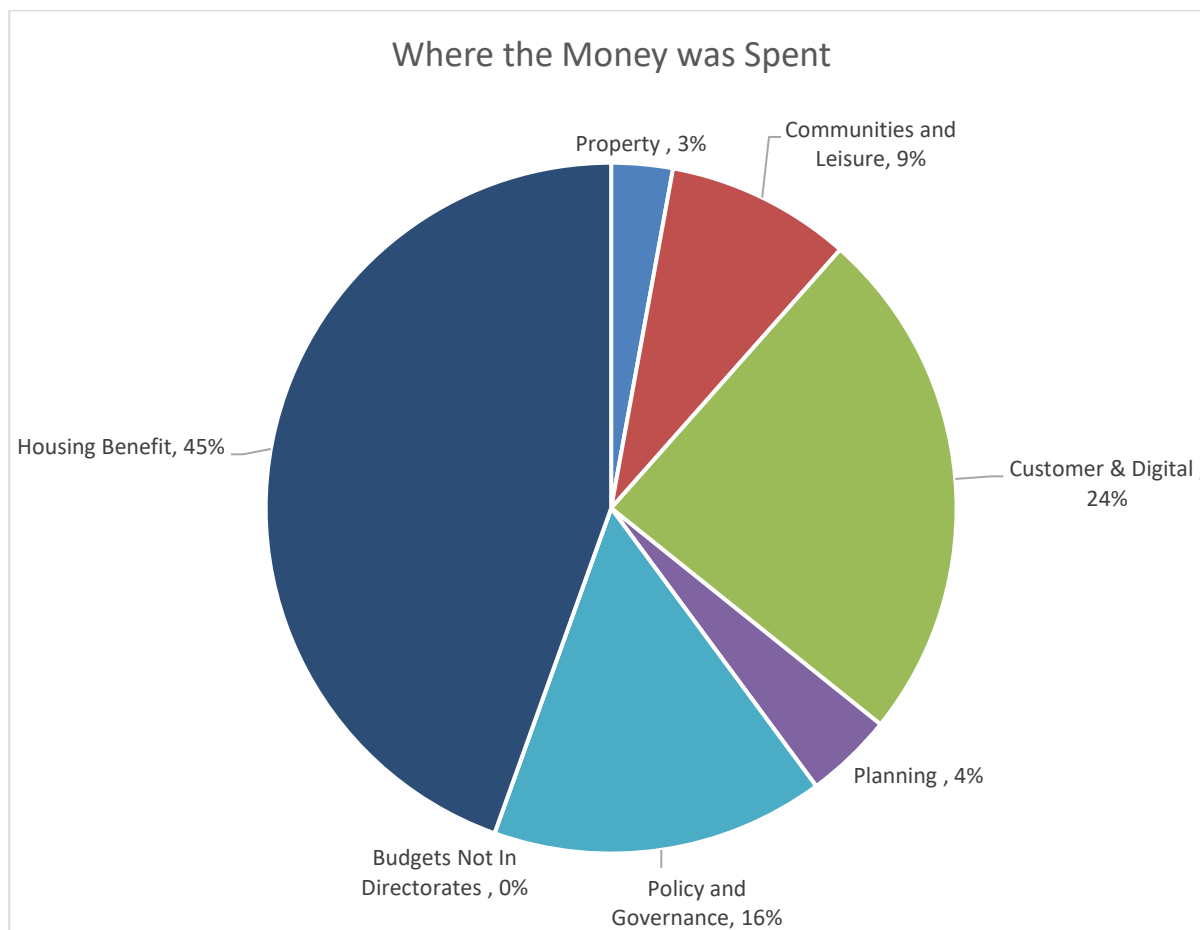
Changes in the way in which councils are funded have not been forthcoming and once again, local government was only provided with a one-year settlement for 2024/25, with significant uncertainty regarding the income streams in future years.

There is risk and uncertainty in relation to future years funding - it is unclear if the reviews of Business Rates and overall Council funding will provide sufficient funds to balance the Council's finances. Whilst uncertainty remains, the MTFS and the assumptions on which this is based will be kept under regular review.

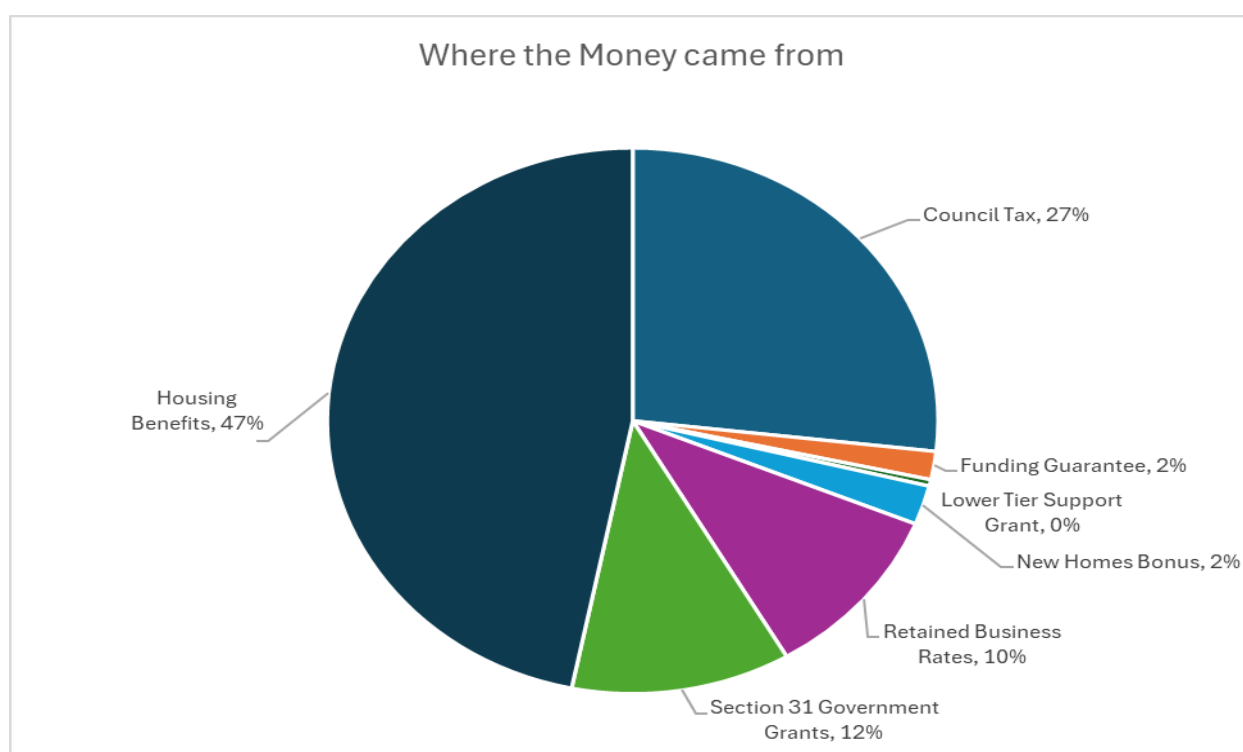
In light of this, and the fact that Council Tax and Business Rates are the major source of funding for local services, it is essential that all councils monitor their collection rates and raise as much income as possible. Any under recovery of income can have a significant impact on the ability of a Council to fund its service delivery. South Ribble Council continues to perform well in this area, as despite the cost of living crisis impacting on businesses and residents, collection rates were achieved of 96.62% for council tax and 98.8% for business rates in 2024/25. They will continue to be monitored closely as part of the Council's performance management framework during 2025/26.

The following charts show where the Council's money came from and how it was spent on services.

The gross expenditure for the Council is detailed in the Outturn report. In 2024/25 it consisted of:



The gross income for the Council is disclosed in the Outturn report. It consisted of:





## **Reserves and Balances**

The Council's Medium Term Financial Strategy specifies that general balances should be maintained at or above £4.0m. This was achieved during 2024/25 and stands at £5.167m at the year end.

Total earmarked reserves for specific purposes were £14.727m as at 31 March 2025. A full list of these earmarked reserves, together with a description of the purpose of each, can be found at Note 11 to the statement of accounts.

It is considered this level of reserves is sufficient for the Council at present, but the Council will closely monitor its financial position and future budget planning to ensure it remains financially sustainable.

The following table shows the reconciliation between the reserves to be reported to Cabinet in the Outturn report in June 2025 and the movement for the year shown in the Expenditure and Funding Analysis (EFA), which forms Note 1 to the Statement of Accounts:

<b>General Fund Reserves at 31 March 2025</b>	<b>£'000</b>
Amounts as per Outturn Report:	14,727
Earmarked Reserves	
General Reserve	5,167
<b>Amounts as per EFA (Note 1)</b>	<b>19,894</b>

## **Capital Programme**

In February 2024 the Council approved a 3-year capital strategy of £57.140m. This programme delivers a number of key projects to the benefit of the residents of South Ribble including:

- Leisure Centre Refurbishments (£3m) - including decarbonisation and improvements to the Council owned leisure centres.
- Town Deal (£25.637m) – this will deliver transformational change to areas of Leyland including new housing and employment opportunities. It is expected that this will also deliver a net income stream to the council helping it to manage potential future budget deficits.
- Penwortham master planning and regeneration (£2.102m)
- Housing (£14.674m) – including the extra care facility at Jubilee Gardens, which will provide 75 self-contained extra care units, and the facilitation of adaptations to homes to enable residents to remain longer in their own homes.
- Vehicle Replacement Programme (£1.060m) – replacement of the Council's waste and wider fleet as it reaches the end of its natural life.

The capital programme budget for 2024/25 approved by Council in February 2024 was £47.894m. With approved slippage from 2023/24, along with other changes to the programme during the year, the final budget was £18.255m.

The outturn position of the 2024/25 capital programme is set out in the following table and outlined further in Appendix B of the outturn report presented to Cabinet for approval on 4 June 2025.

## Capital Programme Outturn 2024/25

### 2024/25 Capital Programme

	Budget 2024/25 Approved at Council Feb 2024	Budget 2024/25 Approved by Cabinet for Outturn 2023/24	Budget 2024/25 Approved by Cabinet for 9 Months to December 2024	Slippage and reprofiling of budget (to)/from future years	Quarter 4 2024/25 Variations	Revised Budget 2024/25 as at 31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000

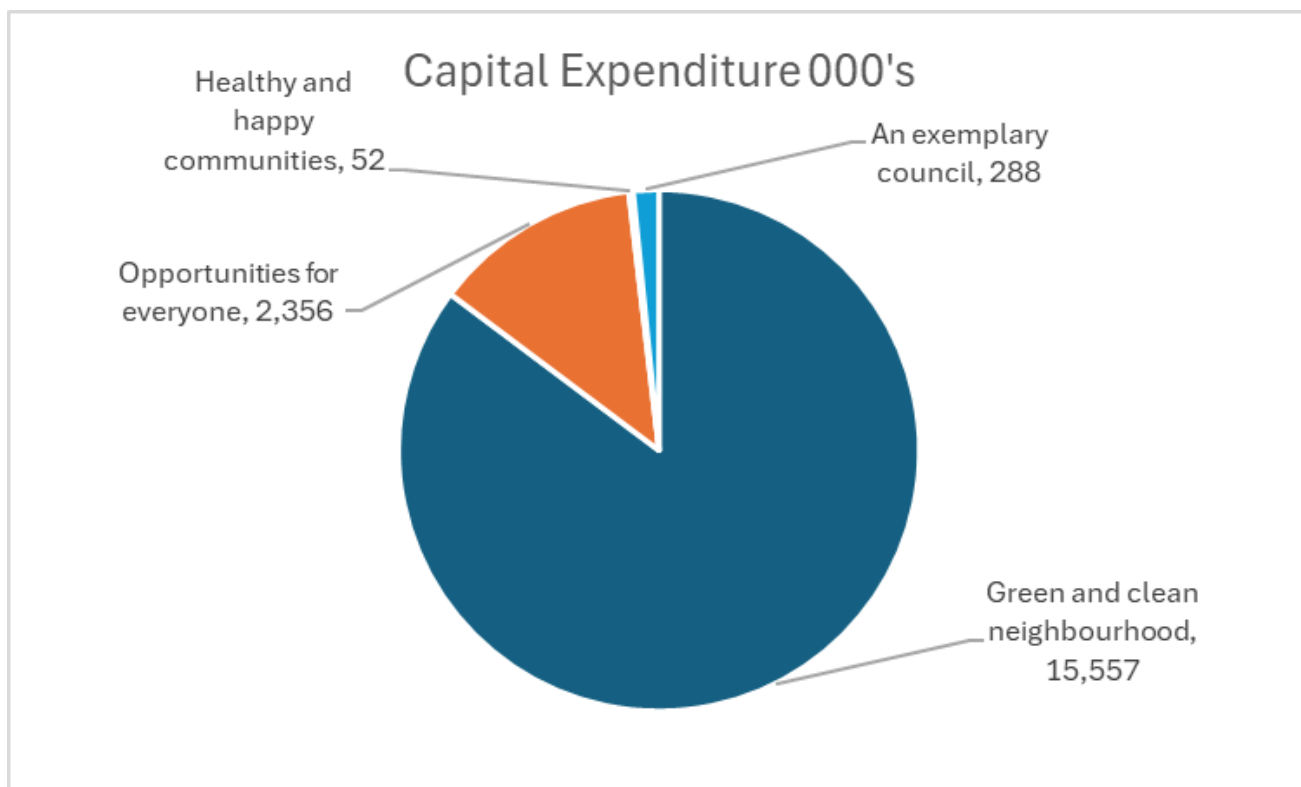
#### COSTS

Green and clean neighbourhood	18,660	22,188	20,205	(4,808)	160	15,557
Opportunities for everyone	27,874	13,538	5,425	(2,091)	(978)	2,356
Healthy and happy communities	-	498	498	(156)	(290)	52
An exemplary council	1,360	2,429	1,155	(866)	(1)	288
<b>Total Forecast Expenditure</b>	<b>47,894</b>	<b>38,653</b>	<b>27,283</b>	<b>(7,920)</b>	<b>(1,109)</b>	<b>18,254</b>

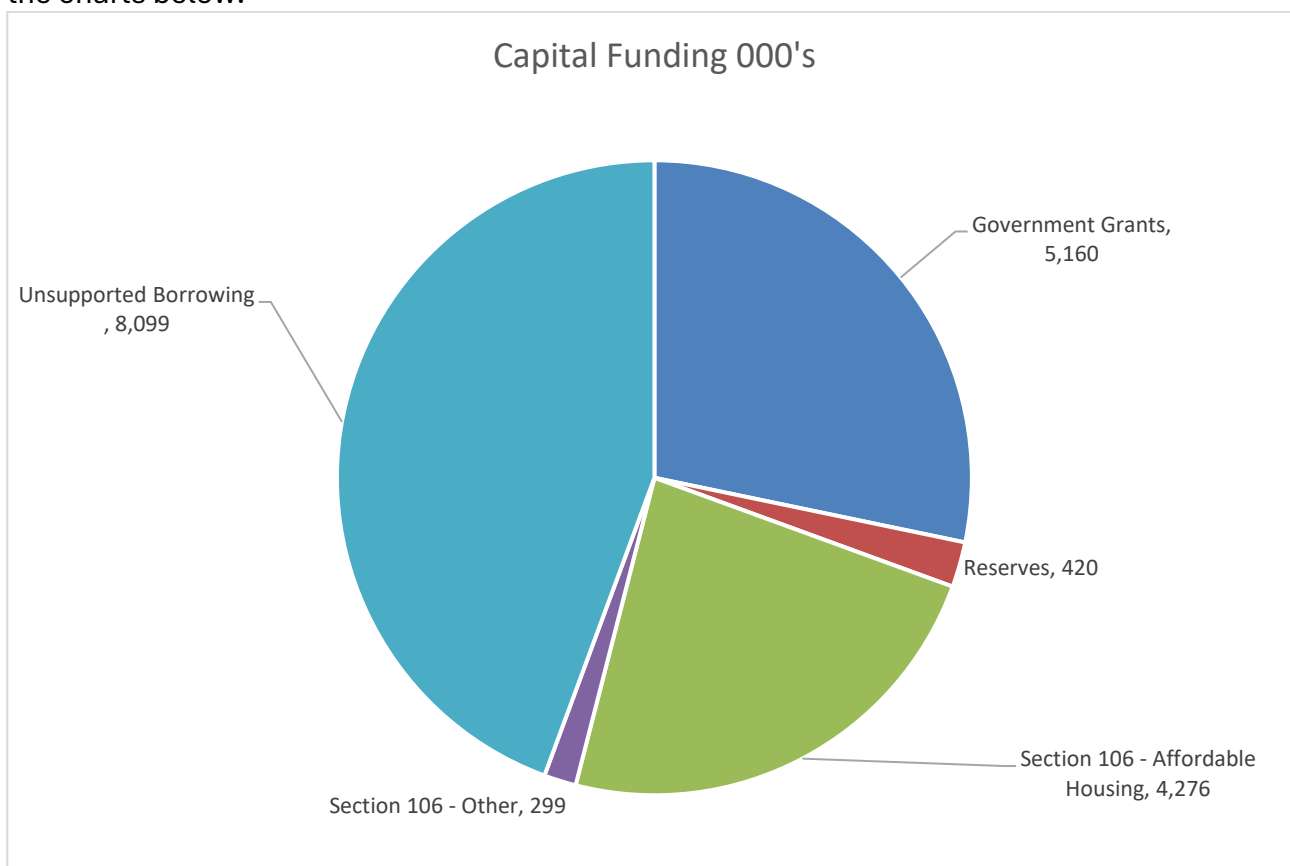
#### RESOURCES

Decarbonisation Grant	-	-	(370)	-	-	(370)
Disabled Facilities Grants	974	989	989	(179)	-	810
LCC Home Adaptations	-	-	-	-	-	-
Homes England	1,500	2,064	2,064	-	-	2,064
Lottery Funding	-	-	(8)	-	-	(8)
EV Charging- Dept of transport	-	193	193	(157)	-	36
Sport England	-	-	286	(286)	-	-
Town Deal	21,705	8,965	4,952	(2,924)	-	2,028
DEFRA	-	-	-	-	-	-
Other Grants	-	448	397	(448)	-	(51)
UKSPF	-	-	-	651	-	651
<b>Government Grants</b>	<b>24,179</b>	<b>12,660</b>	<b>8,503</b>	<b>(3,344)</b>	<b>-</b>	<b>5,159</b>
Capital Receipts	-	-	27	(27)	-	-
CIL	2,000	2,000	-	-	-	-
External Contributions	-	-	-	-	-	-
Revenue Contributions	-	-	-	-	-	-
Reserves	1,672	2,085	900	(480)	-	420
Section 106 - Affordable Housing	2,366	2,792	3,266	1,010	-	4,276
Section 106 - Other	192	486	385	(86)	-	299
Unsupported Borrowing	17,486	18,630	14,202	(4,995)	(1,108)	8,099
<b>Total Forecast Resources</b>	<b>47,894</b>	<b>38,653</b>	<b>27,283</b>	<b>(7,920)</b>	<b>(1,108)</b>	<b>18,254</b>

A summary position of capital expenditure and capital financing is set out below.



The Council has financed this expenditure through a number of different sources outlined in the charts below.



## Treasury Management

The treasury operations of the Council are conducted in accordance with its annual Treasury Strategy which identifies the investment and borrowing policies of the Council over a three-year period specifying, amongst other things, the criteria for investment counterparties, the maximum duration and amount of investments, and the need for borrowing.

The key facts for 2024/25 were:

- Investments were held for the short-term in call accounts and money market funds. The maximum period permitted by the Council's Treasury Strategy for term deposits in banks and building societies is one year.
- Over the course of the year, the Bank of England applied 3 decreases to the base rate from the April 2024 starting point of 5.25%, decreasing to 5.00% in August 2024, 4.75% in November 2024 and to 4.50% in February 2024 where it remained for the rest of the year. The average cash balance invested during the year was £46.857m at an average yield of 4.42%, and generating £2.243m of interest over the 12 month period.
- There was an increase of £7.732m in the underlying Prudential Borrowing requirement from funding the capital programme. In accordance with the approved Borrowing Strategy, this was funded by the use of internal balances and no external borrowing was entered into.

Note 18 – Financial Instruments presents details of treasury operations and the management of risk.

### **Pension Fund Liability**

The pension fund has seen a movement of £14.832m during the year, from a surplus of £19.862m at the end of 2023/24 to a surplus of £34.694m at the end of 2024/25. This reflects the value of assets invested in the pension fund, offset by the value of pension liabilities which the Council is required to pay in the future when they fall due.

The Council's pension fund must be revalued every three years to set future contributions into the fund. The latest valuation was undertaken in 2022 which reported a funding level of 112%. Given the surplus position of the fund, the Council no longer requires the deficit recovery plan that was previously in place with the Administering Authority to maintain a 100% funding level and which had required additional Deficit Recovery Contributions over a number of years.

This surplus figure is an estimate, being the actuary's assessment of the present value of the current assets and anticipated future receipts of the fund, less the liabilities to be met over a long period. Note 36 presents detailed information about the Defined Benefit Pension Scheme.

### **Strategic Risk Register**

Risk management is a cornerstone of good corporate governance, and the Council has established a system of risk management which involves the creation of risk registers at a strategic level, service level and individual project level. Compiling the Strategic Risk Register requires a collective effort involving Senior Leadership Team (SLT) to identify the key strategic risk issues facing the Council.

The Strategic Risk Register is stored and managed within the Council's risk management system, GRACE. SLT are responsible for identifying, owning, monitoring and mitigating strategic risks ensuring that any actions against each risk are completed.

The GRACE system also contains separate risk registers for individual projects and service level risk registers owned and controlled by individual services managers and project managers. All strategic risks are now contained and embedded within the GRACE system and are reviewed to inform the latest position. All risks are stored within the GRACE system and are scored on a 4x4 risk matrix as outlined below:

<b>Major</b>	<b>4</b>	4 Low	8 Medium	12 High	16 High
<b>Serious</b>	<b>3</b>	3 Low	6 Medium	9 Medium	12 High
<b>Minor</b>	<b>2</b>	2 Low	4 Low	6 Medium	8 Medium
<b>Insignificant</b>	<b>1</b>	1 Low	2 Low	3 Low	4 Low
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
		Rarely – there is a slight possibility that the event will occur	Unlikely- there is a possibility that the event will occur or there is a history of occasional occurrence within the authority	Likely – There is a strong possibility that the event will occur or there is history or regular occurrence within the Authority	Highly likely -there is little doubt that the event will occur

The Risk Register is reported to the Governance Committee on an annual basis, setting out changes over the previous 12 months, existing control measures and planned actions to mitigate risk. The latest Corporate Risk Register was reported to Governance Committee on 24 September 2024. The Register is reported to the Senior Management Team twice a year, with the last update presented on 4 September 2024. The Register provides members and officers with an update on the monitoring of the 16 strategic risks to the Council, including actions that are in in progress, as well as new actions planned to further mitigate the risks identified.

Many of the highest scoring risks focus on delivering Council priorities, including service delivery, large scale capital projects, new ways of working, and working with strategic partners to deliver outcomes. There are challenges facing the organisation in relation to budgetary pressures and financial uncertainty in relation to the current national economic context that we will have to continue to address to meet the demand for services and needs of residents.

ICT and cyber security also remain a high risk to the council due to the potential impact on service delivery and reputational damage. There are strong control measures in place to mitigate these risks as part of the Council's governance framework and budget setting and monitoring processes.

The highest scoring risk, with an inherent risk score of 16 and residual risk score of 12 is; financial risk, which has been referred to in the report, i.e. *R03 - Reduction in current funding streams (including government grant and funding in key public sector and third party partners) or increase in costs as a result of inflation. This could lead to an increasing use of reserves.*

Existing control measures and planned actions to help further mitigate risk are detailed in the report presented to the Governance Committee.

A summary of the latest risks for 2025 are below;

Risk	Risk Description	Inherent Risk Score	Residual Risk Score	Target Risk Level
R01 Incidents Impacting Service Delivery	The ability of the council to continue its service delivery/business continuity is either halted or scaled back as a result of major incidents	12	9	4
R02 Failure to Deliver Outcomes through Strategic Partnerships	Failure to achieve desired outcomes through strategic relationships.	12	6	4
R03 Poor Financial Sustainability	Reduction in current funding streams (including government grants and key public sector and third-party partners) or an increase in costs. This could lead to an increase the use of reserves or a negative impact on local level service delivery.	16	12	6
R04 Failure to Realise the Benefit of Major Investments	Failure to realise the benefit of large-scale investments linked to the capital programme delivery and oversight	12	9	4
R05 Failure to Respond to External Legislation and Policy Change	Failure to respond or adapt to external legislation and policy change (e.g. devolution, local government reorganisation and changes to the national planning system).	9	6	4
R06 Lack of Staff Capacity and Skills	Lack of staff capacity or skills (including issues in relation to recruitment) which impact on service delivery or the ability of the Council to deliver large scale capital projects to support the Corporate Strategy.	16	9	4
R07 Failure of ICT Security and Data Protection	Failure of ICT security to prevent cyber-attacks, uphold data protection including GDPR regulations, and maintain ICT service delivery.	16	9	6
R08 Failure to Act to Address Climate Change	Failure to act successfully to meet commitments made by the Council to address climate change, alongside the risk of negative impacts on our communities as a result of the Climate Emergency.	12	9	6
R09 Failure to Adapt to New Ways of Working and Changing Service Demand	Failure to adapt business models and services to reflect changes in the way people interact and do business with the Council.	12	6	4
R10 Low Staff Satisfaction and Morale	Reduction in staff satisfaction and morale with the Council including increase in sickness absence.	12	6	4
R11 Changes to Key Personnel	Potential impact of changes to senior officers and elected members on service delivery and continuity.	9	6	4
R12 Corporate Governance Failure	Failure to maintain and embed the corporate governance framework or action plan leading to continued fundamental weaknesses in internal controls.	9	6	4
R13 Breakdown in Political Relationships	Failure to maintain political stability and adapt to changes in political relationships.	9	6	4
R14 Damage to the Council's Reputation	Damage to the Council's reputation and potential reduction in resident satisfaction, including in the context of reduction in satisfaction with wider public sector organisations	9	4	4
R15 Failure of Shared Service Arrangements	Failure of existing shared service arrangements and the failure to expand shared service arrangements.	9	4	1
R16 Council Underperformance	Failure to sustain performance of Corporate Strategy projects and general organisational performance.	12	6	2

## Outlook for the Future

The fact that for 2025/26, yet again, we have only received a one-year settlement has exacerbated the uncertainty and the risk in our medium term financial planning; in the absence of any figures or framework from Government, it has been almost impossible to prepare a credible financial strategy beyond 31 March 2026 with any degree of confidence in the underlying assumptions. Uncertainty prevails in respect of:

- the implementation of a new Fair Funding Review;
- changes to the Business Rates Retention Scheme;
- devolution and potential local government reorganisation;

The government has stated its intention to move to multi-year settlements from 2026/27 which may give more assurances across future medium term financial strategies. There are substantial potential changes to funding to be developed across 2025/26 to allow for this and the impact of these are not yet known.

Within this financial context the Council updated its MTFS in February 2025 to reflect the Council's new corporate priorities, as approved at the Council meeting in November 2024, and for changes in funding and expenditure. Gaps between the budget required and the likely funding available were approved by Full Council, based on assumptions of prudent economic growth and Council Tax increases to progress towards a balanced three year Medium Term Financial Strategy. There are however savings that will be required over the coming years due to the anticipated impact of changes in government funding and unfunded inflationary and other cost pressures. The Council continues to develop and refine its savings plan to close the budget gap through the delivery of savings and the generation of additional income. The MTFS is kept under constant review in order to take account of changes in demand and/or funding that may impact on the financial position going forward.

Over the course of 2024/25 the council has been working to develop its Fit for the Future transformation programme. The programme sets out the key projects that will be delivered to achieve the overall vision and savings. This includes both South Ribble specific projects, and joint projects across both Chorley and South Ribble Councils.

Alongside this, further actions to support and enable transformation and improvement include:

- Effective and consistent project management through the refreshed Project Management toolkit and supported by the Change and Delivery Board;
- Delivering the People Strategy to ensure we have the right leadership, skills and culture to drive forward transformation;
- A programme of regular service reviews to ensure that we have fit for purpose staffing structures and service models;
- Reviewing vacancies and effective vacancy management;
- Reviewing contracts and procurement to ensure that they represent best value for money;
- Effective debt management through our Debt Management Policy;
- Reviews of Directorate level savings and fees and charges;
- Horizon scanning to continue to identify risks and opportunities in our external operating environment;



- Developing our approach to partnership working, including through the Chorley and South Ribble Partnership.

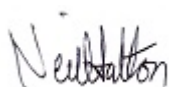
To deliver this the Council has embarked on an ambitious capital programme utilising a combination of its own reserves, external funds and also borrowing, where an appropriate business case supports repayment of the debt, to facilitate this transformational programme for its residents.

### **Going Concern**

South Ribble Borough Council's Medium Term Financial Strategy outlines the strategies it will pursue to meet current and future funding shortfalls. A balanced budget for 2025/26 has been approved and there is no reason to believe that the budget gap identified in the Council's budget in future years will not be entirely mitigated through sound financial planning and the delivery of the Fit for the Future plan. As such, it is considered appropriate to adopt a going concern basis for the preparation of these financial statements.

### **Further Information**

If you would like to receive any further information about these accounts, please do not hesitate to contact South Ribble Borough Council on 01772 625625



Neil Halton  
Director of Finance/Section 151 Officer

Date: 1 July 2025

## Introduction to the Statement of Accounts

The Accounts and Audit Regulations 2015 (as amended) require the council to produce a Statement of Accounts for each financial year.

This Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (The Code), which is based on International Financial Reporting Standards.

The Statement of Accounts contain a number of sections and statements and these are explained below:

### STATEMENTS TO THE ACCOUNTS

- Page 44     **The Independent Auditor's Report** – This gives the auditor's opinion of the financial statements and of the council's arrangements for securing economy, efficiency and effectiveness in the use of its resources.
- Page 50     **Statement of Responsibilities for the Statement of Accounts** – This summarises the responsibilities of the council and the Chief Finance Officer in relation to the Statement of Accounts.
- Page 146    **The Annual Governance Statement** – The council is required to conduct an annual review of the effectiveness of its system of corporate governance and to publish a statement on the adequacy of the system with its annual accounts. This statement is referred to as the Annual Governance Statement (AGS). The AGS explains our governance arrangements, the review of the governance framework against the Local Code of Governance and future plans to improve and strengthen the governance environment.

### CORE FINANCIAL STATEMENTS

The core financial statements consist of the following:

- Page 51     **Comprehensive Income and Expenditure Statement** – This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.
- Page 52     **Movement in Reserves Statement** – Levels of reserves, and movements therein, are indicators of the financial strength of the organisation. This statement distinguishes usable from unusable reserves. The distinction is explained in the Balance Sheet comment below.

The Movement in Reserves Statement shows the surplus or deficit arising in the year on the Provision of Service. This is the true economic cost of providing the authority's services (as detailed in the Comprehensive Income and Expenditure Statement). For the purposes of council tax setting, however, a series of statutory adjustments are then made, resulting in a line entitled "Increase/Decrease in year".

Page 53      **The Balance Sheet** – this shows the value of the assets and liabilities recognised by the authority. The total of these, the Net Assets, is matched by the authority’s reserves, as shown in the lower part of the Balance Sheet.

Reserves are categorised into “Usable”, i.e. available to fund expenditure or reduce local taxation, and “Unusable”. The latter includes the Revaluation Reserve (holding unrealised gains in property values), and other reserves holding amounts arising from differences between the accounting basis used in compiling the Comprehensive Income and Expenditure Statement and the statutory basis prescribed for taxation purposes.

Page 54      **Cash Flow Statement** – this shows the changes in cash and cash equivalents during the reporting period. It shows how cash and cash equivalents are generated and used by classifying cash flows into operating, investment and financing activities.

Page 55      **Prior Period Error** – details in respect of changes made to the 2023/24 comparative figures in respect of a prior period adjustment.

Page 60      **Notes to the Main Financial Statements** – these add to and interpret the individual statements.

## **SUPPLEMENTARY FINANCIAL STATEMENTS**

Page 130      **Collection Fund** – this is an agents statement that reflects the statutory obligation for billing authorities to record transactions relating to the collection of Council Tax and Non-Domestic Rates, and their distribution to precepting authorities, the Government, and the council itself.

Page 131      **Notes to the Collection Fund** – these add to and interpret the Collection Fund statement.

Page 134      **Group Accounts** - the authority has interests in a subsidiary, the group accounts are the financial statements of the group in which the assets, liabilities, reserves, income, expenses and cash flows of the authority and subsidiaries are presented as those of a single economic entity.

# The Independent Auditor’s Report

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## Statement of Responsibilities

This statement defines the responsibilities of the council and the Responsible Financial Officer in respect of the council's financial affairs.

### The council's Responsibilities

The council shall:

- Make arrangements for the proper administration of its financial affairs and secure that one of its officers has the responsibility for the administration of those affairs. In this council, that officer is the Director of Finance/Section 151 (S151) Officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

### The Chief Finance Officer's Responsibilities

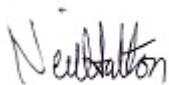
The Chief Finance Officer (Director of Finance/S151 Officer) is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code).

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

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Complied with the local authority Code;
- Kept proper accounting records which are up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

### Further Information

Further information about the accounts is available from the Shared Financial Services Team, Civic Centre, West Paddock, Leyland, Lancashire, PR25 1DH



Neil Halton  
Director of Finance/Section 151 Officer

Date: 13<sup>th</sup> February 2025

## CORE FINANCIAL STATEMENTS

### Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices. This is not the amount to be funded from taxation, since authorities raise taxation to cover expenditure in accordance with regulations. The taxation position is shown in the Movement in Reserves Statement.

2023/24 Restated				Note	2024/25		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000			Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
1,436	(1,593)	(157)	Budgets Not In Directorates		15,436	(15,960)	(524)
8,521	(2,710)	5,811	Communities and Leisure		8,788	(5,755)	3,033
25,856	(18,373)	7,483	Customer & Digital		11,844	(3,447)	8,397
7,887	(5,898)	1,989	Planning		8,802	(6,968)	1,834
8,359	(2,735)	5,624	Policy & Governance		9,782	(4,419)	5,363
7,779	(1,988)	5,791	Property		14,135	(2,312)	11,823
<b>59,838</b>	<b>(33,297)</b>	<b>26,541</b>	<b>Cost of Services</b>		<b>68,787</b>	<b>(38,861)</b>	<b>29,926</b>
436	(82)	354	Other operating expenditure	12	444	(36)	408
5,926	(7,754)	(1,828)	Financing and investment income and expenditure	13	6,365	(8,585)	(2,220)
14,005	(36,102)	(22,097)	Taxation and non-specific grant income	14	14,604	(36,836)	(22,232)
<b>80,205</b>	<b>(77,235)</b>	<b>2,970</b>	<b>(Surplus) / deficit on provision of services</b>		<b>90,200</b>	<b>(84,318)</b>	<b>5,882</b>
		1,588	(Surplus)/deficit on revaluation of Property, Plant and Equipment				(7,082)
		571	Re-measurement of the net defined benefit liability	36d			(8)
		<b>2,158</b>	<b>Other Comprehensive (Income) and Expenditure</b>				<b>(7,090)</b>
		<b>5,128</b>	<b>Total Comprehensive (Income) and Expenditure</b>				<b>(1,208)</b>

## Movement in Reserves Statement

This statement shows the movements in the year on the different reserves held by the council, analysed between those that are “usable” (available to fund expenditure or reduce local taxation), and other reserves.

The line “(Surplus)/deficit on provision of services” shows the true economic cost of providing the authority’s services, as detailed in the Comprehensive Income and Expenditure Statement. For the purposes of council tax setting however, a series of statutory adjustments are then made. These adjustments are shown in total below, and are also detailed in Note 10.

	General Fund £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
<b>Balance at 31 March 2023</b>	<b>(21,171)</b>	<b>(170)</b>	<b>(12,414)</b>	<b>(33,755)</b>	<b>(49,904)</b>	<b>(83,659)</b>
<b><u>Movements in 2023/24 (restated)</u></b>						
Total Comprehensive Income & Expenditure	2,970	0	0	2,970	2,158	5,128
Adjustments between accounting basis & funding basis (note 10)	(907)	0	2,952	2,045	(2,045)	0
<b>(Increase) / Decrease in year</b>	<b>2,063</b>	<b>0</b>	<b>2,952</b>	<b>5,015</b>	<b>113</b>	<b>5,128</b>
<b>Balance at 31 March 2024 (restated)</b>	<b>(19,108)</b>	<b>(170)</b>	<b>(9,462)</b>	<b>(28,740)</b>	<b>(49,792)</b>	<b>(78,532)</b>
<b><u>Movements in 2024/25</u></b>						
Total Comprehensive Income & Expenditure	5,882	0	0	5,882	(7,090)	(1,208)
Adjustments between accounting basis & funding basis (note 10)	(6,667)	(35)	5,117	(1,585)	1,585	0
<b>(Increase) / Decrease in year</b>	<b>(785)</b>	<b>(35)</b>	<b>5,117</b>	<b>4,297</b>	<b>(5,505)</b>	<b>(1,208)</b>
<b>Balance at 31 March 2025</b>	<b>(19,893)</b>	<b>(205)</b>	<b>(4,345)</b>	<b>(24,443)</b>	<b>(55,298)</b>	<b>(79,741)</b>

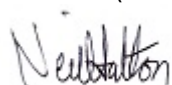
## Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. It shows the net assets of the authority which are matched by the reserves held. Reserves are reported in two categories. 'Usable Reserves' includes reserves available to provide services and other reserves which may only be used to fund capital expenditure or repay debt. 'Unusable Reserves' fall into two categories. The first consists of the Revaluation Reserve which holds unrealised gains and losses in asset values. The second category holds amounts resulting from the "adjustments between the accounting basis and the funding basis", as shown in the Movement in Reserves Statement (MiRS).

31 March 2023 restated £'000	31 March 2024 restated £'000		Notes	31 March 2025 £'000
57,995	63,723	Property, Plant & Equipment	15	75,588
396	354	Investment Property	16	319
13	44	Intangible Assets	17	33
178	259	Long Term Debtors	18	244
<b>58,582</b>	<b>64,380</b>	<b>Long Term Assets</b>		<b>76,184</b>
27,660	28,301	Short Term Investments	18	31,687
8,373	4,977	Short Term Debtors	20	10,060
8,586	1,311	Cash and Cash Equivalents *	21	0
0	0	Inventories	19	660
<b>44,619</b>	<b>34,589</b>	<b>Current Assets</b>		<b>42,407</b>
(15,396)	(15,793)	Short Term Creditors	22	(18,890)
(1,737)	(1,898)	Provisions	23	(1,433)
0	0	Bank Overdrafts *	21	(113)
<b>(17,133)</b>	<b>(17,691)</b>	<b>Current Liabilities</b>		<b>(20,436)</b>
(133)	(114)	Long Term Creditors	18	(147)
(2,061)	(2,418)	Net Pension Liability	36	(2,114)
(215)	(215)	Grant Receipts in Advance - Capital	32	(16,153)
<b>(2,409)</b>	<b>(2,747)</b>	<b>Long Term Liabilities</b>		<b>(18,414)</b>
<b>83,659</b>	<b>78,531</b>	<b>Net Assets</b>		<b>79,741</b>
(33,755)	(28,740)	Usable Reserves	24 & MiRS	(24,443)
(49,904)	(49,791)	Unusable Reserves	25	(55,298)
<b>(83,659)</b>	<b>(78,531)</b>	<b>Total Reserves</b>		<b>(79,741)</b>

\* The net position for cash and cash equivalents at 31 March 2025 was an overdrawn balance, the comparable figures between financial years are therefore shown in different lines of the balance sheet.

The draft (unaudited) accounts were authorised for issue on 1 July 2025.



Neil Halton  
Director of Finance/Section 151 Officer  
1 July 2025

## Cash Flow Statement

This shows the changes in cash and cash equivalents during the reporting period. It shows how cash and cash equivalents are generated and used by classifying cash flows into operating, investment and financing activities.

2023/24 restated £'000		Note	2024/25 £'000
(2,969)	Net surplus or (deficit) on the provision of services (Comprehensive Income and Expenditure Statement)	CIES	(5,881)
7,733	Adjustments to net surplus or deficit on the provision of services for non-cash movements	26a	5,716
(6,652)	Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	26b	(4,654)
<b>(1,888)</b>	<b>Net cash flows from Operating Activities</b>	<b>26</b>	<b>(4,819)</b>
(8,703)	Investing Activities	27	241
3,316	Financing Activities	28	3,154
<b>(7,275)</b>	<b>Net (increase) or decrease in cash and cash equivalents</b>		<b>(1,424)</b>
8,586	Cash and cash equivalents at the beginning of the reporting period		1,311
<b>1,311</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>21</b>	<b>(113)</b>



## Prior Period Errors

### Reclassification of Investment Properties to Property, Plant, and Equipment

At 31 March 2024 the Council held £10.92 million investment properties on the balance sheet. The majority of the value of assets are ground leases (£4.76 million) and industrial units (£4.50 million).

The CIPFA Code of Practice defines investment property as:

“Property (land or a building, or part of a building, or both) held solely to earn rentals or for capital appreciation or both, rather than for:

a) use in the production or supply of goods or services or for administrative purposes, or b) sale in the ordinary course of operations”.

The classification as investment properties was made a number of years ago based on the Council’s strategy and objectives at the time. Following discussion with the councils newly appointed valuers and a review of the current Corporate Strategy the council has concluded that some of the assets previously classed as investment properties would fall under the Property, Plant, and Equipment classification, as operational land and buildings and that this would have been the case for the opening balances.

The CIPFA Code of Practice requires retrospective restatement for material prior period errors, except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effects of the error.

The rationale for the original decision to classify these assets as Investment Property is no longer available. It is therefore impractical to determine at which prior period the justification ceased to exist and therefore what the total cumulative effect would have been.

The Council has judged that the value of investment properties to be reclassified was £10.56 million on 31 March 2024. It is considered that investment property has been overstated by this value with a corresponding understatement of Property, Plant, and Equipment on the balance sheet.

The income and expenditure in relation to these properties, totalling £0.564 million income in 2023-24 was treated as Financing and investment income and expenditure in the 2023-24 accounts of this £0.016 million relates to properties that are not being reclassified. Had the remaining £0.547 million been accounted for as operational land & buildings then the income and expenditure would have been recorded in the Property line within Cost of Services.

There was a net gain on revaluation of the investment properties in 2023-24. This was split between:

- A gain on revaluation of £0.349 million
- A loss on revaluation of £0.140 million

As investment properties the net gain was credited to Financing and investment income and expenditure, with a reversal from General Fund balances in the Movement in Reserves Statement to the Capital Adjustment Account to remove the income recognised in the Comprehensive Income and Expenditure in accordance with statutory accounting requirements.

Had the assets been classified as operational in the 2023-24 financial year:

- The gain on revaluation would have been credited to the revaluation reserve.
- The loss on revaluation would have been debited to the Property line within Cost of Services with the same adjustment from General Fund balances to the Capital Adjustment Account.

In addition, as investment properties there is no depreciation charge made in the accounts. Had the assets been classified as Property, Plant, and Equipment then a depreciation charge would have been applicable on the buildings. The required split between land and buildings, as well as the remaining useful economic life is not available to make an estimation of the charge in any accounts prior to 2023-24.

Depreciation is calculated on opening balances, there is a lack of available data to allow this to be done to restate the 2023-24 accounts. A charge has been made to the 2024-25 accounts based on the opening balances had they been classified as operational land & buildings.

In order to show the effect of these adjustments, the council has restated the prior year information for 2023/24 for the amounts in each of the following reported service lines in the Comprehensive Income and Expenditure Statement. The following are the relevant extracted lines from the Comprehensive Income and Expenditure Statement. The Comprehensive Income and Expenditure Statement with appropriate restatement for 2023/24 can be found on page 51 of these financial statements.

Effect on Comprehensive Income and Expenditure Statement 2023/24	Originally Stated 2023/24	Restated 2023/24	Amount of Restatement
	Net Expenditure £'000	Net Expenditure £'000	Net Expenditure £'000
Property	6,198	5,791	(407)
<b>Cost of Services</b>	<b>26,948</b>	<b>26,541</b>	<b>(407)</b>
Financing and investment income and expenditure	(2,584)	(1,828)	756
<b>(Surplus) / deficit on provision of services</b>	<b>2,621</b>	<b>2,970</b>	<b>349</b>
(Surplus)/deficit on revaluation of Property, Plant and Equipment	1,937	1,588	(349)
<b>Other Comprehensive (Income) and Expenditure</b>	<b>2,507</b>	<b>2,158</b>	<b>(349)</b>
<b>Total Comprehensive (Income) and Expenditure</b>	<b>5,128</b>	<b>5,128</b>	<b>0</b>

The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom requires that an authority present a Balance Sheet at the beginning of the preceding period when an authority makes a retrospective restatement. The following table demonstrates the effects on the following line items in the Balance Sheet for the financial year 2022/23 and 2023/24. The restated (for the relevant line items) prior period Balance Sheet is provided with the current year information on page 53 of the financial statements.

<b>Effect on Balance Sheet at 31 March 2023</b>	<b>As previously stated 2022/23</b>	<b>As restated 2022/23</b>	<b>Restatement</b>
	<b>31 March 2023 £'000</b>	<b>31 March 2023 £'000</b>	<b>31 March 2023 £'000</b>
Property, Plant & Equipment	47,650	57,995	<b>10,345</b>
Investment Property	10,741	396	<b>(10,345)</b>

<b>Effect on Balance Sheet at 31 March 2024</b>	<b>As previously stated 2023/24</b>	<b>As restated 2023/24</b>	<b>Restatement</b>
	<b>31 March 2024 £'000</b>	<b>31 March 2024 £'000</b>	<b>31 March 2024 £'000</b>
Property, Plant & Equipment	53,158	63,723	<b>10,565</b>
Investment Property	10,919	354	<b>(10,565)</b>

A restatement was also required for the Movement in Reserves Statement for unusable reserves. The restated (for the relevant line items) prior period Movement in Reserves Statement is provided with the current year information on page 52 of the financial statements.

	General Fund £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
<b>Balance at 31 March 2023</b>	<b>(21,171)</b>	<b>(170)</b>	<b>(12,414)</b>	<b>(33,755)</b>	<b>(49,904)</b>	<b>(83,659)</b>
<b><u>Movements in 2023/24 (as previously stated)</u></b>						
Total Comprehensive Income & Expenditure	2,621	0	0	2,621	2,507	5,128
Adjustments between accounting basis & funding basis (note 10)	(558)	0	2,952	2,394	(2,394)	0
<b>(Increase) / Decrease in year</b>	<b>2,063</b>	<b>0</b>	<b>2,952</b>	<b>5,015</b>	<b>113</b>	<b>5,128</b>
<b>Balance at 31 March 2024 (as previously stated)</b>	<b>(19,108)</b>	<b>(170)</b>	<b>(9,462)</b>	<b>(28,740)</b>	<b>(49,792)</b>	<b>(78,532)</b>
<b>Balance at 31 March 2023</b>	<b>(21,171)</b>	<b>(170)</b>	<b>(12,414)</b>	<b>(33,755)</b>	<b>(49,904)</b>	<b>(83,659)</b>
<b><u>Movements in 2023/24 (restated)</u></b>						
Total Comprehensive Income & Expenditure	2,970	0	0	2,970	2,158	5,128
Adjustments between accounting basis & funding basis (note 10)	(907)	0	2,952	2,045	(2,045)	0
<b>(Increase) / Decrease in year</b>	<b>2,063</b>	<b>0</b>	<b>2,952</b>	<b>5,015</b>	<b>113</b>	<b>5,128</b>
<b>Balance at 31 March 2024 (restated)</b>	<b>(19,108)</b>	<b>(170)</b>	<b>(9,462)</b>	<b>(28,740)</b>	<b>(49,791)</b>	<b>(78,531)</b>
<b>Restatement</b>						
Total Comprehensive Income & Expenditure	349	0	0	349	(349)	0
Adjustments between accounting basis & funding basis (note 10)	(349)	0	0	(349)	349	0
<b>(Increase) / Decrease in year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance at 31 March 2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

A restatement was also required for the Cash Flow. The restated (for the relevant line items) prior period Cash Flow is provided with the current year information on page 54 of the financial statements.

Effect on Cash Flow Statement 2023/24	Note	2023/24 As previously stated £'000	2023/24 Restated £'000	2023/24 Restated £'000
Net surplus or (deficit) on the provision of services (Comprehensive Income and Expenditure Statement)	CIES	(2,621)	(2,969)	(348)
Adjustments to net surplus or deficit on the provision of services for non-cash movements	26a	7,385	7,733	348
Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	26b	(6,652)	(6,652)	0
<b>Net cash flows from Operating Activities</b>	<b>26</b>	<b>(1,888)</b>	<b>(1,888)</b>	<b>0</b>
Investing Activities	27	(8,703)	(8,703)	0
Financing Activities	28	3,316	3,316	0
<b>Net (increase) or decrease in cash and cash equivalents</b>		<b>(7,275)</b>	<b>(7,275)</b>	<b>0</b>
Cash and cash equivalents at the beginning of the reporting period		8,586	8,586	0
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>21</b>	<b>1,311</b>	<b>1,311</b>	<b>0</b>

The restatements also affect a number of the notes to the accounts. The following notes all contain restated figures for the 2023/24 financial year:

1. Note 1: Expenditure and Funding Analysis – Note to the main Financial Statements (page 60)
2. Note 8: Note to the Expenditure and Funding Analysis (page 78)
3. Note 9: Expenditure and Income Analysed by Nature (page 81)
4. Note 10: Adjustments between Accounting Basis and Funding Basis Under Regulations (page 81)
5. Note 13: Financing and investment income and expenditure (page 87)
6. Note 15: Property Plant and Equipment (page 90)
7. Note 16: Investment Properties (page 94)
8. Note 25: Unusable Reserves (page 105)
  - a. Note 25a: Revaluation Reserve (page 106)
  - b. Note 25b: Capital Adjustment Account (page 106)
9. Note 26: Cash Flow Statement – Operating Activities (page 110)

The restatements have also been made in the entity figures in the Group Accounts (pages 134-145).

# Notes to the Main Financial Statements

**NOTE:** values throughout these accounts are presented rounded to whole numbers (usually thousands or millions of pounds). Totals in supporting tables and notes may appear not to exactly match to the Core Financial Statements or other tables, due to rounding differences.

## 1. Expenditure and Funding Analysis

The Expenditure and Funding Analysis Note, which is a note to the core financial statements, shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's directorates.

Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES). More information on the adjustments between expenditure charged to the General Fund and the CIES is provided in Notes 8 and 10.

2023/24 Restated				2024/25		
Net Expenditure chargeable to the General Fund Balance £'000	Adjustments between the Funding and Accounting Basis (note 8 and 10) £'000	Net Expenditure in the CIES £'000		Net Expenditure chargeable to the General Fund Balance £'000	Adjustments between the Funding and Accounting Basis (note 8 and 10) £'000	Net Expenditure in the CIES £'000
(192)	35	(157)	Budgets Not In Directorates	(571)	47	(524)
2,841	2,970	5,811	Communities and Leisure	2,765	268	3,033
7,031	452	7,483	Customer & Digital	8,015	382	8,397
1,630	359	1,989	Planning	1,435	399	1,834
5,840	(216)	5,624	Policy & Governance	5,433	(70)	5,363
493	5,298	5,791	Property	1,094	10,729	11,823
<b>17,643</b>	<b>8,898</b>	<b>26,541</b>	<b>Net cost of Service</b>	<b>18,171</b>	<b>11,755</b>	<b>29,926</b>
(15,580)	(7,991)	(23,571)	Other Income and Expenditure	(18,954)	(5,090)	(24,044)
<b>2,063</b>	<b>907</b>	<b>2,970</b>	<b>(Surplus) / Deficit in year</b>	<b>(783)</b>	<b>6,665</b>	<b>5,882</b>
(21,171)			Opening General Fund Balance at 1 April	(19,108)		
2,063			Add (Surplus) / Less Deficit on General Fund Balance in Year	(783)		
<b>(19,108)</b>			<b>Closing General Fund Balance at 31 March</b>	<b>(19,891)</b>		

## 2. Accounting Policies

### General Principles

The Statement of Accounts summarises the council's transactions for the 2024/25 financial year and its position at the year end of 31 March 2025. The council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015 which require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Chartered Institute of Public Finance and Accountancy 2024/25 Code of Practice on Local Authority Accounting in the United Kingdom (the Code), supported by International Financial Reporting Standards (IFRS).

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

### Accruals of Income and Expenditure (Revenue Recognition)

The Income and Costs of the council are accounted for in the period to which they relate, regardless of when the cash is paid or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Revenue from Council Tax and Business Rates is measured at the full amount receivable (net of impairment losses) as they are non-contractual, non-exchange transactions. Revenue from non-exchange transactions shall be recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the authority, and the amount of the revenue can be measured reliably.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

### Cash and Cash Equivalents

Cash and Cash Equivalents are shown net of bank overdrafts, where applicable, that are repayable on demand.

- Cash consists of cash in hand and deposits repayable without penalty on notice of not more than 24 hours.



- Cash Equivalents consist of highly liquid investments which mature in less than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### **Charges to Revenue for Non-Current Assets**

Services, support services and trading accounts are debited with depreciation charges, revaluation and impairment losses in excess of accumulated revaluation gains, and amortisation charges in respect of intangible assets.

The Authority is not required to raise council tax to meet these charges. Instead it has 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 Authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance (the Minimum Revenue Provision), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### **Council Tax and Non-Domestic Rates**

Billing authorities such as South Ribble Borough Council act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government 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 National Non-Domestic Rates**

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority'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 authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

### **Contingent Assets and Liabilities**

These are assets and liabilities arising from past events the existence of which will only be confirmed by future events not wholly within the council's control. They are disclosed in the notes to the main financial statements. See Note 37 to the accounts.

## **Exceptional Items**

When items of income or expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement, or in the notes to the main financial statements, depending on their significance.

## **Employee Benefits**

### Benefits payable during employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the authority. An accrual is made for the cost of holiday entitlements (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.

### Termination benefits

These are amounts payable as a result of a decision to terminate an officer's employment before the normal retirement date, or a decision to accept voluntary redundancy. The costs are recognised when the council commits itself to terminate the employment of an officer or group of officers, or makes an offer to encourage voluntary redundancy. The charge is made to the relevant service line in the Comprehensive Income and Expenditure Statement.

### Post-Employment Benefits

Employees who are members of the Local Government Pension Scheme which provides defined benefits to those members. Full details of transactions are given in Note 36 to the accounts. The following notes explain the methodology.

The liabilities of the fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc. and projections of earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate for the year (based on the indicative rate of return on high quality corporate bonds).

The assets of the fund attributable to the Authority are included in the Balance Sheet at their fair value:

- quoted securities – current bid price
- unquoted securities – professional estimate
- unitised securities – current bid price
- property – market value

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

Service cost comprising:

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years will be debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs;
- net interest on the net defined benefit liability i.e. net interest expense for the council - the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments;

Re-measurement comprising:

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

Contributions paid to the 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 appropriations 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.

#### Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities thus arising are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

## **Events after the Reporting Period**

Where an event occurs after the Balance Sheet date and it provides evidence of conditions that existed at the Balance Sheet date, the amounts recognised in the Statement of Accounts relating to this are adjusted.

Where an event that occurs after the Balance Sheet date is indicative of conditions that arose after the Balance Sheet date, the amounts recognised in the Statement of Accounts are not adjusted. The “non-adjusting event”, and an estimate of the financial effect, is however disclosed in the notes to the main financial statements.

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

## **Financial Instruments**

### Financial Liabilities

Borrowings are initially measured at fair value and carried at their amortised cost. The annual charge to the Comprehensive Income and Expenditure Statement (CIES) is based on the carrying amount multiplied by the effective rate of interest. The amount presented in the Balance Sheet is the outstanding principal payable plus interest accrued at 31 March.

Gains or losses on premature redemption are charged to the Comprehensive Income and Expenditure Statement unless they are the result of a restructure that involves the modification or exchange of existing instruments, in which case they are added to the amortised cost and charged over the life of the modified or exchanged loan. Where charged to the Comprehensive Income and Expenditure Statement, regulations require discounts to be amortised over the shorter of the life of the original loan or ten years. Greater discretion applies to premia, they can be amortised over the life of the original or replacement loan, or a shorter period. A transfer is done from the General Fund Balance to the Financial Instruments Adjustment Account to give effect to these regulations.

### Financial Assets

Financial assets measured at amortised cost are initially measured at fair value and carried at amortised cost. The annual credit to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement is based on the carrying amount multiplied by the effective rate of interest. The amount presented in the Balance Sheet is the outstanding principal receivable plus interest accrued at 31 March.

The authority recognises expected credit losses on all of its financial assets measured 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 authority. Where a financial asset measured at amortised cost is identified as being subject to an expected credit loss, this shall be recognised as an impairment and the loss charged to Financing and Investment Income and Expenditure in the Comprehensive Income and Expenditure Statement.

## **Going Concern**

The accounts have been prepared on the assumption that the council will continue in existence for the foreseeable future. Transfers of services under combinations of public sector bodies (such as local government reorganisation) do not negate the presumption of going concern.

## **Government Grants and Other Contributions**

Government grants and other contributions for both revenue and capital purposes are accounted for on an accruals basis and recognised in the accounts when the conditions for their receipt have been complied with. If compliance has not been achieved, cash received is held on the Balance Sheet as a long term creditor.

The postings in the Comprehensive Income and Expenditure Statement relating to capital grants and contributions are reversed out of the General Fund balance in the Movement in Reserves Statement. If the monies have not been used they are credited to the Grants Unapplied Reserve. If they have been applied to fund capital expenditure they are credited to the Capital Adjustment Account.

### Community Infrastructure Levy

The Authority has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds with appropriate planning consent. The Authority charges for and collects the levy, which is a planning charge. The levy income will be used to fund a number of infrastructure projects to support the development of the area. CIL received is limited by regulations. It is therefore recognised at the commencement date of the development in the Comprehensive Income and Expenditure Statement in accordance with the above core accounting policy for grants and contributions. CIL charges will be largely to fund capital expenditure with a small proportion used to fund revenue.

## **Intangible assets**

Expenditure on assets that do not have physical substance but are identifiable and controlled by the council (e.g. software licences), is capitalised at cost if it is expected that future economic benefits or service potential will flow to the council for more than one financial year. Internally generated assets are capitalised where it is demonstrated that these will generate future economic benefits or service potential for the council.

The cost is amortised over the economic life to reflect the pattern of consumption. The charge is made to the relevant service line in the Comprehensive Income and Expenditure Statement.

The postings in the Comprehensive Income and Expenditure Statement are reversed from the General Fund balance in the Movement in Reserves Statement and charged to the Capital Adjustment Account.

## **Long term Contracts**

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.

## **Investment Properties**

Investment properties are those held solely to earn rentals or for capital appreciation. They are measured initially at cost and subsequently at fair value. Valuations are provided by Royal Institution of Chartered Surveyors (RICS)-qualified valuers, are on the basis recommended by CIPFA, and accord with the Statement of Asset Valuation Principles and Guidance Notes issued by the RICS. They are not depreciated but are re-valued annually. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal. Gains and losses on revaluation and disposal are not permitted by statute to impact on the council tax. A reversal is therefore done between the General Fund Balance and the Capital Adjustment Account (or, in the case of sale proceeds exceeding £10,000, to the Capital Receipts Reserve).

Operating income and expenditure from investment properties are charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

## **Leasing**

The council classifies contracts as leases based on their substance. Contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. This includes arrangements with nil consideration, peppercorn or nominal payments.

On adoption of IFRS16 Leases, with the exception of nil consideration leases, decisions about whether contracts are or contain leases made before the adoption date will not be revisited:

- Where a lease was identified applying IAS17 Leases and IFRIC 4 *Determining whether an Arrangement Contains a Lease*, the arrangement will continue to be accounted for as a lease from the adoption date.
- Where consideration of IAS 17 and IFRIC 4 did not result in the identification of a lease, the arrangement is not reconsidered under the new provisions. If such a contract is modified after that date, new consideration will be given as to whether lease accounting has become applicable.

## **The Authority as lessee**

### **Low value and short lease exemption**

As permitted by the Code, the authority excludes leases:

- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise) and
- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, the cost applies to the value of the asset when new and the exemption does not apply to head leases.

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use or the IFRS 16 transition date, if later.

The council initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined.

Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the authority is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received. However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

The right-of-use asset is subsequently measured using the fair value model. The council considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. Right-of use assets held under index-linked leases will be adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method.

The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate

- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

#### Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred.

Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charged against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

#### **The Authority as lessor**

##### Finance leases

Where the Authority grants a finance lease over an asset, it is written out of the Balance Sheet and charged to the "gain or loss on disposals" line in Other Operating Expenditure in the Comprehensive Income and Expenditure Statement. The Authority's net investment in the lease is credited to the same line, matched by a Long-Term Debtor in the Balance Sheet. Lease rental receipts are split between finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement), and the principal element applied to write down the Long-Term Debtor.

##### Operating leases

Where the Authority grant an operating lease over an asset it remains on the Balance Sheet, and the income is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. See Note 35 to the accounts.

#### **Non-Current Assets Held for Sale**

Accounting treatment is detailed in the Property Plant and Equipment, Disposal and Non-Current Assets Held for Sale policy.

#### **Overheads**

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



## **Prior Period Adjustments, Changes in Accounting Policies, and Estimates and Errors**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in 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 practice or if the change provides more reliable or relevant information about the effect of transactions on the council's financial position or financial performance. Where a change is made it is applied retrospectively by adjusting opening balances and comparative amounts from prior periods. Material errors will also require a prior period adjustment. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the period.

## **Property Plant and Equipment (PPE)**

All expenditure on the acquisition, creation, or enhancement of fixed assets is capitalised on an accruals basis in the accounts provided it exceeds the 'de minimis' threshold of £10,000 and provides benefits to the council for a period of more than one year.

### Measurement

Assets are initially measured at cost, comprising the purchase price, and 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 the council. Should they be incurred, the Authority would capitalise borrowing costs incurred whilst major assets are under construction.

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

- Assets under Construction, equipment, and certain Community Assets [where a current value measurement is not suitable] are held at depreciated historical cost.
- Infrastructure Assets are held at depreciated historical cost, however, in accordance with the Temporary Relief offered by the Update to the CIPFA Code of Practice on infrastructure assets the gross cost and accumulated depreciation are not separately disclosed.
- All other assets are measured at current value, determined as the amount that would be paid for the asset in its existing use.

In respect of specialised assets, if there is an absence of market based evidence of value, depreciated replacement cost is used as an estimate of current value.

Valuations are provided by Royal Institution of Chartered Surveyors (RICS)-qualified valuers, are on the basis recommended by CIPFA, and accord with the Statement of Asset Valuation Principles and Guidance Notes issued by the RICS. Assets held 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 credited to the Revaluation Reserve unless they reverse previous losses charged to the Comprehensive Income and Expenditure Statement, in which case the gain shall be credited to that account. A fall in value will be charged firstly against any balance held in the Revaluation Reserve. If this is insufficient or non-existent, the charge is made to the relevant service line in the Comprehensive Income and Expenditure Statement.

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

#### Depreciation

Non-current assets held for sale are not depreciated. Other property is depreciated over its useful life on a straight-line basis. Depreciation is based on the opening value of assets. Components are separately depreciated if

- The total value of the host asset (excluding land) exceeds £0.500m and
- The value of the component exceeds 20% of the asset value (excluding land)

Revaluation gains are also depreciated by transfer of the difference between the current valuation depreciation charge and the historic cost depreciation charge, from the Revaluation Reserve to the Capital Adjustment Account.

#### Impairment

All assets are reviewed annually for impairment. Impairment losses are charged against revaluations held in the Revaluation Reserve. If these are inadequate the loss is charged to the relevant service line in the Comprehensive Income and Expenditure Statement. If an impairment loss is subsequently reversed, the reversal, up to the amount of the original loss adjusted for depreciation, is credited to the relevant service line in the Comprehensive Income and Expenditure Statement.

#### Disposal 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 continuing use, it is reclassified as an Asset Held for Sale and shown within current assets. The asset is re-valued immediately and carried at the lower of this amount and current value less costs to sell. If assets subsequently fail to 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) and their recoverable amount at the date of the decision not to sell.

On disposal the carrying amount of an asset is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement, as part of the gain or loss on disposal. Receipts exceeding £10,000 from disposal are credited to the same line; lesser receipts are included as service income in cost of services. Any revaluation gains accumulated in the Revaluation Reserve are transferred to the Capital Adjustment Account.

#### Flexible use of Capital Receipts

Where the council has made qualifying expenditure, as set out in statutory guidance provided by the Ministry of Housing, Communities and Local Government, and where the relevant notifications have been made the council will utilise capital receipts to fund the revenue costs of transformation projects.

#### Capital Charges and Council Tax

The postings in the Comprehensive Income and Expenditure Statement in respect of depreciation, impairment, disposal and revaluation are reversed in the Movement in Reserves

Statement to avoid impacting on council tax. Capital Receipts exceeding £10,000 are reversed to the Capital Receipts Reserve. Other reversals are to the Capital Adjustment Account.

### **Provisions**

Provisions are made where an event has taken place that gives the council an obligation that probably requires settlement by a transfer of economic benefits, but where the timing is uncertain. Provisions are charged to the appropriate revenue account, Expenditure, when incurred, is charged direct to the provision.

### **Reserves**

Reserves are created by appropriating amounts from the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from the reserve is incurred, it is charged to the relevant service in the Comprehensive Income and Expenditure Statement, and the reserve is appropriated back into the General Fund Balance through the Movement in Reserves Statement.

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

Expenditure incurred during the year that may be capitalised under statutory provision 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.

If the Authority has determined to use capital resources to meet the cost (as opposed to funding from revenue) a transfer is done in the Movement in Reserves Statement, from the General Fund Balance to the Capital Adjustment Account, so that there is no impact on the council tax.

### **Value Added Tax**

VAT is included in the accounts only to the extent that it is irrecoverable.

### **Fair Value Measurement**

The council measures some of its non-financial assets such as investment properties 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 liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

Valuations of non-financial assets are provided by Royal Institution of Chartered Surveyors (RICS)-qualified valuers, are on the basis recommended by CIPFA, and accord with the Statement of Asset Valuation Principles and Guidance Notes issued by the RICS.

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

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

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

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

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

### 3. Accounting standards that have been issued but have not yet been adopted

The 2024/25 Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code. The Code requires an authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year.

Paragraph 3.3.4.3 and Appendix C of the Code adapt IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors on an annual basis to limit the impact of standards that have been issued but not yet adopted to those listed in Appendix C of the Code in the relevant year of account (in this case the 2024/25 Code).

The standards introduced by the 2024/25 Code are:

- **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).

IFRS16 Leases will lead to a substantial change in accounting practices for lessees as it removes the traditional distinction between finance leases and operating leases. Finance leases have effectively been accounted for as acquisitions, creating both an asset and liability on the balance sheet. In contrast operating leases have been treated as 'pay as you go' arrangements, with rentals expensed in the year they are paid. IFRS16 requires that all substantial leases are recognised as a right-of-use asset and a lease liability representing the lessee's obligation to make lease payments for the asset.

The standard allows for exemptions in the following circumstances:

- Low-value assets
- Short term leases (with a term of 12 months or less)

Implementation of the standard was deferred until 1 April 2024 and the council has reviewed its leases to assess the likely impact of the change. No material transactions have been identified and therefore there is no material impact on the financial statements.

- **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.
- **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.
- **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.
- **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.
- **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:
  - 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.

#### 4. Critical judgements in applying accounting policies

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

##### **Fair Values**

When measuring the fair value of a non-financial asset, the council uses judgement to ascertain 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. It also uses judgements regarding inputs to valuation techniques, particularly whether they are applicable and relevant to the assets or liabilities, either directly or indirectly, being valued

##### **Business Rates Appeals**

With business rates, ratepayers who consider the rateable values of their properties to be too high can lodge an appeal with the Valuation Office to have it reviewed. Any resulting reduction in bills can be backdated, perhaps over several years. This creates an uncertainty, because it means that the amount of income for the year from business rates, which has been included by the council in this Statement of Accounts, may later be reduced. Given that the gross income (before reliefs) in each financial year is over £55m and that the provision is required to cover several years, even a relatively low percentage allowance produces a material amount, so the council must acknowledge this in its Statement.

Given that the uncertainties involved, i.e. the numbers of future appeals, their value and how far they will be backdated are all unknown, the question arises as to whether this should be treated as a provision or as a contingent liability. It is considered that it should be recognised as a provision, rather than as a contingent liability, because it meets the definition of a provision under IAS 37, in that there is:

- (1) a present obligation arising from a past event;
- (2) payment is probable;
- (3) the amount can be estimated reliably.

In respect of (1), the 'present obligation' can (under IAS 37) be either legal or constructive. For appeals already lodged the present obligation would be legal. However, for appeals not yet lodged, the present obligation is constructive, on the basis that the past practice of the council, in processing liability adjustments and associated refunds, creates a valid expectation on the part of the business rates payer that refunds will be granted in the future, as a result of equivalent liability adjustments. The past event is the raising of the business rates charge.

In respect of (2), there is a probability of payment, although there is a chance that refunds may not be payable, if individual businesses no longer exist. However, the number of such credits

written off is very low. Any credits that are written off require liability adjustment (effectively re-raising the debt for refunds that are not payable). As such they are included in the data that feeds into the provision calculation.

In respect of (3), because of the nature of the revised appeals process introduced from April 2017 onwards, there are particular issues in estimating the potential value of appeals against valuations effective from that time onwards. The information on the numbers and potential values of cases at the 'Check' and 'Challenge' stages of the process for the 2017 list appeals has been reviewed along with the limited data available for the 2023 list appeals. Where data is limited the pattern of liability movements resulting from successful appeals across the years from 2010/11 to 2016/17, together with comments by the Valuation Office that the approach adopted for the 2017 revaluation was the same as for earlier valuations and a review of the approaches adopted by other authorities, supports the view that the level of provision made by the council at the end of 2024/25 is of an appropriate level.

The need for local authorities to consider making a business rates appeals provision developed as a result of the change to 'Business Rates Retention' within the local government finance system from 2013/14 onwards. Prior to this, the impact of appeals was absorbed within the amounts paid by the council into the then national business rates pool. The relevant CIPFA guidance clarified the view on whether authorities should include an element for refunds on appeals not yet lodged. It quoted IAS 37, paragraph 39 which deals with situations involving large populations where the obligation is estimated by weighting all possible outcomes by their associated probabilities. It is considered that the appeals provision methodology adopted by the council is entirely consistent with this 'expected value' methodology.

## 5. Assumptions about the future and other major sources of estimation uncertainty

The Statement of Accounts contains figures estimated on the basis of historical experience, current trends and other relevant factors. The following table notes items for which there is a significant risk of material future adjustment:

Item	Uncertainty	Effect if actual results differ
Pensions liability and assets	<p>The estimated liabilities depend on a number of complex judgements. These include future retirement ages, mortality rates, salary increases, returns on investments and discount rates. A firm of consulting actuaries is engaged to provide advice on these assumptions.</p> <p>The scheme holds a varied portfolio of assets, details of which are shown at Note 36h. The valuations shown in this Statement are those assessed as at 31 March 2025 and again these are provided by a firm of consulting actuaries.</p>	<p>Sensitivity to the factors contributing to this estimate is shown in Note 36i. Small changes have major impacts on the pension fund, the impact on the defined benefit obligation would be as follows:</p> <p>+1-year longevity: £2.012m</p> <p>+0.25% inflation: £3.343m</p> <p>+0.25% salary inflation: £0.586m</p>

Item	Uncertainty	Effect if actual results differ
		<p>+0.5% in the rate for discounting scheme liabilities: (£6.352m)</p> <p>+1% investment returns: (£1.297m)</p>
Asset valuations	<p>Note 15e shows that fixed assets (excluding Infrastructure assets) valued at £93.961m are carried at either current value (£57.904m) or depreciated replacement cost value (£36.058m).</p> <p>Note 16 shows that investment properties valued at £0.319m are carried at current value.</p> <p>The valuations have been carried out by qualified valuers in accordance with Royal Institution of Chartered Surveyors Guidance.</p>	<p>The values are only estimates and thus could over or understate the actual values realisable if sale actually occurred.</p> <p>The valuations in respect of Investment Properties are those most subject to market variations. A fall in the value of these would result in a charge to the CI&amp;ES. As the value of investment properties held is immaterial, a 10% change in value would not be significant.</p> <p>A 10% in the value of other assets valued at current cost would produce a variation of £5.790m. How much, if any, of this would be chargeable to the CIES would depend on the individual assets affected and on whether or not there were associated balances in the Revaluation Reserve.</p>

## 6. Material items of income and expense

All material items have been disclosed in the statement or in the notes to the main financial statements. For the purposes of this note the council considers material items to be those greater than £1.121m (2023/24 £0.996m). This equates to 1.9% of the council's prior year gross service expenditure in cost of services for the previous financial year and matches the level of the threshold stated by the council's auditor in the External Audit Plan, as received by Governance Committee at its meeting of 27 May 2025.



## 7. Events after the reporting period

The draft (unaudited) Statement of Accounts was authorised for issue by the Director of Finance on 1 July 2025. Subsequent events are not reflected in the financial statements or in the notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes will be adjusted in all material respects to reflect the impact of this information.

There are no adjusting or non-adjusting events after the Balance Sheet date.

## 8. Note to the Expenditure and Funding Analysis

The Expenditure and Funding Analysis, which forms Note 1 to the Accounts, can be found on page 60.

2024/25	Adjustments for Capital Purposes (Note A)	Net change for the Pensions Adjustments (Note B)	Other Statutory Adjustments (Note C)	Total Statutory Adjustments	Non-Statutory Adjustments (Note D)	Total Adjustments
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	£'000	£'000	£'000	£'000	£'000	£'000
Budgets Not In Directorates	11	36	0	47	0	47
Communities and Leisure	333	(66)	1	268	0	268
Customer & Digital	587	(156)	(65)	366	16	382
Planning	444	(45)	0	399	0	399
Policy & Governance	15	(102)	2	(85)	15	(70)
Property	10,772	(22)	(2)	10,748	(19)	10,729
<b>Net Cost of Service</b>	<b>12,162</b>	<b>(355)</b>	<b>(64)</b>	<b>11,743</b>	<b>12</b>	<b>11,755</b>
Other income and expenditure from the Expenditure and Funding Analysis	(4,607)	58	(529)	(5,078)	(12)	(5,090)
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>7,555</b>	<b>(297)</b>	<b>(593)</b>	<b>6,665</b>	<b>0</b>	<b>6,665</b>

<b>2023/24 Comparative Figures (restated)</b>						
<b>Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts</b>	<b>Adjustments for Capital Purposes (Note A)</b>	<b>Net change for the Pensions Adjustments (Note B)</b>	<b>Other Statutory Adjustments (Note C)</b>	<b>Total Statutory Adjustments</b>	<b>Non-Statutory Adjustments (Note D)</b>	<b>Total Adjustments</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Budgets Not In Directorates	0	35	0	35	0	35
Communities and Leisure	3,010	(49)	9	2,970	0	2,970
Customer & Digital	463	(118)	81	426	26	452
Planning	391	(34)	2	359	0	359
Policy & Governance	21	(73)	(13)	(65)	(151)	(216)
Property	4,771	(17)	(6)	4,748	550	5,298
<b>Net Cost of Service</b>	<b>8,656</b>	<b>(256)</b>	<b>73</b>	<b>8,473</b>	<b>425</b>	<b>8,898</b>
Other income and expenditure from the Expenditure and Funding Analysis	(7,312)	44	(298)	(7,566)	(425)	(7,991)
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>1,344</b>	<b>(212)</b>	<b>(225)</b>	<b>907</b>	<b>0</b>	<b>907</b>

### Note A 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
- Finance and investment income and expenditure – the statutory charges for capital financing, i.e. Minimum Revenue Provision (MRP) and other revenue contributions, are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices (GAAP).
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under GAAP. Revenue grants are adjusted from those receivable during the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied within the year.

### Note B Net Change for Pension Adjustments

The net change for the removal of pension contributions and the addition of the IAS 19 Employee Benefits pension related expenditure and income are reflected as follows:

- For services this represents the removal of the employer pension contributions made by the authority as determined by statute and their 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 (CIES).

**Note C Other Statutory Adjustments**

Other differences between amounts debited/credited to the CIES and amounts payable/receivable to be recognised under statute are:

- For financing and investment income and expenditure - the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- For taxation and non-specific grant income - the charge represents the difference between what is chargeable under statute for Council Tax and Business Rates that was forecast to be received at the start of the year, and the income recognised under GAAP. This is a timing difference as any difference is brought forward in the surpluses or deficits on the Collection Fund.

**Note D Other Non-statutory Adjustments**

Other non-statutory adjustments represent amounts debited/credited to service segments which need to be adjusted against the 'Other income and expenditure from the Expenditure and Funding Analysis' line to comply with the presentational requirements in the Comprehensive Income and Expenditure Statement. These are:

- For financing and investment income and expenditure, adjustments in respect of the income and expenditure on investment properties and in respect of charges for the provision for non-collection of outstanding debts.

## 9. Expenditure and Income Analysed By Nature

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

Expenditure/Income	2023/24 Restated £'000	2024/25 £'000
<b>Expenditure</b>		
Employee benefits expenses	16,595	17,635
Other service expenses	36,894	40,780
Depreciation, amortisation and impairment	7,923	11,986
Interest payments	5,801	6,326
Precepts and levies	12,951	13,398
Loss on the disposal of assets	40	40
Loss in Fair Value of Investment Properties	0	35
<b>Total Expenditure</b>	<b>80,204</b>	<b>90,200</b>
<b>Income</b>		
Fees, charges and other service income	(9,116)	(12,881)
Interest and investment income	(7,738)	(8,569)
Income from Council Tax and Non-Domestic Rates	(24,431)	(26,160)
Government grants and contributions	(30,211)	(26,238)
Other Grants and contributions	(5,657)	(10,433)
Gain on disposal of assets	(82)	(36)
Gain in Fair Value of Investment Properties	0	0
<b>Total Income</b>	<b>(77,235)</b>	<b>(84,317)</b>
<b>Surplus or Deficit on the Provision of Services</b>	<b>2,970</b>	<b>5,883</b>

## 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 the 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 the 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 and includes Earmarked Reserves (see Note 11).

### **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 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.

2024/25	General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Unusable Reserves £'000
<b><u>Adjustments to the Revenue Resources</u></b>				
<b>Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:</b>				
Pensions costs (transferred to (or from) the Pensions Reserve) (note 25d)	296	0	0	(296)
Financial instruments (transferred to the Financial Instruments Adjustments Account)	0	0	0	0
Council tax and NDR (transfers to or from Collection Fund Adjustment Account) (note 25e)	529	0	0	(529)
Holiday pay (transferred to the Accumulated Absences Reserve) (note 25f)	63	0	0	(63)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account) (note 25b)	(9,541)	0	0	9,541
<b>Total Adjustments to Revenue Resources</b>	<b>(8,653)</b>	<b>0</b>	<b>0</b>	<b>8,653</b>
<b><u>Adjustments between Revenue and Capital Resources</u></b>				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve (MiRS)	36	(36)	0	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account) (note 25b)	419	0	0	(419)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account) (note 25b)	420	0	0	(420)
<b>Total Adjustments between Revenue and Capital</b>	<b>875</b>	<b>(36)</b>	<b>0</b>	<b>(839)</b>
<b><u>Adjustments to Capital Resources</u></b>				
Use of the Capital Receipts Reserve to finance capital expenditure (MiRS)	0	0	0	0
Application of capital grants to finance capital expenditure (MiRS)	1,113	0	5,117	(6,230)
<b>Total Capital Resources</b>	<b>1,113</b>	<b>0</b>	<b>5,117</b>	<b>(6,230)</b>
<b>Total Adjustments</b>	<b>(6,665)</b>	<b>(36)</b>	<b>5,117</b>	<b>1,584</b>

<b>2023/24 Restated</b>	<b>General Fund Balance £'000</b>	<b>Capital Receipts Reserve £'000</b>	<b>Capital Grants Unapplied £'000</b>	<b>Unusable Reserves £'000</b>
<b><u>Adjustments to the Revenue Resources</u></b>				
<b>Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:</b>				
Pensions costs (transferred to (or from) the Pensions Reserve) (note 25d)	213	0	0	(213)
Financial instruments (transferred to the Financial Instruments Adjustments Account)	0	0	0	0
Council tax and NDR (transfers to or from Collection Fund Adjustment Account) (note 25e)	298	0	0	(298)
Holiday pay (transferred to the Accumulated Absences Reserve) (note 25f)	(74)	0	0	74
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account) (note 25b)	(3,397)	0	0	3,397
<b>Total Adjustments to Revenue Resources</b>	<b>(2,960)</b>	<b>0</b>	<b>0</b>	<b>2,960</b>
<b><u>Adjustments between Revenue and Capital Resources</u></b>				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve (MiRS)	36	0	0	(36)
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account) (note 25b)	236	0	0	(236)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account) (note 25b)	1,342	0	0	(1,342)
<b>Total Adjustments between Revenue and Capital</b>	<b>1,614</b>	<b>0</b>	<b>0</b>	<b>(1,614)</b>
<b><u>Adjustments to Capital Resources</u></b>				
Use of the Capital Receipts Reserve to finance capital expenditure (MiRS)	0	0	0	0
Application of capital grants to finance capital expenditure (MiRS)	439	0	2,952	(3,391)
<b>Total Capital Resources</b>	<b>439</b>	<b>0</b>	<b>2,952</b>	<b>(3,391)</b>
<b>Total Adjustments</b>	<b>(907)</b>	<b>0</b>	<b>2,952</b>	<b>(2,045)</b>

## 11. Transfers to / from earmarked reserves

The movements in earmarked reserves during the year were as follows. The movements in the general reserve are also included, producing the overall total for general fund reserves that appears in the Movement in Reserves Statement on page 52.

Reserves	Balance at 1 April 2024 £'000	Movements				Balance at 31 March 2025 £'000	Future Years Commitment £'000	Uncommitted Reserves at 31st March £'000
		Capital Financing £'000	Movement Between Reserves £'000	Transfers From Reserves £'000	Transfers To Reserves £'000			
<b>General Fund Balance</b>	<b>(5,167)</b>					<b>(5,167)</b>		<b>(5,167)</b>
<b>Corporate Reserves</b>								
Capital Investment and Funding	(1,054)	404			(170)	(820)	820	-
Town Deal Reserve Funding	(2,139)			119		(2,020)	2,020	-
Asset Management Reserve	(1,000)					(1,000)	1,000	-
Short Life Operational Assets	(1,372)	17			(860)	(2,215)	2,215	-
Community Events	(155)			135		(20)	20	-
Apprentice, Graduate and Trainee Posts	(159)			14		(145)		(145)
Business Support Advice and Grants	(332)					(332)		(332)
Sports Development	(291)					(291)		(291)
Social Prescribing	(375)			106		(269)	269	-
Asylum Seekers Dispersal	(455)			8	(351)	(798)	798	-
Leisure Services Contingency	-				(108)	(108)		(108)
Planning Appeals	(44)					(44)		(44)
Housing Standards Enforcement	(42)					(42)		(42)
Budget Equalisation Reserve	(2,309)			118		(2,191)		(2,191)
Business rates equalisation reserve	(2,455)			15		(2,440)		(2,440)
Customer & Digital - Food Waste	-				(213)	(213)		(213)
Elections	-				(17)	(17)		(17)
Local Plan	(223)			63		(160)	160	-
Penwortham Mill Reservior	(494)			42		(452)	452	-
Climate Emergency	(253)			35		(218)	218	-
Community Wealth Building	(113)			42		(71)	71	-
Mental Health for Young People	(29)					(29)	29	-
Collection Fund Surplus/Deficit Adjustment	(145)					(145)		(145)
Delivery of the Transformation and Savings	(468)			42	(200)	(626)		(626)
Community Hubs Reserve	(36)			0	(25)	(60)	60	-
<b>Total Earmarked Reserves</b>	<b>(13,942)</b>	<b>420</b>	<b>-</b>	<b>739</b>	<b>(1,944)</b>	<b>(14,727)</b>	<b>8,133</b>	<b>(6,594)</b>
<b>Total Reserves - General and Earmarked</b>	<b>(19,108)</b>	<b>420</b>	<b>-</b>	<b>739</b>	<b>(1,944)</b>	<b>(19,894)</b>	<b>8,133</b>	<b>(11,761)</b>



Below is a description of the purpose of each of the earmarked reserves identified above:

Earmarked Reserve	Reason / Use
Capital Investment and Funding	To facilitate income generation schemes and create a diverse and self-sustaining income portfolio to enable the council to bridge potential funding gaps.
Town Deal Reserve	This is a specific reserve to contribute to the ongoing Leyland Town Deal capital programme
Asset Management Reserves	To fund future capital expenditure as required on works to existing Council Assets
Short Life Operational Assets	This was created in 23/24 for assets with shorter lives e.g. vehicles to ensure best use of resources within the capital programme
Apprentice, Graduate and Trainee Posts	This reserve provide funding for apprenticeships, graduates and trainee posts across the organisation in the coming years.
Leisure Services Contingency	This reserve has been established to mitigate costs in relation to Leisure Services across the borough.
Planning Appeals	This reserve has been established to mitigate future costs of Planning appeals.
Budget Equalisation Reserves	This funding has been created from various other reserves to offset any future inflationary, cost of living and general budget pressures.
Business Rates Equalisation Reserve	To mitigate the potential risk to the council's medium-term financial strategy by providing funds to smooth out the inherent fluctuations that occur in the Business Rates Retention System.
Customer & Digital Food Waste	To support the delivery of food waste collection resource costs in advance of commencement in April 2026
Elections Provision	An annual transfer from revenue is made to cover the four yearly Borough Elections. The next election is due to take place in May 2027. This has now been replaced by a recurring budget to generate a reserve in future years
Local Plan	To fund one-off costs in relation to the production of planning policy documents in relation to the Local Plan Development Framework.
Penwortham Mill Reservoir	This is a specific budget for any necessary works to the reservoir.
Climate Emergency	To facilitate spending on initiatives that will reduce the council or the borough's impact on climate change.
Community Wealth Building	To implement a plan to retain wealth and grow the local economy through a progressive procurement framework and social value policies.
Mental Health for Young People	To support positive mental health for young people through officer resource to deliver a programme of early intervention activity.
Collection Fund Surplus/Deficit Adjustment	To smooth the impact of fluctuations in the level of business rate deficit distribution. The bulk of this was released in 23/24 and transferred to Short Life Operational Assets.
Delivery of Transformation and Savings	To be used to assist in funding the one-off costs of any service transformation and savings reviews designed to improve the efficiency of the council and projects delivering change.
Community Hubs	An accumulation of unspent core funding allocated to be spent in accordance with the local priorities determined by each of the Community Hub forums.
Other	This reserve comprises mainly earmarked funding in respect of Asylum Seekers, Social Prescribing, Sports Development, Business Grants, Community Events and Housing Standards Enforcement.

## 12. Other operating expenditure

2023/24 £'000		2024/25 £'000
395	Parish Council precepts	404
(41)	(Gains) and losses on the disposal of non-current assets	4
<b>354</b>	<b>Total</b>	<b>408</b>

## 13. Financing and investment income and expenditure

2023/24 restated £'000		2024/25 £'000
0	Interest payable and similar charges	8
44	Net interest on the net defined benefit liability (note 36d)	58
(1,981)	Interest receivable and similar income	(2,309)
(16)	Income and Expenditure in relation to investment properties and changes in their fair value (note 16)	19
125	Allowance for impairment of outstanding debts	4
<b>(1,828)</b>	<b>Total</b>	<b>(2,220)</b>

## 14. Taxation and non-specific grant income and expenditure

2023/24 £'000		2024/25 £'000
(8,741)	Council tax income	(9,154)
(2,965)	Non-domestic rates income and expenditure	(4,012)
(4,700)	Non-ring fenced government grants	(5,258)
(5,691)	Capital grants and developer contributions	(3,808)
0	Amounts transferred between Capital Grants Unapplied and Capital Grants Received In Advance	0
<b>(22,097)</b>	<b>Total</b>	<b>(22,232)</b>

### 14(a) 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 10 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 2023/24 and 2024/25 are shown in the table below:

Lancashire Business Rates Pool - Income Allocations for 2023/24 and 2024/25	
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.

Chorley Borough Council	Tariff	7,863,271	-1,665,064	166,506	-1,498,558
Fylde Borough Council	Tariff	8,851,094	-719,596	71,960	-647,636
Hyndburn Borough Council	Tariff	5,040,763	-1,543,377	154,338	-1,389,039
Pendle Borough Council	Tariff	4,283,870	-781,679	78,168	-703,511
Ribble Valley Borough Council	Tariff	5,272,407	-979,687	97,969	-881,718
Rossendale Borough Council	Tariff	3,459,084	-593,709	59,371	-534,338
South Ribble Borough Council	Tariff	12,783,337	-2,103,915	210,392	-1,893,523
West Lancashire Borough Council	Tariff	10,657,450	-1,226,617	122,662	-1,103,955
Wyre Borough Council	Tariff	8,334,219	-922,579	92,258	-830,321
Lancashire County Council	Top-Up	-169,453,264		-1,169,582	-1,169,582
Central Government	-	96,002,456			
<b>Total</b>		<b>0</b>	<b>-11,695,805</b>	<b>0</b>	<b>-11,695,805</b>

#### Comparative figures for 2023/24:

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
Rossendale 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>

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.

## 15. Property, Plant and Equipment

### 15a Movements in Property Plant and Equipment

	Other Land & Buildings £'000	Vehicles, Plant, Furniture and Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total £'000
<b>Cost or Valuation</b>						
At 1 April 2024	48,337	15,195	369	601	9,012	73,514
<b>Opening Balance Adjustment (IFRS 16)</b>	<b>188</b>	-	-	-	-	<b>188</b>
Additions	873	932	3	19	15,138	16,965
Revaluations recognised in the Revaluation Reserve	6,063	-	-	-	-	6,063
Revaluations recognised in the surplus/deficit on the provision of services	1,692	-	-	-	-	1,692
De-recognition	(0)	(3,684)	-	-	-	(3,684)
Assets reclassified to/(from)	-	(117)	-	-	(660)	(777)
<b>At 31 March 2025</b>	<b>57,153</b>	<b>12,326</b>	<b>372</b>	<b>620</b>	<b>23,491</b>	<b>93,961</b>
<b>Depreciation and Impairment</b>						
At 1 April 2024	(566)	(10,575)	-	-	(754)	(11,894)
Depreciation charge	(1,728)	(1,002)	-	-	-	(2,730)
Depreciation written out to the Revaluation Reserve	1,019	-	-	-	-	1,019
Depreciation written out to the surplus/deficit on the provision of services	414	-	-	-	-	414
Impairment (losses)/reversals recognised in the Revaluation Reserve	0	-	-	-	-	0
Impairment (losses)/reversals recognised in the surplus/deficit on the provision of services	-	-	-	-	(11,094)	(11,094)
De-recognition	-	3,644	-	-	-	3,644
Assets reclassified (to)/from	-	25	-	-	-	25
<b>At 31 March 2025</b>	<b>(860)</b>	<b>(7,909)</b>	<b>-</b>	<b>-</b>	<b>(11,847)</b>	<b>(20,616)</b>
<b>Net Book Value</b>						
At 1 April 2024	47,771	4,620	369	601	8,259	61,619
Cumulative movements	8,522	(203)	3	19	3,385	11,726
<b>At 31 March 2025</b>	<b>56,293</b>	<b>4,417</b>	<b>372</b>	<b>620</b>	<b>11,644</b>	<b>73,346</b>

The closing net book value of other land and buildings includes £0.126m relating to Right of Use assets.

<b>Restated</b>	<b>Other Land &amp; Buildings £'000</b>	<b>Vehicles, Plant, Furniture and Equipment £'000</b>	<b>Community Assets £'000</b>	<b>Surplus Assets £'000</b>	<b>Assets Under Construction £'000</b>	<b>Total £'000</b>
<b>Cost or Valuation</b>						
At 1 April 2023 (restated)	43,134	15,469	367	-	10,060	69,029
Additions (restated)	1,120	1,133	2	-	11,990	14,244
Revaluations recognised in the Revaluation Reserve (restated)	(2,532)	-	-	29	-	(2,503)
Revaluations recognised in the surplus/deficit on the provision of services (restated)	(5,850)	-	-	-	-	(5,850)
De-recognition	(41)	(1,407)	-	-	-	(1,448)
Assets reclassified to/(from)	12,507	-	-	572	(13,037)	42
<b>At 31 March 2024</b>	<b>48,337</b>	<b>15,195</b>	<b>369</b>	<b>601</b>	<b>9,012</b>	<b>73,514</b>
<b>Depreciation and Impairment</b>						
At 1 April 2023	(704)	(11,233)	-	-	(489)	(12,426)
Depreciation charge	(1,079)	(752)	-	-	-	(1,831)
Depreciation written out to the Revaluation Reserve	915	-	-	-	-	915
Depreciation written out to the surplus/deficit on the provision of services	305	-	-	-	-	305
Impairment (losses)/reversals recognised in the Revaluation Reserve	-	-	-	-	-	-
Impairment (losses)/reversals recognised in the surplus/deficit on the provision of services	-	-	-	-	(265)	(265)
De-recognition	1	1,407	-	-	-	1,407
Assets reclassified (to)/from	(3)	3	-	-	-	-
<b>At 31 March 2024</b>	<b>(566)</b>	<b>(10,575)</b>	<b>-</b>	<b>-</b>	<b>(754)</b>	<b>(11,894)</b>
<b>Net Book Value</b>						
At 1 April 2023 (restated)	42,430	4,236	367	-	9,571	56,603
Cumulative movements	5,341	384	2	601	(1,312)	5,016
<b>At 31 March 2024</b>	<b>47,771</b>	<b>4,620</b>	<b>369</b>	<b>601</b>	<b>8,259</b>	<b>61,619</b>

## Infrastructure Assets

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

As indicated above the Council has taken the temporary relief offered by the update to the code, not to report gross cost and accumulated depreciation for infrastructure assets but this information is maintained in the permanent records of the Council. In adopting the temporary relief users of the financial statements are therefore only able to assess the remaining economic benefit to the council rather than the historical data.

<b>Infrastructure Assets</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>
<b>Net Book Value (modified historical cost)</b>		
At 1 April	1,392	2,104
Additions	979	396
Disposals	4	0
Impairment	0	0
Assets reclassified	0	0
Depreciation charge	(271)	(257)
<b>At 31 March</b>	<b>2,104</b>	<b>2,243</b>
<b>Net Book Value</b>		
At 1 April	1,392	2,104
Cumulative movements	712	139
<b>At 31 March</b>	<b>2,104</b>	<b>2,243</b>

## Reconciliation of note 15 to Property, Plant & Equipment on the Balance Sheet

<b>Infrastructure Assets</b>	<b>2023/24 restated £'000</b>	<b>2024/25 £'000</b>
Infrastructure Assets	2,104	2,243
Other Property, Plant & Equipment (restated)	61,619	73,346
	<b>63,723</b>	<b>75,589</b>

## 15b Depreciation

The following useful lives have been used in the calculation of depreciation:

<b>Type of Asset</b>	<b>Years</b>
Property (excluding components separately identified)	5-60
Property components – mechanical	25
Portable office facilities	10-15
Vehicles	3-10
IT equipment	3-5
Other equipment (excluding components separately identified)	5-15
Equipment Components – Civic Centre Solar Panels	40

## 15c Capital Commitments

At 31st March 2025 there contractual commitments, totalling £9.912m (£15.417m significant commitments at 31<sup>st</sup> March 2024) relating to capital expenditure, as listed in the table below.

<b>Description</b>	<b>Value (£'000)</b>
Civic Centre Works	237
DFGs	251
EV Charging	107
Jubilee Gardens	1,457
Leisure Centre Improvements	2,676
Leyland Town Deal	4,974
Penwortham Masterplan	144
Vernon Carus	66
<b>Total</b>	<b>9,912</b>

## 15d Effects of Changes in Estimates

Property previously classed as Investment Property has been reclassified as Property, Plant and Equipment, this has been treated as a prior period adjustment and opening balances for 2023/24 and 2024/25 adjusted accordingly.

## 15e Property, Plant and Equipment Valuations

The authority carries out a rolling programme that ensures that all property, plant and equipment required to be measured at current value is revalued at least every five years. During 2024/25 the valuations were carried out on behalf of the council by Align Property Partners. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The basis of valuation is set out in Note 2 Accounting Policies.



	Other Land & Buildings £'000	Vehicles, Plant, Furniture and Equipment £'000	Community Assets £'000	Surplus Assets	Assets Under Construction £'000	Total £'000
Carried at historical cost	-	12,326	241	-	23,491	36,058
Valued at current value as at:						
31 March 2025	47,693	-	-	-	-	47,693
31 March 2024	2,127	-	12	620	-	2,759
31 March 2023	1,314	-	93	-	-	1,407
31 March 2022	2,928	-	26	-	-	2,953
31 March 2021	3,092	-	-	-	-	3,092
<b>Total cost or valuation</b>	<b>57,153</b>	<b>12,326</b>	<b>372</b>	<b>620</b>	<b>23,491</b>	<b>93,961</b>

The figures for 31 March 2024 contain right of use assets recognised in respect of IFRS 16

### 15e Impairment losses and reversals

During 2024/25, the authority has recognised an impairment loss of £11.094m in relation to Jubilee Gardens, a new state of the art extra care facility being developed by South Ribble Borough Council. At 31 March 2025 this was classed an asset under construction and the impairment was made for the difference between the cost of construction and an estimated valuation when it becomes operational during 2025/26.

### 16. Investment properties

Rental income and operational expenditure has been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

There are no restrictions on the Authority's ability to realise the value inherent in its investment property or its right to receipt of income or the proceeds of disposal.

At 31 March 2025, the council had a contractual obligation of £4.615m to construct investment property. This is included within the figure for "Leyland Town Deal" in Table 15c: Capital Commitments.

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

	2023/24 restated £'000	2024/25 £'000
<b>Fair Value 1 April</b>	<b>396</b>	<b>354</b>
Additions - subsequent expenditure	0	0
Disposals	0	0
Net gains / (losses) from fair value adjustments	0	(35)
Transfers (to) / from Property, Plant, and Equipment	(42)	0
<b>Fair Value at 31 March</b>	<b>354</b>	<b>319</b>

### **Fair Value Hierarchy – Investment Properties**

All the council's investment properties have been value assessed as Level 2 (other significant observable inputs) on the fair value hierarchy for valuation purposes. See the Fair Value Measurement section of Note 2 Accounting Policies for an explanation of the fair value levels.

### **Transfers between Levels of the Fair Value Hierarchy**

There were no transfers between levels 1 and 2 during the year.

### **Valuation techniques used to determine Level 2 and 3 Fair Values for Investment Properties**

#### Significant Observable Inputs - Level 2

The fair value for the level 2 investment properties has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the council's area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

### **Highest and Best Use of Investment Properties**

In estimating the fair value of the council's investment properties, the highest and best use of the properties is their current use.

### **Valuation Techniques**

There has been no change in the valuation techniques used during the year for investment properties.

### **Valuation Process for Investment Properties**

The fair value of the council's investment property is measured annually at each reporting date. All valuations are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS). During 2024/25 the valuations of investment properties were carried out on behalf of the council by Align Property Partners. The basis of valuation is set out in Note 2 Accounting Policies.

## 17. Intangible assets

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

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority. The following periods have been used in amortising the Authority's significant intangible assets.

Asset Description	Amortisation Period
IT work programme	5 years
Customer Contact Centre and Relationship Management System	5 years
Revenues and Benefits System	5 years
Human Resources System	5 years
Licensing Management System	5 years
Planning & Building Control System	5 years
Committee Management System	5 years
Financial Management Information System	5 years
Performance Management System	5 years

Amortisation is on a straight line basis. In 2024/25 amortisation of £0.011m was charged to the following lines in the Comprehensive Income and Expenditure Statement.

	2023/24 £'000	2024/25 £'000
Customer & Digital	11	11
<b>Total</b>	<b>11</b>	<b>11</b>

The movements on Intangible Asset balances during the year are as follows:-

	2023/24 £'000	2024/25 £'000
Cost at start of year	406	387
Additions in year	0	0
Disposals in year	(19)	(31)
Reclassifications in year	0	0
<b>Gross cost at end of year</b>	<b>387</b>	<b>356</b>
Accumulated amortisation at start of year	(393)	(343)
Balance of accumulated amortisation brought forward in error	42	0
Disposals in year	19	31
Amortised in year	(11)	(11)
<b>Accumulated amortisation</b>	<b>(343)</b>	<b>(323)</b>
Net carrying amount at the start of the year	13	44
<b>Net carrying amount at the year end</b>	<b>44</b>	<b>33</b>

At 31 March 2025, there were no significant contractual commitments, and no individual intangible assets the amortisation of which is materially significant to the council.

## 18. Financial instruments

### 18a Categories of Financial Instrument

The following categories of Financial Instruments are carried in the Balance Sheet:

Long Term 31 March 2024 £'000	Current 31 March 2024 £'000		Long Term 31 March 2025 £'000	Current 31 March 2025 £'000
		<b>Financial Assets</b>		
		<b><i>Carried at Amortised Cost</i></b>		
0	1,311	Cash & cash equivalents (note 21)	0	0
0	28,301	Short Term Investments	0	31,687
259	1,240	Debtors	244	1,854
<b>259</b>	<b>30,852</b>	<b>Total Financial Assets</b>	<b>244</b>	<b>33,541</b>
		<b>Financial Liabilities</b>		
		<b><i>Carried at Amortised Cost</i></b>		
0	0	Bank overdraft (note 21)	0	(112)
(114)	(3,979)	Creditors	(146)	(6,294)
<b>(114)</b>	<b>(3,979)</b>	<b>Total Creditors</b>	<b>(146)</b>	<b>(6,406)</b>
		<b><i>Memo: Items that are not Financial Instruments</i></b>		
0	3,737	Debtors	0	8,206
0	(11,814)	Creditors	0	(12,597)

There has been no reclassification of assets and no pledges of collateral have been made in the periods reported in these statements.

All of the financial instruments included in the table above are carried at amortised cost and so there are no risks associated with movements in fair values.

### 18b Income, Expense, Gains and Losses

The amounts charged in the Comprehensive Income and Expenditure Statement to the Financing and Investment Income and Expenditure line (and shown in Note 13) are as follows:-

	2023/24			2024/25		
	Surplus or Deficit on Provision of Services £'000	Other Comprehensive Income and Expenditure £'000	Total £'000	Surplus or Deficit on Provision of Services £'000	Other Comprehensive Income and Expenditure £'000	Total £'000
Interest revenue on Financial Assets measured at amortised cost	(1,981)	0	(1,981)	(2,309)	0	(2,309)
Interest expense	0	0	0	8	0	8
<b>Net (gain) / cost for the year</b>	<b>(1,981)</b>	<b>0</b>	<b>(1,981)</b>	<b>(2,301)</b>	<b>0</b>	<b>(2,301)</b>

### **18c The Fair Value of Financial Assets and Financial Liabilities that are not measured at Fair Value (but for which Fair Value disclosures are required)**

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

- For non-Public Works Loan Board (PWLB) loans payable (such as Finance Leases), PWLB new borrowing rates have been applied to provide the fair value under PWLB debt redemption procedures;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

All financial assets and liabilities held by the council are carried in the Balance Sheet at amortised cost.

## **Financial Liabilities**

	31 March 2024		31 March 2025	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Short Term Borrowing	0	0	0	0
Bank Overdraft	0	0	(113)	(113)
Finance Lease (short and long-term)	0	0	(138)	(138)
Short Term Creditors	(3,979)	(3,979)	(6,198)	(6,198)
Long Term Creditors	(114)	(114)	(104)	(104)
<b>Total Liabilities</b>	<b>(4,093)</b>	<b>(4,093)</b>	<b>(6,553)</b>	<b>(6,553)</b>

Long-term creditors comprises numerous commuted sums relating to grounds maintenance. Any difference between carrying amount and fair value of each of these small sums would be immaterial, and therefore they are carried at cost as a fair approximation of their value.

## **Financial Assets**

	31 March 2024		31 March 2025	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Cash and Cash Equivalents	1,311	1,311	0	0
Investments - Loans	28,301	28,301	31,687	31,687
Short Term Debtors	1,240	1,240	1,854	1,854
Long Term Debtors	259	259	244	244
<b>Total Assets</b>	<b>31,111</b>	<b>31,111</b>	<b>33,785</b>	<b>33,785</b>

Long-term debtors comprise a number of small debts such as some small loans. Any difference between carrying amount and fair value of each of these small sums would be immaterial, and therefore they are carried at cost as an approximation of their fair value.

## **18d Nature and extent of risks arising from financial instruments**

### **Key risks**

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

- Credit risk – that other parties might fail to pay amounts due to the council.
- Liquidity risk – that the Authority might not have liquid funds available to make payments when due.
- Market risk – the possibility of financial loss arising from movements in interest rates.

## **Overall procedures for managing risk**

In managing investment risk the council works within the legal framework set out in the Local Government Act 2003 and associated regulations. This requires compliance with the CIPFA Code of Practice, the Prudential Code, and investment guidance issued through the Act. A key requirement is that the council should annually consider its Treasury Management Strategy which incorporates the following:

Prudential indicators specifying:

1. Maximum and minimum exposure to fixed and variable rates;
2. Limits on the maturity structure of the debt portfolio;
3. Limits on total borrowing.

An Investment Strategy specifying:

1. The use that should be made of credit ratings and other indicators to determine the financial standing of counterparties;
2. The use of sovereign ratings to limit investments to specific countries;
3. The maximum amounts that might be deposited with any institution;
4. The lengths of time for which deposits can be made.

## **Credit risk**

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

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet minimum creditworthiness criteria, provided by the council's treasury advisor MUFG. The creditworthiness service combines the credit ratings from all three ratings agencies (Fitch, Moody's and Standard & Poors) in a sophisticated modelling process. The Annual Investment Strategy also imposes a maximum amount and time to be invested with a financial institution located within each category.

The key areas of the Investment Strategy are as follows:

- The Council only lends to UK-incorporated financial institutions. This strategy does not therefore specify a minimum sovereign rating.
- The Council may use AAA rated Money Market Funds.
- The Council may lend to the UK Government (which includes the Debt Management Office), and UK Local Authorities.

The Treasury Management Strategy, including the Investment strategy for 2024/25 was approved by Full Council on 28 February 2024 and is available on the council's website.



## **Expected Credit Loss**

The council is required to disclose any material expected credit loss on its financial assets held at the end of the financial year, both in the following twelve months and over the lifetime of those assets.

The council's material financial assets consist of a combination of:

- deposits and investments, all of which have a life of less than twelve months, and
- short term debtors for trade receivables

The council's Investment Strategy restricts investments to a narrow range of counterparties. At 31 March 2025 it had deposits totalling £31.687m (£29.611m at 31 March 2024) with a number of different institutions. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. Review of the specific deposits and investments held at 31 March 2025 has indicated that there is no material risk of credit loss.

Assessment of the expected credit loss on the outstanding balance of trade receivables is made using a provision matrix based on the age of the outstanding debt and previous experience of recovery rates. At 31 March 2025, the outstanding gross amount in respect of those classed as Financial Instruments was £2.764m (£2.387m at 31 March 2024) and the maximum exposure to credit loss was assessed as £0.909m (£1.148m at 31 March 2024).

Loss allowances on Debtors has been assessed using overdue debtor information and calculates losses based on lifetime credit losses for all debtors overdue by more than 30 days. Debtors are assessed individually where information on the likelihood of collection exists; otherwise debtors are collectively assessed for credit risk as one group. No collateral is held as security.

## **Liquidity risk**

The authority has ready access to borrowing from the Public Works Loan Board and the money markets. There is therefore no significant risk that it will be unable to raise finance to meet its commitments.

The council manages its liquidity position through the risk management procedures outlined above as well as through cash flow management procedures required by the council.

## **Market risk**

Interest rate risk – The council has limited exposure to interest rate movements on its investments. Short term investments are not carried at fair value on the Balance Sheet, so nominal gains and losses on fixed rate investments do not impact on the Surplus or Deficit on the Provision of Service or Other Comprehensive Income and Expenditure.

To mitigate risk the Treasury Strategy reviews interest rate forecasts and fixes prudential indicators for fixed and variable interest rate exposure.

If all variable interest rates had been 1% higher (with all other variables held constant) the financial effect would have been as shown in the following table:

	£'000
Gain - Increase in interest receivable on variable rate investments	469
Gain - Impact on the Surplus or Deficit on the Provision of Service	469

The impact of a 1% fall in interest rates would be as above but with the movements being reversed.

### Price risk

The council has no material exposure to this risk.

### Foreign Exchange Risk

The council has no material exposure to this risk.

## 19. Inventories

	Property acquired or constructed for sale	
	2023/24 £'000	2024/25 £'000
<b>Balance at 1 April</b>	<b>0</b>	<b>0</b>
Transfers from Property, Plant and Equipment (assets under construction)		660
<b>Balance at 31 March</b>	<b>0</b>	<b>660</b>

All inventory balances were written out in 2022/23, however there are works underway to construct properties for sale during 2024/25 as per the CIPFA Code of Practice this must be accounted for as inventory.

## 20. Short term debtors

	31 March 2024 £'000	31 March 2025 £'000
Trade receivables	328	653
Prepayments	948	1,653
Other receivable amounts	6,914	11,052
<b>Gross carrying amount at the year end</b>	<b>8,190</b>	<b>13,358</b>
Less allowance for bad debts	(3,213)	(3,298)
<b>Net carrying amount at the year end</b>	<b>4,977</b>	<b>10,060</b>

## 21. Cash and cash equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

	31 March 2024 £'000	31 March 2025 £'000
Cash held by the Authority	1	1
Bank current and call accounts	1,310	(114)
Short term deposits (maturing within 3 months)	0	0
<b>Total cash and cash equivalents</b>	<b>1,311</b>	<b>(113)</b>

## 22. Short term creditors

	31 March 2024 £'000	31 March 2025 £'000
Trade payables	(5,223)	(4,197)
Other payables	(10,570)	(14,694)
<b>Total</b>	<b>(15,793)</b>	<b>(18,891)</b>

## 23. Provisions

The movements in provisions during the year were as follows:

	Business Rates Appeals £'000
<b>Balance at 1 April 2023</b>	<b>(1,737)</b>
Additional provisions made in 2023/24	(647)
Amounts used in 2023/24	486
<b>Balance at 31 March 2024</b>	<b>(1,898)</b>
Additional provisions made in 2024/25	(217)
Amounts used in 2024/25	683
<b>Balance at 31 March 2025</b>	<b>(1,433)</b>

The council has only one class of provision, this relates entirely to Business Rates Appeals. Due to the localisation of Business Rates, which became effective from the 1st April 2013, the council now bears part of the risk for future appeals against rateable valuations of business premises. Therefore, the council has set aside a provision for any potential liabilities as a result of appeals. At the end of 2024-25, the council is responsible for a 40% share of this liability along with the Department of Levelling Up, Housing and Communities (50%), Lancashire County Council (9%) and the Lancashire Fire Authority (1%).

These were borne wholly by the Government under the old scheme. The council's estimate of the value of outstanding appeals up to 31 March 2025 is £3.582m (£4.745m at 31 March 2024). The council has made a provision for 40% of this figure totalling £1.433m (£1.898m at 31 March 2024). Appeals are assessed and decided by the Valuation Office Agency, an executive agency of HM Revenue & Customs, rather than by the council and as such the timing of the settlement of any successful appeals is uncertain.

## 24. Usable reserves

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement (page 52). The purpose of General Fund Earmarked Reserves is detailed in Note 11 (page 85).

	31 March 2024 £'000	31 March 2025 £'000
General Fund Working Balance	(5,167)	(5,167)
General Fund Earmarked Reserves	(13,941)	(14,727)
<b>Total General Fund Balance</b>	<b>(19,108)</b>	<b>(19,894)</b>
<b>Capital Receipts Reserve</b>	<b>(170)</b>	<b>(205)</b>
S106 Contributions from developers	(5,349)	(2,419)
Community Infrastructure Levy (CIL)	(457)	(798)
Other Capital Grants and Contributions	(3,656)	(1,127)
<b>Total Capital Grants and Contributions Unapplied</b>	<b>(9,462)</b>	<b>(4,345)</b>
<b>Total Usable Reserves at year-end</b>	<b>(28,740)</b>	<b>(24,444)</b>

## 25. Unusable reserves

	Note	31 March 2024 restated £'000	31 March 2025 £'000
Revaluation Reserve (restated)	25a	(5,550)	(12,463)
Capital Adjustment Account (restated)	25b	(46,709)	(44,407)
Deferred Capital Receipts Reserve	25c	(20)	(20)
Pensions Reserve	25d	2,418	2,114
Collection Fund Adjustment Account	25e	(208)	(737)
Accumulated Absences Account	25f	278	215
<b>Total Unusable Reserves</b>		<b>(49,791)</b>	<b>(55,298)</b>

## 25a Revaluation Reserve

The Revaluation Reserve contains the gains arising from increases in the valuation of Property, Plant & Equipment and Intangible Assets. 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 holds only gains accumulated since 1 April 2007, the date it was created. Gains prior to that date are consolidated in the Capital Adjustment Account.

	2023/24 restated £'000	2024/25 £'000
<b>Balance at 1 April</b>	<b>(7,441)</b>	<b>(5,550)</b>
Upward revaluation of assets	(1,058)	(8,380)
Downward revaluation & impairment not charged to the Comprehensive Income and Expenditure Statement	2,646	1,298
Difference between fair value and historic cost depreciation	298	169
Accumulated gains on disposed assets	5	0
<b>Balance at 31 March</b>	<b>(5,550)</b>	<b>(12,463)</b>

## 25b Capital Adjustment Account

This 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. The account contains the following:

- Sums set aside to finance capital expenditure.
- Accumulated gains and losses on Investment Properties.
- Revaluation gains on Property, Plant and Equipment accumulating prior to 1 April 2007.
- The difference between the charges required by accounting practice for the amortisation of assets (depreciation and impairment) and the de-recognition of assets, and the capital charges required by statute.

	2023/24 restated £'000	2024/25 £'000
<b>Balance at 1 April</b>	<b>(44,798)</b>	<b>(46,709)</b>
<i>Reversal of items relating to capital expenditure debited or credited to the CIES:</i>		
Charges for depreciation and impairment of non-current assets	2,366	14,081
Revaluation (gains)/losses on property, plant & equipment	5,546	(2,107)
Amortisation of intangible assets	11	11
Revenue expenditure funded from capital under statute	1,657	986
Net cost of disposal of assets	(6)	40
	<b>9,574</b>	<b>13,011</b>
Adjusting amounts written out of the Revaluation Reserve		
Historic cost depreciation transfer	(298)	(169)
Revaluation reserve balances written off on disposed assets	(5)	0
<b>Net written out amount of the cost of non-current assets consumed in the year</b>	<b>9,271</b>	<b>12,842</b>
<i>Capital financing applied in the year:</i>		
Capital receipts used to finance new capital expenditure	(36)	0
Grants and contributions used in the year to fund capital expenditure	(9,568)	(9,735)
Statutory & voluntary provision for the financing of capital investment charged against the General Fund	(236)	(419)
Capital expenditure charged to the General Fund Balance	(1,342)	(420)
	<b>(11,182)</b>	<b>(10,574)</b>
Movements in the market value of Investment Properties	0	35
<b>Balance at 31 March</b>	<b>(46,709)</b>	<b>(44,406)</b>

### 25c Deferred Capital Receipts Reserve

This account shows the sums recognised on the disposal of non-current assets but for which cash settlement has yet to take place.

	2023/24 £'000	2024/25 £'000
<b>Balance at 1 April</b>	<b>(20)</b>	<b>(20)</b>
Transfer to Capital Receipts Reserve on receipt of cash	0	0
<b>Balance at 31 March</b>	<b>(20)</b>	<b>(20)</b>

### 25d Pensions Reserve

This account contains postings arising from the difference between the requirements of accounting practice and statute in respect of pensions. The costs of benefits are charged to the Comprehensive Income and Expenditure Statement when they are earned rather than when they are paid. Statutory arrangements however require that benefits be financed only when the Authority makes contributions to the pension fund.

A debit balance on the Pension Reserve therefore shows that benefits earned by employees exceed the payments made by the authority to fund them, with a credit balance showing the reverse. Statutory arrangements require that adequate funding will ultimately be set aside.

	2023/24 £'000	2024/25 £'000
<b>Balance at 1 April</b>	<b>2,061</b>	<b>2,418</b>
Re-measurements of the net defined benefit liability.	(6,456)	(13,642)
Reversal of charges posted to the Comprehensive Income and Expenditure Statement.	2,094	2,162
Employer contributions and direct payments to pensioners payable in the year.	(2,307)	(2,458)
Changes in the effect of the Asset Ceiling	7,027	13,634
<b>Balance at 31 March</b>	<b>2,418</b>	<b>2,114</b>

### 25e Collection Fund Adjustment Account

This 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.

	2023/24 £'000	2024/25 £'000
<b>Balance at 1 April</b>	<b>90</b>	<b>(208)</b>
Amount by which Council Tax and Business Rate income credited to the Comprehensive Income and Expenditure Statement differs from the amount required by statute.	(298)	(529)
<b>Balance at 31 March</b>	<b>(208)</b>	<b>(737)</b>

The following table breaks down the above total into the amounts in respect of each source of Collection Fund income.

	2023/24 £'000	2024/25 £'000
Amounts in respect of Council Tax	(93)	(38)
Amounts in respect of Business Rates	(190)	(606)
Additional amount in respect of Business Rates	75	(93)
<b>Balance at 31 March</b>	<b>(208)</b>	<b>(737)</b>

## 25f Accumulated Absences Account

The cost of compensated absences (e.g. leave entitlement) not taken by employees during the year of account, is charged to the Comprehensive Income and Expenditure Statement. Statutory arrangements require however that the impact on the General Fund Balance is neutralised by transfers to or from this account.

	2023/24 £'000	2024/25 £'000
<b>Balance at 1 April</b>	<b>204</b>	<b>278</b>
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis differs from remuneration chargeable in the year in accordance with statutory requirements	74	(63)
<b>Balance at 31 March</b>	<b>278</b>	<b>215</b>



## 26. Cash flow statement – operating activities

### 26a Net surplus or deficit adjustment on the provision of services for non-cash movements

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

	2023/24 restated £'000	2024/25 £'000
Depreciation	2,101	2,987
Impairment and valuation changes	5,810	8,988
Amortisation	11	11
Increase / (decrease) in impairment for bad debts	149	46
(Increase) / decrease in debtors	223	(3,078)
Increase / (decrease) in creditors	(503)	(2,550)
(Increase) / decrease in inventories	0	0
Movement in pension liability	(213)	(296)
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(6)	40
Contributions (to) / from Provisions	161	(467)
Movement in investment property values	0	35
<b>Net adjustment</b>	<b>7,733</b>	<b>5,716</b>

### 26b Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities

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

	2023/24 £'000	2024/25 £'000
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(36)	(36)
Capital Grants credited to surplus or deficit on the provision of services	(6,616)	(4,618)
<b>Net adjustment</b>	<b>(11,533)</b>	<b>(4,654)</b>

## 26c Interest received and interest paid

The cash flows for operating activities include the following items:

	2023/24 £'000	2024/25 £'000
Interest received	1,543	1,923
Interest paid	0	(8)
<b>Net cash flow in / (out)</b>	<b>869</b>	<b>1,915</b>

## 27. Cash Flow Statement – investing activities

The following items have been included within investing activities in the cash flow statement:

	2023/24 £'000	2024/25 £'000
Purchase of property, plant & equipment, investment property & intangible assets	(16,212)	(14,930)
Purchase of short and long term investments	(57,500)	(82,000)
Other payments for investing activities	(100)	0
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	36	36
Proceeds from short and long term investments	57,000	79,000
Other receipts relating to investing activity (government grants)	8,073	18,135
<b>Total cash flows from investing activities</b>	<b>(8,703)</b>	<b>241</b>

## 28. Cash Flow Statement – financing activities

The following have been included within financing activities in the cash flow statement:

	2023/24 £'000	2024/25 £'000
Cash Receipts from Short and Long Term Borrowing	0	0
Cash paid to reduce lease liabilities.	0	(50)
Other Payments for financing activities - change in indebtedness relating to NNDR (due from Government and Preceptors) and Council Tax (due from Preceptors).	3,316	3,204
<b>Total cash flows from financing activities</b>	<b>3,316</b>	<b>3,154</b>

## 29. Members allowances

The council paid the following amounts to its members during the year:

	<b>2023/24</b> <b>£'000</b>	<b>2024/25</b> <b>£'000</b>
Allowances	403	429
Expenses	1	0
<b>Total</b>	<b>404</b>	<b>429</b>

The pay award for 2024-25 is still in negotiation and will be paid during 2025-26. This is not included in the figures above.

### 30. Officers remuneration

#### 2024/25 Remuneration

	Note	Salary	Expenses / Allowances	Compensation for Loss of Office	Benefits in Kind	Pension Contribution	Total Remuneration	Charges to CBC (50%)	Charges from CBC (50%)	Net Cost to SRBC
Post Title		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	A	0	0	0	0	0	0	0	94	94
Deputy Chief Executive	B	113	0	0	0	20	133	(66)	0	66
Director (Customer & Digital)	C	0	0	0	0	0	0	0	59	59
Director (Planning and Property)	D	88	0	0	0	16	104	(52)	0	52
Director (Communities)	E	88	0	0	0	16	104	(52)	0	52
Director (Governance)	F	88	0	0	0	16	104	(52)	0	52
Director (Finance & s151 Officer)	G	0	0	0	0	0	0	0	43	43
Director (Finance & s151 Officer)	H	0	0	0	0	0	0	0	13	13
Director (Change & Delivery)	I	0	0	0	0	0	0	0	52	52

A	The Chief Executive is employed by Chorley Borough Council since 1st January 2023. The Chief Executive is a shared post with Chorley Borough Council; the postholder is employed by Chorley Borough Council and South Ribble Borough Council have been charged 50% of the cost of the post.
B	The Deputy Chief Executive is a shared post with Chorley Borough Council; the postholder is employed by South Ribble Borough Council since 8th January 2024 and Chorley Borough Council have been charged 50% of the cost of the post.
C	The Director (Customer & Digital) is a shared post with Chorley Borough Council; the postholder is employed by Chorley Borough Council and South Ribble Borough Council have been charged 50% of the cost of the post.
D	The Director (Planning & Property) is a shared post with Chorley Borough Council; the postholder was employed by Chorley Borough Council from 29th January 2024 and South Ribble Borough Council have been charged 50% of the cost of the post.
E	The Director (Communities) is a shared post with Chorley Borough Council; the postholder is employed by South Ribble Borough Council and Chorley Borough Council have been charged 50% of the cost of the post.
F	The Director (Governance) is a shared post with Chorley Borough Council; the postholder is employed by South Ribble Borough Council and Chorley Borough Council have been charged 50% of the cost of the post.
G	The Director (Finance & s151 Officer) is a shared post with Chorley Borough Council; the postholder is employed by Chorley Borough Council and South Ribble Borough Council have been charged 50% of the cost of the post. The postholder left the authority on the 1st January 2025.
H	The Director (Finance & s151 Officer) is a shared post with Chorley Borough Council; the postholder is employed by Chorley Borough Council and South Ribble Borough Council have been charged 50% of the cost of the post. The postholder was employed by Chorley Borough Council from the 2nd January 2025
I	The Director (Change & Delivery) is employed by Chorley Borough Council from 8th January 2024. The Director (Change & Delivery) is a shared post with Chorley Borough Council; the postholder is employed by Chorley Borough Council and South Ribble Borough Council have been charged 50% of the cost of the post.

The comparative information for 2023/24 is shown below:

2023/24 Remuneration										
Post Title	Note	Salary	Expenses / Allowances	Compensation for Loss of Office	Benefits in Kind	Pension Contribution	Total Remuneration	Charges to CBC (50%)	Charges from CBC (50%)	Net Cost to SRBC
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	A	0	0	0	0	0	0	0	92	92
Deputy Chief Executive	B	25	0	0	0	5	30	(15)	0	15
Interim Deputy Chief Executive	C	0	0	0	0	0	0	0	54	54
Director (Customer & Digital)	D	0	0	0	0	0	0	0	58	58
Director (Planning and Property)	E	15	0	0	0	3	18	(9)	0	9
Interim Director (Commercial & Property)	F	0	0	0	0	0	0	0	18	18
Director (Communities)	G	86	0	0	0	16	102	(51)	0	51
Director (Governance)	H	85	0	0	0	15	100	(50)	0	50
Director (Finance & s151 Officer)	I	0	0	0	0	0	0	0	55	55
Director (Change & Delivery)	J	0	0	0	0	0	0	0	12	12

A	The Chief Executive has been employed by Chorley Borough Council since 1st January 2023. The Chief Executive is a shared post with Chorley Borough Council; the postholder is employed by Chorley Borough Council and South Ribble Borough Council have been charged 50% of the cost of the post.
B	The Deputy Chief Executive is a shared post with Chorley Borough Council; the postholder has been employed by South Ribble Borough Council since 8th January 2024 and Chorley Borough Council have been charged 50% of the cost of the post.
C	The Interim Deputy Chief Executive was contracted by Chorley Borough Council through an employment agency between 1st August 2023 to 9th February 2024. The Post was a shared post and South Ribble Borough Council have been charged 50% of the cost
D	The Director (Customer & Digital) is a shared post with Chorley Borough Council; the postholder is employed by Chorley Borough Council and South Ribble Borough Council have been charged 50% of the cost of the post.
E	The Director (Planning & Property) is a shared post with Chorley Borough Council; the postholder has been employed by Chorley Borough Council from 29th January 2024 and South Ribble Borough Council have been charged 50% of the cost of the post.
F	The Interim Director (Commercial & Property) was contracted by Chorley Borough Council through an employment agency from 5th December 2022 to 6th July 2023. The Interim Director (Commercial & Property) is a shared post with Chorley Borough Council; the postholder is employed by Chorley Borough Council and South Ribble Borough Council have been charged 50% of the cost of the post.
G	The Director (Communities) is a shared post with Chorley Borough Council; the postholder is employed by South Ribble Borough Council and Chorley Borough Council have been charged 50% of the cost of the post.
H	The Director (Governance) is a shared post with Chorley Borough Council; the postholder is employed by South Ribble Borough Council and Chorley Borough Council have been charged 50% of the cost of the post.
I	The Director (Finance & s151 Officer) is a shared post with Chorley Borough Council; the postholder is employed by Chorley Borough Council and South Ribble Borough Council have been charged 50% of the cost of the post.
J	The Director (Change & Delivery) has been employed by Chorley Borough Council from 8th January 2024. The Director (Change & Delivery) is a shared post with Chorley Borough Council; the postholder is employed by Chorley Borough Council and South Ribble Borough Council have been charged 50% of the cost of the post.

The table below shows the number of employees, other than senior officers listed above, that has a total remuneration of £50,000 or more, excluding pension contributions.

Total Remuneration Banding	Number of employees 23-24	Number of employees 24-25
£50,000 to £55,000	6	11
£55,001 to £60,000	1	2
£60,001 to £65,000	1	0
£65,001 to £70,000	4	3
£70,001 to £75,000	2	5
£75,001 to £80,000	0	1
<b>Balance at 31 March</b>	<b>14</b>	<b>22</b>

The following table gives details of employee exit packages in 2023-24 and 2024-25.

Exit Package cost banding	Number of compulsory redundancies		Number of other agreed departures		Total number of exit packages		Total cost of exit packages	
	23-24	24-25	23-24	24-25	23-24	24-25	23-24	24-25
£0 to £20,000	0	0	5	4	5	4	£36,136	£28,621
£20,001 to £40,000	0	0	0	0	0	0	£0	£0
£40,001 to £60,000	0	0	1	0	1	0	£53,501	£0
£60,001 to £80,000	0	0	0	0	0	0	£0	£0
£80,001 to £100,000	0	0	0	0	0	0	£0	£0
£100,001 to £150,000	0	0	0	0	0	0	£0	£0
£150,001 to £200,000	0	0	0	0	0	0	£0	£0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>£89,637</b>	<b>£28,621</b>

### 31. External audit costs

The Authority has incurred the following costs relating to external audit:

	2023/24 £'000	2024/25 £'000
Fees for statutory inspection and audit (Scale Fee)	141	156
Additional Fees outside of Scale Fee	0	0
Audit Variation for ISA 315	8	0
2022/23 Agreed Fee Variation Approved by PSAA	10	44
Fees for the certification of grant claims and returns	36	26
<b>Balance at 31 March</b>	<b>194</b>	<b>225</b>

## 32. Grant income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement.

	2023/24 £'000	2024/25 £'000
<b>Credited to Taxation and Non-Specific Grant Income (Note 14)</b>		
National non-domestic rates	(3,495)	(3,820)
New Homes Bonus	(376)	(765)
Other Revenue Grants & Contributions	(829)	(674)
Community Infrastructure Levy & Other Developer Contributions	1,662	(1,884)
Developer Contributions - Amounts Transferred to Grants Received In Advance	0	0
Other Capital Grants & Contributions	(7,353)	(1,925)
<b>Total</b>	<b>(10,391)</b>	<b>(9,066)</b>
<b>Credited to Services</b>		
Benefits Related Grants	(14,586)	(15,072)
Other Grants & Contributions	(5,654)	(6,023)
Developer's Contributions payable to City Deal	(5,077)	(5,701)
<b>Total</b>	<b>(25,317)</b>	<b>(26,797)</b>
<b>Grand Total</b>	<b>(35,708)</b>	<b>(35,863)</b>

The council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached that could require the monies to be returned to the giver. The balances at year end are as follows:

Grant Receipts in Advance	2023/24 £'000	2024/25 £'000
Various contributions	(215)	(16,153)
<b>Total</b>	<b>(215)</b>	<b>(16,153)</b>

### 33. Related parties

The financial statements must disclose material transactions with related parties, to draw attention to the possible 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.

#### ◆ **Central Government**

Central government has effective control over the operations of the council as it provides the statutory framework within which it operates and the majority of its funding in the form of grants. Details of government grants received are given in note 32.

#### ◆ **Members of the Council**

Members have direct control over the council's financial and operating policies. Elected members are required to complete a Notice of Registerable Interests and notify the council of any changes within 28 days. Declarations of interests in items relating to the personal interest of partners, relatives, or friends, are also recorded in the minutes of the meeting and the member will leave the meeting. Declarations are open to public inspection.

Note 29 relates to the allowances paid to members. The amounts paid to individual members are reported on the Council's web site.

Members are also appointed to represent the Council on various external organisations some of which receive financial assistance from the Council. The amounts paid were immaterial and were properly approved.

#### ◆ **Officers**

The Staff Code of Conduct requires declaration, to the departmental Chief Officer, of close personal relationships with Councillors and Contractors, financial and non-financial interests in, or membership of, external organisations, and all hospitality or gifts. These arrangements are subject to monitoring and reporting by the Council's HR Department.

There were no transactions with organisations in which Council officers had declared interests.

#### ◆ **Partnerships, Companies and Trusts**

Shared Services Partnership – In January 2009 this partnership was established under an Administrative Collaboration Agreement entered into by South Ribble and Chorley Borough Councils; originally for the provision of accountancy, exchequer, treasury management, procurement and assurance services across the administrative areas of the two Councils.

The partnership has since been expanded to include a shared Management Team, including Chief Executive as well as many other council functions, these can be seen in the Leadership and Management Structure chart on page 8 of the narrative statement.



The agreement between the two councils has been updated to reflect the new arrangements.

A Shared Services Joint Committee has been established to discharge the Chorley and South Ribble Councils' functions of providing these services.

In 2024/25 gross expenditure of **£14.665m (2023/24 £13.629m)** was incurred on the shared services – reflecting the continued expansion of the Shared Service approach. Costs were fully funded by recharges between the two Councils.

At 31 March 2025, there are outstanding creditor / debtor balances of **£0.770m** and **£0.901m** respectively.

#### ◆ **Subsidiary Companies**

During 2024/25 the Council operated a wholly owned company – South Ribble Leisure Limited.

The Company produces accounts as a separate entity, and these are consolidated within the Group Accounts included in this statement.

### 34. Capital expenditure and financing

The total capital expenditure in the year is shown below, together with the resources that have been used to finance it.

The statement incorporates details of the movements in the Capital Financing Requirement. This is a measure of the capital expenditure historically incurred by the Authority that has yet to be financed. This will be discharged by future charges to the revenue account.

	2023/24 £'000	2024/25 £'000
<b>Opening Capital Financing Requirement</b>	<b>6,157</b>	<b>11,854</b>
<b>Adjustment for Right of Use Assets</b>		<b>188</b>
<i>Capital investment:</i>		
Property, Plant and Equipment	14,233	16,965
Investment property	11	0
Intangible Assets	0	0
Infrastructure Assets	979	396
Revenue Expenditure Funded from Capital under Statute	1,657	894
<i>Sources of finance:</i>		
Capital Receipts	(36)	0
Government Grants and Other Contributions	(9,568)	(9,735)
<i>Sums set aside from revenue:</i>		
Earmarked Reserves	(1,343)	(420)
Revenue Financing	0	0
Minimum Revenue provision	(236)	(418)
<b>Closing Capital Financing Requirement</b>	<b>11,854</b>	<b>19,724</b>
<i>Explanation of movements in year:</i>		
Assets financed by prudential borrowing	5,933	8,288
Provision made for debt repayment	(236)	(418)
<b>Increase / (Decrease) in Capital Financing Requirement</b>	<b>5,697</b>	<b>7,870</b>

## 35. Leases

In 2024/25 the Council has adopted IFRS 16 Leases, as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The primary impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased item as an asset and future payments as a liability), a right of use asset and a lease liability have been brought into the balance sheet at 1 April 2024.

Leases for items of low value and leases that expire within a year on the reporting date are exempt from the new arrangements. These are expensed to the Comprehensive Income and Expenditure Statement as incurred and not recognised on the balance sheet.

Discount rates used for calculating lease liabilities, where an interest rate is not implicit within the lease / contract, have been determined using the appropriate PWLB borrowing rate.

### 35a Authority as lessee

The council's lease contracts comprise of land and buildings. Where a potential lease has been identified for vehicles and equipment they are categorised as either low value or short term and are therefore excluded from the scope of IFRS16.

#### Right of Use Assets

The council has recognised a right of use asset within operational land and buildings, the changes in the value of the right of use asset are shown in the table below:

	Other Land and Buildings £'000
<b>Balance at 1 April 2024</b>	188
Additions	
Revaluations	
Depreciation	(63)
Disposals	
<b>Balance at 31 March 2025</b>	<b>126</b>

Depreciation is charged on a straight-line basis over the lease term.

Other right of use assets have been identified within operational land and buildings, however, they are already recognised as assets to the council so no lease liability has been recognised in respect of those assets.

## Lease Liabilities in respect of Right of Use Assets

	31 March 2024 £'000	31 March 2025 £'000
Not later than one year	0	96
Later than one and not later than five years	0	42
<b>Total</b>	<b>0</b>	<b>138</b>

The council incurred the following income and expense in relation to leases:

	31 March 2024 £'000	31 March 2025 £'000
Interest expense on lease liabilities	0	8
Expense related to exempt short term leases	0	115
Expense related to exempt low value term leases	0	4
<b>Total</b>	<b>0</b>	<b>127</b>

### Finance leases

At 31 March 2025, the council was not party to any Finance Leases as lessee.

## 35b Authority as lessor

### Finance Leases

The council has leased one property for 125 years. In the following table the gross investment in the lease is reconciled to the present value of the minimum lease payments:

	31 March 2024 £'000	31 March 2025 £'000
Finance lease debtor (present value of minimum lease payments)	20	20
Unearned finance income	83	82
<b>Total</b>	<b>103</b>	<b>102</b>

The gross investment in the lease and the minimum lease payments will be received over the following periods:

	Gross Investment in the		Minimum Lease	
	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000
Not later than one year	1	1	1	1
Later than one and not later than five years	4	4	4	4
Later than five years	98	98	98	98
<b>Total</b>	<b>103</b>	<b>102</b>	<b>103</b>	<b>103</b>

No contingent rents were receivable in the years of account.

#### Operating leases

The council lets certain offices and industrial units. The future minimum lease payments receivable are:

	31 March 2024 £'000	31 March 2025 £'000
Not later than one year	1,101	1,092
Later than one and not later than five years	1,537	1,569
Later than five years	14,599	14,705
<b>Total</b>	<b>17,236</b>	<b>17,366</b>

### **36. Defined benefit pension scheme**

#### **36a Governance**

As part of the terms and conditions of employment of its officers and other employees, the Authority offers retirement benefits through the Local Government Pension Scheme. This scheme is administered by Lancashire County Council who have appointed a Pension Fund Committee (comprising a mix of County Councillors and representatives from other employers) to manage the Fund. The Committee is assisted by an investment panel which advises on investment strategy and risk management. The scheme is funded and pays defined benefits based on how long employees are active members, and their salary when they leave (a “final salary” scheme) for service up to 31 March 2014 and on revalued average salary (a “career average” scheme) for service from 1 April 2014 onwards.

### **36b Funding the liabilities**

Regulations require actuarial fund valuations to be carried out every 3 years. Contributions for each employer are set having regard to their individual circumstances. Contributions must be set with a view to targeting the Funds solvency (the detailed provisions are set out in the Fund's Funding Strategy Statement). The latest valuation, carried out as at 31 March 2022, showed there was a surplus of £1.395m against the Fund's solvency funding target. An alternative way of expressing the position is that the Fund's assets were sufficient to cover 115% of its liabilities – this percentage is known as the solvency funding level of the Fund

At the previous valuation at 31 March 2019 the surplus for all employers was £12m, equivalent to a solvency funding level of 100%.

As part of this valuation, the Administering Authority has set an average recovery plan of approximately 10 years for employers in deficit and 16 years for employers in surplus where a surplus offset applies. The next actuarial valuation will take place with an effective date of 31 March 2025. If experience up to that date were to be in line with the assumptions made for this current actuarial valuation and contributions are paid at the agreed rates or amounts, there would be a surplus at 31 March 2025 of c£1,504m, equivalent to a funding level of 114%.

The latest valuation, effective as at 31st March 2022 has determined primary contribution rates for 2023/24 – 2025/26 at 18.7% a secondary rate adjustment of -0.8% for the financial years 2023-24 to 2025-26, giving an overall total contribution rate of 17.9%.

### **36c Risks**

The primary risk is that the Fund's assets will, in the long-term, fall short of its liabilities to pay benefits to members.

Investment risk management seeks to balance the maximisation of the opportunity for gain and minimise the risk of loss, on the fund's investments. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk, and interest rate risk), by ensuring counterparties meet credit criteria, and that investments are within the limits set by the investment strategy.

Other risks - The fund managers have to ensure that the fund has adequate liquidity to meet its obligations as they arise. They must also be sensitive to any actions of government or changes in European legislation which might affect funding requirements.

Sensitivity to these risks is estimated in paragraph 36i.

### 36d Transactions relating to retirement benefits

The council recognises the cost of retirement benefits in the revenue account in the Cost of Services, when they are earned by employees, rather than when the benefits are actually paid as pensions. However, the charge required to be made against council tax is based on the cash payable to the fund during the year. An adjustment is therefore made to the General Fund via the Movement in Reserves Statement. The following table shows the transactions made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	2023/24 £'000	2024/25 £'000
<b>Comprehensive Income and Expenditure Statement</b>		
<i>Cost of Services:</i>		
Administration	69	75
Current service cost	1,981	2,029
Past service cost	0	0
Effect of curtailments	0	0
<i>Net interest on the net defined benefit liability:</i>		
Interest costs	5,103	5,237
Expected return on scheme assets	(5,757)	(6,260)
Interest on asset ceiling	698	1,081
<b>Total post-employment benefit charged to the (Surplus) / Deficit on the Provision of Service</b>	<b>2,094</b>	<b>2,162</b>
<b>Other post-employment benefit charged to the Comprehensive Income and Expenditure Statement</b>		
Return on plan assets, excluding amount included in interest expense	(4,196)	1,973
Experience (gain) & loss	901	(134)
Actuarial (gains) & losses from changes in demographic assumptions	(1,465)	(331)
Actuarial (gains) & losses from changes in financial assumptions	(1,696)	(15,150)
Changes in the effect of the asset ceiling	7,027	13,634
<b>Total re-measurements recognised in Other Comprehensive Income</b>	<b>571</b>	<b>(8)</b>
<b>Total post-employment benefit charged to the Comprehensive Income and Expenditure Statement</b>	<b>2,665</b>	<b>2,154</b>
<b>Movement in Reserves Statement</b>		
Reversal of net charges made to the (Surplus) / Deficit on the Provision of Services	(2,094)	(2,162)
Actual amount charged against the General Fund Balance for pensions in the year	2,307	2,458

### 36e Pension assets and liabilities recognised in the balance sheet

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

	Scheme Liabilities Local Government Pension Scheme	
	2023/24 £'000	2024/25 £'000
Present value of the defined benefit obligation	(109,232)	(96,132)
Fair value of plan assets	129,094	130,826
<b>Net asset/(liability) arising from defined benefit obligation</b>	<b>19,862</b>	<b>34,694</b>
Impact of Asset Ceiling	(22,280)	(36,808)
<b>Reported Net asset/(liability) arising from defined benefit obligation</b>	<b>(2,418)</b>	<b>(2,114)</b>

The valuation of the Local Government Pension Scheme has resulted in a net defined benefit asset. Regulations state that this must be measured at the lower of the surplus in the defined benefit plan and the "asset ceiling". An asset ceiling is the limit above which further increases in net pension cease to be recognised for accounting purposes. The asset ceiling for South Ribble Borough Council is nil meaning that the surplus of £34.694million can not be recognised and has been adjusted for by way of an "Impact of Asset Ceiling" adjustment.

### 36f Reconciliation of movements in the fair value of the scheme (plan) assets

	Scheme Assets Local Government Pension Scheme	
	2023/24 £'000	2024/25 £'000
<b>1 April</b>	<b>120,684</b>	<b>129,094</b>
Adjustment to brought forward balance		(210)
<b>Revised 1 April Balance</b>	<b>120,684</b>	<b>128,884</b>
Interest on plan assets	5,757	6,260
<b>Re-measurement gain/(loss)</b>		
Return on plan assets, excluding amount included in interest expense	4,196	(1,973)
Employer contributions	2,317	2,481
Employee contributions	741	816
Benefits paid	(4,532)	(5,567)
Other	(69)	(75)
<b>31 March</b>	<b>129,094</b>	<b>130,826</b>



### 36g Reconciliation of present value of the scheme liabilities (defined benefit obligation)

	Scheme Liabilities Local Government Pension Scheme	
	2023/24 £'000	2024/25 £'000
<b>1 April</b>	<b>(108,199)</b>	<b>(109,232)</b>
Current service cost	(1,981)	(2,029)
Past Service Cost	0	0
Interest cost	(5,103)	(5,237)
Contributions by scheme participants	(741)	(816)
<b>Re-measurement gains and (losses)</b>		
Changes in financial assumptions	1,696	15,150
Experience gains & (losses)	(901)	134
Gains & (losses) from changes in demographic assumptions	1,465	331
Curtailments	0	0
Benefits paid	4,532	5,567
<b>31 March</b>	<b>(109,232)</b>	<b>(96,132)</b>

The employers' liability contains an "unfunded" element. This means that it is not a liability of the Local Government Pension Scheme and is instead met by South Ribble Borough Council as the employer from its own financial resources; at 31st March 2025 the unfunded liability was £2.114 million. This element exists every year within the overall net defined liability.

### 36h Local Government Pension Scheme assets comprised

	Fair value of scheme assets			
	2023/24 £'000	Percentage total of asset	2024/25 £'000	Percentage total of asset
<b>Cash</b>				
Cash and cash equivalents	0	0.0%	0	0.0%
Cash accounts	2,387	1.8%	1,666	1.3%
Net Current Assets	0	0.0%	275	0.2%
Subtotal Cash	2,387	1.8%	1,941	1.5%
<b>Equities</b>				
Financials	142	0.1%	131	0.1%
	142	0.1%	131	0.1%
<b>Bonds</b>				
UK corporate	0	0.0%	0	0.0%
Overseas corporate	103	0.1%	131	0.1%
Government	0	0.0%	0	0.0%
Overseas fixed interest	0	0.0%	0	0.0%
Subtotal bonds	103	0.1%	131	0.1%
<b>Property</b>				
Retail	432	0.3%	262	0.2%
Commercial	1,226	0.9%	1,308	1.0%
Subtotal property	1,658	1.2%	1,570	1.2%
<b>Private equity</b>				
UK	2,090	1.6%	0	0.0%
Overseas	7,631	5.9%	8,040	6.1%
Subtotal private equity	9,721	7.5%	8,040	6.1%
<b>Other</b>				
Infrastructure	19,523	15.1%	17,384	13.3%
UK Pooled Equity Funds	391	0.3%	2	0.0%
Overseas Pooled Equity Funds	60,826	47.2%	64,614	49.4%
Property funds	10,266	8.0%	8,938	6.8%
Credit funds	19,091	14.8%	21,017	16.1%
Pooled income fund	4,986	3.9%	7,058	5.4%
Subtotal alternatives	115,083	89.3%	119,013	91.0%
<b>Total</b>	<b>129,094</b>	<b>100.0%</b>	<b>130,826</b>	<b>100.0%</b>

### 36i 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 liabilities have been assessed by Mercer Limited, an independent firm of actuaries. Estimates for the Fund are based on the latest valuations as at 31 March 2022.

The main assumptions used in their calculations have been as follows:-

	Local Government Pension Scheme	
	2023/24	2024/25
Mortality assumptions		
Longevity at 65 for current pensioners		
Men	21.1 yrs.	21.1 yrs.
Women	23.5 yrs.	23.6 yrs.
Longevity at 65 for future pensioners		
Men	22.4 yrs.	22.4 yrs.
Women	25.3 yrs.	25.4 yrs.
Rate of inflation (CPI)	2.70%	2.60%
Rate of increase in salaries	4.20%	4.10%
Rate of increase in pensions	2.80%	2.70%
Rate for discounting scheme liabilities	4.90%	5.80%

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 in the assumptions occurring at the end of the reporting period, and for each assumption assumes that other factors remain unchanged.

	Impact on the defined benefit obligation in the scheme £'000
Longevity (increase 1 year)	2,012
Rate of inflation (increase of 0.25% p.a.)	3,343
Salary inflation (increase of 0.25% p.a.)	586
Rate for discounting scheme liabilities (increase of 0.5%)	(6,352)
Change in 2024/25 investment returns (increase of 1.0%)	(1,297)

### **36j Impact on the Authority's Future Cash Flows**

The objectives of the scheme are to keep employers' contributions at a constant rate as possible. The FSS sets out the process for determining the recovery plan in respect of each employer. At this actuarial valuation the average recovery period adopted for employers in deficit is 10 years, and for employers in surplus is 16 years. Funding levels are monitored on an annual basis. The latest triennial valuation was carried out as at 31 March 2022.

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

The authority will pay £2.230m expected contributions to the scheme in 2025/26.

The weighted average duration of the defined benefit obligation for scheme members is 17 years.

### **37. Contingent assets and liabilities**

At 31 March 2025, the Council had a contingent liability relating to an accident caused by a falling tree which was situated on Council owned land. The timing and value of the potential cost is unknown and therefore the authority has not made a provision in the accounts.

## Collection Fund Statement

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 (Business Rates).

2023/24 Business Rates £'000	2023/24 Council Tax £'000		2024/25 Business Rates £'000	2024/25 Council Tax £'000
		<b>Income</b>		
	(81,282)	Council Tax Receivable		(86,572)
(36,519)		Business Rates Receivable	(41,828)	
<b>(36,519)</b>	<b>(81,282)</b>	<b>Total Income</b>	<b>(41,828)</b>	<b>(86,572)</b>
		<b>Expenditure</b>		
		Apportionment of Previous Year Surplus/(Deficit)		
(601)		Central Government	(231)	
(481)	(59)	South Ribble Borough Council (note 14)	(185)	126
(108)	(370)	Lancashire County Council	(42)	847
	(57)	Police & Crime Commissioner for Lancashire		135
(12)	(19)	Lancashire Combined Fire Authority	(5)	44
		<b>Precepts, Demands and Shares</b>		
19,904		Central Government	20,967	
15,924	8,689	South Ribble Borough Council (note 14)	16,774	9,085
3,583	58,506	Lancashire County Council	3,774	62,424
	9,342	Police & Crime Commissioner for Lancashire		9,945
398	3,057	Lancashire Combined Fire Authority	419	3,199
<b>38,607</b>	<b>79,089</b>	<b>Total Expenditure</b>	<b>41,471</b>	<b>85,805</b>
		<b>Transfers from General Fund</b>		
0	(128)	Discretionary Discounts	0	7
		<b>Charges to Collection Fund</b>		
0	0	Write offs of uncollectable amounts	0	0
(60)	1,349	Increase / (Decrease) in Allowance for non-collection	770	1,252
402	0	Increase / (Decrease) in Provision for Appeals	(1,163)	0
131	0	Cost of Collection Allowance	131	0
0	0	Disregarded Amounts	0	0
3	0	Renewable Energy Schemes	0	0
198	0	Enterprise Zone	212	0
(3,375)	0	Transitional Protection Payments	(632)	0
<b>(2,701)</b>	<b>1,221</b>	<b>Total Charges to the Collection Fund</b>	<b>(682)</b>	<b>1,259</b>
<b>(613)</b>	<b>(972)</b>	<b>(Surplus) / Deficit arising during the year</b>	<b>(1,039)</b>	<b>492</b>
		<b>Collection Fund Balance</b>		
139	119	(Surplus) / Deficit brought forward at 1 April	(475)	(853)
(613)	(972)	(Surplus) / Deficit arising during the year	(1,039)	492
<b>(474)</b>	<b>(853)</b>	<b>(Surplus) / Deficit carried forward at 31 March</b>	<b>(1,514)</b>	<b>(361)</b>
		<b>Allocated to</b>		
(190)	(94)	Transfer to / (from) Collection Fund Adjustment Account (Note 25e)	(606)	(38)
(237)		Central Government	(757)	
(43)	(626)	Lancashire County Council	(136)	(266)
	(100)	Police & Crime Commissioner for Lancashire		(43)
(5)	(33)	Lancashire Combined Fire Authority	(15)	(14)
<b>(475)</b>	<b>(853)</b>	<b>(Surplus) / Deficit carried forward at 31 March</b>	<b>(1,514)</b>	<b>(361)</b>

## Notes to the Collection Fund

### 1. Accounting for Council Tax

The amount of Council Tax to be credited to the Comprehensive Income and Expenditure Statement for both billing authorities and major preceptors is their share of the accrued income. However, statute requires that the amount to be credited to the General Fund should be the authority's precept or demand for the year plus its share of the previous year's Collection Fund surplus or deficit. The difference between this regulatory charge and the accrued income is taken to the Collection Fund Adjustment Account. This adjustment is included in the Movement in Reserves Statement and also appears in Note 10.

Revenue relating to council tax shall be measured at the full amount receivable (net of any impairment losses) as they are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.

Since the collection of council tax is an agency arrangement, debtor and creditor balances belong proportionately to the billing authority and the major preceptors. This results in a debtor/creditor position between the billing authority and each major preceptor.

### 2. Council Tax details of charge

For the purpose of calculating Council Tax residential properties are classified into eight valuation bands. Each valuation band is proportionate to the central Band D property. This enables calculation of the total tax base. The Council Tax Base for 2024/25 was calculated as follows: -

Band	No. Dwellings	Total No. Equivalent dwellings	Proportion of Band D Charge	Band D Equivalent
A (disabled)	25	23	5:9	12.80
A	10,180	8,453	6:9	5,635.00
B	13,513	11,739	7:9	9,130.30
C	12,901	11,520	8:9	10,239.60
D	8,473	7,794	9:9	7,794.30
E	4,377	4,120	11:9	5,035.60
F	1,726	1,637	13:9	2,364.60
G	580	538	15:9	896.30
H	24	22	18:9	43.50
<b>Total</b>	<b>51,799</b>	<b>45,845</b>		<b>41,152.00</b>
Less local Council Tax Support Scheme discounts				<b>-2,843.30</b>
Less adjustments for losses on collection				<b>-766.19</b>
Addition for anticipated changes in the base				<b>214.60</b>
Band D Equivalent Number of Properties				<b>37,757.11</b>

Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the precepting authorities for the forthcoming year and dividing this by the council tax base. This results in a basic Band D charge (excluding Parish Precepts) of £2,231.33 for 2024/25 (£2,131.67 for 2023/24). The other valuation bands are proportionate to this. The full list of charges is as follows:

Band	Proportion of Band D Charge	Council Tax Levied Excluding Parish Precepts	
		2023/24 £	2024/25 £
A	0.67	1,421.11	1,487.56
B	0.78	1,657.97	1,735.48
C	0.89	1,894.82	1,983.41
D	1.00	2,131.67	2,231.33
E	1.22	2,605.38	2,727.19
F	1.44	3,079.08	3,223.04
G	1.67	3,552.79	3,718.89
H	2.00	4,263.34	4,462.67

### 3. Accounting for business rates

The NDR income for the year credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and paid out to major preceptors (excluding police bodies) and the Government. The amount credited to the General Fund under statute is the Authority's estimated share of NDR for the year from the National Non-Domestic Rates (NNDR) 1 return.

The NDR income included in the Comprehensive Income and Expenditure Statement is the Authority's share of the Collection Fund's accrued income for the year from the NNDR 3 return. The difference between this value and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account via the Movement in Reserves Statement.

Revenue relating to non-domestic rates shall be measured at the full amount receivable (net of any impairment losses) as they are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.

The cash collected by the Authority from NDR payers belongs proportionately to all the major preceptors (excluding police bodies) and Government. The difference between the amounts collected on behalf of the other major preceptors, Government and the payments made to them is reflected as a debtor or creditor balance as appropriate.

Regulations require that only the deficit or surplus estimated in the annual National Non-Domestic Rates (NNDR) 1 Return before the year-end be recovered from or shared with preceptors. Therefore, a deficit of £0.463m was shared between preceptors during 2024/25,

being the estimate included in NNDR1 2024/25, whereas the actual amount for 2023/24 was a surplus of £0.474m.

Note 14 Taxation and Non-Specific Grant Income and Expenditure shows net Non-Domestic Rates Income and Expenditure for 2024/25 to be a net income of £4.012m (2023/24 net income of £2.965m). This can be reconciled to South Ribble Borough Council's share of Business Rates Income in the Collection Fund statement in the following table:

<b>2023/24 £'000</b>		<b>2024/25 £'000</b>
(15,924)	South Ribble Borough Council's share of Business Rates	(16,774)
12,224	Tariff Payable to the Lancashire Business Rates Pool	12,783
173	Levy Payable to the Lancashire Business Rates Pool	210
(3)	Amounts retained by South Ribble Borough Council in respect of Renewable Energy Schemes	0
(198)	Amounts retained by South Ribble Borough Council in respect of Designated Area Growth	(212)
369	Amounts due to Lancashire County Council in respect of Designated Area Growth	212
481	South Ribble Borough Council share of previous year's estimated surplus or (deficit) as per NNDR1 under regulation	185
(56)	South Ribble Borough Council share of previous year's actual surplus or (deficit)	190
(190)	South Ribble Borough Council share of accumulated surplus or deficit for year (transferred to Collection Fund Adjustment Account -	(606)
159	Prior Year Adjustment	0
<b>(2,965)</b>	<b>NNDR Net Income per Note 14</b>	<b>(4,012)</b>

This council is part of the Lancashire Business Rates Pool which began on 1 April 2016. In a Business Rate Pool, tariffs, top-ups, levies and safety nets can be combined. This can result in a significantly lower levy rate or even a zero-levy rate meaning that more or all of the business rate growth can be retained within the pool area instead of being payable to the Government. For more information on the Lancashire Business Rates Pool see Note 14(a).

#### **4. Business rates details of charge**

Business Rates are organised on a national basis. In 2005/2006 the Government introduced a Small Business Rate Relief Scheme. This results in there being two multipliers – one for small businesses at 49.9p in 2024/25 (49.9p in 2023/24) and one for larger businesses at 54.6p in 2024/25 (51.2p in 2023/24).

The Business Rates income for 2024/25, after reliefs and provisions, was £42.222m (£36.176m in 2023/24).

The rateable value for the council's area at the end of the financial year 2024/25 was £104.351m (£104.230m in 2023/24).



## Group Accounts (to follow)

### Introduction

The authority is required to adhere to proper accounting practices comprised primarily of the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS), International Accounting Standards and statutory guidance issued under section 12 of the Local Government Act 2003.

An authority with interests in subsidiaries, associates and/or joint ventures is required to prepare Group Accounts in addition to their single entity financial statements unless these interests are not considered to be material.

Group Accounts are the financial statements of a group in which the assets, liabilities, reserves, income, expenses and cash flows of the parent (reporting authority) and its subsidiaries, plus the investments in associates and interests in joint ventures are presented as those of a single economic entity.

South Ribble Leisure Limited is a company with charitable purposes, limited by shares and is wholly owned by South Ribble Borough Council. The company commenced trading on 1 September 2021. Its objectives include;

- provision of leisure and sports facilities and services;
- connection of the leisure centres with the corporate objectives of improving health and well-being and reducing health inequalities across the Borough;
- development of a leisure local model from leisure centres which seeks to widen access to facilities in hard to reach areas and groups within the Borough;

The company is overseen by a Board of Directors which consists of three South Ribble Council officers, one of whom is designated the Managing Director of the Company.

The Council maintains control of the company's activities through the scrutiny of the Leisure Strategic Partnership Board, which regularly reviews the financial and operational performance of the company.

South Ribble Leisure Limited produce accounts with a year-end date of 31 March. The accounts for the period from 1 April 2024 to 31 March 2025 have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The accounts are filed at Companies House in accordance with the Companies Act 2006.

## Group Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2023/24 (restated)				2024/25 (to follow)		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
1,436	(1,593)	(157)	Budgets Not In Directorates			
7,310	(1,499)	5,811	Communities and Leisure			
25,856	(18,373)	7,483	Customer & Digital			
7,887	(5,898)	1,989	Planning			
13,062	(6,876)	6,186	Policy & Governance			
7,779	(1,988)	5,791	Property			
<b>63,330</b>	<b>(36,227)</b>	<b>27,103</b>	<b>Cost of Services</b>			
436	(82)	354	Other operating expenditure			
5,926	(7,754)	(1,828)	Financing and investment income and expenditure			
14,005	(36,102)	(22,097)	Taxation and non-specific grant income			
<b>83,697</b>	<b>(80,165)</b>	<b>3,532</b>	<b>(Surplus) / deficit on provision of services</b>			
		1,588	(Surplus)/deficit on revaluation of Property, Plant and Equipment			
		591	Re-measurement of the net defined benefit liability			
		<b>2,178</b>	<b>Other Comprehensive (Income) and Expenditure</b>			
		<b>5,710</b>	<b>Total Comprehensive (Income) and Expenditure</b>			

## Group Movement in Reserves Statement

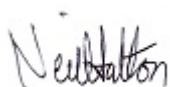
This statement shows the movement in the year on the different reserves held by the authority, analysed into ‘usable reserves’ (i.e. those that can be applied to fund expenditure or reduce local taxation) and other ‘unusable reserves’. The statement shows how the movements in year of the authority’s 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 line shows the statutory General Fund Balance movements in the year following those adjustments.

	General Fund £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
<b>Balance at 31 March 2023</b>	<b>(21,472)</b>	<b>(170)</b>	<b>(12,414)</b>	<b>(34,056)</b>	<b>(49,904)</b>	<b>(83,960)</b>
<b><u>Movements in 2023/24 (restated)</u></b>	0	0	0	0	0	0
Total Comprehensive Income & Expenditure	3,532	0	0	3,532	2,178	5,710
Adjustments between accounting basis & funding basis (note 10)	(887)	0	2,952	2,065	(2,065)	0
<b>(Increase) / Decrease in year</b>	<b>2,645</b>	<b>0</b>	<b>2,952</b>	<b>5,597</b>	<b>113</b>	<b>5,710</b>
<b>Balance at 31 March 2024 (restated)</b>	<b>(18,827)</b>	<b>(170)</b>	<b>(9,462)</b>	<b>(28,459)</b>	<b>(49,792)</b>	<b>(78,251)</b>
<b><u>Movements in 2024/25 (to follow)</u></b>						
Total Comprehensive Income & Expenditure						
Adjustments between accounting basis & funding basis (note 10)						
<b>(Increase) / Decrease in year</b>						
<b>Balance at 31 March 2025</b>						

## Group Balance Sheet

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

31 March 2024 restated £'000		31 March 2025 to follow £'000
63,723	Property, Plant & Equipment	
354	Investment Property	
44	Intangible Assets	
259	Long Term Debtors	
<b>64,380</b>	<b>Long Term Assets</b>	
28,301	Short Term Investments	
4,994	Short Term Debtors	
1,556	Cash and Cash Equivalents	
0	Inventories	
<b>34,851</b>	<b>Current Assets</b>	
(16,332)	Short Term Creditors	
(1,898)	Provisions	
0	Bank Overdraft	
<b>(18,230)</b>	<b>Current Liabilities</b>	
(114)	Long Term Creditors	
(2,418)	Net Pension Liability	
(215)	Grant Receipts in Advance - Capital	
<b>(2,747)</b>	<b>Long Term Liabilities</b>	
<b>78,254</b>	<b>Net Assets</b>	
(28,463)	Usable Reserves	
(49,791)	Unusable Reserves	
<b>(78,254)</b>	<b>Total Reserves</b>	



Neil Halton  
Director of Finance/Section 151 Officer  
Dated: 1 July 2025

## Group Cash Flow Statement

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

The cash flows in respect of South Ribble Leisure Limited have been consolidated within a cash flow statement for the group. All South Ribble Leisure Limited's cash flows in 2023/24 arose from operating activities. There were no investing or financing activities.

<b>2023/24 restated £'000</b>		<b>2024/25 to follow £'000</b>
(3,531)	Net surplus or (deficit) on the provision of services (Comprehensive Income and Expenditure Statement)	
7,769	Adjustments to net surplus or deficit on the provision of services for non-cash movements	
(6,652)	Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	
<b>(2,414)</b>	<b>Net cash flows from Operating Activities</b>	
(8,703)	Investing Activities	
3,316	Financing Activities	
<b>(7,801)</b>	<b>Net (increase) or decrease in cash and cash equivalents</b>	
9,355	Cash and cash equivalents at the beginning of the reporting period	
<b>1,554</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	

## Group Account Notes

### Introduction

The following notes have been prepared on an exception basis with only those items which have materially changed from the Council's Statement of Accounts being included. For all other items, reference should be made to the Council's Comprehensive Income and Expenditure Statement on page 51 and Balance Sheet on page 53 and the appropriate note.

### 1. Expenditure and Funding Analysis

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

2023/24 (restated)				2024/25 (to follow)		
Net Expenditure chargeable to the General Fund Balance £'000	Adjustments between the Funding and Accounting Basis (note 8 and 10) £'000	Net Expenditure in the CIES £'000		Net Expenditure chargeable to the General Fund Balance £'000	Adjustments between the Funding and Accounting Basis (note 8 and 10) £'000	Net Expenditure in the CIES £'000
(192)	35	(157)	Budgets Not In Directorates			
2,841	2,970	5,811	Communities and Leisure			
7,031	452	7,483	Customer & Digital			
1,630	359	1,989	Planning			
6,422	(236)	6,186	Policy & Governance			
493	5,298	5,791	Property			
<b>18,225</b>	<b>8,878</b>	<b>27,103</b>	<b>Net cost of Service</b>			
(15,580)	(7,991)	(23,571)	Other Income and Expenditure			
<b>2,645</b>	<b>887</b>	<b>3,532</b>	<b>(Surplus) / Deficit in year</b>			
(21,472)			Opening General Fund Balance at 1 April			
2,645			Add (Surplus) / Less Deficit on General Fund Balance in Year			
<b>(18,827)</b>			<b>Closing General Fund Balance at 31 March</b>			

## 2. Expenditure and Income analysed by nature

The expenditure and income of the Group is analysed as follows;

<b>Expenditure/Income</b>	<b>2023/24 restated £'000</b>	<b>2024/25 to follow £'000</b>
<b>Expenditure</b>		
Employee benefits expenses	19,199	
Other service expenses	37,783	
Depreciation, amortisation and impairment	7,923	
Interest payments	5,801	
Precepts and levies	12,951	
Loss on the disposal of assets	40	
Loss in Fair Value of Investment Properties	0	
<b>Total Expenditure</b>	<b>83,697</b>	
<b>Income</b>		
Fees, charges and other service income	(12,045)	
Interest and investment income	(7,738)	
Income from Council Tax and Non-Domestic Rates	(24,431)	
Government grants and contributions	(30,211)	
Other Grants and contributions	(5,657)	
Gain on disposal of assets	(82)	
Gain in Fair Value of Investment Properties	0	
<b>Total Income</b>	<b>(80,164)</b>	
<b>Surplus or Deficit on the Provision of Services</b>	<b>3,532</b>	

## 3. Defined Benefit Pension Scheme

### 3a Governance

As part of the terms and conditions of employment of its officers and other employees, both South Ribble Borough Council and South Ribble Leisure Ltd offer retirement benefits through the Local Government Pension Scheme. Both schemes are administered by Lancashire County Council who have appointed a Pension Fund Committee (comprising a mix of County Councillors and representatives from other employers) to manage the Funds. The Committee is assisted by an investment panel which advises on investment strategy and risk management. The scheme is funded and pays defined benefits based on how long employees are active members, and their salary when they leave (a “final salary” scheme) for service up to 31 March 2014 and on revalued average salary (a “career average” scheme) for service from 1 April 2014 onwards.

### 3b Funding the liabilities

Regulations require actuarial fund valuations to be carried out every 3 years. Contributions for each employer are set having regard to their individual circumstances. Contributions must be set with a view to targeting the Funds solvency (the detailed provisions are set out in the Fund's Funding Strategy Statement). Whilst the South Ribble Leisure Ltd is a new fund, as it was established on the date that the company began trading operations on 1<sup>st</sup> September 2021, the South Ribble Borough Council fund has been in operation since the establishment of the council in 1974. Details of the council valuation, carried out as at 31<sup>st</sup> March 2022, can be found at Note 36.

South Ribble Borough Council have signed a Deed of Guarantee and undertake to guarantee any deficit arising on the South Ribble Leisure Ltd pension fund should the company cease to operate. The latest valuation, effective as at 31<sup>st</sup> March 2022 has determined contribution rates for 2023/24 and the two following years.

### 3c Transactions relating to retirement benefits

The cost of retirement benefits for both the council and South Ribble Leisure Ltd are recognised in the Cost of Services in the revenue account, when they are earned by employees, rather than when the benefits are actually paid as pensions. However, within the Group Accounts, the charge required to be made is based on the cash payable to the fund during the year. An adjustment is therefore made to the Group General Fund via the Group Movement in Reserves Statement. The following table shows the transactions made in the Group Comprehensive Income and Expenditure Statement and the Group General Fund Balance via the Group Movement in Reserves Statement during the year:



	2023/24	2024/25
	£'000	£'000
<b>Comprehensive Income and Expenditure Statement</b>		
<i>Cost of Services:</i>		
Administration	79	86
Current service cost	2,262	2,282
Past service cost	0	0
Effect of curtailments	0	0
<i>Net interest on the net defined benefit liability:</i>		
Interest costs	5,287	5,438
Expected return on scheme assets	(5,960)	(6,505)
Interest on asset ceiling	698	1,081
<b>Total post-employment benefit charged to the (Surplus) / Deficit on the Provision of Service</b>	<b>2,366</b>	<b>2,382</b>
<b>Other post-employment benefit charged to the Comprehensive Income and Expenditure Statement</b>		
Return on plan assets, excluding amount included in interest expense	(4,352)	2,051
Experience (gain) & loss	916	(134)
Actuarial (gains) & losses from changes in demographic assumptions	(1,509)	(341)
Actuarial (gains) & losses from changes in financial assumptions	(1,992)	(16,048)
Changes in the effect of the asset ceiling	7,528	13,634
<b>Total re-measurements recognised in Other Comprehensive Income</b>	<b>591</b>	<b>(838)</b>
<b>Total post-employment benefit charged to the Comprehensive Income and Expenditure Statement</b>	<b>2,957</b>	<b>1,544</b>
<b>Movement in Reserves Statement</b>		
Reversal of net charges made to the (Surplus) / Deficit on the Provision of Services	(2,366)	(2,434)
Actual amount charged against the General Fund Balance for pensions in the year	2,599	2,766

### 3d Pension assets and liabilities recognised in the balance sheet

The amount included in the balance sheet arising from the Group's obligations in respect of its defined benefit plans are as follows;

	Scheme Liabilities Local Government Pension Scheme	
	2023/24 £'000	2024/25 £'000
Present value of the defined benefit obligation	(113,115)	(100,247)
Fair value of plan assets	133,225	135,690
<b>Net asset/(liability) arising from defined benefit obligation</b>	<b>20,110</b>	<b>35,443</b>
Impact of Asset Ceiling	(22,528)	(37,557)
<b>Reported Net asset/(liability) arising from defined benefit obligation</b>	<b>(2,418)</b>	<b>(2,114)</b>

### 3e Reconciliation of fair value of the scheme (plan) assets

	Scheme Assets Local Government Pension Scheme	
	2023/24 £'000	2024/25 £'000
<b>1 April</b>	<b>124,815</b>	<b>133,958</b>
<b>Adjustment to brought forward balance</b>		<b>(210)</b>
Interest on plan assets	5,960	6,505
<b>Re-measurement gain/(loss)</b>		
Return on plan assets, excluding amount included in interest expense	4,352	(2,051)
Employer contributions	2,609	2,782
Employee contributions	841	921
Benefits paid	(4,540)	(5,717)
Other	(79)	(86)
<b>31 March</b>	<b>133,958</b>	<b>136,102</b>

### 3f Reconciliation of present value of the scheme liabilities (defined benefit obligation)

	Scheme Liabilities Local Government Pension Scheme	
	2023/24 £'000	2024/25 £'000
<b>1 April</b>	<b>(112,082)</b>	<b>(113,347)</b>
Current service cost	(2,262)	(2,282)
Past Service Cost	0	0
Interest cost	(5,287)	(5,438)
Contributions by scheme participants	(841)	(921)
<b>Re-measurement gains and (losses)</b>		
Changes in financial assumptions	1,992	16,048
Experience gains & (losses)	(916)	134
Gains & (losses) from changes in demographic assumptions	1,509	341
Curtailments	0	0
Benefits paid	4,540	5,717
<b>31 March</b>	<b>(113,347)</b>	<b>(99,748)</b>

### 3g Local Government Pension Scheme assets comprised

	Fair value of scheme assets			
	2023/24 £'000	Percentage total of asset	2024/25 to follow £'000	Percentage total of asset
<b>Cash</b>				
Cash and cash equivalents	0	0.0%		
Cash accounts	2,475	1.8%		
Net Current Assets	0	0.0%		
Subtotal Cash	2,475	1.8%		
<b>Equities</b>				
Financials	147	0.1%		
	147	0.1%		
<b>Bonds</b>				
UK corporate	0	0.0%		
Overseas corporate	103	0.1%		
Government	0	0.0%		
Other bonds	5	0.0%		
Overseas fixed interest	0	0.0%		
Subtotal bonds	108	0.1%		
<b>Property</b>				
Retail	432	0.3%		
Commercial	1,289	1.0%		
Subtotal property	1,721	1.3%		
<b>Private equity</b>				
UK	2,090	1.6%		
Overseas	7,631	5.7%		
Subtotal private equity	9,721	7.3%		
<b>Other</b>				
Infrastructure	19,523	14.6%		
Other	4,703	3.5%		
UK Pooled Equity Funds	391	0.3%		
Overseas Pooled Equity Funds	60,826	45.3%		
Property funds	10,266	7.7%		
Credit funds	19,091	14.3%		
Pooled income fund	4,986	3.7%		
Subtotal alternatives	119,786	89.4%		
<b>Total</b>	<b>133,958</b>	<b>100.0%</b>		

## **Annual Governance Statement 2024/25**

The Annual Governance Statement (AGS) for 2024/25 was approved by Governance Committee on 27 May 2025 and appears below.

# **Annual Governance Statement 2024/25 South Ribble Borough Council**

## **1. Introduction**

The Annual Governance Statement is a point in time assessment of the council's governance framework. It considers information assembled over the course of the previous 12 months to make an evidence-based assessment of the systems, processes, culture and values that feed into our internal control environment and our compliance with them. This document draws the evidence together and provides a valued judgement of our governance environment.

The AGS provides an overview of the council's key governance systems and explains how they are tested and the assurance that can be relied upon to show that these systems and processes operating effectively. The Statement comprises an overview of the key elements of its governance framework and what evidence has been received in order to determine the effectiveness of the arrangements. In addition, the Statement contains an update on the areas for improvement identified last year, together with proposed areas for improvement for the coming year.

## 2. What is Corporate Governance?

South Ribble Council is responsible for ensuring that our business is conducted in accordance with the law, to the highest standards and that there is a sound system of governance (incorporating the system of internal control). Public money must be protected and properly accounted for. We also have a duty under the Local Government Act 1999 to continually review and improve the way we work, while at the same time offering value for money and delivering an efficient and effective service.

To meet this responsibility, we have put in place arrangements for overseeing what we do (this is what we mean by governance). These arrangements are intended to make sure we do the right things, in the right way, for the right people, in a fair, open, honest and accountable way.

Our Governance Framework is based on the CIPFA/SOLACE Framework<sup>1</sup>. It promotes and demonstrates our commitment to the principles of good governance and incorporates the council's values that emphasise how we do things at South Ribble Council. It is important to note that a robust governance framework only has value if it is complied with and contains sufficient controls to ensure this.

The adopted Local Code of Corporate Governance incorporates and demonstrates how the 7 principles detailed by the CIPFA/SOLACE Framework, and set out below, are complied with.

Good governance means:-

- behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- ensuring openness and comprehensive stakeholder engagement
- defining outcomes in terms of sustainable economic, social and environmental benefits
- determining the interventions necessary to optimise the achievement of the intended outcomes
- developing the council's capacity, including the capability of its leadership and the individuals within it
- managing risks and performance through robust internal control and strong public financial management

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<sup>1</sup> The CIPFA / SOLACE (Chartered Institute of Public Finance and Accountancy / Society of Local Authority Chief Executives and Senior Managers) framework "Delivering Good Governance in Local Government".



- implementing good practices in transparency, reporting, and audit to deliver effective accountability

Our Local Code was reviewed and approved by Governance Committee on 18 March 2025 and can be accessed through this hyperlink [here](#).

### **3. The Council's Governance Framework**

The governance framework comprises the systems, processes, culture and values by which we direct and control our activities including those by which we account to, engage with and lead the community. It enables us to monitor how we are achieving our long-term aims and to demonstrate where this has led to improved services that are delivering value for money. The council has responsibility for ensuring that there is a sound system of governance.

The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot remove all risk of failing to achieve our priorities and aims, so it can only offer reasonable protection. It is based on an ongoing process that is designed to:

- Identify and prioritise the risks that could prevent us achieving our aims and objectives
- Assess the likelihood and impact of the risk occurring
- Manage the risks efficiently, effectively and economically.

The local code should enable members to satisfy themselves that council has processes, systems and checks which ensure our objectives are being met lawfully, in accordance with the corporate and medium term financial strategies and in a way that demonstrates value for money. The framework is the basis for the decision-making structures, compliance with it enables members to have sufficient information to test recommendations and to make a reasonable, evidence based decisions.

We must demonstrate our commitment to good governance through honest self-assessment and regularly reviewing how we can be better, using the governance framework to self-identify issues and improvements and take steps to implement them quickly.

## **Values of good governance**

The Council also promotes and demonstrates the values of good governance by upholding high standards of conduct and behaviour. The following strong arrangements are in place to ensure that appropriate standards of behaviour are maintained:

Codes of Conduct (Members and Officers)

Member Officer Protocol

Suite of HR policies

Suite of Counter Fraud Policies- reviewed annually

## **4. How we review the effectiveness of the Governance Framework**

This section identifies the structures, committees bodies and officer roles which serve to review the appropriateness of the governance arrangements and their application.

The Council has a responsibility to keep the effectiveness of its governance arrangements under review to ensure continuous improvement. This review is informed by the work of the Governance Committee supported by management, internal and external auditors and other review agencies.

**Governance Committee** - The Governance Committee provides member oversight and scrutiny of the Council's business controls. The Governance committee undertakes all of the core functions of an audit committee as identified in the relevant CIPFA guidance. During 2023, an assessment of the skills and knowledge of the Committee was undertaken, and bespoke training delivered to Committee members by CIPFA in October 2023.

In January 2025, the effectiveness of the Governance Committee was measured against CIPFA's Audit Committees – Practical Guidance for Local Authorities and Police 2022 and the committee reaffirmed its commitment to further training and development. The Committee were supportive of the proposal to recruit an independent person with suitable experience to provide additional support.

**The Standards Committee** has responsibility for consideration of standards complaints under the Council's Code of Conduct for Members and hears complaints which have warranted investigation.

**Shared Services Joint Committee** - The Joint Committee monitors service performance of the shared services partnership between South Ribble Borough and Chorley Councils and is a good example of our effective governance of partnerships.

### **Scrutiny Committees**

The Community and External Scrutiny Committee has continued to play an active role in the business of the Council, holding the Executive to account and assisting in the development of Policy.. It was Chaired by a councillor who is member of a minority party.

The Corporate, Performance and Budget Scrutiny Committee meets to challenge and comment on the quarterly performance and budget monitoring reports prior to consideration by Cabinet as part of our new rigorous Performance Management Framework, and feeds into the budget cycle.

### **Member Training**

The Council holds the North West Employers Member Development Charter and has a cross-party Member Development Group that takes an overview of Member training and development. A Member Personal Development Planning is now embedded with member PDP's being completed.

During the year all Member training was provided a number of different topics and Member briefings held to support member understanding of council business.

Members have also attended a number of external training courses and conferences via the LGA and other providers.

### **Management Team / Leadership Team**

Following a period of transition all Director roles have now been appointed to, meaning a full membership of the Senior Management Team. Similarly, the Senior Leadership Team has only one vacancy which has been recruited to. This should provide a period of stable management for the council.

### **Head of Paid Service**

The Chief Executive is the Head of paid service and member of the Senior Management Team, in addition the Deputy Chief Executive Role has been appointed to providing support to the Chief Executive and greater organisational resilience.

## **Section 151 Officer / Director of Finance**

The Director of Finance/ Section 151 Officer is a member of the Senior Management Team.

## **Statutory Regulation / Monitoring Officer**

This role is fulfilled by the Director of Governance who is also a member of the Senior Management Team.

## **Corporate Governance Group / Officer arrangements**

In developing this Annual Governance Statement, the council's senior officers have worked collectively to understand and assess the effectiveness of the implementation of the council's governance framework. This work has been overseen by a Corporate Governance Group comprising:

- Chief Executive
- Deputy Chief Executive
- Director of Governance (Monitoring Officer)
- Director of Finance S151 Officer
- Director Change and Delivery
- Head of Audit and Risk

The Corporate Governance Group (CGG) have worked with the council's Senior Management Team who have individually produced and collectively reviewed service assurance statements which assess compliance with and understanding of the council's governance framework. This assessment has supported the production of this document.

It is also important to note the ongoing role that a council's senior officers have in ensuring that good governance is enacted in the working of the organisation.

The CGG terms of reference have been developed. These now ensure greater accountability of Heads of Service for their responsibilities to the governance environment. Whilst the Director of Governance will continue to be responsible for maintaining and monitoring the governance framework, the CGG will support the drive for its embedding in the organisation.

### **Service Assurance Statement**

The Service Assurance Statement procedure enables directors and heads of service to review the governance environment in their own services. Different approaches to this exercise have been taken to this process including paper questionnaires, email questionnaires and on-line completion. In response to feedback and the roll out of new software a group session was arranged with all directorates completing the exercise using a voting system. Heads of Service with responsibility for different governance areas, introduced each section and provided information of what a “strong” response would look like. Directorates discussed their services performance and with Heads completing the voting individually. The performance data was provided live and there was a group discussion where good practice was shared and common barriers to compliance highlighted.

The responses were then collated to identify corporate areas of non compliance which have been included in the AGS as improvement actions.

### **Programme Board**

A corporate programme board continues to meet quarterly to review and monitor the performance of the Corporate Strategy projects and performance measures ahead of reporting to Cabinet. The board is made up of the Senior Management Team as those accountable for overall programme delivery and ensuring compliance with the Performance Management Framework. The board receive an update report highlighting issues, concerns and risks by exception. The board will discuss issues and identify solutions before cascading directions back to project managers and teams.

### **Data Security / Information Governance**

The Data Protection Officer function is fulfilled by the Director of Governance. The Senior Information Risk Owner is the Director (Customer and Digital).

The Information Security Council consisting of the SIRO, DPO, Head of ICT, Customer and Digital and recently recruited Cyber Security Officer oversees data security, information governance and compliance. The terms of reference have been refreshed to ensure clear responsibility lines are established. The ISC will work with the Senior Leadership Team to monitor performance and assess development and training needs.

### **Organisational Development**

The HR Hub has brought together in one place both the OD strategy and wider eLearning opportunities making it easier to manage and identify gaps in staff's knowledge and / or experience but also a framework to address them. Greater use of the system has been developed with Managers able to monitor completion of mandatory training within their teams.

There has been a noticeable improvement in completion of mandatory training demonstrating that the enhanced monitoring arrangements have improved performance.

### **Corporate Complaints / Local Ombudsman**

The Council are aware of 3 complaints which were made to the Local Government Ombudsman in the year 2023/24. Of the complaints 1 was upheld and addressed and the other two were not investigated

### **External Audit**

The Council receive regular reports on elements of its internal control environment, including performance management, risk management, financial management and governance.

The most recent external examination which concluded with the publication of the Auditors report on the 13<sup>th</sup> February 2025, involved the Councils Annual statement of Accounts which was positive

### **Approach to Risk Management**

Significant work has been undertaken to develop the council's approach to risk management. Internal Audit have provided further training and assistance to teams on the use of GRACE, the Council's risk management system, In addition there is evidence that directorates are reviewing their risks and the Corporate Governance Group are also reviewing that risk reviews are being undertaken.

A Risk Appetite Escalation process has been produced to support the Risk Management Strategy and provides guidance to staff on both scoring risks and corporate ownership of red rated residual risks which will be required to be reported to SMT for agreement.

An annual report on Risk Management is due to be presented to the Governance Committee on 27 May 2025.

### **Internal Audit and the Head of Audit Opinion**

Internal Audit is responsible for providing assurance on the quality and effectiveness of the system of governance and internal control. A risk based Internal Audit Plan is produced. The reporting process for Internal Audit requires a report of each audit to be submitted to the relevant service. This report includes recommendations for improvements that are included within a Management Action Plan and require agreement or rejection by service managers.

The Internal Audit Annual Report contains a statement/ judgement on overall levels of internal control (a view based on the relative significance of the systems reviewed during the year, in the context of the totality of the control environment).

The Annual Internal Audit report contains the following opinion from the Head of Internal Audit:

**Based on the work undertaken and evidence available to Internal Audit including other sources of assurance, it is considered that the overall adequacy and effectiveness of the Councils governance, risk management and control processes are adequate for the financial year ended 31<sup>st</sup> March 2025.**

Whilst there is a generally sound system of internal control designed to meet the service objectives, and controls are generally being applied consistently, there is evidence of weaknesses in the design and / or inconsistent application of controls in some areas which put the achievement of particular objectives at risk.

## 5. Governance Environment

Significant progress has been made in the last 12 months in embedding improvements to the Governance Environment of the council. Implementation rates of Internal Audit Management Actions and AGS Improvement Actions have improved, demonstrating a commitment by the organisation to strong governance and compliance. This improvement is reflected in the proposed actions detailed in this section.

However, it must be recognised that there continue to be issues which need to be addressed. Assurance can be taken that these are increasingly isolated both in terms of frequency and organisationally, but these failings continue to have potentially serious consequences for the council.

### AGS Management Actions 2024/25

Theme	Areas of Identified Failings	Suggested Improvement	Current Position
Procurement	New procurement legislation	<p>A project team to assess and update Contract Procedure Rules (CPR) in line with new legislation.</p> <p>CPRs to be relaunched with training and awareness.</p> <p>Procurement Strategy to be developed.</p>	<p>CPRs have been updated and adopted by both Council's and have been incorporated into the wider Constitution review.</p> <p>Basic training in respect of the CPR's has been issued.</p>
GDPR	ROPA outdated	<p>Ensure ROPA is reviewed and accurate.</p> <p>Implement process to ensure accuracy is maintained.</p>	<p>The ROPA has been circulated along with additional completion advice provided.</p>



Training	Governance essentials	Governance Essentials training to be delivered to manager network. (below SLT Level)	Training programme has been developed and will be delivered as part of the Manager Network throughout 2025.
		Governance Essentials training to be delivered prior to SLT meetings.	Training programme has been developed and has commenced.
Project Management	Lack of awareness of project management	Project Management Framework to be reviewed and relaunched with training and awareness.	The Project Management Framework has been reviewed and agreed for imminent relaunch.
Policy/guidance accessibility	Lack of awareness of policies	Agree corporate approach for the centralised location of all key policies. Ensure most up to date versions are accessible and old versions removed. Re-launch policy of the month (or other method of communicating) to raise awareness of policy and requirements.	Policies are contained in defined locations on the Council's intranet. A review of the internet demonstrated policy awareness.
Impact Assessments	Lack of compliance with equality legislation	Training and awareness of equality legislation. Monitoring of Impact Assessment to ensure completion and actions implemented.	An Equality Strategy has been developed and monitoring of Impact Assessments undertaken.

Customer complaints / Access Charter	Lack of formal process / lack of awareness	Implement a corporate approach to customer complaints. Raise awareness of customer access charter	A Customer Access Charter and Feedback Policy is now available. Mandatory training is provided for officers who have regular contact with customers.
Communications	Communication Strategy	Strategies to be reviewed and updated.	Campaign communication plans and branding guidelines are in place. Overarching communication plans will be developed for 2025/26 incorporating a communication strategy, campaigns and protocols.
Policy review	A process is required to document review of policies	A procedure has been developed and is being implemented as a digital process.	The online repository has been developed with workflows developed to support ongoing policy management. An audit of all policies has been undertaken to assess dates and gaps. Policies will be transferred to new corporate templates with version control and uploaded to the repository. More work is required to document the process and

			create a monitoring and reporting schedule.
Contract Management Procurement	/Ownership of process need to be allocated to single team/officer	Procurement to review existing controls and take on co-ordination role and development of linking process for allocation and monitoring of contracts.  Work to be tied to requirements of new Procurement Act.	The service have reviewed existing controls but will acquire a contract management system to assist with Procurement Act compliance.
Constitution	Requires updating	Scheme of delegation has been reviewed and will be approved shortly. Contract Procedure Rules/ Financial Procedure Rules will be updated to address the Procurement Act changes.	A review of the Constitution has been completed and will be presented for approval in the next few weeks.
Transparency Code	Revisit publication of data to ensure compliance.	In particular the council's publicised asset register. The council are updating their asset software which will ensure correct publication.	New asset management software has been used to publish the Council's asset register.

Out of the 12 actions agreed for 2024/25 , 7 have been implemented in full. 5 actions are partially implemented, and further work is required to complete and embed processes to fully mitigate the risk. These have been carried forward to the 2025/26 action plan and are outlined in the Improvement Actions table below.

### Improvement Actions

2025 AGS Actions	Findings	Action	Timescale
GDPR UK/Data Protection	Embed processes for maintaining the ROPA, data security, retention and deletion	Ensure compliance with all aspects of the GDPR UK/Data Protection (ROPA, data security/retention/deletion). Implement process to ensure compliance is maintained.	To be completed by Quarter 3
Digital Strategy	Joint Digital Strategy is at the end of its term	To review and update the Joint Digital Strategy.	To be completed by the end Quarter 2.
Project Management	Lack of awareness of project management	The Project Management Framework has been reviewed and agreed for imminent relaunch.	Presented to SMT 23.04.2025. Launch to SLT through Brilliant Governance session on 3 June.
Communications	Communication Strategy	Overarching communication plans to be developed for 2025/26 incorporating a communication strategy, campaigns and protocols.	Will be presented to SMT on 28 May.

Policy review	A process is required to document review of policies	Policies will be transferred to new corporate templates with version control and uploaded to the repository. The process will be documented and a monitoring and reporting schedule created.	To be fully implemented by Q3 2025/26. Interim process agreed by SMT 30.04.2025.
Contract Management Procurement	Improve and embed contract management processes	Implement a new contract management system and deliver a programme of system training for officers within procurement and contract management responsibilities.	To be implemented by the end of Quarter 2. Ongoing discussions with providers/neighbouring councils.

## 6. Conclusion

The council is fully committed to ensuring that its governance arrangements are and continue to be as robust as possible. Whilst there are a number of issues identified actions are being taken to ensure they are addressed. As part of that process the council will monitor implementation of all actions set out in our Action Plan.



.....  
Leader of the Council

.....  
Chief Executive

Date: .....

On behalf of the Members and Senior Officers of South Ribble Borough Council

## **GLOSSARY**

Annual Audit Letter	An External Audit report presented to Council and containing the findings of the Audit Commission's work. It is a requirement of the Code of Practice for Auditors.
Assurance	An evaluated opinion based on evidence and gained from review.
CIPFA	Chartered Institute of Public Finance and Accountancy
Control Environment System of Internal Control	Comprises the organisation's policies, procedures and operations in place to : Establish and monitor the achievement of the organisation's priorities; Identify, assess and manage the risks to achieving the organisation's objectives; Facilitate policy and decision making; Ensure the economical, effective and efficient use of resources; Ensure compliance with policies, legislation and regulations; Safeguard the organisation's assets; Ensure the integrity and reliability of information, accounts and data.
Corporate Governance	Corporate governance is the system by which local authorities direct and control their functions and relate to their communities.
SOLACE	Society of Local Authority Chief Executives

## **Glossary of Terms**

### **Accounting Policies**

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

### **Accruals Basis**

The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

### **Agency Services**

These are services that are performed by or for another Authority or public body, where the principal (the Authority responsible for the service) reimburses the agent (the Authority carrying out the work) for the costs of the work.

### **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 UK LLP is the council's appointed Auditor.

### **Balances**

The balances of the Authority represent the accumulated surplus of income over expenditure on any of the Funds.

### **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**

This is 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 Charges**

This is the annual charge to the revenue account in respect of interest and principal repayments and payments of borrowed money, together with leasing rentals.

### **Capital Financing Requirement (CFR)**

CFR is a measure of the capital expenditure historically incurred by the Authority that has yet to be financed. This will be discharged by future charges to the revenue account. In determining Council Tax charges, authorities have to make a specific provision for the financing of capital

expenditure. The outstanding amount for which provision has to be made is known as the Capital Financing Requirement.

### **Capital Receipts**

Income received from the sale of land or other capital assets, a proportion of which may be used to finance new capital expenditure, subject to the provisions contained within the Local Government Act 2003.

### **Carrying Amount**

The Balance Sheet value recorded of either an asset or a liability.

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

CIPFA is the leading professional accountancy body for public services.

### **Code of Practice on Local Authority Accounting in the United Kingdom (The Code)**

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

### **Collection Fund**

The council as a billing authority has a statutory obligation to maintain a separate Collection Fund. This shows the transactions of the council 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.

### **Community Assets**

These are non-current assets that the council intends to hold in perpetuity which have no determinable finite useful life and, in addition, may have restrictions on their disposal. Examples include parks and historical buildings not used for operational purposes.

### **Contingency**

This is money set aside in the budget to meet the cost of unforeseen items of expenditure, or shortfalls in income, and to provide for inflation where this is not included in individual budgets.

### **Contingent Liabilities or Assets**

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

### **Council Tax**

A local tax on residential properties within the council's area, set by the charging (South Ribble Borough Council) and precepting authorities. The level is determined by the revenue expenditure requirements for each authority divided by council tax base for the year.

### **Council Tax Base**

The amount calculated for each billing authority from which the grant entitlement of its share is derived. 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, specific grants and any funding from reserves.

**Creditors**

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

**Current Service Cost**

Current Service Cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e. the ultimate pension benefits "earned" by employees in the current year's employment.

**Current Value**

The current value of an asset reflects the economic environment prevailing for the service or function the asset is supporting at the reporting date.

**Curtailment**

Curtailments will show the cost of the early payment of pension benefits if any employee has been made redundant in the previous financial year.

**Debtors**

These are sums of money due to the council that have not been received at the date of the Balance Sheet.

**Deferred Capital Receipts**

These represent capital income still to be received after disposals have taken place and wholly consists of amounts due in relation to Finance Leases.

**Defined Benefit Scheme**

This is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

**Depreciation**

This is the measure of the wearing out, consumption, or other reduction in the useful economic life of property plant and equipment assets.

**Derecognition**

Financial assets and liabilities will need to be removed from the Balance Sheet once performance under the contract is complete or the contract is terminated.

**Discounts**

Discounts represent the outstanding discount received on the premature repayment of Public Works Loan Board loans. In line with the requirements of the Code, gains arising from the repurchase or early settlement of borrowing have been written back to revenue. However, where the repurchase or borrowing was coupled with a refinancing or restructuring of borrowing with substantially the same overall economic effect when viewed as a whole, gains have been recognised over the life of the replacement loan.

### **Earmarked Reserves**

The council holds a number of reserves earmarked to be used to meet specific, known or predicted future expenditure.

### **External Audit**

The independent examination of the activities and accounts of Local Authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Authority has made proper arrangements to secure value for money in its use of resources.

### **Fair Value**

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.

### **Finance Lease**

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

### **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'financial instrument' covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

### **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.

### **General Fund**

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

### **Highways Network Asset**

A grouping of interconnected components, expenditure on which is only recoverable by continued use of the asset created, i.e. there is no prospect of sale or alternative use. Components include carriageways, footways and cycle tracks, structures, street lighting, street furniture, traffic management systems and land. District Council's such as South Ribble Borough Council rarely hold such assets as they are not Highways Authorities.

### **Housing Benefit**

This is an allowance to persons receiving little or no income to meet, in whole or part, their rent. Benefit is allowed or paid by Local Authorities but Central Government refunds part of the cost of the benefits and of the running costs of the services to Local Authorities. Benefits paid to an Authority's own tenants are known as rent rebate and that paid to private tenants as rent allowance.

### **Impairment**

A reduction in the value of assets below its value brought forward in the Balance Sheet. Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in a fixed asset's market value and evidence of obsolescence or physical damage to the asset.

### **Infrastructure Assets**

Fixed Assets which generally cannot be sold and from which benefit can be obtained only by continued use of the asset created. Examples of such assets are highways, footpaths, bridges and water and drainage facilities.

### **Intangible Assets**

These are assets that do not have physical substance but are identifiable and controlled by the council. Examples include software, licenses and patents.

### **International Financial Reporting Standard (IFRS)**

Defined Accounting Standards that must be applied by all reporting entities to all financial statements in order to provide a true and fair view of the entity's financial position, and a standardised method of comparison with financial statements of the other entities.

### **Inventories**

Amounts of unused or unconsumed stocks held in expectation of future use. Inventories are comprised of the following categories:

- Goods or other assets purchased for resale
- Consumable stores
- Raw materials and components
- Products and services in intermediate stages of completion
- Finished goods

### **Investment Properties**

Property, which can be land or a building or part of a building or both, that is held solely to earn rentals or for capital appreciation or both, rather than for operational purposes.

### **Joint Venture**

A joint venture is a joint arrangement whereby the parties who have joint control of the arrangement have rights to the net assets of the arrangement.

### **Leasing Costs**

This is where a rental is paid for the use of an asset for a specified period of time. Two forms of lease exist: finance leases and operating leases.

### **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 (MTFS)**

This is a financial planning document that sets out the future years financial forecasts for the council. It considers local and national policy influences and projects their impact on the general fund revenue budget, and capital programme. At South Ribble Borough Council this usually covers a three year timeframe.

### **Minimum Revenue Provision (MRP)**

The council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge. MRP is the minimum amount which must be charged to an Authority's revenue account each year and set aside as provision for credit liabilities, as required by the Local Government and Housing Act 1989 and calculated in accordance with The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.

### **Ministry for Housing, Communities and Local Government (MHCLG)**

MHCLG is a Central Government department with the overriding responsibility for determining the allocation of general resources to Local Authorities.

### **Non-Domestic Rate (NDR) (also known as Business Rates)**

NDR is the levy on business property, based on a national rate in the pound applied to the 'rateable value' of the property. The Government determines national rate poundage each year which is applicable to all Local Authorities.

### **Net Book Value (NBV)**

The amount at which non-current assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

### **Net Realisable Value (NRV)**

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

### **Operating Lease**

This is a type of lease, usually of computer equipment, office equipment, furniture, etc. where the balance of risks and rewards of holding the asset remains with the lessor. The asset remains the property of the lessor and the lease costs are revenue expenditure to the Authority.

### **Precept**

The amount levied by various Authorities that is collected by the council on their behalf. The major precepting Authorities in South Ribble are Lancashire County Council, the Police and Crime Commissioner for Lancashire, and the Lancashire Combined Fire and Rescue Authority. Parish precepts are also collected on behalf of a number of Parish and Town Councils in the area.

### **Premiums**

These are discounts that have arisen following the early redemption of long term debt, which are written down over the lifetime of replacement loans where applicable.

**Prior Period Adjustments**

These are material adjustments which are applicable to an earlier period arising from changes in accounting policies or for the correction of fundamental errors.

**Property, Plant and Equipment (PPE)**

PPE are tangible assets (i.e. assets that have physical substance) that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and are expected to be used during more than one year.

**Provisions**

Amounts set aside to meet liabilities or losses which it is anticipated will be incurred but where the amount and/or the timing of such costs are uncertain.

**Public Works Loan Board (PWLB)**

An arm of Central Government which is the major provider of loans to finance long term funding requirements for Local Authorities.

**Related Parties**

Related parties are Central Government, other Local Authorities, precepting and levying bodies, subsidiary and associated companies, Elected Members, all senior officers from Director and above and the Pension Fund. For individuals identified as related parties, the following are also presumed to be related parties:

- members of the close family, or the same household; and
- partnerships, companies, trusts or other entities in which the individual, or member of their close family or the same household, has a controlling interest.

**Remeasurement of the Net Defined Benefit Liability**

Remeasurement of the Net Defined Benefit Liability (asset) comprises:

- b) actuarial gains and losses
- c) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset), and
- d) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

**Reporting Standards**

The Code of Practice prescribes the accounting treatment and disclosures for all normal transactions of a Local Authority. It is based on International Financial Reporting Standards (IFRS), International Standards (IAS) and International Financial Reporting Interpretations Committee (IFRIC) plus UK Generally Accepted Accounting Practice (GAAP) and Financial Reporting Standards (FRS).

**Regulation(s)**

Various Acts of Parliament, Statutory Instruments and Bills that require local authorities to account for transactions in a particular way which might depart from proper accounting practice, IFRS or other Reporting Standards.

**Reserves**

Amounts set aside to help manage future risks, to provide working balances or that are earmarked for specific future expenditure priorities.

**Revaluation Reserve**

The Revaluation Reserve records the accumulated gains on the non-current assets held by the Authority arising from increases in value as a result of inflation or other factors (to the extent that these gains have not been consumed by subsequent downward movements in value).

**Revenue Support Grant**

The main Government grant paid to local authorities. It is intended to adjust for differences in needs between areas so that, if all local authorities were to spend at the level which the Government assess that they need to spend, the council tax would be the same across the whole country.

**Revenue Expenditure Funded From Capital Under Statute (REFCUS)**

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

**Royal Institution of Chartered Surveyors (RICS)**

The Royal Institution of Chartered Surveyors (RICS) is a professional body that accredits professionals within the land, property and construction sectors worldwide.

Members holding RICS qualifications may use the following designations after their name: MRICS (Member), FRICS (Fellow), AssocRICS (Associate). Those with the designation MRICS or FRICS are also known as chartered surveyors.

**Service Reporting Code of Practice (SeRCOP)**

Prepared and published by CIPFA, the Service Reporting Code of Practice (SeRCOP) is reviewed annually to ensure that it develops in line with the needs of modern Local Government, Transparency, Best Value and public services reform. SeRCOP establishes proper practices with regard to consistent financial reporting for services and in England and Wales, it is given legislative backing by regulations which identify the accounting practices it propounds as proper practices under the Local Government Act 2003.

**Treasury Management**

This is the process by which the Authority controls its cash flow and its borrowing and lending activities.

**Treasury Management Strategy (TMS)**

A strategy prepared with regard to legislative and CIPFA requirements setting out the framework for treasury management activity for the council.

**Voluntary Revenue Provision**

The council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision - MRP), although it is also allowed to undertake additional voluntary payments if required, this is the Voluntary Revenue Provision (VRP).